



**DOCUMENT RECEIPT**  
**Hawaii Association of REALTORS® Standard Form**  
**Revised 12/17 (NC) For Release 11/18**



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Purchase Contract Reference Date: 03/20/2019

Property Reference or Address:

255 Beachwalk, Regency on Beachwalk 71, Honolulu, Hawaii 96815

Tax Map Key: Div. 1 /Zone 2 /Sec. 6 /Plat 003 /Parcel 014 /CPR 0034 (if applicable).

**Condominium/Cooperative/Subdivision/PUD/Homeowner/Planned Community Association Documents.**

**Fill in dates and document identification details.**

Name of Association \_\_\_\_\_

- ☒ Approved Minutes of the last three (3) Board of Directors Meetings \_\_\_\_\_
- ☐ Articles of Incorporation/Association and Amendments Business Registration \_\_\_\_\_
- ☒ By-Laws and Amendments \_\_\_\_\_
- ☐ Copy of any and all pending litigation complaints filed by or against the Owner's Association and/or its directors that are currently unresolved, if any \_\_\_\_\_
- ☐ Covenants, Conditions, Restrictions (CC&R's/DPP's) \_\_\_\_\_
- ☒ Current Financial Statement \_\_\_\_\_
- ☒ Current and/or Proposed Budget \_\_\_\_\_
- ☒ Current House Rules and Revisions/Amendments \_\_\_\_\_
- ☒ Declaration and Amendments \_\_\_\_\_
- ☐ Design Standards and/or Guidelines \_\_\_\_\_
- ☒ Insurance Summary \_\_\_\_\_
- ☐ Lender's Disclosures, if obtainable \_\_\_\_\_
- ☒ Minutes of the last Annual Meeting \_\_\_\_\_
- ☐ Planned Community Documents \_\_\_\_\_
- ☒ Project Information Form \_\_\_\_\_
- ☒ Reserve Study or Summary \_\_\_\_\_
- ☐ Subdivision and/or title documents \_\_\_\_\_
- ☒ Other: Maintenance Fees and Special Assessment Letter \_\_\_\_\_
- ☒ Other: Flood Insurance \_\_\_\_\_
- ☐ Other: \_\_\_\_\_
- ☐ Other: \_\_\_\_\_

**Reports and Other Documents: Fill in dates and document identification details.**

- ☐ Building Permit Packet \_\_\_\_\_
- ☐ Rental. Check applicable items: ☐ Property Condition Form ☐ Rental Agreement ☐ Property Management Contract(s)
- ☐ ☐ Short Term Vacation Rental Reservation(s) ☐ Other: \_\_\_\_\_
- ☒ Inventory of Furniture and Furnishings \_\_\_\_\_
- ☒ Preliminary Title Report \_\_\_\_\_
- ☐ Residential Leasehold Disclosure \_\_\_\_\_
- ☐ Survey Report \_\_\_\_\_
- ☐ Termite Inspection Report (TIR) \_\_\_\_\_
- ☐ Other: \_\_\_\_\_
- ☐ Other: \_\_\_\_\_
- ☐ Other: \_\_\_\_\_
- ☐ Other: \_\_\_\_\_

BUYER/BUYER'S REPRESENTATIVE'S INITIALS & DATE \_\_\_\_\_

BUYER/BUYER'S REPRESENTATIVE'S INITIALS & DATE \_\_\_\_\_



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**RECEIPT:**

*The undersigned acknowledges receipt of the above checked documents and agrees to return all hard copy documents in a timely manner should the transaction be terminated for any reason by either Buyer or Seller. Receipts required in Sections I or M of the Purchase Contract shall be retained by Seller for a period of 3 years.*

\_\_\_\_\_  
Buyer/Buyer's Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Buyer/Buyer's Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**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. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).



**RECEIPT OF PROJECT INFORMATION**  
**Hawaii Association of REALTORS® Standard Form**  
**Revised 12/17 (NC) For Release 11/18**



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Property Reference or Address: 255 Beachwalk, Regency on Beachwalk 71, Honolulu, Hawaii 96815

Tax Map Key: Division 1 /Zone 2 /Sec. 6 <sup>("Project")</sup> /Plat 003 /Parcel 014 /CPR 0034 (if applicable).

By signing below, Buyer acknowledges and agree that:

1. Buyer has received a copy of the Project Information Form dated 03/19/2019.
2. The information contained in the Project Information 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. Buyer is advised that Buyer 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.
4. If the Managing Agent has marked "NTMK" in response to any questions, Buyer recognizes that this does not mean there may not be a defect which an expert could discover, or the passage of time would reveal. Likewise, Buyer recognizes that a problem may be more serious than the Managing Agent knows.
5. The information contained in the Project Information Form is not a warranty of any kind by Seller, the Managing Agent, or any Brokerage Firm or any 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. 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).



**MINUTES OF THE MEETING OF THE BOARD OF  
DIRECTORS OF REGENCY ON BEACHWALK  
Outrigger Hotels Hawaii Executive Offices  
March 2, 2018 – immediately after the Annual Owners Meeting**

**I. Call to Order**

The meeting was called to order.

**II. Roll Call and Confirmation of Notice/Quorum**

Present in person or by teleconference:

David Robinson	President
Henry Perez	Vice President
Bob Berges	Secretary/Treasurer
George Bloomfield	Director
Grant Langton	Director

Excused: All Directors were present.

Present in person or by teleconference from Hawaii Vacation Condos, LLC. were:

Bruce Schneider, VP of HVC, LLC  
Walter Tolentino, GM  
Susan Taraya, Condominium AOA Services Manager

The Managing Agent confirmed that the notice dated January 29, 2018 was properly provided to all directors and posted at the Project in two conspicuous locations meeting the 72-hour notice requirement.

**III. Approval of Minutes**

The Minutes of the Board of Directors Meetings of July 20, 2017 and November 21, 2017 were approved as submitted by general consensus.

**V. Reports**

**A) Manager's Report**

Mr. Tolentino provided a verbal report and indicated that the major topics would be reviewed as presented in the agenda.

**B) Treasurer's Report**

Financials year-to-date through January, 2018 were provided in the board packet and the directors were given the opportunity to ask any questions.

The financials were filed subject to audit.

The managing agent reported that the Association did not have any delinquencies over 30 days.



## **VI. Unfinished Business**

### **A) Ratify email motions**

A motion was made by Director Berges to ratify the following email motions made between meetings:

Moved to approve an expenditure not to exceed \$4,000 without obtaining further approval from the Board President to contract with Carl Shiroma of HKA Elevator Consultants to audit the elevators to be paid from operations.

Moved to approve an expenditure not to exceed \$20,000 without obtaining further approval to contract with Commercial Plumbing to replace the water tank as proposed to be funded from reserves.

Moved to approve the 2018 Annual Budget with an overall increase of 2.82% in maintenance fees.

The motion passed with unanimous support.

### **B) Commercial Plumbing – hot water tank system/boiler**

Upon further inspection, it was found that both tanks were leaking and could not be repaired. It was proposed to replace the tanks as well as the boilers at the same time to create a more energy efficient system (increasing from 82% to 92% efficient) with more redundancy.

A motion was made by Director Perez to contract with Commercial Plumbing to remove both asbestos-lined tanks as well as the current boilers and install four new high efficiency gas water heaters as detailed in the proposal at a cost not to exceed \$59,503 without obtaining further approval from the Board President to be paid from reserves.

The motion passed with unanimous support.

The property manager was instructed to obtain bids on annual service for the heaters.

### **C) Elevator Audit**

The audit was reviewed and the managing agent was instructed to obtain a bid for a project manager.

### **D) Telephone/PBX system**

The proposal was reviewed and the managing agent was instructed to obtain a bid for a 10 year contract.

### **E) Hallway Lighting/ Uplighting**

The project was tabled for the time being.

F) Door and Jamb Replacement

A motion was made by Director Perez to authorize the style of a replacement door manufactured by Thermatru, code CCVF050 to be funded by interested owners.

The motion passed with unanimous support.

**VII. New Business**

A) Insurance Quotes

The managing agent reported that the agents recommended had been contacted and bids would be obtained.

B) Regency on BeachWalk AOA Policy on Insurance Deductibles

The Board approved the proposed Policy on Insurance Deductibles as submitted by general consensus.

**VIII. Next Meeting Date**

The next meeting is scheduled for June 29th, 10:00 am at the Executive Offices.

**IX. Executive Session**

No executive session was held.

**X. Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned.

---

Susan Taraya  
Recording Secretary

**MINUTES OF THE MEETING OF THE BOARD OF  
DIRECTORS OF REGENCY ON BEACHWALK  
Outrigger Hotels Hawaii Executive Offices  
3:00 pm May 8, 2018**

**I. Call to Order**

The meeting was called to order.

**II. Roll Call and Confirmation of Notice/Quorum**

Present in person or by teleconference:

David Robinson	President
Henry Perez	Vice President
Bob Berges	Secretary/Treasurer

Excused:	George Bloomfield	Director
	Grant Langton	Director

Present in person or by teleconference from Hawaii Vacation Condos, LLC. were:

Bruce Schneider, VP of HVC, LLC  
Jim Hill, Regional Director  
Walter Tolentino, GM  
Susan Taraya, Condominium AOA Services Manager

The Managing Agent confirmed that the notice dated April 24, 2018 was properly provided to all directors and posted at the Project in two conspicuous locations meeting the 72-hour notice requirement.

**III. Approval of Minutes**

The Minutes of the Annual Owners Meeting, Organizational Meeting and Board of Directors Meetings of March 2, 2018 were approved as submitted by general consensus.

**V. Reports**

By general consensus, the agenda was amended to discuss the ECS proposal for elevator project management. No action was taken during the discussion.

**B) Manager's Report**

Mr. Tolentino provided a verbal report and indicated that the major topics would be reviewed as presented in the agenda.

**C) Treasurer's Report**

Financials year-to-date through March, 2018 were provided in the board packet and the directors were given the opportunity to ask any questions.

The financials were filed subject to audit.

The managing agent reported that the Association did not have any delinquencies over 30 days.

## **VI. Unfinished Business**

A) Ratify email motions – no email motions were made between meetings.

B) ECS Proposal

A motion was made by Director Berges to accept the proposal from ECS as presented to serve as the project manager for the elevator refurbishment at a cost of \$16,200 to be funded from reserves.

The motion passed with unanimous support.

C) Insurance Quotes

A motion was made by Director Perez to contract with Pacific Insurance Corporation Inc. to provide insurance coverage as required by the condominium documents and law starting in June of 2018.

The motion passed with unanimous support.

The managing agent was instructed to obtain a document from the Associations attorney to document the requirements.

D) Telephone/PBX system

The proposal was reviewed. No action was taken.

E) Hallway Lighting/ Uplighting

The project was tabled for the time being.

F) Door and Jamb Replacement

The managing agent was instructed to obtain a bid from Jade to paint one sample door so that the future cost of repainting all of the doors can be added to the reserve funding requirements.

## **VII. New Business**

A) Cleaning the Walkways

A motion was made by Director Robinson to contract with Gold Star Cleaners to deep clean the walkway carpets per the proposal for \$1,206.28 to be funded from operations.

The motion passed with unanimous support.

**B) Policy on Owner Participation at Board Meetings**

A motion was made by Director Perez to approve the proposed Policy on Owner Participation at Board Meetings as presented.

The motion passed with unanimous support.

**VIII. Next Meeting Date**

The next meeting is scheduled for June 29th, 10:00 am at the Executive Offices.

**IX. Executive Session**

Executive session was held on April 4, 2018 to discuss contracts. No motions were made.

**X. Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned at 4:02 p.m.

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Susan Taraya  
Recording Secretary

**MINUTES OF THE MEETING OF THE BOARD OF  
DIRECTORS OF REGENCY ON BEACHWALK  
Outrigger Hotels Hawaii Executive Offices  
10:00 a.m. June 29, 2018**

**I. Call to Order**

The meeting was called to order at 10:02

**II. Roll Call and Confirmation of Notice/Quorum**

Present in person or by teleconference:

David Robinson	President
Henry Perez	Vice President
Bob Berges	Secretary/Treasurer
George Bloomfield	Director
Grant Langton	Director

Excused: All present

Present in person or by teleconference from Hawaii Vacation Condos, LLC. were:

Bruce Schneider, VP of HVC, LLC  
Walter Tolentino, GM  
Susan Taraya, Condominium AOA Services Manager

The Managing Agent confirmed that the notice dated June 21, 2018 was properly provided to all directors and posted at the Project in two conspicuous locations meeting the 72-hour notice requirement.

**III. Approval of Minutes**

The Minutes of the Annual Owners Meeting, Organizational Meeting and Board of Directors Meetings of May 8, 2018 were approved as submitted by general consensus.

**V. Reports**

**A) Manager's Report**

Mr. Tolentino provided a verbal report and indicated that the major topics would be reviewed as presented in the agenda.

**B) Treasurer's Report**

Financials year-to-date through May, 2018 were provided in the board packet and the directors were given the opportunity to ask any questions.

The financials were filed subject to audit.

The managing agent reported that the Association did not have any delinquencies over 30 days.

## **VI. Unfinished Business**

### **A) Ratify email motions**

By general consensus, the email motion to contract with Otis to drain and abate rust in the elevator pit for \$5,500 to be charged to reserves was ratified.

### **B) Elevator Project**

Robyn Matsumoto from ECS discussed different options for the elevator renovations. The final proposal is to be reviewed by the board before submission to the vendors.

### **C) Door and Seals**

A motion was made by Director Perez to authorize an expenditure not to exceed \$300 to purchase and install a fire stop gasket on the door of unit 75 to test the product before retrofitting all of the doors in the building to meet current code.

The motion passed with unanimous support.

Because the current doors are laminated, they cannot be painted. Further investigation will be required to determine the proper path for replacing the doors.

## **VII. New Business**

### **A) Reserve Study Proposal**

By general consensus, the reserve study proposal from Barrera was approved to provide a financial update only.

A reserve committee was formed with members David Robinson, Henry Perez and Bob Berges to walk the property and make recommendations for the revision.

## **VIII. Next Meeting Date**

The next meeting is scheduled for October 26, 2018 at 10:00 am in the Executive Offices.

## **IX. Executive Session**

No executive session was held.

## **X. Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned at 12:15 p.m.

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Susan Taraya, Recording Secretary

**MINUTES OF THE MEETING OF THE BOARD OF  
DIRECTORS OF REGENCY ON BEACHWALK  
Outrigger Hotels Hawaii Executive Offices  
10:00 a.m. October 26, 2018**

**I. Call to Order**

The meeting was called to order at 10:02

**II. Roll Call and Confirmation of Notice/Quorum**

Present in person or by teleconference:

David Robinson	President
Henry Perez	Vice President
Bob Berges	Secretary/Treasurer
George Bloomfield	Director
Grant Langton	Director

Excused: All present

Present in person or by teleconference were:

Bruce Schneider, VP of HVC, LLC  
Jim Hill, Regional Director, HVC, LLC  
Susan Taraya, Condominium AOA Services Manager  
Robyn Matsumoto, Elevator Consulting Services

The Managing Agent confirmed that the notice dated October 23, 2018 was properly provided to all directors and posted at the Project in two conspicuous locations meeting the 72-hour notice requirement.

**III. Approval of Minutes**

The Minutes of the Board of Directors Meetings of June 29, 2018 and October 5, 2018 were approved as submitted by general consensus.

**V. Reports**

**A) Manager's Report**

Mr. Tolentino provided a written report in his absence. All major topics were to be reviewed as presented in the agenda.

**B) Treasurer's Report**

Financials year-to-date through September, 2018 were provided in the board packet along with a detailed explanation of how funds are balanced in the budgeting process. The directors were given the opportunity to ask any questions.

The financials were filed subject to audit.



The managing agent reported that the Association had one delinquency over 30 days, less the \$2,000. This is a new owner and efforts are being made to resolve this as well as to establish an EFT payment plan.

A motion was made to approve the opening of new investment accounts at Financial Factors and Homestreet Bank. The motion passed with Director Bloomfield abstaining and approval from all other directors.

## **VI. Unfinished Business**

### **A) Ratify email motions**

No motions were made between meetings.

### **B) Elevator Project**

Robyn Matsumoto from ECS discussed different options for the elevator renovations. The final proposal is to be reviewed by the board before submission to the vendors.

### **C) Door, Door Gaskets and Other Fire Safety Information**

By general consensus, the Board determined that as the unit entry doors are not in compliance with the current fire code, they are a high risk item and initial replacement is more properly funded through the Reserves as a common expense. Anticipated expenses were approved in the reserve funding process.

## **VII. New Business**

### **A) Walkway Flooring**

Information was presented for consideration – no motions were made.

### **B) Sprinkler Proposal**

A motion was made to approve the sprinkler replacement proposal from Protech for \$6,762.42 to replace sprinkler heads in the common areas to be charged to operations. The motion was approved unanimously.

### **C) Elevator Fire Alarm System**

A proposal was reviewed. No motions were made.

### **D) Budget**

A motion was made to approve the budget as presented with a 4.57% increase in maintenance fees and to approve a \$300,000 special assessment to be paid over 24 months without interest to cover replacement costs of the elevators. The motion was approved unanimously.

## **VIII. Next Meeting Date**

The next meeting is tentatively scheduled for March 8, 2019 at 10:00 am in the Executive Offices. (note: meeting date was later moved to March 1<sup>st</sup>, 2019 at 10:00 am HST)

**IX. Executive Session**

No executive session was held.

**X. Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned.

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Susan Taraya, Recording Secretary

**MINUTES OF THE MEETING OF THE BOARD OF  
DIRECTORS OF REGENCY ON BEACHWALK  
Outrigger Hotels Hawaii Executive Offices  
10:00 a.m. June 29, 2018**

**I. Call to Order**

The meeting was called to order at 10:02

**II. Roll Call and Confirmation of Notice/Quorum**

Present in person or by teleconference:

David Robinson	President
Henry Perez	Vice President
Bob Berges	Secretary/Treasurer
George Bloomfield	Director
Grant Langton	Director

Excused: All present

Present in person or by teleconference from Hawaii Vacation Condos, LLC. were:

Bruce Schneider, VP of HVC, LLC  
Walter Tolentino, GM  
Susan Taraya, Condominium AOA Services Manager

The Managing Agent confirmed that the notice dated June 21, 2018 was properly provided to all directors and posted at the Project in two conspicuous locations meeting the 72-hour notice requirement.

**III. Approval of Minutes**

The Minutes of the Annual Owners Meeting, Organizational Meeting and Board of Directors Meetings of May 8, 2018 were approved as submitted by general consensus.

**V. Reports**

**A) Manager's Report**

Mr. Tolentino provided a verbal report and indicated that the major topics would be reviewed as presented in the agenda.

**B) Treasurer's Report**

Financials year-to-date through May, 2018 were provided in the board packet and the directors were given the opportunity to ask any questions.

The financials were filed subject to audit.

The managing agent reported that the Association did not have any delinquencies over 30 days.

## **VI. Unfinished Business**

### **A) Ratify email motions**

By general consensus, the email motion to contract with Otis to drain and abate rust in the elevator pit for \$5,500 to be charged to reserves was ratified.

### **B) Elevator Project**

Robyn Matsumoto from ECS discussed different options for the elevator renovations. The final proposal is to be reviewed by the board before submission to the vendors.

### **C) Door and Seals**

A motion was made by Director Perez to authorize an expenditure not to exceed \$300 to purchase and install a fire stop gasket on the door of unit 75 to test the product before retrofitting all of the doors in the building to meet current code.

The motion passed with unanimous support.

Because the current doors are laminated, they cannot be painted. Further investigation will be required to determine the proper path for replacing the doors.

## **VII. New Business**

### **A) Reserve Study Proposal**

By general consensus, the reserve study proposal from Barrera was approved to provide a financial update only.

A reserve committee was formed with members David Robinson, Henry Perez and Bob Berges to walk the property and make recommendations for the revision.

## **VIII. Next Meeting Date**

The next meeting is scheduled for October 26, 2018 at 10:00 am in the Executive Offices.

## **IX. Executive Session**

No executive session was held.

## **X. Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned at 12:15 p.m.

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Susan Taraya, Recording Secretary

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## THE REGENCY ON BEACHWALK

TRADE NAME

GENERAL INFO

OTHER FILINGS

BUY AVAILABLE DOCS

### General Info

TRADE NAME	THE REGENCY ON BEACHWALK
FILE NUMBER	38060 C5
CERTIFICATE NUMBER	4035986
STATUS	Expired
PURPOSE	HOTEL
CATEGORY	NO CATEGORY SELECTED (0)
EXPIRATION DATE	Aug 25, 2010
REGISTRATION DATE	Aug 26, 2005
MAILING ADDRESS	75-5801 ALII DRIVE STE AU2 KAILUA KONA, Hawaii 96740 UNITED STATES
REGISTRANT	<a href="#">ANEKONA ROYAL LLC</a>
AGENT NAME	BRIAN ANDERSON
AGENT ADDRESS	1777 ALA MOANA BLVD STE 226 HONOLULU, Hawaii 96815 UNITED STATES

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## **EXHIBIT "B"**

### **AMENDED BYLAWS OF THE ASSOCIATION OF THE APARTMENT OWNERS OF THE REGENCY ON BEACHWALK**

The following Bylaws shall apply to the condominium project known as "THE REGENCY ON BEACHWALK, herein called the "Project", situate at Waikiki, City and County of Honolulu, State of Hawaii, as described in and created by Declaration of Condominium Property Regime, herein called the Declaration", to be recorded in the Bureau of Conveyances of the State of Hawaii contemporaneously herewith, and to all present and future owners, tenants and occupants of any Apartment of the Project and all other persons who shall at any time use the Project:

#### **ARTICLE I MEMBERSHIP**

Section 1. Qualification. All owners of Apartments in 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 the Apartment ceases for any reason, at which time his membership in the Association shall automatically cease.

Section 2. Place and Conduct of Meetings. Meetings of the Association shall be held at the Project or such other suitable place within the State of Hawaii convenient to the Apartment owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held not later than 180 days after recordation of the first Apartment conveyance; provided forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) of the Project is not sold and recorded at the end of one (1) year, an annual meeting shall be called; provided ten percent (10%) of the Apartment owners so request.

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 the owners of Apartments to which are appurtenant at least twenty-five percent (25%) of the common interests established by the Declaration, 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, at least fourteen (14) days before the date set for such meeting, stating whether it is an annual or special meeting; the authority for the call thereof, the place, day and hour of such meeting and the items on the agenda therefor, in any of the following ways: (i) by delivering it to him personally, or (ii) by leaving it at his Apartment in the Project or at his usual residence or place of business, or (iii) by mailing it, postage prepaid, addressed to him at his address as it appears on the Association's record of ownership. Said notice shall also include the standard proxy form authorized by the Association, if any, which said proxy shall be valid for the meeting to which the notice pertains and its adjournment only. If notice is given pursuant to the provisions of this section, the failure of any Apartment owner to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of any

Apartment owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Quorum. The presence at any meeting in person or by proxy of the majority of Apartment owners shall constitute a quorum, and the acts of a majority of the Apartment owners at any meeting at which a quorum is present shall be the acts of the Association except as otherwise provided herein: The term "majority of Apartment owners" herein means the owners of Apartments to which are appurtenant more than fifty percent (50%) of the common interest as established by the Declaration, and any other specified percentage of the Apartment owners means the owners of Apartments to which are appurtenant such percentage of the common interests.

Section 7. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each Apartment is entitled shall be the percentage of the common interest assigned to such Apartment in the Declaration. Votes may be cast in person or by proxy by the respective Apartment owners as shown in the record of ownership of the Association. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any Apartment owned or controlled by him in such capacity; whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such Apartment in such capacity. The vote for any Apartment owned of record by two (2) 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. Votes allocated to any area which constitutes a common element under Section 514A-13(h) HRS, shall not be cast at any Association meeting, whether or not it is so designated in the Declaration.

Section 8. Proxies and Pledges.

(a) A proxy, to be valid, must:

(1) Be delivered to the Secretary of the Association or the Managing Agent no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains;

(2) Contain at least: the name of the Association, the date of the meeting of the Association, the printed name and signature of the person or persons giving the proxy, the Apartment or Apartments for which the proxy is given, the printed name of the person or entity to whom the proxy is given, and the date that the proxy is given;

(3) Contain boxes wherein the owner has indicated that the proxy is given:

(i) For quorum purposes only;

(ii) To the individual whose name is printed on a line next to this box;

(iii) To the Board of Directors as a whole and that the vote be made on the basis of the preference of the majority of the Board of Directors; or

(iv) To those directors present at the meeting and the vote to be shared with each member of the Board of Directors receiving an equal percentage.

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

(c) No Board of Directors or member of the Board of Directors shall use Association funds to solicit proxies except for the distribution of proxies as set forth in section 514A-82(b)(4) HRS; provided that this shall not prevent, an individual member of the Board of Directors from soliciting proxies as an Apartment owner under Section 514A-82(b)(4) HRS.

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

(e) Nothing in this section shall affect the holder of any proxy under a first mortgage of record encumbering an Apartment or under an agreement of sale affecting an Apartment.

Section 9. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the Apartment owners present, whether or not a quorum be 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 directors.
- (g) Unfinished business.
- (h) New business.

Section 11. Documents of the Association of Apartment Owners. (a) The Association's most current financial statement and minutes of the Board of Directors' meetings, once approved, shall be available to any owner at no cost or on twenty-four hour loan, at a convenient location designated by the Board of Directors.

(b) Minutes of meetings of the Board of Directors and the Association for the current and prior year shall be available for examination by Apartment owners at convenient hours at a place designated by the Board of Directors. Minutes of meetings shall include the



recorded vote of each member of the Board of Directors on all motions except motions voted on in executive session. Copies of meeting minutes shall be provided to any owner upon the owner's request provided that the owner pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

(c) Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers, insurance policies, contracts, and invoices of the Association for the current and prior year and delinquencies of ninety days or more shall be available for examination by Apartment owners at convenient hours at a place designated by the Board of Directors; provided:

(1) That the Board of Directors may require owners to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the Association or its members or both; and

(2) That owners pay for administrative costs in excess of eight hours per year. Copies of these items shall be provided to any owner upon the owner's request, provided that the owner pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

(d) Owners shall also be permitted to view proxies, tally sheets, ballots, owners' check-in lists, and the certificate of election for a period of thirty days following any Association meeting; provided:

(1) That the Board of Directors may require owners to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interest of the Association or its members or both; and

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

(e) Owners may file a written request with the Board of Directors to examine other documents. The Board of Directors shall give written authorization or written refusal with an explanation of the refusal within thirty calendar days of receipt of the request.

Section 12. Audits. (a) The Association shall require a yearly audit of the Association's financial accounts and no less than one yearly unannounced verification of the Association's cash balance by a public accountant; provided that the yearly audit and the yearly unannounced cash balance verification may be waived by a majority vote of all Apartment owners taken at an Association meeting.

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

(1) An unedited year end financial statement for the fiscal year to each Apartment owner at least thirty days prior to the annual meeting; and

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

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

## 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 five (5) persons, each of whom shall be the sole owner or co-owner of an Apartment or a vendee under an agreement of sale. If a corporation, general partnership or limited partnership is an Apartment owner, any officer or general partner of such corporation, general partnership or limited partnership shall be eligible to serve as director so long as he remains an officer or general partner of such corporation, general partnership or limited partnership. There shall not be more than one representative on the Board of Directors from any one Apartment. No resident manager of the Project shall serve on the Board of Directors. Each director shall owe the Association a fiduciary duty in the performance of the director's responsibilities. The directors shall serve without compensation.

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 Bylaws directed to be exercised or done only the Apartment owners.

Section 3. Election and Term. The owners of Residential Units shall elect four (4) directors. The owners of the Commercial Units and Parking Units shall elect one (1) director. Election of directors whose terms have expired (except as to the first annual meeting) shall be by cumulative voting by secret ballot at annual meetings and any special meeting called for the purpose. Directors shall hold office as follows: At the first annual meeting two of the directors shall be elected for one year; two for two years and one for three years, subject to removal as herein provided.

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, unless the vacant directorship is the one elected by the owners of the Commercial Units and Parking Units in which case a special meeting of those owners shall be held, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of any director, or his continuous absence from the State of Hawaii for more than six months, or his ceasing to be the sole owner or co-owner of an Apartment, or a vendee under an agreement of sale shall cause the 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 elected by the owners of Residential Units may be removed with or without cause by vote of a majority of the owners of Residential

Units and a successor shall then and there be elected to fill the vacancy thus created. The director elected by the owners of the Commercial Units and the Parking Units may be removed by vote of a majority of the owners of such units and a successor shall 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.

If such removal and replacement is to occur at a special Association meeting, the call for such meeting shall be by the President or by a petition to the Secretary or Managing Agent signed by not less than twenty-five percent (25%) of the Apartment owners as shown in the Association's record of ownership; and provided further that if the Secretary or Managing Agent shall fail to send out the notices for the special meeting within fourteen days of receipt of the petition, then the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices for the special meeting in accordance with the requirements of the Bylaws. Such meeting for the removal and replacement from office of directors shall be scheduled, noticed, and conducted in accordance with the Bylaws of the Association.

Section 6. Annual Meeting. An organizational meeting of the Board of Directors shall be held at the place of and immediately following each annual meeting of the Association. Whenever practicable, notice of all Board meetings shall be posted by the resident manager or a member of the Board of Directors in prominent locations within the project seventy-two hours prior to the meeting or simultaneously with notice to the Board of Directors. At such meeting the Board of Directors 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 such calendar quarter of every year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least one day prior to the date of such meeting.

All meetings of the Board of Directors, other than executive sessions, shall be open to all members of the Association, and Association member who are not on the Board of Directors may participate in any deliberation or discussion, other than executive sessions, unless a majority of a quorum of the Board of Directors votes otherwise.

The Board of Directors, with the approval of a majority of a quorum of its members, may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters or litigation in which the Association is or may become involved. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least eight (8) hours' notice to each director, given personally or by telephone or telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and with like notice on the written request of at least two (2) 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 of

Directors shall be a waiver of notice to him of such meeting. If all of the directors are present at any meeting of the Board of Directors, 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 Bylaws 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 of Directors; If less than a quorum shall be present at any meeting of the Board of Directors, 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. Voting. Each director present at any meeting shall be entitled to one (1) vote on each item of business transacted at said meeting; provided, however, that a director shall not cast any proxy vote at any meeting of the Board of Directors, nor shall a director vote at any meeting of the Board of Directors on any issue in which the director has a conflict of interest.

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

Any Board of Directors that intends to use Association funds to distribute proxies, including the standard proxy form referred to in section 514A-82(b) HRS, shall first post notice of its intent to solicit proxies in prominent locations within the project at least thirty (30) days prior to its solicitation of proxies; provided that if the Board of Directors receives within seven (7) days of the posted notice a request by any owner for use of Association funds to solicit proxies accompanied by a statement, the Board of Directors shall:

(a) Mail to all owners a proxy form containing either the names of all owners who have requested the use of Association funds for soliciting proxies accompanied by their statements; or

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

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

Section 12. Conduct of Meetings. All meetings of the Board of Directors and the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers; directors, employees and agents of the Association handling or responsible for its funds, secure adequate fidelity bonds in accordance with Section 514-95.11 HRS. The premiums on such bonds shall be paid by the Association.

#### Section 14. Directors' Expenses.

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

(b) Directors may expend Association funds, which shall not be deemed to be compensation to the directors, to educate and train themselves in subject areas directly related to their duties and responsibilities as directors; provided that the approved annual operating budget shall include these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for economy travel expenses within the State, all other travel expenses incurred under this subsection shall be subject to the requirements of subsection (a)ARTICLE IISection 14(a).

Section 15. Provision of Documents. The Association at its own expense shall provide all members of the Board of Directors with a current copy of the Declaration, Bylaws, house rules, and annually, a copy of Hawaii Revised Statute Chapter 514A, as amended.

### ARTICLE III OFFICERS

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

An Apartment owner shall not act as an officer of the Association and as an employee of the Managing Agent employed by the Association.

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 of Directors.

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 of Directors 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 of Directors 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 Bylaws or assigned to him from time to time by the Board of Directors.

Section 5. Vice-President. The Vice-President shall assume and perform the duties of the President in absence or disability of the President or whenever the office of president is vacant. He shall also have such other powers and duties as may be assigned to him from time to time by the Board of Directors.

Section 6. Secretary. The Secretary shall attend, keep and make available for examination by Apartment owners at convenient hours at a place designated by the Board of

Directors the minutes of all meetings of the Association and of the Board of Directors, give all notices thereof as provided by these Bylaws, maintain and keep at a place designated by the Board of Directors a current and accurate record of members of the Association and their current addresses, including vendees under agreements of sale, if any, have charge of such books, documents and records of the Association as the Board of Directors may direct, and in general perform all the duties incident to the office of Secretary.

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

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

#### ARTICLE IV ADMINISTRATION

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

- (a) Supervision of its immediate management and operation;
- (b) Maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto;
- (c) Purchase, maintenance and replacement of any equipment and provision of all water, sewer and other 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 of Directors shall deem necessary either at the expense of such Apartment or as a common expense as determined by the Board of Directors;
- (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) Collection of all installments of assessments levied and payment of all common expenses authorized by the Board of Directors;
- (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 of Directors;
- (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, all in accordance with Section 514A-85 HRS and Section 514A-97 HRS;

(j) Notification to all persons having any interest in any Apartment according to the Association's record of ownership of delinquency exceeding sixty (60) days in the payment of any assessment against such Apartment; and

(k) 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.

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible corporation authorized to do business in Hawaii as Managing Agent to manage and control the Project subject at all times to direction by the Board of Directors, with all the administrative functions set forth specifically in the preceding Section 1 and such other powers and duties and at such compensation as the Board of Directors may establish. The Managing Agent shall not solicit any proxies from any Apartment owner of the Association nor shall the Managing Agent cast any proxy vote at any Association meeting except for the purpose of establishing a quorum.

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 Managing Agent shall also be the agent of the respective lessees under any Apartment leases filed with the Board of Directors for the collection, custody and payment of all rent, taxes, assessments and other charges thereunder payable to their lessor.

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.

Section 5. Sale and Rental of Condominium Apartments. The Association's employees shall not engage in selling or renting Apartments in the condominium except for Association owned units, unless such activity is approved by an affirmative vote of sixty-five percent (65%) of the membership.

Section 6. Availability of Project Documents. An accurate copy of the Declaration, the Bylaws, the House Rules, if any, the Master Lease, if any, a sample original conveyance document, all public reports and any amendments thereto, shall be kept at the Managing Agent's office. The Managing Agent shall provide copies of these documents to owners, prospective purchasers and their prospective agents during normal business hours, upon payment to the Managing Agent of a reasonable charge to defray any administrative or duplicating cost.

Section 7. Membership List. The resident manager or managing agent or Board of Directors shall keep an accurate and current list of member of the Association and their

current addresses and the names and addresses of the vendees under an agreement of sale, if any. The membership list shall be maintained at a place designated by the Board of Directors and a copy shall be available, at cost, to any member of the Association who furnishes a duly executed and acknowledged affidavit stating that the list will be used by such owner personally and only for the purpose of soliciting votes or proxies or providing information to other owners with respect to Association matters and shall not be used by such owner or furnished to anyone else for any other purpose. No Board of Directors shall adopt any rule prohibiting the solicitation of proxies or distribution of material relating to Association matters on the common elements by Apartment owners; provided that the Board of Directors may adopt rules regulating reasonable time, place, and manner of such solicitations or distributions, or both. The Board of Directors may prohibit commercial solicitations.

Section 8. Budget and Reserves. The Board of Directors shall prepare and adopt an annual operating budget and distribute it to the Apartment Owners all in accordance with Section 514A-83.6 HRS and the rules and regulations of the Real Estate Commission Chapter 107 and shall any expenditures in excess of such budget shall comply with Section 514A-83.6 HRS.

## ARTICLE V OBLIGATIONS OF APARTMENT OWNERS

### Section 1. Assessments.

(a) All Apartment owners without written notice or demand, shall pay to the Managing Agent in advance on the first day of each and every month the monthly installments or assessments against their respective Apartments for common expenses of the Project in accordance with the Declaration.

(b) The Managing Agent or Board of Directors shall notify the Apartment owners in writing of increases in the monthly installments or assessments at least thirty (30) days prior to such increase.

(c) The lien for such assessments, created pursuant to the Section 514A-90 HRS, may be enforced by the Association in any manner permitted by law, including nonjudicial or power of sale foreclosure procedures authorized by Chapter 667 HRS and all in accordance with the provisions of Section 514A-90 HRS.

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, including without limitation all internal installations therein such as water, electricity, telephone, sewer, sanitation, 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 also 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 Residential Units shall be used for residential and other lawful uses permitted under the zoning laws and ordinances prevailing from time to time. The Residential Units in the Project or any interest therein may be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Residential Unit or Residential Units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, beneficial interest under a Hawaii Land Trust, partnership or otherwise. The Commercial Units and Parking Units may be used for any commercial purpose permitted under the zoning laws and ordinances prevailing from time to time.

(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 in the common elements consisting of stairways, walkways, grounds or other common elements of similar nature 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 make any additions or alterations to any common elements of the Project.

(g) No Residential Unit owner shall decorate or landscape any entrance or lanai appurtenant to his Apartment except in accordance with standards therefor established by the Board of Directors or specific plans approved in writing by the Board of Directors.

(h) All Residential Unit owners shall avoid making loud noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other Residential Unit owners. The use of fireworks of any type shall be prohibited.

(i) No garments, rugs or other objects shall be hung from the windows or facades of the Project or otherwise displayed in public view. Clothing shall not be hung on Apartment lanais or on or from lanai railings for any purpose whatsoever. Lanais may be furnished appropriately with chairs, lounges, and small tables and kept in an orderly manner.

Refrigerators and other articles not usually considered as normal lanai furniture will not be permitted on the lanais. Lanais will not be used as storage areas for sports and play equipment nor surplus cartons, boxes or any other type of excess belongings.

(j) No rugs or other objects shall be dusted or shaken from the windows or doors of any Apartment or cleaned by beating or sweeping on any walkways, lanais, entries or other exterior part of the Project.

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

(l) No livestock poultry, rabbits or other animals or dogs, cats or other household pets 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 telephone installations, machines, or other equipment or appurtenances whatsoever on the exterior of any building of the Project or protruding through the walls, windows or roof thereof.

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

(o) No soliciting of goods or services of any type shall be allowed in the Project area.

(p) No Apartment owner or occupant shall erect, place or maintain any television or other antennas on the Project.

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 meeting of the Association and opportunity to be heard thereon, may adopt, amend or repeal any reasonable rules and regulations affecting Apartments in the Project so long as such rules and regulations are not inconsistent with any provision of law, the Declaration or these Bylaws; provided, however, that such rules and regulations which affect the Commercial Units and Parking Units must be unanimously approved by the owners of such units.

Section 5. Expenses of Enforcement. Every Apartment owner, tenant, employee of an owner, or any other person who may in any manner use the property 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, these Bylaws, House Rules and the Condominium Property Act against such person or persons.

Section 6. Record of Ownership. Every Apartment owner shall promptly cause to be duly recorded or filed of record the deed, agreement of sale, or other conveyance to him of such Apartment or other evidence of his title thereto and shall file such conveyance with and present such other evidence of his title to the Board of Directors through the Managing Agent, and the Secretary shall maintain all such information in the record of ownership of the Association.

Section 7. Disposition of Unclaimed Possessions. When personalty in or on the common elements of a project has been abandoned, the Board of Directors may sell the personalty in a commercially reasonable manner, donate such personalty to a charitable organization, or otherwise dispose of such personalty in its sole discretion; provided that no such sale, storage, or donation shall occur until sixty (60) days after the Board of Directors complies with the following:

(1) The Board of Directors notifies the owner in writing of:

(A) The identity and location of the personalty, and

(B) The Board of Directors' intent to so sell, store, donate, or dispose of the personalty. Notification shall be by certified mail, return receipt requested to the owners address as shown by the records of the Association or to an address designated by the owner for the owner's last known address, if any; or

(2) If the identity or address of the owner is unknown, the Board of Directors shall first advertise the sale, donation, or disposition at least once in a daily paper of general circulation within the circuit in which the personalty is located.

The proceeds of any sale or disposition of personalty shall after deduction of any accrued costs of mailing, advertising, storage, and sale, be held for the owner for thirty (30) days. Any proceeds not claimed within this period shall become the property of the Association.

## ARTICLE VI MORTGAGES

Section 1. Notice to Board of Directors. An Apartment owner who mortgages his interest in an Apartment shall notify the Board of Directors of the name and address of his Mortgagee and within ten (10) days after the execution of the same shall file a conformed copy of the note and mortgage with the Board of Directors; the Board of Directors shall maintain such information in a book entitled "Mortgages of Apartments".

Section 2. Mortgagee's Rights. Notwithstanding anything in these Bylaws to the contrary, each Mortgagee shall have the following rights:

(a) Upon written request of the Mortgagee to the Board of Directors, the Mortgagee shall be entitled to all of the following:

(1) An annual financial statement of the Project within ninety (90) days following the end of any fiscal year of the Project, the annual budget and schedule of assessments and such other statements or reports prepared for the Association, the Board of Directors, or the owners, by the Managing Agent or other party hereunder.

(2) The right to inspect the books and records of the Project during normal business hours; and

(3) Written notice of all meetings of the Association and the Committee and the right to designate a representative to attend all such meetings.

(b) The Association, through the Managing Agent, or the Board of Directors, shall timely furnish a Mortgagee with the following: (i) notice of any default in obligations under the Declaration, Bylaws, Apartment Deed or Rules and Regulations, by any mortgagor of

such Mortgagee which is not cured within thirty (30) days after the giving of notice by the Board of Directors to the mortgagor of the existence of the default; (ii) a copy of all pleadings filed in any lawsuit, administrative proceeding or other action affecting the Project or any portion thereof; (iii) a copy of any bond required to be posted before commencing or permitting construction of any improvements to the Apartment subject to such mortgage; and (iv) prior written notice of any proposal to subdivide, encumber, sell or transfer the common elements or any part thereof. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium Project shall not be deemed a transfer within the meaning of this clause.

(c) The Association shall not terminate professional management and assume self-management of the Project without the prior written consent of all Mortgagees.

(d) No Apartment shall be partitioned or subdivided without the prior written consent of the Mortgagee of such Apartment.

(e) Except as provided in Section 514A-21 HRS, the Project shall not by act or omission be abandoned, terminated or removed from the Condominium Property Regime treated by the Declaration and the Condominium Property Act without the prior written approval of all Mortgagees.

(f) In the event of (i) substantial damage to or destruction of any part of the Project or (ii) any portion of the Project being made the subject matter of any condemnation or eminent domain proceeding or otherwise being sought for acquisition by a condemning authority; the Board of Directors shall give timely written notice to all Mortgagees of any such damage or destruction or proceeding or proposed acquisition, as the case may be.

(g) In the event of (i) any distribution of insurance proceeds hereunder as a result of substantial damage to or destruction of, any part of the Project or (ii) as a result of condemnation or eminent domain proceedings with respect to any part of the Project, any such distribution shall be made to the owners and their respective Mortgagees, as their interests may appear, and no owner or other party shall be entitled to priority over the Mortgagee of an Apartment with respect to any such distribution to or with respect to, such Apartment; provided, that, nothing in this paragraph ARTICLE VI Section 2(g) shall be construed to deny to the Association the right to apply any such proceeds to the repair or replacement of damaged portions of the Project or to restore what remains of the Project after condemnation or taking by eminent domain of a part of the Project.

(h) The Secretary of the Association shall notify in writing all holders of first mortgages on Apartments as shown in the Association's record of ownership or of which the Secretary 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 AND NO/100 DOLLARS (\$10,000.00).

(i) The Secretary of the Association shall notify in writing the holders of the first mortgage on any Apartment as shown in the Association's record of ownership or of which the Secretary has been given written notice, of any loss of such Apartment which exceeds ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00).

Section 3. Mortgagee Approval. Unless the first mortgagees or owners (other than the Declarant) of Apartments to which at least two-thirds (2/3) of the common interests are appurtenant have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Project shall not be deemed a transfer within the meaning of this clause.)

(b) Use hazard insurance proceeds for losses to the Project or any part thereof (whether to Apartments or to common elements) for other than the repair, replacement or reconstruction of the same, except as otherwise provided by the Declaration, these Bylaws or the Condominium Property Act.

Section 4. Mortgage Protection. Notwithstanding all other provisions hereof:

(a) The liens created hereunder upon any Apartment and its appurtenant interests in the common elements shall be subject and subordinate to, and shall not affect the rights of the holder of any indebtedness secured by any recorded mortgage of such interests made for value, provided that after the foreclosure of any such mortgage there shall be a lien upon the interests of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such Apartment, if falling due after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided in Section 4 of Article VI hereof.

(b) No amendment to this Section 4 shall affect the rights of the holder of any such mortgage filed of record in the Bureau of Conveyances, or the Office of the Assistant Registrar of the Land Court, whichever is appropriate, prior to the filing of such amendment who does not join in the execution thereof.

## ARTICLE VII MISCELLANEOUS

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

(a) No such amendment may expand the control of the Association or the Board of Directors over the Commercial Units or Parking Units or otherwise affect the owners thereof without the unanimous written consent of all such owners.

(b) Each one of the particulars set forth in Section 514A-82 HRS shall be embodied in these Bylaws always; and

(c) To the extent required by Section 514A-82 HRS proposed bylaws with the rationale for the proposal may be submitted by the Board of Directors or by a volunteer Apartment owners' committee. If submitted by that committee, the proposal shall be accompanied by a petition signed by not less than twenty-five percent (25%) of the Apartment owners as shown in the Association's record of ownership. The proposed bylaws, rationale, and ballots for voting on any proposed bylaw shall be mailed by the Board of Directors to the owners

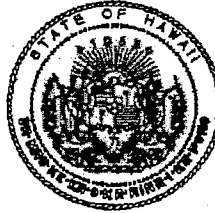
at the expense of the Association for vote or written consent without change within thirty (30) days of the receipt of the petition by the Board of Directors. The vote or written consent required to adopt the proposed bylaw shall not be less than sixty-five percent (65%) of all Apartment owners; provided that the vote or written consent must be obtained within three hundred sixty-five (365) days after mailing for a proposed bylaw submitted by either the Board of Directors or a volunteer Apartment owners' committee. If the bylaw is duly adopted, then the Board of Directors shall cause the bylaw amendment to be recorded in the bureau of conveyances or filed in the land court, as the case may be. The volunteer Apartment owners' committee shall be precluded from submitting a petition for a proposed bylaw that is substantially similar to that which has been previously mailed to the owners within one year after the original petition was submitted to the Board of Directors. This subsection shall not preclude any Apartment owner or voluntary Apartment owners' committee from proposing any bylaw amendment at any annual Association meeting.

Section 2. Indemnification The Association shall indemnify every director and officer and his executors and administrators against all expenses reasonably incurred by or imposed on him in connection with any action, suit or 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. The Association may purchase directors and officers liability insurance in accordance with Section 514A 86(b) HRS.

Section 3. Subordination These Bylaws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Condominium Property Act (Chapter 514A, HRS, as amended) and the rules and regulations of the Real Estate Commission Chapter 107 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 Condominium Property Act.

Section 4. Registration of Association The Association shall register with the Commission, as required by the Condominium Property Act and shall pay any registration fees required by the Act.

Section 5. Interpretation In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these Bylaws 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.



R-1034 STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED  
DEC 09, 2005 01:00 PM  
Doc No(s) 2005-252616



/s/ CARL T. WATANABE  
REGISTRAR OF CONVEYANCES

51 1/1 Z9

**LAND COURT SYSTEM**

**REGULAR SYSTEM**

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

Bernice Littman  
Cades Schutte LLP  
1000 Bishop Street, Suite 1200  
Honolulu, Hawaii 96813

Total No. of Pages: 51

**FIFTH AMENDMENT OF DECLARATION OF  
CONDOMINIUM PROPERTY REGIME OF THE REGENCY ON BEACHWALK**

Parties to Document: ASSOCIATION OF APARTMENT OWNERS OF THE REGENCY  
ON BEACHWALK, unincorporated Hawaii association

Property Description: Premises comprising 73 units of the Condominium Project known as  
"REGENCY ON BEACHWALK", being LOT "A", same being all of LOT 35 and a portion of  
LOT 33, LOT "B", same being a portion of LOT 33, and LOT 31 of the "BEACH WALK  
TRACT", File Plan 133, situate on the southeast side of Beach Walk at Waikiki, Honolulu, City  
and County of Honolulu, State of Hawaii

Tax Map Key No.: (1) 2-6-003: 014 H.P.R. Nos. 0001 - 0075

Original Declaration: Book 14566 Page 720

WHEREAS, by Declaration of Horizontal Property Regime ("**Declaration**") dated February 29, 1980, recorded in the Bureau of Conveyances of the State of Hawaii ("**Bureau**") in Liber 14566, Page 720, INDELCO, a Nevada partnership, did submit the property described in the Declaration to the provisions of the Horizontal Property Regime Act, now known as the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes as amended, ("**HRS**") together with certain plans, incorporated in the Declaration by reference having been filed in the Bureau as Condominium File Plan No. 693:

WHEREAS, the Bylaws of the Association of Apartment Owners of the Project ("**Bylaws**") were attached to the Declaration as Exhibit "B":

WHEREAS, the Declaration and Bylaws were amended by:

(a) Amendment to Declaration of Horizontal Property Regime of The Waikiki Royal recorded in the Bureau on January 30, 1981, in Book 15316 at Page 127 (the "**1981 Amendment**");

(b) Amendment to Declaration of Condominium Property Regime of The Waikiki Royal recorded in the Bureau on February 22, 1991, as Document 91-023912 (the "**1991 Amendment**");

(c) Amendment to Declaration of Condominium Property Regime of The Regency at BeachWalk (formerly Waikiki Royal) recorded in the Bureau on October 6, 2005, as Document 2005-203140 (the "**2005 Amendment**");

WHEREAS, the Declaration and Bylaws were also amended by Amendment to Declaration of Horizontal Property Regime of The Waikiki Royal recorded in the Bureau on February 22, 1991, as Document 91-023911 which only amended and restated the Declaration and Bylaws as of that date;

WHEREAS, pursuant to Section 514A-82.2, HRS, the Association of Apartment Owners of the Regency on BeachWalk ("**Association**") may at any time restate the Declaration and the Bylaws to set forth all amendments thereof or to conform with Chapter 514A, HRS, as amended, or any other statute, ordinance, rule or regulation by resolution adopted by the Board of Directors;

WHEREAS, a meeting of the Board of Directors was duly called for the purpose, of amending and restating the Declaration and the Bylaws, which meeting was held on December 1, 2005; and

WHEREAS, at such meeting, it was voted by a majority of a quorum of the Board of Directors to amend and restate the Declaration and the Bylaws in order to set forth all amendments thereof and to conform with the provisions of Chapter 514A, HRS, as amended, with certain changes for stylistic consistency only. It was further voted that the amendment and restatement be filed with the Bureau.

NOW THEREFORE, the Declaration and the Bylaws are hereby amended and restated as attached hereto as **Exhibit "A-1"**.



The restated portions of the Declaration and Bylaws are as follows:

**A. RESTATED PORTIONS OF THE DECLARATION**

	<b>Restated Declaration Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
1.	Section 1, <u>The Project</u>	name change from The Waikiki Royal to The Regency on BeachWalk	None, sets forth 2005 Amendment
2.	Section 5 <u>Common Elements</u>	new last paragraph	514A-92.1
3.	Section 5.1 <u>Use of Common Elements</u>	new subsection; new phrase in subsections (a) (b) and (c)	514A-13(d)
4.	Section 6 <u>Limited Common Elements</u>	revised	None, sets forth 1991 Amendment
5.	Section 8 <u>Easements and Licenses</u>	new title; new subsection (f)	None, sets forth 1991 Amendment
6.	Section 10.1 <u>Residential Units</u>	revised first paragraph; added new paragraph	None, sets forth 1981 and 2005 Amendments
7.	Section 10.2 Commercial Units and Parking Units	new sentences	None, sets forth 2005 Amendment
8.	Section 11 <u>Service of Process</u>	new section replacing prior Section 11	514A-11(8)
9.	Section 14 <u>Insurance</u>	revised subsection (a)  revised subsection (d)	None, sets forth 1981 Amendment None, sets forth 2005 Amendment

	<b>Restated Declaration Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
10.	Section 17 <u>Maintenance Reserve Fund</u>	new phrase	514A-83.6
11.	Section 24 <u>Subordination and Interpretation</u>	reference to Real Estate Commission rules	514A-2 and 514A-99

**B. RESTATED PORTIONS OF THE BYLAWS**

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
1.	<u>Title</u>	name change	None, sets forth 2005 Amendment
2.	<u>Introduction</u>	name change	None, sets forth 2005 Amendment
3.	Article I, Section 7, <u>Voting</u>	new last sentence	514A-82(a) (2)
4.	Article I, Section 8, <u>Proxies and Pledges</u>	new section replacing prior Section 8	514A-83.2
5.	Article I, Section 11, <u>Documents of the Association of Apartment Owners</u>	new section	514A-83.4 and 514A-83.5
6.	Article I, Section 12, <u>Audits</u>	new section	514A-96
7.	Article II, Section 1, <u>Number and Qualifications</u>	new provisions concerning qualifications	514A-82(a)(12) and 514A-82.4
8.	Article II, Section 5, <u>Removal of Directors</u>	new last paragraph	514A-82(b)(1)

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
9.	Article II, Section 6, <u>Annual Meeting</u>	new second sentence	514A-82(b)(9)
10.	Article II, Section 7, <u>Regular Meetings</u>	two new paragraphs	514A-83.1
11.	Article, II Section 11, <u>Voting</u>	revised existing paragraph and added three new paragraphs	514A-82(b)(4) and 514A-82(b)(5)
12.	Article II, Section 12, <u>Conduct of Meetings</u>	new section replacing prior Section 12	514A-82(a)(16)
13.	Article II, Section 13, <u>Fidelity Bonds</u>	added reference to statute	514A-95.1
14.	Article II, Section 14, <u>Directors' Expenses</u>	new section	514A-82(b)(10)
15.	Article II, Section 15, <u>Provision of Documents</u>	new section	514A82(b)(11)
16.	Article III, Section 1, <u>Designation</u>	new last paragraph	514A-82(b)(7)
17.	Article IV, Section 1, <u>Management</u>	new phrase in subsection (i) and new last paragraph	514A-85 and 514A-82(b)(6)
18.	Article IV, Section 2, <u>Managing Agent</u>	new last sentence	514A-82(b)(4)
19.	Article IV, Section 5, <u>Sale and Rental of Condominium</u>	new section	514A-82(b)(8)

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
20.	Article IV, Section 6, <u>Availability of Project Documents</u>	new section	514A-84.5
21.	Article IV, Section 7, <u>Membership List</u>	new section	514A-83.3
22.	Article IV, Section 8, <u>Budget and Reserves</u>	new section	514A-83.6(a) and 514A-99
23.	Article V, Section 1, <u>Assessments</u>	divided into two subsections and new subsection added	514A-92.2 and 514A-90(a)
24.	Article V, Section 3, <u>Use of Project</u>	revised subsection (a)	None, sets forth 1981 and 2005 Amendments
25.	Article V, Section 5, <u>Expenses of Enforcement</u>	additional words and phrases	514A-94
26.	Article V, Section 7, <u>Disposition of Unclaimed Possessions</u>	new section	514A-93.5
27.	Article VII, Section 1, <u>Amendment</u>	new subsections	514A-82(b)
28.	Article VII, Section 2, <u>Indemnification</u>	new last sentence	514A-86(b)
29.	Article VII, Section 3, <u>Subordination</u>	new phrase	514A-99

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
30.	Article VII, Section 4, <u>Registration of Association</u>	new section	514A-95.1
31.	Article VII, Section 5, <u>Interpretation</u>	renumbered from Article VII, Section 4, text unchanged	None

**C. GENERAL.** References to "Horizontal" were changed to "Condominium" throughout the Declaration and Bylaws in accordance with Sections 514A-1 and 514A-3 HRS.

In all other respects, the Declaration and Bylaws, as hereby amended, are ratified and confirmed and shall be binding upon and inure to the Association, its respective members, successors and assigns and all subsequent owners and their respective successors, heirs, personal representatives, administrators and assigns.

The Declaration and Bylaws have been restated solely for purposes of information and convenience. In the event of a conflict between the restated Declaration or restated Bylaws and Chapter 514A, HRS, as amended, the latter shall be solely controlling and the conflicts be decided in favor of Chapter 514A, HRS, as amended.

The restated Declaration and Bylaws correctly set forth without change the corresponding provisions of the Declaration and the Bylaws, as amended, and supersede the original Declaration and Bylaws and all prior amendments thereto.

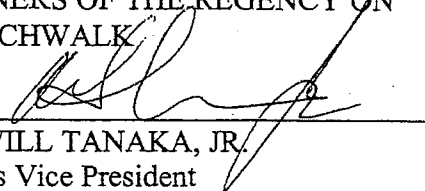
The undersigned, the duly authorized Officers of the Association, hereby certify that the foregoing amendments were adopted at the duly held meeting of the Board of Directors of the Regency on BeachWalk on December 1, 2005, by unanimous vote of the Directors.

This instrument may be signed in counterparts.

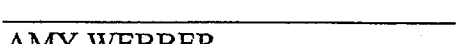
IN WITNESS WHEREOF, the undersigned have executed this instrument this 2nd day of December, 2005

BOARD OF DIRECTORS OF THE  
ASSOCIATION OF APARTMENT  
OWNERS OF THE REGENCY ON  
BEACHWALK

By

  
WILL TANAKA, JR.  
Its Vice President

By:


  
AMY WEBBER  
Its Secretary

This instrument may be signed in counterparts.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 2nd day of December, 2005

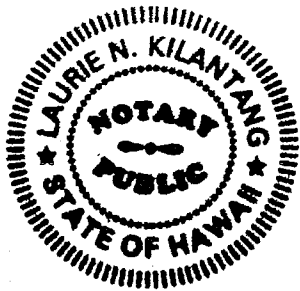
BOARD OF DIRECTORS OF THE  
ASSOCIATION OF APARTMENT  
OWNERS OF THE REGENCY ON  
BEACHWALK

By \_\_\_\_\_  
WILL TANAKA, JR.  
Its Vice President

By:  \_\_\_\_\_  
AMY WEBBER  
Its Secretary

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

On this 2nd day of December, 2005 before me appeared WILL TANAKA, JR., to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Laurie N. Kilantang

Name: Laurie N. Kilantang

Notary Public, State of Hawaii

My commission expires: May 4, 2007

STATE OF HAWAII )  
 ) SS:  
COUNTY OF HAWAII )

On this 2nd day of December, 2005 before me appeared Amy Webber, to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Notary Public, State of Hawaii

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



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

On this \_\_\_\_ day of December, 2005 before me appeared WILL TANAKA, JR., to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Notary Public, State of Hawaii

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

STATE OF HAWAII )  
 ) SS:  
COUNTY OF HAWAII )

On this 2nd day of December, 2005 before me appeared Amy Webber, to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.

*[Handwritten initials]*

Signature: *[Handwritten Signature]*

Name: BARBARA A. HUITT

Notary Public, State of Hawaii

My commission expires: 3/30/08

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**ASSOCIATION OF APARTMENT OWNERS OF  
REGENCY ON BEACHWALK**

**December 31, 2018 and 2017**

AUDITED FINANCIAL STATEMENTS  
ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK

December 31, 2018 and 2017

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# *Roan K. Hirose, CPA, LLC*

PO Box 1799 Wailuku Hawaii 96793  
Phone: (808) 793-2932 Fax: (808) 793-2012

Board of Directors  
Association of Apartment Owners  
of Regency on BeachWalk

## INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of the Association of Apartment Owners of Regency on BeachWalk, which comprise of the balance sheets as of December 31, 2018 and the related statements of revenues and expenses, changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

### 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 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 audit. I conducted my audit 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.

Board of Directors  
Association of Apartment Owners  
of Regency on BeachWalk

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of Apartment Owners of Regency on BeachWalk as of December 31, 2018 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

I have previously audited the financial statements of the Association of Apartment Owners of Regency on BeachWalk for the year ended December 31, 2017, and I expressed an unmodified opinion on those financial statements in my report dated February 22, 2018. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 10, 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 method of preparing the information and comparing the information for consistency with management's responses to my 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.

Wailuku, Hawaii  
February 20, 2019

## BALANCE SHEETS

## ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK

December 31, 2018 and 2017

	December 31, 2018			2017
	Operating Fund	Replacement Fund	Fund Totals	Combined Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$180,712	\$369,745	\$550,457	\$419,903
Accounts receivable:				
Due from rental program	3,074	--	3,074	--
Other	14,681	--	14,681	6
Allowance for doubtful accounts	--	--	--	(2,340)
	17,755	--	17,755	(2,334)
Interfund receivable	--	25,557	25,557	45,000
Prepaid insurance	52,624	--	52,624	53,490
Prepaid expenses	5,101	--	5,101	5,166
<b>TOTAL CURRENT ASSETS</b>	<b>256,192</b>	<b>395,302</b>	<b>651,494</b>	<b>521,225</b>
<b>PROPERTY AND EQUIPMENT</b>				
Capital lease-phone system	64,197	--	64,197	64,197
Less accumulated depreciation	(64,197)	--	(64,197)	(64,197)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL ASSETS</b>	<b>\$256,192</b>	<b>\$395,302</b>	<b>\$651,494</b>	<b>\$521,225</b>
<b>LIABILITY AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 33,022	\$ --	\$ 33,022	\$ 11,008
Due to managing agent	2,355	--	2,355	5,421
Due to Waikiki Shore Resort	8,183	--	8,183	7,598
Due to rental program	--	--	--	819
Interfund payable	25,557	--	25,557	45,000
Payroll accruals	8,034	--	8,034	9,644
Prepaid owner assessments	14,320	--	14,320	853
<b>TOTAL CURRENT LIABILITIES</b>	<b>91,471</b>	<b>--</b>	<b>91,471</b>	<b>80,343</b>
<b>FUND BALANCES</b>	<b>164,721</b>	<b>395,302</b>	<b>560,023</b>	<b>440,882</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$256,192</b>	<b>\$395,302</b>	<b>\$651,494</b>	<b>\$521,225</b>

See notes to financial statements.

ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK  
STATEMENTS OF REVENUE AND EXPENSES

	Year ended December 31, 2018			2017
	Operating Fund	Replacement Fund	Fund Totals	Combined Totals
<b>REVENUES</b>				
Owner assessments	\$512,558	\$113,183	\$625,741	\$609,027
Flood insurance refund	70,130	--	70,130	--
Vending Machines	5,507	--	5,507	5,293
Space rental	2,513	--	2,513	2,513
Bad debt recovery	2,340	--	2,340	--
Telephone income	565	--	565	822
Interest income	--	491	491	234
	<u>593,613</u>	<u>113,674</u>	<u>707,287</u>	<u>617,889</u>
<b>OPERATING EXPENSES</b>				
Payroll:				
Salaries and wages	54,520	--	54,520	55,868
Taxes and benefits	36,358	--	36,358	32,238
Payroll recoveries	20,736	--	20,736	20,736
	<u>111,614</u>	<u>--</u>	<u>111,614</u>	<u>108,842</u>
Administrative:				
Accounting fees	15,569	--	15,569	15,249
Professional fees	8,779	--	8,779	6,692
Telephone	8,391	--	8,391	9,283
Board of directors	3,154	--	3,154	2,926
Contract services	2,413	--	2,413	--
Human resource fees	1,144	--	1,144	1,110
General excise tax	407	--	407	396
Office and other	6	--	6	927
	<u>39,863</u>	<u>--</u>	<u>39,863</u>	<u>36,583</u>
Maintenance:				
Security	23,279	--	23,279	23,231
Elevator	13,337	--	13,337	13,739
Building/Plumbing/Painting	13,041	--	13,041	3,974
Refuse	6,931	--	6,931	4,819
Life safety	5,615	--	5,615	6,241
Grounds/landscaping	2,921	--	2,921	2,304
Pest control	2,779	--	2,779	2,392
Decorations/Supplies	106	--	106	300
	<u>68,009</u>	<u>--</u>	<u>68,009</u>	<u>57,000</u>
Other:				
Insurances	77,082	--	77,082	68,261
Management fees	7,632	--	7,632	7,475
	<u>84,714</u>	<u>--</u>	<u>84,714</u>	<u>75,736</u>
Utilities:				
Electricity	93,848	--	93,848	90,039
Sewer	54,821	--	54,821	56,486
Cable television	28,332	--	28,332	28,332
Water	21,461	--	21,461	23,198
Gas	16,721	--	16,721	14,620
	<u>215,183</u>	<u>--</u>	<u>215,183</u>	<u>212,675</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>519,383</u>	<u>--</u>	<u>519,383</u>	<u>490,836</u>
<b>RESERVE EXPENSES</b>	--	68,763	68,763	6,138
<b>TOTAL EXPENSES</b>	<u>519,383</u>	<u>68,763</u>	<u>588,146</u>	<u>496,974</u>
<b>REVENUES OVER EXPENSES</b>	<u>\$ 74,230</u>	<u>\$ 44,911</u>	<u>\$119,141</u>	<u>\$120,915</u>

See notes to financial statements.

ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK  
STATEMENT OF CHANGES IN FUND BALANCES

	<u>Year ended December 31, 2018</u>			<u>2017</u>
	<u>Operating</u>	<u>Replacement</u>	<u>Fund</u>	<u>Combined</u>
	<u>Fund</u>	<u>Fund</u>	<u>Totals</u>	<u>Totals</u>
FUND BALANCES BEGINNING OF YEAR	\$ 90,491	\$350,391	\$440,882	\$319,967
REVENUES OVER (UNDER) EXPENSES	74,230	44,911	119,141	120,915
FUND BALANCES END OF YEAR	<u>\$164,721</u>	<u>\$395,302</u>	<u>\$560,023</u>	<u>\$440,882</u>

See notes to financial statements.





ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK  
STATEMENTS OF CASH FLOWS

	Year ended December 31, 2018			2017
	Operating	Replacement	Fund	Combined
	Fund	Fund	Totals	Totals
OPERATING ACTIVITIES				
Excess of revenue over expenses	\$ 74,230	\$ 44,911	\$119,141	\$120,915
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(20,089)	--	(20,089)	--
Interfund receivable	--	19,443	19,443	--
Prepaid insurance	866	--	866	(4,858)
Prepaid expenses	65	--	65	(815)
Increase (decrease) in:				
Accounts payable	22,014	--	22,014	(7,423)
Due to managing agent	(3,066)	--	(3,066)	1,676
Due to Waikiki Shore Resort	585	--	585	112
Due to rental program	(819)	--	(819)	(152)
Payroll accruals	(1,610)	--	(1,610)	1,102
Prepaid owner assessments	13,467	--	13,467	(4,709)
Interfund payable	(19,443)	--	(19,443)	--
NET CASH PROVIDED BY OPERATING ACTIVITIES	66,200	64,354	130,554	105,848
CASH AND CASH EQUIVALENTS AT:				
BEGINNING OF YEAR	114,512	305,391	419,903	314,055
END OF YEAR	\$180,712	\$369,745	\$550,457	\$419,903

SUPPLEMENTAL DISCLOSURE OF CASH FLOW  
INFORMATION

Cash paid during the year for:

Income taxes	\$ --	\$ --	\$ --	\$ --
Interest	\$ --	\$ --	\$ --	\$ --

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK

December 31, 2018 and 2017

#### NOTE A – NATURE OF ORGANIZATION

The Association of Apartment Owners of Regency on BeachWalk is an organization of owners of 48 residential units, three commercial units and 24 parking units located in Oahu, Hawaii. The Association was formed for the purpose of providing for the management, maintenance and care of the common areas of the property as required by the Declaration of Condominium Property Regime filed with the State of Hawaii.

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting: It is the policy of the Association to prepare its financial statements using the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the obligations are incurred.

Comparative Financial Statements: The financial statements include prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Fund Accounting: To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate resources designated for future major repairs and replacements.

Cash and Cash Equivalents: Cash equivalents, if any, reflected in the financial statements include certificates of deposit and other investments with original maturities of three months or less.

Owner Assessments: Association members are subjected to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Maintenance fees receivable at the balance sheet date represents amounts due from unit owners. The Association has a policy to enforce the collection of delinquent assessments which includes placing liens and foreclosure. Any excess assessments at year end are retained by the Association for use in the following year.

Property and Equipment: Real property and common areas from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property to which it has title or other evidence of ownership at cost and depreciates them over their estimated useful life. At December 31, 2018, the phone system is the only capitalized asset and it is fully depreciated.

NOTES TO FINANCIAL STATEMENTS-Continued  
ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes: The Association is classified as a nonexempt membership organization for both federal and state income tax purposes. It does not qualify as an exempt organization. The Association is subject to specific rulings and regulations applicable to nonexempt membership organizations. In general, the Association is required to separate its taxable income and deductions into membership transactions, nonmembership transactions, and capital transactions.

The Association is taxed on all net income from nonmembership activities reduced only by losses from nonmembership activities for which a profit motive exists. Nonmembership income may not be offset by membership losses, and any excess membership deductions may only be carried forward to offset membership income of future tax periods. Any net membership income not applied to the subsequent tax year is subject to taxation. The Association files as a corporation, which has a flat tax rate of 21% that is applied to net taxable income.

The accounting for uncertain tax positions taken or expected to be taken in its income tax returns is required to be disclosed in the financial statements. The Association believes that reported tax provisions and accruals as well as tax positions taken or expected to be taken are appropriate.

The Association's federal and state income tax returns are generally subject to examination by taxing authorities for three years after the returns are filed, and the Association's federal and state income tax returns for fiscal years ended December 31, 2017, 2016 and 2015 remain open to examination.

There were no penalties and interest incurred for the years ended December 31, 2018 and 2017.

Use of 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: Management has evaluated subsequent events through February 20, 2019 the date the financial statements were available to be issued.

NOTE C - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents and the State of Hawaii require funds to be accumulated for future major repairs and replacements. The Association's Board of Directors engaged a professional reserve study company to conduct a study to estimate the remaining useful lives and the replacement cost of the components of common elements. The Association is funding for future major repairs and replacement costs over the remaining useful lives of the components estimated replacement costs and considering amounts previously accumulated in the Replacement Fund. Accordingly, the Association has estimated a reserve requirement and has incorporated it into the maintenance fees.

NOTES TO FINANCIAL STATEMENTS-Continued  
ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK

NOTE C — FUTURE MAJOR REPAIRS AND REPLACEMENTS

Funds are being accumulated in the Replacement Fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures and the variations may be material. Therefore, amounts accumulated in the Replacement Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase owner assessments, to pass special assessments, or delay major repairs and replacements until funds are available.

Expenditures charged to the Replacement Fund for the year ended December 31, 2018 include:

Roof-top water heaters	\$54,503
Elevator repairs	<u>14,260</u>
	<u>\$68,763</u>

Expenditures charged to the Replacement Fund for the year ended December 31, 2017 include:

Concrete repairs	\$ 4,284
Replace phone batteries	<u>1,854</u>
	<u>\$ 6,138</u>

NOTE C — PAYROLL COST ALLOCATIONS

Personnel are employees of the managing agent. The Association, the Regency on BeachWalk rental program and Waikiki Shore Resort split the cost of salaries and wages, payroll taxes and related benefits based on agreed upon percentages and actual time spent.

NOTE D — UNINSURED CASH BALANCES

The Association maintains deposits in a financial institution that exceeded amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC) by \$293,088 at December 31, 2018.

NOTE E — SUBSEQUENT EVENT

At their October 26, 2018 meeting, the board of directors approved a \$300,000 special assessment to cover the replacement cost of elevator renovations. The special assessment is payable over 24 months without interest and will commence during the year ended December 31, 2019.

ASSOCIATION OF APARTMENT OWNERS OF REGENCY ON BEACHWALK  
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

December 31, 2018

The Association's board of directors adopted a study to estimate the remaining useful lives and the replacement costs of the components of common elements. Replacement costs were based on the estimated costs to repair and replace the common property components. The study assumes an inflation rate of 3.00% and a savings rate of .50%.

The following information is based on the study dated October 30, 2018, and presents significant information about the components of common property.

Common Area Component	Estimated Useful Life (Years)	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost	Projected Allocated Reserve Fund Balance
Common areas	6-20	0-9	\$ 207,260	\$ 52,301
Elevators	16-25	1-1	670,000	202,913
Fencing and rails	26-26	13-13	411,180	65,017
Lighting	20-20	4-11	15,699	3,557
Mechanical equipment	4-15	1-11	82,181	6,396
Miscellaneous	1-20	0-16	191,289	35,325
Painting	8-8	3-4	165,561	26,759
Roofing	20-20	15-15	112,047	8,859
Security and fire systems	12-12	5-5	7,210	1,330
			<u>\$1,862,427</u>	<u>\$ 402,457</u>

The following information reflects the projected annual capital replacement disbursements over the next five years:

Year ended December 31,	Projected Disbursement
2019	\$ 33,670
2020	703,914
2021	10,609
2022	321,756
2023	194,545

**AOAO REGENCY ON BEACHWALK  
OPERATING BALANCE SHEET  
As of December 31, 2018**

	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
OPERATING DISBURSING	180,712.43	180,682.13	114,512.44	30.30	66,199.99
TOTAL CASH OPERATIONS	180,712.43	180,682.13	114,512.44	30.30	66,199.99
CERTIFICATE OF DEPOSITS					
TOTAL CDS				0.00	0.00
TOTAL UBS INVESTMENTS					
TOTAL INVESTMENT SECURITIES					
TOTAL CASH AND CASH EQUIVALENT	180,712.43	180,682.13	114,512.44	30.30	66,199.99
RECEIVABLES UNAPPLIED	-14,320.20	-9,464.71	-852.99	-4,855.49	-13,467.21
RECEIVABLES OTHERS	14,680.78			14,680.78	14,680.78
AOAO FEE RECEIVABLE		2,558.97		-2,558.97	0.00
PROPERTY REIMBURSEMENTS	-25,556.51	-16,124.61		-9,431.90	-25,556.51
AFFILIATE/INTERCOMPANY RECEIVABLES				5,213.24	6,374.25
ALLOW FOR DOUBTFUL ACCT	-2,340.31	-2,340.31	-2,340.31	0.00	0.00
TOTAL HOTEL & OTHER RECEIVABLE	-27,536.24	-25,370.66	-3,193.30	3,047.66	-17,968.69
PREPAID INSURANCE	52,623.36	58,412.45	53,469.58	-5,789.09	-866.22
PREPAID OTHER	5,101.25	7,853.57	5,165.67	-2,752.32	-64.42
TOTAL PREPAID EXPENSES & OTHER	57,724.61	66,266.02	58,635.25	-8,541.41	-930.64
TOTAL CURRENT ASSETS	210,900.80	221,577.49	169,974.39	-5,463.45	47,300.66
<b>NON CURRENT ASSETS</b>					
PROPERTY & EQUIPMENT					
LEASED EQUIPMENT	64,196.85	64,196.85	64,196.85	0.00	0.00
TOTAL FIXED ASSETS	64,196.85	64,196.85	64,196.85	0.00	0.00
ACCUM DEPRN/AMORT					
ACCUM DPRN LEASED EQUIP	-64,196.85	-64,196.85	-64,196.85	0.00	0.00
TOTAL ACCUMULATED DEPRECIATION	-64,196.85	-64,196.85	-64,196.85	0.00	0.00
TOTAL PROPERTY & EQUIPMENT				0.00	0.00
TOTAL NON CURRENT ASSETS				0.00	0.00
TOTAL ASSETS	210,900.80	221,577.49	169,974.39	-5,463.45	47,300.66
<b>LIABILITIES &amp; EQUITY</b>					
<b>CURRENT LIABILITIES</b>					

**AOAO REGENCY ON BEACHWALK**  
**OPERATING BALANCE SHEET**  
**As of December 31, 2018**

	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
ACCOUNTS PAYABLE					
TOTAL ACCOUNTS PAYABLE	18,834.19	44,628.04	0.37	-25,793.85	18,833.82
ACCRUED LIABILITIES					
ACC EMPLOYEE BENEFITS	2,148.00	1,989.00	2,217.80	179.00	-69.80
ACCRUED BONUSES	5,886.00	5,830.00	7,425.63	56.00	-1,539.63
ACCRUED TAXES	31.90	35.42	31.10	-3.52	0.80
ACCRUED ENERGY/UTILITIES	6,075.43	6,370.14	5,666.77	-294.71	408.66
ACCRUED EXPENSES	7,341.38	5,060.26	5,308.24	2,281.12	2,033.14
TOTAL ACCRUED LIABILITIES	21,482.71	19,264.82	20,649.54	2,217.89	833.17
ACCRUED INCOME TAXES					
TOTAL ACCRUED INCOME TAXES					
TOTAL LONG-TERM DEBT CURRENTS					
TOTAL CURRENT LIABILITIES	40,316.90	63,892.86	20,649.91	-23,575.96	19,666.99
NON CURRENT LIABILITIES					
TOTAL LONG TERM DEBT NON CURRENT					
TOTAL LONG-TERM DFD COMP					
OTHER LIABILITIES					
TOTAL OTHER LIABILITIES					
INTERCOMPANY PAYABLE DUE	7,464.24	12,677.48	13,838.49	0.00	0.00
TOTAL OTHER LIABILITIES	7,464.24	12,677.48	13,838.49	0.00	0.00
TOTAL NON CURRENT LIABILITIES	7,464.24	12,677.48	13,838.49	0.00	0.00
EQUITY					
RETAINED EARNING (PY)	90,485.99	90,485.99	121,855.32	0.00	-31,369.33
CY EARNING	72,633.67	54,521.16	13,630.67	18,112.51	59,003.00
ASSN FUND BALANCE					
TOTAL ASSN FUND BALANCE					
TOTAL EQUITY	163,119.66	145,007.15	135,485.99	18,112.51	27,633.67
TOTAL LIABILITIES & EQUITY	210,900.80	221,577.49	169,974.39	-5,463.45	47,300.66



**AOAO REGENCY ON BEACHWALK**  
**P&L STATEMENT**  
For the 12 Months Ending December 31, 2018

MTD ACTUAL	% OF REV	MTD BUDGET	% OF REV	MTD LAST YEAR	% OF REV		YTD ACTUAL	% OF REV	YTD BUDGET	% OF REV	YTD LAST YEAR	% OF REV
<b>REVENUE</b>												
42,713	98.5	42,713	98.3	41,320	98.4	GENERAL ASSESSMENT	512,558	98.4	512,556	98.2	495,844	98.3
0	0.0	0	0.0	0	0.0	INTEREST INCOME	0	0.0	8	0.0	0	0.0
209	0.5	214	0.5	209	0.5	RENTAL REVENUE	2,513	0.5	2,513	0.5	2,513	0.5
20	0.0	88	0.2	45	0.1	TELEPHONE REVENUE	565	0.1	1,056	0.2	822	0.2
420	1.0	451	1.0	417	1.0	VENDING REVENUE	5,507	1.1	5,412	1.0	5,293	1.0
0	0.0	0	0.0	0	0.0	OTHER INCOME	0	0.0	200	0.0	0	0.0
43,362	100.0	43,466	100.0	41,991	100.0	<b>TOTAL REVENUE</b>	521,143	100.0	521,745	100.0	504,472	100.0
<b>PAYROLL EXPENSE</b>												
2,162	5.0	2,394	5.5	2,455	5.8	SALARIES & WAGES ADMIN	27,609	5.3	28,521	5.5	27,066	5.4
2,552	5.9	2,818	6.5	1,363	3.2	SALARIES & WAGES HSKPG	26,911	5.2	33,023	6.3	28,802	5.7
431	1.0	401	0.9	1,372	3.3	VACATION	8,394	1.6	4,735	0.9	6,436	1.3
339	0.8	1,832	4.2	3,155	7.5	PAYROLL TAXES & BENEFITS	24,573	4.7	22,417	4.3	22,891	4.5
500	1.2	365	0.8	243	0.6	HOLIDAY, SICK & OTHER	3,391	0.7	3,353	0.6	2,911	0.6
1,728	4.0	1,728	4.0	1,728	4.1	PAYROLL RECOVERY	20,736	4.0	20,736	4.0	20,736	4.1
7,712	17.8	9,538	21.9	10,316	24.6	<b>TOTAL PAYROLL EXPENSE</b>	111,614	21.4	112,785	21.6	108,842	21.6
<b>TOTAL OPERATING EXPENSE</b>												
486	1.1	15,843	36.4	15,328	36.5		121,712	23.4	192,134	36.8	169,324	33.6
<b>UTILITIES</b>												
6,872	15.8	2,412	5.5	4,823	11.5	ELECTRICITY	93,848	18.0	47,090	9.0	90,039	17.8
1,314	3.0	1,361	3.1	1,413	3.4	GAS	16,721	3.2	16,024	3.1	14,620	2.9
4,609	10.6	5,855	13.5	4,763	11.3	SEWER	54,821	10.5	69,182	13.3	56,486	11.2
1,882	4.3	2,914	6.7	1,667	4.0	WATER	21,461	4.1	34,494	6.6	23,198	4.6
2,361	5.4	2,503	5.8	2,361	5.6	CABLE TELEVISION	28,332	5.4	30,036	5.8	28,332	5.6
17,038	39.3	15,045	34.6	15,027	35.8	<b>TOTAL UTILITIES</b>	215,183	41.3	196,826	37.7	212,675	42.2
25,248	58.2	40,426	93.0	40,671	96.9	<b>TOTAL EXPENSE</b>	448,509	86.1	501,745	96.2	490,841	97.3
18,114	41.8	3,040	7.0	1,320	3.1	<b>CASH SURPLUS / DEFICIT</b>	72,634	13.9	20,000	3.8	13,631	2.7
0	0.0	0	0.0	0	0.0	<b>TOTAL NON-CASH ITEMS</b>	0	0.0	0	0.0	0	0.0
18,114	41.8	3,040	7.0	1,320	3.1	<b>NET PROFIT / LOSS</b>	72,634	13.9	20,000	3.8	13,631	2.7

**AOAO REGENCY ON BEACHWALK  
P&L STATEMENT  
For the 12 Months Ending December 31, 2018**

MTD ACTUAL	% OF REV	MTD BUDGET	% OF REV	MTD LAST YEAR	% OF REV		YTD ACTUAL	% OF REV	YTD BUDGET	% OF REV	YTD LAST YEAR	% OF REV
<b>OPERATING EXPENSES</b>												
<b>ADMINISTRATIVE EXPENSES</b>												
0	0.0	0	0.0	0	0.0	CONTRACT SERVICE	2,413	0.5	500	0.1	0	0.0
DIRECTORS EXPENSE												
0	0.0	0	0.0	0	0.0	BOARD TRAVEL	3,154	0.6	3,300	0.6	2,926	0.6
95	0.2	100	0.2	93	0.2	HUMAN RESOURCES	1,144	0.2	1,200	0.2	1,110	0.2
0	0.0	0	0.0	0	0.0	LICENSE & PERMITS	0	0.0	0	0.0	914	0.2
0	0.0	30	0.1	0	0.0	POSTAGE & OVERNIGHT DEL	0	0.0	360	0.1	18	0.0
PROFESSIONAL FEES												
1,297	3.0	1,300	3.0	1,271	3.0	ACCOUNTING FEES	15,569	3.0	15,600	3.0	15,249	3.0
0	0.0	42	0.1	0	0.0	LEGAL FEES	1,035	0.2	504	0.1	0	0.0
510	1.2	510	1.2	497	1.2	OTHER PRO FEES	7,005	1.3	6,795	1.3	6,692	1.3
32	0.1	32	0.1	31	0.1	GET TAXES	407	0.1	392	0.1	396	0.1
842	1.9	779	1.8	656	1.6	TELECOMMUNICATION	8,391	1.6	8,572	1.6	9,283	1.8
2,776	6.4	2,793	6.4	2,548	6.1	TOTAL ADMINISTRATIVE	39,118	7.5	37,223	7.1	36,568	7.3
<b>MAINTENANCE EXPENSES</b>												
252	0.6	1,301	3.0	134	0.3	BUILDING	3,328	0.6	15,810	3.0	2,057	0.4
3,632	8.4	171	0.4	90	0.2	CONTRACT PLUMBING	9,292	1.8	2,052	0.4	1,130	0.2
73	0.2	0	0.0	210	0.5	DECORATIONS	73	0.0	0	0.0	210	0.0
1,118	2.6	1,109	2.6	1,076	2.6	ELEVATOR	13,337	2.6	13,542	2.6	13,739	2.7
209	0.5	209	0.5	209	0.5	GROUPS & LANDSCAPING	2,921	0.6	2,508	0.5	2,304	0.5
216	0.5	473	1.1	58	0.1	LIFE SAFETY	5,615	1.1	6,029	1.2	6,241	1.2
0	0.0	16	0.0	0	0.0	MAINT SUPPLIES/EXP	33	0.0	192	0.0	90	0.0
0	0.0	67	0.2	0	0.0	PAINTING	422	0.1	804	0.2	787	0.2
173	0.4	215	0.5	169	0.4	PEST CONTROL	2,779	0.5	2,580	0.5	2,392	0.5
576	1.3	597	1.4	580	1.4	REFUSE REMOVAL	6,931	1.3	7,164	1.4	4,819	1.0
3,729	8.6	1,945	4.5	3,537	8.4	SECURITY SERVICES	23,279	4.5	23,300	4.5	23,231	4.6
9,978	23.0	6,103	14.0	6,063	14.4	TOTAL MAINTENANCE	68,010	13.1	73,981	14.2	57,000	11.3
<b>OTHER EXPENSES</b>												
0	0.0	0	0.0	0	0.0	INTEREST EXPENSE	36	0.0	0	0.0	0	0.0
5,560	12.8	5,943	13.7	5,746	13.7	INSURANCE - PROPERTY	-2,055	-0.4	68,990	13.2	64,136	12.7
-18,452	-42.6	367	0.8	348	0.8	INSURANCE - OTHER	8,971	1.7	4,296	0.8	4,125	0.8
636	1.5	637	1.5	623	1.5	MANAGEMENT FEES	7,632	1.5	7,644	1.5	7,475	1.5

AOAO REGENCY ON BEACHWALK  
P&L STATEMENT  
For the 12 Months Ending December 31, 2018

MTD ACTUAL	% OF REV	MTD BUDGET	% OF REV	MTD LAST YEAR	% OF REV		YTD ACTUAL	% OF REV	YTD BUDGET	% OF REV	YTD LAST YEAR	% OF REV
-12,256	-28.3	6,947	16.0	6,717	16.0	TOTAL OTHER EXPENSE	14,584	2.8	80,930	15.5	75,736	15.0
498	1.1	15,843	36.4	15,328	36.5	TOTAL OPERATING EXPENSE	121,712	23.4	192,134	36.8	169,324	33.6
0	0.0	0	0.0	0	0.0	NON-CASH ITEMS: TOTAL NON-CASH ITEM	0	0.0	0	0.0	0	0.0

**AOAO REGENCY ON BEACHWALK**  
**P&L TREND STATEMENT**  
For the 12 Months Ending December 31, 2018

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ACTUAL	YTD BUDGET
<b>REVENUE</b>														
GENERAL ASSESSMENT	42,713	42,713	42,713	42,713	42,713	42,713	42,713	42,713	42,713	42,713	42,713	42,713	512,558	512,556
INTEREST INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	8
RENTAL REVENUE	209	209	209	209	209	209	209	209	209	209	209	209	2,513	2,513
TELEPHONE REVENUE	92	50	87	9	36	15	79	50	41	32	56	20	565	1,056
VENDING REVENUE	386	599	421	457	379	437	300	594	531	507	476	420	5,507	5,412
OTHER INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	200
<b>TOTAL REVENUE</b>	<b>43,400</b>	<b>43,571</b>	<b>43,430</b>	<b>43,388</b>	<b>43,337</b>	<b>43,374</b>	<b>43,301</b>	<b>43,566</b>	<b>43,494</b>	<b>43,461</b>	<b>43,454</b>	<b>43,362</b>	<b>521,143</b>	<b>521,745</b>
<b>PAYROLL EXPENSE</b>														
SALARIES & WAGES ADMIN	2,336	2,455	2,455	2,455	1,917	2,529	2,651	1,917	2,407	2,039	2,284	2,162	27,609	28,521
SALARIES & WAGES HSKPG	1,452	2,354	3,127	2,808	2,871	2,808	2,814	2,170	128	893	2,935	2,552	26,911	33,023
VACATION	1,578	280	151	79	597	268	395	1,186	2,260	676	512	431	8,394	4,735
PAYROLL TAXES & BENEFITS	2,195	2,128	2,581	2,157	2,194	2,194	2,209	2,166	2,165	2,037	2,209	339	24,573	22,417
HOLIDAY, SICK & OTHER	367	243	0	0	128	250	128	122	888	638	128	500	3,391	3,353
PAYROLL RECOVERY	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	1,728	20,736	20,736
<b>TOTAL PAYROLL EXPENSE</b>	<b>9,656</b>	<b>9,168</b>	<b>10,042</b>	<b>9,227</b>	<b>9,435</b>	<b>9,777</b>	<b>9,925</b>	<b>9,289</b>	<b>9,576</b>	<b>8,011</b>	<b>9,796</b>	<b>7,712</b>	<b>111,614</b>	<b>112,765</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>13,579</b>	<b>13,426</b>	<b>20,704</b>	<b>14,192</b>	<b>19,920</b>	<b>16,374</b>	<b>7,747</b>	<b>16,285</b>	<b>15,379</b>	<b>14,292</b>	<b>-30,681</b>	<b>498</b>	<b>121,712</b>	<b>192,134</b>
<b>UTILITIES</b>														
ELECTRICITY	5,735	5,697	6,529	6,824	7,127	9,139	9,540	9,935	9,119	9,330	8,002	6,872	93,848	47,090
GAS	1,374	1,039	1,239	1,475	1,513	1,426	1,370	1,484	2,045	1,043	1,399	1,314	16,721	16,024
SEWER	4,635	4,179	4,512	4,706	4,361	4,283	4,516	4,521	4,836	4,753	4,799	4,609	54,821	69,182
WATER	2,186	1,413	1,676	1,739	1,617	1,539	1,694	1,892	2,021	1,660	2,143	1,882	21,461	34,484
CABLE TELEVISION	2,361	2,361	2,361	2,361	2,361	2,361	2,361	2,361	2,361	2,361	2,361	2,361	28,332	30,036
<b>TOTAL UTILITIES</b>	<b>16,291</b>	<b>14,689</b>	<b>16,417</b>	<b>17,105</b>	<b>16,979</b>	<b>18,756</b>	<b>19,481</b>	<b>20,193</b>	<b>20,362</b>	<b>19,147</b>	<b>18,704</b>	<b>17,038</b>	<b>215,163</b>	<b>196,826</b>
<b>TOTAL EXPENSE</b>	<b>39,526</b>	<b>37,283</b>	<b>47,163</b>	<b>40,524</b>	<b>46,334</b>	<b>44,909</b>	<b>37,153</b>	<b>45,767</b>	<b>45,337</b>	<b>41,450</b>	<b>-2,181</b>	<b>25,248</b>	<b>448,509</b>	<b>501,745</b>
<b>CASH SURPLUS / DEFICIT</b>	<b>3,874</b>	<b>6,288</b>	<b>-3,733</b>	<b>2,864</b>	<b>-2,997</b>	<b>-1,535</b>	<b>6,148</b>	<b>-2,201</b>	<b>-1,843</b>	<b>2,011</b>	<b>45,635</b>	<b>18,114</b>	<b>72,634</b>	<b>20,000</b>
<b>TOTAL NON-CASH ITEMS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT / LOSS</b>	<b>3,874</b>	<b>6,288</b>	<b>-3,733</b>	<b>2,864</b>	<b>-2,997</b>	<b>-1,535</b>	<b>6,148</b>	<b>-2,201</b>	<b>-1,843</b>	<b>2,011</b>	<b>45,635</b>	<b>18,114</b>	<b>72,634</b>	<b>20,000</b>

**AOAO REGENCY ON BEACHWALK**  
**P&L TREND STATEMENT**  
For the 12 Months Ending December 31, 2018

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ACTUAL	YTD BUDGET
<b>OPERATING EXPENSES</b>														
<b>ADMINISTRATIVE EXPENSES</b>														
CONTRACT SERVICE	0	0	0	0	1,206	0	0	0	0	1,206	0	0	2,413	500
DIRECTORS EXPENSE	0	0	1,478	0	0	0	1,676	0	0	0	0	0	3,154	3,300
BOARD TRAVEL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HUMAN RESOURCES	95	95	95	95	95	95	95	95	95	95	95	95	1,144	1,200
POSTAGE & OVERNIGHT DEL	0	0	0	0	0	0	0	0	0	0	0	0	0	360
PROFESSIONAL FEES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>ACCOUNTING FEES</b>														
LEGAL FEES	1,300	1,300	1,300	1,280	1,297	1,297	1,297	1,297	1,297	1,297	1,297	1,297	15,589	15,600
OTHER PRO FEES	0	0	0	0	0	0	0	1,035	0	0	0	0	1,035	504
GET TAXES	510	510	510	510	510	510	1,260	645	510	510	510	510	7,005	6,795
TELECOMMUNICATION	32	40	34	32	30	31	28	40	37	36	35	32	407	392
TOTAL ADMINISTRATIVE	765	560	885	584	133	686	1,028	1,073	613	611	611	842	8,391	8,572
	2,702	2,505	4,302	2,511	3,271	2,619	5,384	4,185	2,552	3,755	2,548	2,776	39,118	37,223
<b>MAINTENANCE EXPENSES</b>														
<b>BUILDING</b>														
CONTRACT PLUMBING	134	134	134	134	152	152	152	1,330	252	252	252	252	3,328	15,810
DECORATIONS	0	0	3,609	0	0	250	0	0	1,524	0	278	3,632	9,292	2,052
ELEVATOR	0	0	0	0	0	0	0	0	0	0	0	73	73	0
GROUND & LANDSCAPING	1,077	2,836	1,118	1,118	6,633	2,299	-7,336	1,118	1,118	1,118	1,118	1,118	13,337	13,542
LIFE SAFETY	209	209	209	618	209	208	209	209	209	209	209	209	2,921	2,508
MAINT SUPPLIES/EXP	58	58	2,056	58	58	175	63	525	575	102	1,673	216	5,615	6,029
PAINTING	0	15	0	8	5	0	0	0	0	5	0	0	33	182
PEST CONTROL	0	0	0	318	0	0	0	104	0	0	0	0	422	804
REFUSE REMOVAL	169	169	169	169	351	169	722	173	173	173	173	173	2,779	2,580
SECURITY SERVICES	580	580	580	580	580	577	461	461	806	576	576	576	6,931	7,164
TOTAL MAINTENANCE	1,919	189	1,796	1,950	1,931	1,994	1,907	1,994	1,984	1,917	1,970	3,729	23,279	23,300
	4,146	4,190	9,671	4,953	9,919	5,825	-3,822	5,914	6,641	4,352	6,249	9,978	68,010	73,981
<b>OTHER EXPENSES</b>														
<b>INTEREST EXPENSE</b>														
INSURANCE - PROPERTY	0	0	0	0	0	0	0	0	0	0	36	0	36	0
INSURANCE - OTHER	5,746	5,746	5,746	5,746	5,746	6,946	5,468	5,173	5,321	5,320	-64,570	5,560	-2,055	68,990
MANAGEMENT FEES	348	348	348	348	348	348	81	377	229	229	24,420	-18,452	8,971	4,296
TOTAL OTHER EXPENSE	637	637	637	634	636	636	636	636	636	636	636	636	7,632	7,644
	6,731	6,731	6,731	6,728	6,730	7,930	6,185	6,186	6,186	6,185	-39,478	-12,256	14,584	80,980
TOTAL OPERATING EXPENSE	13,579	13,426	20,704	14,192	19,920	16,374	7,747	16,285	15,379	14,292	-30,681	498	121,712	192,134
<b>NON-CASH ITEMS:</b>														

**AOAO REGENCY ON BEACHWALK  
RESERVE BALANCE SHEET  
As of December 31, 2018**

	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
<b>TOTAL CASH OPERATIONS</b>				0.00	0.00
<b>CERTIFICATE OF DEPOSITS</b>					
<b>TOTAL CDS</b>				0.00	0.00
<b>CASH INVESTMENT 1</b>	369,744.92	369,684.65	235,037.26	60.27	134,707.66
<b>CASH INVESTMENT 3</b>			70,251.80	0.00	-70,251.80
<b>CASH INVESTMENT 4</b>			101.57	0.00	-101.57
<b>TOTAL UBS INVESTMENTS</b>	369,744.92	369,684.65	305,390.63	60.27	64,354.29
<b>TOTAL INVESTMENT SECURITIES</b>					
<b>TOTAL CASH AND CASH EQUIVALENT</b>	369,744.92	369,684.65	305,390.63	60.27	64,354.29
<b>PROPERTY REIMBURSEMENTS</b>	25,556.51	16,124.61		9,431.90	25,556.51
<b>AFFILIATE/INTERCOMPANY RECEIVABLES</b>				0.00	0.00
<b>TOTAL HOTEL &amp; OTHER RECEIVABLE</b>	25,556.51	16,124.61		9,431.90	25,556.51
<b>TOTAL PREPAID EXPENSES &amp; OTHER</b>				0.00	0.00
<b>TOTAL CURRENT ASSETS</b>	395,301.43	385,809.26	305,390.63	9,492.17	89,910.80
<b>NON CURRENT ASSETS</b>					
<b>PROPERTY &amp; EQUIPMENT</b>					
<b>TOTAL FIXED ASSETS</b>				0.00	0.00
<b>TOTAL ACCUMULATED DEPRECIATION</b>				0.00	0.00
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>				0.00	0.00
<b>TOTAL NON CURRENT ASSETS</b>	395,301.43	385,809.26	305,390.63	9,492.17	89,910.80
<b>TOTAL ASSETS</b>					
<b>LIABILITIES &amp; EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
<b>TOTAL ACCOUNTS PAYABLE</b>				0.00	0.00
<b>ACCRUED LIABILITIES</b>					
<b>TOTAL ACCRUED LIABILITIES</b>				0.00	0.00
<b>ACCRUED INCOME TAXES</b>					
<b>TOTAL ACCRUED INCOME TAXES</b>					
<b>TOTAL LONG-TERM DEBT CURRENTS</b>					
<b>TOTAL CURRENT LIABILITIES</b>					

**AOAO REGENCY ON BEACHWALK  
RESERVE BALANCE SHEET  
As of December 31, 2018**

	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
<b>NON CURRENT LIABILITIES</b>					
TOTAL LONG TERM DEBT NON CURRENT					
TOTAL LONG-TERM DFD COMP					
OTHER LIABILITIES					
TOTAL OTHER LIABILITIES					
INTERCOMPANY PAYABLE DUE					
TOTAL OTHER LIABILITIES				0.00	0.00
TOTAL NON CURRENT LIABILITIES				0.00	0.00
<b>EQUITY</b>					
RETAINED EARNING (PY)	350,390.63	350,390.63	198,111.45	0.00	152,279.18
CY EARNING	44,910.80	35,418.63	107,279.18	9,492.17	-62,368.38
ASSN FUND BALANCE					
TOTAL ASSN FUND BALANCE				9,492.17	89,910.80
TOTAL EQUITY	395,301.43	385,809.26	305,390.63	9,492.17	89,910.80
TOTAL LIABILITIES & EQUITY	395,301.43	385,809.26	305,390.63	9,492.17	89,910.80

**AOAO REGENCY ON BEACHWALK**  
**P&L RESERVE TREND STATEMENT**  
For the 12 Months Period Ending December 31, 2018

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ACTUAL	YTD BUDGET
<b>REVENUE</b>														
INTEREST INCOME	22	21	27	37	38	37	38	47	46	47	46	60	466	
REPLACEMENT RESERVE	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	9,432	113,183	
DIVIDEND			17			8							25	
<b>TOTAL</b>	9,454	9,453	9,476	9,469	9,470	9,477	9,470	9,479	9,478	9,479	9,478	9,492	113,674	
<b>RESERVE EXPENSES</b>														
WATER HEATER					54,503								54,503	
ELEVATOR - UPGRADE					54,503		8,454	4,838		968			14,259	
<b>TOTAL</b>							8,454	4,838		968			68,762	
<b>NET PROFIT/LOSS</b>	9,454	9,453	9,476	9,469	-45,033	9,477	1,016	4,641	9,478	8,511	9,478	9,492	44,912	



# AOAO REGENCY ON BEACHWALK

## OPERATING BUDGET

	2018 BUDGET	2018 FORECAST ACT'L THRU AUGUST	2019 BUDGET
<b>~ REVENUE ~</b>			
GENERAL ASSESSMENT	317,705	317,705	334,131
GENERAL ASSESSMENT-PY DEFICIT	20,000	20,000	20,000
ELECTRICITY, GAS, & REFUSE ASSESMENT	70,273	70,273	124,096
WATER AND SEWER ASSESMENT	103,679	103,679	81,621
WATER AND SEWER-PY OVERAGE	-	-	(20,000)
LANDSCAPING CHARGE (C11,C12,C13)	900	900	900
RESERVE ASSESSMENT	113,183	113,183	113,183
2019 SPECIAL ASSESSMENT - ELEVATORS	-	-	150,000
TRANSFER TO RESERVE ACCT	(113,183)	(113,183)	(263,183)
INTEREST INCOME	9	2	-
RENTAL REVENUE	2,513	2,516	2,513
TELEPHONE REVENUE	1,060	768	807
VENDING REVENUE	5,412	5,378	5,412
OTHER INCOME	200	50	-
<b>TOTAL REVENUE</b>	<b>521,752</b>	<b>521,271</b>	<b>549,480</b>
<b>~ EXPENSES ~</b>			
<b>PAYROLL EXPENSES</b>			
SALARIES & WAGES ADMIN	28,519	28,293	29,307
SALARIES & WAGES HSKPG	33,025	31,493	34,018
VACATION	4,734	6,105	4,871
PAYROLL TAXES & BENEFITS	22,416	26,821	28,496
HOLIDAY, SICK & OTHER	3,353	2,444	3,444
PAYROLL RECOVERY	20,733	20,736	20,733
<b>TOTAL PAYROLL EXPENSES</b>	<b>112,781</b>	<b>115,892</b>	<b>120,870</b>
<b>UTILITIES</b>			
ELECTRICITY	47,090	93,984	99,590
GAS	16,020	16,276	17,606
SEWER	69,186	53,891	59,566
WATER	34,494	20,582	22,055
CABLE TELEVISION	30,036	28,332	30,312
<b>TOTAL UTILITIES</b>	<b>196,825</b>	<b>213,065</b>	<b>229,129</b>
<b>ADMINISTRATIVE EXPENSES</b>			
CONTRACT SERVICE	500	1,206	1,210
DIRECTORS EXPENSE - BOD TRAVEL	3,300	4,254	6,600
HUMAN RESOURCES	1,198	1,162	1,332
LICENSE & PERMITS	-	-	914
MISCELLANEOUS EXPENSE	-	-	-
POSTAGE & OVERNIGHT DEL	365	288	365
PROFESSIONAL FEES	22,903	23,787	25,548
TAXES	395	397	381
TELECOMMUNICATION	8,574	9,076	8,762
TRAVEL MEALS & ENTER	-	-	-
<b>TOTAL ADMINISTRATIVE</b>	<b>37,235</b>	<b>40,170</b>	<b>45,112</b>
<b>MAINTENANCE EXPENSE</b>			
BUILDING	15,824	7,579	15,824
CONTRACT ELECTRICAL	-	-	-
CONTRACT PLUMBING	2,050	4,543	3,000
ELEVATOR	13,541	13,337	14,023
GROUPS & LANDSCAPING	2,513	2,920	2,513
LIFE SAFETY	6,029	5,853	6,049
LIGHTING	-	-	-
MAINT SUPPLIES/EXP	192	92	108
PAINTING	800	806	800
PEST CONTROL	2,576	3,181	2,870
REFUSE REMOVAL	7,164	6,697	6,900
SECURITY SERVICES	23,299	22,297	23,691
<b>TOTAL MAINTENANCE</b>	<b>73,988</b>	<b>67,305</b>	<b>75,778</b>
<b>OTHER EXPENSES</b>			
INSURANCE - PROPERTY	68,987	67,805	67,937
INSURANCE - OTHER	4,290	3,458	2,817
MANAGEMENT FEES	7,647	7,632	7,838
<b>TOTAL OTHER</b>	<b>80,923</b>	<b>78,895</b>	<b>78,591</b>
<b>TOTAL EXPENSES</b>	<b>501,752</b>	<b>515,327</b>	<b>549,480</b>
<b>CASH SURPLUS/DEFICIT</b>	<b>20,000</b>	<b>5,944</b>	<b>-</b>
<b>NET PROFIT/LOSS</b>	<b>20,000</b>	<b>5,944</b>	<b>-</b>

## REGENCY ON BEACHWALK AOA 2019 BUDGET BY UNIT TYPE

			Maintenance Fee By Unit Type -2019							Maintenance Fee By Unit Type -2018							Maintenance Fee By Unit Type -2017						
			a) General Maint (apply to all)		354,131		a) General Maint (apply to all)		337,705		a) General Maint (apply to all)		304,193										
			b) Electricity, Gas, Refuse (apply to R1..R4, C12)		124,096		b) Electricity, Gas, Refuse (apply to R1..R4, C12)		70,273		b) Electricity, Gas, Refuse (apply to R1..R4, C12)		76,443										
			c) Water, Sewer (apply to R1..R4, C11, C12, C13)		61,621		c) Water, Sewer (apply to R1..R4, C11, C12, C13)		103,679		c) Water, Sewer (apply to R1..R4, C11, C12, C13)		114,310										
			d) Reserve Fund (apply to all)		113,183		d) Reserve Fund (apply to all)		113,183		d) Reserve Fund (apply to all)		113,183										
			e) Commercial landscaping (apply to C11, C12, C13)**		900		e) Commercial landscaping (apply to C11, C12, C13)**		900		e) Commercial landscaping (apply to C11, C12, C13)**		900										
			f) 2019 Special Assessment - Elevators (apply to all)		150,000																		
			Total Maintenance Fee		803,931		Total Maintenance Fee		625,740		Total Maintenance Fee		609,029										
			%age inc fm Last Yr		28.48%		%age inc fm Last Yr		2.74%		%age inc fm Last Yr		0.00%										
(a)&(d)			2019 Monthly Maint Fee							2018 Monthly Maint Fee							2017 Monthly Maint Fee						
Type	% of com Int	# of Units	(a) General	(b) Elect, Gas & Refuse	(c) Water Sewer	(d) Reserve	(e)	(f)	Total	(a) General	Gas, & Refuse	(c) Water Sewer	(d) Reserve	(e)	Total	(a) General	(b) Elect, Gas & Refuse	(c) Water Sewer	(d) Reserve	(e)	(f)	Total	
R1	2.267400%	8	669.13	259.17	117.61	213.86	283.43		1,543.20	638.09	146.76	197.88	213.86		1,196.59	574.77	159.65	218.17	213.86			1,166.45	
R2	1.616300%	16	476.99	184.75	83.84	152.45	202.04		1,100.07	454.86	104.62	141.06	152.45		852.99	409.72	113.80	155.52	152.45			831.49	
R3	1.616300%	16	476.99	184.75	83.84	152.45	202.04		1,100.07	454.86	104.62	141.06	152.45		852.99	409.72	113.80	155.52	152.45			831.49	
R4	2.267400%	8	669.13	259.17	117.61	213.86	283.43		1,543.20	638.09	146.76	197.88	213.86		1,196.59	574.77	159.65	218.17	213.86			1,166.45	
C11 (ABC)	3.443500%	1	1,016.21	-	178.61	324.79	25.00	430.44	1,975.05	969.07	-	300.52	324.79	25.00	1,619.38	872.91	-	331.34	324.79	25.00		1,554.04	
C12 (Lobby)	2.473000%	1	729.81	282.67	128.27	233.25	309.13		1,708.13	695.95	160.07	215.82	233.25	25.00	1,330.09	626.89	174.13	237.95	233.25	25.00		1,297.22	
C13 (Restaurant)	5.083500%	1	1,500.19	-	263.68	479.47	25.00	635.44	2,903.78	1,430.60	-	443.65	479.47	25.00	2,378.72	1,288.64	-	489.14	479.47	25.00		2,282.25	
Parking (23 units)	0.041600%	23	12.28	-	-	3.92		5.20	21.40	11.71	-	-	3.92		15.63	10.55	-	-				14.47	
Parking (P24)	0.043200%	1	12.75	-	-	4.07		5.40	22.22	12.16	-	-	4.07		16.23	10.95	-	-	4.07			15.02	
		75																					
Type	Unit #																						
R1	21, 31, 41, 51, 61, 71, 81, 91																						
R2	22, 32, 42, 52, 62, 72, 82, 92, 23, 33, 43, 53, 63, 73, 83, 93																						
R3	24, 34, 44, 54, 64, 74, 84, 94, 25, 35, 45, 55, 65, 75, 85, 95																						
R4	26, 36, 46, 56, 66, 76, 86, 96																						

**RULES AND REGULATIONS OF ASSOCIATION OF APARTMENT OWNERS OF  
THE REGENCY ON BEACHWALK**

Welcome to The Regency on BeachWalk, a resort condominium. As in any community, the quality of life is often determined by the courtesy and consideration that each member of the community extends to the others. The following rules and regulations are established and designed to ensure maximum enjoyment by all owners and occupants of The Regency on BeachWalk and to enhance the livability and desirability of The Regency on BeachWalk. These rules and regulations apply to the common elements and to all apartments except the Commercial apartments.

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

**"Act"** means the Chapter 514A Condominium Property Regimes Hawaii Revised Statutes as it may be amended or replaced.

**"Front Desk"** means the Front Desk which is part of Commercial Apartment 12 described in the Declaration.

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

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

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

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

**"The Project"** means The Regency on BeachWalk condominium project as defined in the Declaration.

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

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

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

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

**D. OTHER OBLIGATIONS OF OWNERS.** These Rules supplement, but do not change, the obligations of Owners and Occupants of The Regency on BeachWalk contained in the Act, the Declaration, the

Bylaws and the Apartment Deed.

**E. RULES FOR OCCUPANTS.**

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

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

3. Rentals. The Managing Agent or the resident manager shall be notified by the Owner or the Owner's agent of the name of any tenant. Owners or agents who rent, loan or otherwise permit occupancy of their Apartments, shall furnish a copy of these Rules to their Occupants. Owners or agents who rent, loan or otherwise permit occupancy of their Apartments by any Occupant for more than thirty (30) days shall furnish a copy of the Declaration and Bylaws to the Occupant. The Owner shall be responsible for the actions or omissions of his agent and the Occupant of the Apartment.

**F. RULES FOR CONDUCT OF OCCUPANTS.**

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

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

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

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

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

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

7. Solicitation. No solicitation or canvassing by Occupants or other persons will be allowed in any portion of The Regency on BeachWalk, including the common elements, at any time, except insofar as such solicitation or canvassing is carried out by or at the direction of the Developer, as part of its rights to conduct sales efforts as provided in the Apartment Deeds.
8. Throwing Objects from Windows or Lanais. Nothing shall be thrown from windows or lanais, including specifically, without limitation, cigarettes and matches. The throwing of firecrackers from windows and the explosion of any fireworks anywhere on The Regency on BeachWalk, including within any Apartment or appurtenant limited common elements, is prohibited.
9. Trash Disposal. Garbage, rubbish and other trash shall be disposed of only in receptacles and areas provided for the purpose. All trash containing garbage or other materials subject to decay or which would emit offensive odors, etc., must be securely wrapped in a plastic bag before being placed in receptacles. Occupants shall comply with recycling programs (if any) adopted by the Board, including, but not limited to, sorting trash prior to disposal.
10. Objects Visible from Outside The Apartments. Textile items, including towels, bathing apparel and clothing, brooms, mops, cartons, etc., shall not be placed in corridors, on lanais, or in windows so as to be in view from outside an Apartment.
11. Barbecuing. No fires, open flames, hibachis or grills of any kind whatsoever shall be permitted in any portion of an Apartment, including appurtenant lanais, or in any of the common areas.
12. Moving Furniture, Equipment, Materials, Tools, etc. It is the responsibility of the Owner or Occupant of an Apartment to ensure that adequate provisions are made to protect the common elements from damage caused by moving household goods, large items of furniture (including appliances), tools, equipment or materials used in connection with repair or renovation of an Apartment in or out of the Apartment. Damage to any common elements caused by or in connection with the moving of such items shall be repaired at the direction of the Board, and all costs of such repair shall be paid by the Owner or Occupant of the Apartment to or from which such items were moved. Moving and construction activities shall be limited to Monday through Friday (excluding state or federal holidays) between the hours of 8:00 a.m. and 5:00 p.m. Moving on Saturdays must be pre-arranged and approved with prior permission from the manager. The Owner or Occupant shall take such steps as are necessary to ensure that no other Owners or Occupants are denied the use of any paths, walkways, roadways or other common areas for an unreasonable length of time due to the moving of such items. At least forty-eight (48) hours notice shall be given to use the elevator approved for use as the freight elevator, if any.
13. Bulky Objects in Elevators. Except with the prior approval of the Board or the Managing Agent and subject to such limitations as the Board or the Managing Agent may impose, surfboards, bicycles and similar bulky or heavy objects shall not be carried in the elevators but only in the stairwells.
14. Notification of Leaks. Owners or Occupants shall immediately notify the Managing Agent of any leaks.

**G. RULES ABOUT APARTMENTS AND LIMITED COMMON ELEMENTS.**

1. Access to Apartments. Except in the event of an emergency where immediate access is deemed necessary to protect life or limb or significant damage to property, or except as otherwise provided in the Declaration, Bylaws or Act, the Managing Agent and the resident manager are prohibited from giving access to any Apartment without the written permission of its Owner or current Occupant, if any.
2. Assumption of Risks. Each Apartment Owner and Occupant shall assume full responsibility for protecting his Apartment, vehicles, and their contents from theft, vandalism and other loss.
3. Water Facilities. Toilets, sinks, tubs, showers and other water apparatus in the Apartments or common elements shall not be used for any purpose other than those for which they were designed, nor shall any

sweepings, rubbish, rags, sanitary napkins, diapers or other articles be thrown into them. Any damage anywhere resulting from misuse of any toilets, sinks or other water apparatus in an Apartment shall be repaired and paid for by the Owner of the Apartment. Any such damage resulting from misuse of any toilets, sinks or other water apparatus on the common elements shall be repaired at the direction of the Board, and the cost of repair shall be paid by the person(s) responsible for such misuse or the Apartment Owners responsible for their conduct, unless the person(s) responsible for such misuse cannot be identified individually or with a specific Apartment, in which event the cost of repair shall be borne by all Apartment Owners as a common expense.

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

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

6. Door Locks. Card key door locks are provided for each Apartment (except the Commercial Apartments) and shall not be removed or altered by any Owner or Occupant nor shall any additional locks be added to the front door of the Apartment.

7. Airconditioners. Since the Apartments (except the Commercial Apartments) share a common electricity meter the maintenance of the airconditioning units affects all such Apartments and therefore the Managing Agent may arrange for quarterly inspection, filter change and maintenance of the airconditioners in such Apartments.

#### H. RULES ABOUT COMMON AREAS.

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

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

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

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

**J. RULES ABOUT PARKING AREAS.**

(a) Uses of Parking Spaces. Parking spaces are all Parking Apartments. The owner of the Parking Apartments may promulgate rules for the Parking Apartments and their limited common elements.

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

(c) Roadways and Driveways. No cars may be parked or left unattended in The Regency on BeachWalk's driveways. There are no loading areas.

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

6. Guest Parking. There are no guest parking spaces and parking arrangements must be made with the owner(s) of the Parking Apartments or their parking operator(s).

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

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

**K. RULES ABOUT THE LAUNDRY ROOMS.**

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

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

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

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

**L. RULES ABOUT ANIMALS.**

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

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

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

#### M. EMPLOYEES OF THE ASSOCIATION OR MANAGING AGENT.

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

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

N. RIGHTS RESERVED. Nothing contained in these Rules shall limit or affect the rights given to the Front Desk Owner in the Declaration, the Bylaws, the apartments deeds of apartments or any other documents pertaining to The Regency on BeachWalk, including, but not limited to, rights reserved in apartment deeds to conduct sales activities and to post signs on The Regency on BeachWalk.

#### O. VIOLATIONS OF THESE RULES.

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

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

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

P. AMENDMENT OF THESE RULES. These Rules may be amended by the vote of a majority of those Directors present at a duly called meeting at which a quorum of Directors is present or as otherwise



provided in the Bylaws, and shall become effective when published to all Apartment Owners.

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

The Board of Directors of the Association hereby adopts the foregoing Rules and Regulations as the Rules and Regulations of the Association of Apartment Owners of The Regency on BeachWalk as of \_\_\_\_\_, 200\_.



R-1540 STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED  
NOV 19, 2010 02:00 PM  
Doc No(s) 2010-179713



/s/ NICKI ANN THOMPSON  
REGISTRAR

20 1/3 Z9

LAND COURT SYSTEM ☒ REGULAR SYSTEM  
AFTER RECORDATION, RETURN TO: BY: MAIL ☐ PICKUP ☒

EKIMOTO & MORRIS, LLC  
JOHN A. MORRIS, ESQ./alt  
AMERICAN SAVINGS BANK TOWER  
1001 BISHOP STREET, SUITE 780  
HONOLULU, HAWAII 96813-3410

Total pages: 5

G:\REGENCY ON BEACHWALK - JMD\DCS\Opt in Amendment (10-29-10).doc

Tax Map Key: (1) 2-6-3-14

Condominium Map Number: 693

**AMENDMENT TO AMENDED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF  
THE REGENCY ON BEACHWALK**

This AMENDMENT TO AMENDED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF THE REGENCY ON BEACHWALK ("Amendment") is made by the **ASSOCIATION OF THE APARTMENT OWNERS OF THE REGENCY ON BEACHWALK** whose address is % Outrigger Hotels Hawai'i, 2375 Kuhio Avenue, Honolulu, Hawai'i 96815 ("Association"),

**WITNESSETH THAT:**

WHEREAS, by Declaration of Horizontal Property Regime dated February 29, 1980 (the "Declaration"), recorded in the Bureau of Conveyances of the State of Hawai'i in Liber 14566 at Page 720, the property described in the Declaration was submitted to a Horizontal Property Regime (now a Condominium Property Regime) established by Chapter 514A, Hawai'i Revised Statutes (now Chapter 514B, Hawai'i Revised Statutes), as amended; and

WHEREAS, simultaneously with the recording of the Declaration and Bylaws, Declarant also recorded as Condominium Map No. 693 plans describing the improvements to the project; and

WHEREAS, the Declaration, as amended, provided for the organization and operation of the Association of the Apartment Owners of The Regency on BeachWalk (formerly known as

The Waikiki Royal) (the "Association") to operate and manage the Project in accordance with the Bylaws; and

WHEREAS, the Declaration was amended by instruments dated January 30, 1981, recorded in the Bureau of Conveyances of the State of Hawai'i in Liber 15316 at Page 127; by instrument dated February 22, 1991, recorded in said Bureau as Document No. 91-023912; by instrument dated October 6, 2005, recorded in said Bureau as Document No. 2005-203140; and by instrument dated December 2, 2005, recorded in said Bureau as Document No. 2005-252616; and

WHEREAS, Section 514B-23, Hawai'i Revised Statutes ("HRS"), empowers the Association to amend the Declaration, with the vote or written consent of a majority of the owners, to achieve any results permitted by HRS Chapter 514B; and

WHEREAS, a majority of owners gave their written consent in favor of "opting in" to the provisions of HRS Chapter 514B by amending the Declaration; and

NOW THEREFORE, the Declaration, as amended, is hereby amended as stated below. To the extent that there is any conflict between the provisions of the Declaration and HRS Chapter 514B, the provisions of the Declaration shall be subordinate to HRS Chapter 514B, including all approval requirements in HRS Chapter 514B.

#### **AMENDMENT**

A new Section 25. is added to the Declaration, to generally amend the Project documents to achieve any results permitted by HRS Chapter 514B, and to read as follows:

25. Governing Law. Notwithstanding anything to the contrary in the Project governing documents, including but not limited to the Declaration, Bylaws, House Rules, and Condominium Map:

(a) This Project shall be governed by the provisions of Hawai'i Revised Statutes, Chapter 514B, as amended;

(b) Any apartment deed, and the Project's Declaration, Bylaws, House Rules, and Condominium Map shall be liberally construed to facilitate the operation of the Project under the law;

(c) Amendments to the Declaration and Bylaws, including but not limited to amendments relating to the alteration of the Project, shall require approval of 67% of the owners;

(d) Approval requirements of 100% for alterations to the common elements shall be reduced to 67%;

(e) Approval requirements of 75% to change the use of or lease the common elements shall be reduced to 67%;

(f) Punitive damages may not be awarded except as provided in Hawai'i Revised Statutes, Section 514B-10; and

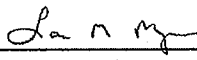
(g) Approval requirements for leases or uses of the common elements shall be governed by Hawai'i Revised Statutes, Section 514B-38.

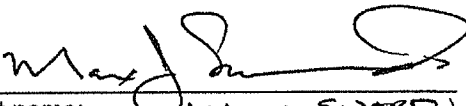
In all other respects, the Declaration, as amended, is hereby ratified and confirmed and shall be binding upon and inure to the benefit of the parties to them and their respective successors and permitted assigns. The undersigned officers of the Association of the Apartment Owners of The Regency on BeachWalk hereby certify that the above amendment was made by the written consent of more than a majority of owners.

Each of the undersigned officers of the Association warrants and represents that he or she is legally authorized to sign this Amendment on behalf of the Association. The officers of the Association agree that this Amendment may be executed in counterparts, each of which shall be deemed an original, and those counterparts shall together constitute one and the same instrument, binding all the Parties, notwithstanding that all the Parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this 5th day of November, 2010.

ASSOCIATION OF THE APARTMENT  
OWNERS OF THE REGENCY ON  
BEACHWALK

By:   
(Print name: LANCE M. MIYAHARA)  
Its: President

By:   
(Print name: MAX J. SWORDS)  
Its: SECRETARY/TREASURER

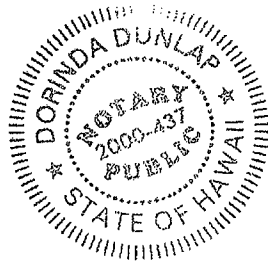
STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)  
) ss.  
)

On this 2nd day of November, 2010, in the First Circuit of the State of Hawai'i, before me personally appeared LANCE M. Miyahira, personally known to me or proven to me on the basis of satisfactory evidence, who being duly sworn or affirmed, did say that such person was the President of the Association of the Apartment Owners of The Regency on BeachWalk, a Hawai'i condominium association, that said person executed the foregoing instrument identified or described as "Amendment to Amended Declaration of Condominium Property Regime of The Regency on BeachWalk" as such person's free act and deed on having been duly authorized to execute such instrument in such capacity.

The foregoing instrument is dated undated at time of notarization and contained 5 pages at the time of this acknowledgment/certification.



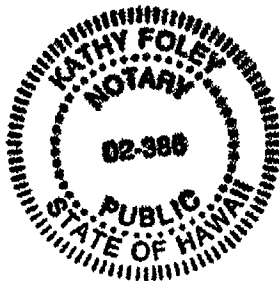
Dorinda Dunlap  
Print Name: Dorinda Dunlap  
Notary Public, State of Hawai'i

My Commission Expires: September 15, 2012

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

On this 5<sup>th</sup> day of November, 2010, in the First Circuit of the State of Hawai'i, before me personally appeared Max J. Sward, personally known to me or proven to me on the basis of satisfactory evidence, who being duly sworn or affirmed, did say that such person was the Secretary/Treasurer of the Association of the Apartment Owners of The Regency on BeachWalk, a Hawai'i condominium association, that said person executed the foregoing instrument identified or described as "Amendment to Amended Declaration of Condominium Property Regime of The Regency on BeachWalk" as such person's free act and deed on having been duly authorized to execute such instrument in such capacity.

The foregoing instrument is dated no date and contained 5 pages at the time of this acknowledgment/certification.



Kathy Foley  
Print Name: Kathy Foley  
Notary Public, State of Hawai'i

My Commission Expires: 8/11/2014



R-1034 STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED  
DEC 09, 2005 01:00 PM  
Doc No(s) 2005-252616



/s/ CARL T. WATANABE  
REGISTRAR OF CONVEYANCES

51 1/1 29

**LAND COURT SYSTEM**

**REGULAR SYSTEM**

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

Bernice Littman  
Cades Schutte LLP  
1000 Bishop Street, Suite 1200  
Honolulu, Hawaii 96813

Total No. of Pages: 51

**FIFTH AMENDMENT OF DECLARATION OF  
CONDOMINIUM PROPERTY REGIME OF THE REGENCY ON BEACHWALK**

Parties to Document: ASSOCIATION OF APARTMENT OWNERS OF THE REGENCY  
ON BEACHWALK, unincorporated Hawaii association

Property Description: Premises comprising 73 units of the Condominium Project known as  
"REGENCY ON BEACHWALK", being LOT "A", same being all of LOT 35 and a portion of  
LOT 33, LOT "B", same being a portion of LOT 33, and LOT 31 of the "BEACH WALK  
TRACT", File Plan 133, situate on the southeast side of Beach Walk at Waikiki, Honolulu, City  
and County of Honolulu, State of Hawaii

Tax Map Key No.: (1) 2-6-003: 014 H.P.R. Nos. 0001 - 0075

Original Declaration: Book 14566 Page 720

WHEREAS, by Declaration of Horizontal Property Regime ("**Declaration**") dated February 29, 1980, recorded in the Bureau of Conveyances of the State of Hawaii ("**Bureau**") in Liber 14566, Page 720, INDELCO, a Nevada partnership, did submit the property described in the Declaration to the provisions of the Horizontal Property Regime Act, now known as the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes as amended, ("**HRS**") together with certain plans, incorporated in the Declaration by reference having been filed in the Bureau as Condominium File Plan No. 693:

WHEREAS, the Bylaws of the Association of Apartment Owners of the Project ("**Bylaws**") were attached to the Declaration as Exhibit "B":

WHEREAS, the Declaration and Bylaws were amended by:

(a) Amendment to Declaration of Horizontal Property Regime of The Waikiki Royal recorded in the Bureau on January 30, 1981, in Book 15316 at Page 127 (the "**1981 Amendment**");

(b) Amendment to Declaration of Condominium Property Regime of The Waikiki Royal recorded in the Bureau on February 22, 1991, as Document 91-023912 (the "**1991 Amendment**");

(c) Amendment to Declaration of Condominium Property Regime of The Regency at BeachWalk (formerly Waikiki Royal) recorded in the Bureau on October 6, 2005, as Document 2005-203140 (the "**2005 Amendment**");

WHEREAS, the Declaration and Bylaws were also amended by Amendment to Declaration of Horizontal Property Regime of The Waikiki Royal recorded in the Bureau on February 22, 1991, as Document 91-023911 which only amended and restated the Declaration and Bylaws as of that date;

WHEREAS, pursuant to Section 514A-82.2, HRS, the Association of Apartment Owners of the Regency on BeachWalk ("**Association**") may at any time restate the Declaration and the Bylaws to set forth all amendments thereof or to conform with Chapter 514A, HRS, as amended, or any other statute, ordinance, rule or regulation by resolution adopted by the Board of Directors;

WHEREAS, a meeting of the Board of Directors was duly called for the purpose, of amending and restating the Declaration and the Bylaws, which meeting was held on December 1, 2005; and

WHEREAS, at such meeting, it was voted by a majority of a quorum of the Board of Directors to amend and restate the Declaration and the Bylaws in order to set forth all amendments thereof and to conform with the provisions of Chapter 514A, HRS, as amended, with certain changes for stylistic consistency only. It was further voted that the amendment and restatement be filed with the Bureau.

NOW THEREFORE, the Declaration and the Bylaws are hereby amended and restated as attached hereto as **Exhibit "A-1"**.



The restated portions of the Declaration and Bylaws are as follows:

**A. RESTATED PORTIONS OF THE DECLARATION**

	<b>Restated Declaration Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
1.	Section 1, <u>The Project</u>	name change from The Waikiki Royal to The Regency on BeachWalk	None, sets forth 2005 Amendment
2.	Section 5 <u>Common Elements</u>	new last paragraph	514A-92.1
3.	Section 5.1 <u>Use of Common Elements</u>	new subsection; new phrase in subsections (a) (b) and (c)	514A-13(d)
4.	Section 6 <u>Limited Common Elements</u>	revised	None, sets forth 1991 Amendment
5.	Section 8 <u>Easements and Licenses</u>	new title; new subsection (f)	None, sets forth 1991 Amendment
6.	Section 10.1 <u>Residential Units</u>	revised first paragraph; added new paragraph	None, sets forth 1981 and 2005 Amendments
7.	Section 10.2 Commercial Units and Parking Units	new sentences	None, sets forth 2005 Amendment
8.	Section 11 <u>Service of Process</u>	new section replacing prior Section 11	514A-11(8)
9.	Section 14 <u>Insurance</u>	revised subsection (a)  revised subsection (d)	None, sets forth 1981 Amendment None, sets forth 2005 Amendment

	<b>Restated Declaration Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
10.	Section 17 <u>Maintenance Reserve Fund</u>	new phrase	514A-83.6
11.	Section 24 <u>Subordination and Interpretation</u>	reference to Real Estate Commission rules	514A-2 and 514A-99

**B.     RESTATED PORTIONS OF THE BYLAWS**

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
1.	<u>Title</u>	name change	None, sets forth 2005 Amendment
2.	<u>Introduction</u>	name change	None, sets forth 2005 Amendment
3.	Article I, Section 7, <u>Voting</u>	new last sentence	514A-82(a) (2)
4.	Article I, Section 8, <u>Proxies and Pledges</u>	new section replacing prior Section 8	514A-83.2
5.	Article I, Section 11, <u>Documents of the Association of Apartment Owners</u>	new section	514A-83.4 and 514A-83.5
6.	Article I, Section 12, <u>Audits</u>	new section	514A-96
7.	Article II, Section 1, <u>Number and Qualifications</u>	new provisions concerning qualifications	514A-82(a)(12) and 514A-82.4
8.	Article II, Section 5, <u>Removal of Directors</u>	new last paragraph	514A-82(b)(1)

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
9.	Article II, Section 6, <u>Annual Meeting</u>	new second sentence	514A-82(b)(9)
10.	Article II, Section 7, <u>Regular Meetings</u>	two new paragraphs	514A-83.1
11.	Article, II Section 11, <u>Voting</u>	revised existing paragraph and added three new paragraphs	514A-82(b)(4) and 514A-82(b)(5)
12.	Article II, Section 12, <u>Conduct of Meetings</u>	new section replacing prior Section 12	514A-82(a)(16)
13.	Article II, Section 13, <u>Fidelity Bonds</u>	added reference to statute	514A-95.1
14.	Article II, Section 14, <u>Directors' Expenses</u>	new section	514A-82(b)(10)
15.	Article II, Section 15, <u>Provision of Documents</u>	new section	514A82(b)(11)
16.	Article III, Section 1, <u>Designation</u>	new last paragraph	514A-82(b)(7)
17.	Article IV, Section 1, <u>Management</u>	new phrase in subsection (i) and new last paragraph	514A-85 and 514A-82(b)(6)
18.	Article IV, Section 2, <u>Managing Agent</u>	new last sentence	514A-82(b)(4)
19.	Article IV, Section 5, <u>Sale and Rental of Condominium</u>	new section	514A-82(b)(8)

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
20.	Article IV, Section 6, <u>Availability of Project Documents</u>	new section	514A-84.5
21.	Article IV, Section 7, <u>Membership List</u>	new section	514A-83.3
22.	Article IV, Section 8, <u>Budget and Reserves</u>	new section	514A-83.6(a) and 514A-99
23.	Article V, Section 1, <u>Assessments</u>	divided into two subsections and new subsection added	514A-92.2 and 514A-90(a)
24.	Article V, Section 3, <u>Use of Project</u>	revised subsection (a)	None, sets forth 1981 and 2005 Amendments
25.	Article V, Section 5, <u>Expenses of Enforcement</u>	additional words and phrases	514A-94
26.	Article V, Section 7, <u>Disposition of Unclaimed Possessions</u>	new section	514A-93.5
27.	Article VII, Section 1, <u>Amendment</u>	new subsections	514A-82(b)
28.	Article VII, Section 2, <u>Indemnification</u>	new last sentence	514A-86(b)
29.	Article VII, Section 3, <u>Subordination</u>	new phrase	514A-99

	<b>Restated Bylaws Article and Section</b>	<b>Nature of Change</b>	<b>HRS Section Implemented</b>
30.	Article VII, Section 4, <u>Registration of Association</u>	new section	514A-95.1
31.	Article VII, Section 5, <u>Interpretation</u>	renumbered from Article VII, Section 4, text unchanged	None

**C. GENERAL.** References to "Horizontal" were changed to "Condominium" throughout the Declaration and Bylaws in accordance with Sections 514A-1 and 514A-3 HRS.

In all other respects, the Declaration and Bylaws, as hereby amended, are ratified and confirmed and shall be binding upon and inure to the Association, its respective members, successors and assigns and all subsequent owners and their respective successors, heirs, personal representatives, administrators and assigns.

The Declaration and Bylaws have been restated solely for purposes of information and convenience. In the event of a conflict between the restated Declaration or restated Bylaws and Chapter 514A, HRS, as amended, the latter shall be solely controlling and the conflicts be decided in favor of Chapter 514A, HRS, as amended.

The restated Declaration and Bylaws correctly set forth without change the corresponding provisions of the Declaration and the Bylaws, as amended, and supersede the original Declaration and Bylaws and all prior amendments thereto.

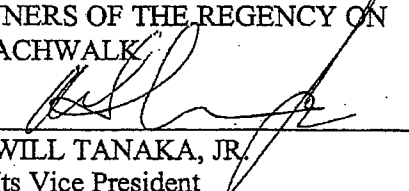
The undersigned, the duly authorized Officers of the Association, hereby certify that the foregoing amendments were adopted at the duly held meeting of the Board of Directors of the Regency on BeachWalk on December 1, 2005, by unanimous vote of the Directors.

This instrument may be signed in counterparts.


IN WITNESS WHEREOF, the undersigned have executed this instrument this 2nd day of December, 2005

BOARD OF DIRECTORS OF THE  
ASSOCIATION OF APARTMENT  
OWNERS OF THE REGENCY ON  
BEACHWALK

By

  
WILL TANAKA, JR.  
Its Vice President

By:

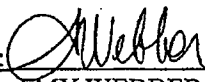
  
AMY WEBBER  
Its Secretary

This instrument may be signed in counterparts.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 2nd day of December, 2005

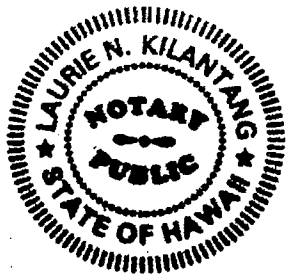
BOARD OF DIRECTORS OF THE  
ASSOCIATION OF APARTMENT  
OWNERS OF THE REGENCY ON  
BEACHWALK

By \_\_\_\_\_  
WILL TANAKA, JR.  
Its Vice President

By:  \_\_\_\_\_  
AMY WEBBER  
Its Secretary

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

On this 2nd day of December, 2005 before me appeared WILL TANAKA, JR., to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Laurie N. Kilantang

Name: Laurie N. Kilantang

Notary Public, State of Hawaii

My commission expires: May 4, 2007

STATE OF HAWAII )  
 ) SS:  
COUNTY OF HAWAII )

On this 2nd day of December, 2005 before me appeared Amy Webber, to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Notary Public, State of Hawaii

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



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

On this \_\_\_\_ day of December, 2005 before me appeared WILL TANAKA, JR., to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Notary Public, State of Hawaii

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

STATE OF HAWAII )  
 ) SS:  
COUNTY OF HAWAII )

On this 2nd day of December, 2005 before me appeared Amy Webber, to me personally known, who being by me duly sworn, did say that such person executed the foregoing instrument as the free act and deed of such person and in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Barbara A. Huiti

Name: BARBARA A. HUITI

Notary Public, State of Hawaii

My commission expires: 3/30/08

## EXHIBIT A-1

### AMENDED DECLARATION AND BYLAWS OF THE REGENCY ON BEACHWALK

1. The Project The Condominium Property Regime established hereby shall be known as "The Regency on BeachWalk." For purposes of clarity, the word "BeachWalk" is purposefully made to be one word, with the "W" in the middle of the word capitalized.

2. Land Description The land in fee simple submitted to the Condominium Property Regime is described in Exhibit "A" attached hereto and made a part hereof.

3. Description of the Building Unless modified as hereinafter provided, the Project consists of one tower (hereafter called "the building") with nine (9) stories extending in a mauka-makai direction (the levels of the building are numbered consecutively from 1 to 9, having forty-eight (48) residential units ("Residential Units"), twenty-four (24) Parking Units ("Parking Units") and three (3) Commercial Units ("Commercial Units"). The first floor is comprised of three Commercial Units, the Parking Units which are entirely outdoors, two stairwells, a machine room and elevator shafts, a meter room and a trash room. The second through ninth floors each contain six (6) Residential Units of which two contain two-bedrooms each and four contain one-bedroom each, the lanais appurtenant to each Residential Unit, two stairwells, elevator shafts, a trash/laundry room and a storage room which is part of Commercial Unit C-12. The building has two (2) elevators and a trash chute, which run vertically from floor one to floor nine.

The building has no basement and is constructed of reinforced concrete, steel, glass, aluminum and allied building materials with integrated walls, columns, and supports. It was constructed in 1961, and is approximately forty-four years old as of 2005.

4. Description of Units The Project is hereby divided into 75 separate Apartments (48 Residential Units, 3 Commercial Units and 24 Parking Units, hereinafter collectively called "Apartments"), all as more particularly described on the Condominium Map.

There are three types of Commercial Units, one type of Parking Unit and four types of Residential Units in the Project. The following schedule indicates how many Apartments there are of each type and the approximate floor area and lanai area, if any.

<u>Apartment Type</u>	<u>Number of Bedrooms</u>	<u>Total</u>	<u>Gross Floor Area</u>	<u>Lanai, Arcade and/or Planting Area</u>
R-1	2	8	693 sq. ft.	217 sq. ft.
R-2	1	16	494 sq. ft.	145 sq. ft.
R-3	1	16	494 sq. ft.	145 sq. ft.
R-4	2	8	693 sq. ft.	217 sq. ft.
C-11	None	1	1323 sq. ft.	930 sq. ft.
C-12	None	1	1198 sq. ft.	420 sq. ft.
C-13	None	1	3078 sq. ft.	248 sq. ft.
Parking Unit	None	24	161.5 sq. ft.	---

4.1 One-Bedroom Residential Units. There are 32 one-bedroom Residential Units composed of types "R-2" and "R-3" and each type contains a living-dining room, one bedroom, a storage area, one bathroom and a kitchen.

4.2 Two-Bedroom Residential Units. There are 16 two-bedroom Residential Units composed of types "R-1" and "R-4" and each type contains a living-dining room, two bedrooms, a storage area, one bathroom and a kitchen.

4.3 Access to Common Elements. All of the Residential Units have immediate access to a corridor which is a part of the common elements of the Project.

4.4 Commercial Units. There are three (3) Commercial Units. Commercial Unit C-11 consists of an area of the first floor partially within the building and an outdoor arcade area all as shown on the condominium Map, together with the roof of the arcade area, and the surface of the ground level and the unroofed airspace above the arcade which does not extend into the building. Commercial Unit C-12 consists of an area on the first floor partially within the building which contains one enclosed office and one (1) toilet room and eight (8) storage rooms on floors two through nine, all as shown on the Condominium Map, together with the roof of the arcade area, and the surface of the ground level and the airspace above the unroofed entrance which does not extend into the building. Commercial Unit C-13 consists of an area on the first floor partially within the building and an enclosed area adjacent to the building, all as shown on the Condominium Map, together with the roof of the enclosed area, an outdoor planting area and the airspace above the outdoor planting area rationally needed for the use thereof. The Commercial Units have immediate access (by way of an easement over Commercial Unit C-12 in the case of Commercial Units C-11 and C-13) to the elevators which are a part of the common elements of the Project.

4.5 Parking Units. The Parking Units on the first floor of the Project consist of 24 paved parking spaces entirely outdoors, as shown on the Condominium Map. Each Parking Unit includes the surface of each paved parking space as shown on the Condominium Map and the airspace above each paved parking space. The Parking Units have immediate access by way of an easement over Commercial Unit C-12 to the elevators which are a part of the common elements of the Project.

4.6 Measurements of Areas. THE APPROXIMATE GROSS FLOOR AREA AND LANAI, ARCADE OR PLANTING AREAS OF EACH APARTMENT AS SET FORTH ABOVE INCLUDES ALL OF THE WALLS AND PARTITIONS, VENTS, SHAFTS, DUCTS AND THE LIKE WITHIN ITS PERIMETER WALLS, THE ENTIRETY OF ITS PERIMETER NON-PARTY WALLS AND THE INTERIOR HALF OF ITS PERIMETER PARTY WALLS, WHETHER LOAD-BEARING OR NON-LOAD-BEARING. THE GROSS FLOOR AREAS ABOVE DO NOT INCLUDE LANAIS OR OTHER AREAS NOT FULLY ENCLOSED.

4.7 Location and Numbers. The first digit of a Residential Unit number denotes the level of the building, and the last digit denotes its location on the floor. Apartments on each level of the building are numbered consecutively in a makai to mauka direction. The Parking Units are numbered numerically as shown on the Condominium Map.

4.8 Limits of Residential Units. Each Residential Unit shall be deemed to include (i) any adjacent lanai to which such Residential Unit has direct, exclusive

access; (ii) all the walls and partitions which are not load-bearing within its perimeter walls; (iii) the inner decorated or finished surfaces of all walls, floors and ceilings; (iv) any doors, vestibules, windows or panels along the perimeters; and (v) all fixtures originally installed therein. No Residential Unit shall include any of the following:

(a) The undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls; the undecorated or unfinished floors and ceilings surrounding each Residential Unit;

(b) The foundation, the exterior walls, roof, beams and columns of the building of the Project; and

(c) All pipes, wires, conduits, and other utility or service lines which are utilized for or serve another or more than one Apartment (the same being deemed common elements as hereinafter provided).

4.9 Limits of Commercial Units. Each Commercial Unit shall be deemed to include:

(a) All of the areas and places bounded by their respective walls and the exterior boundary of the project site that is included in the boundaries for those respective units, as shown by the Condominium Map;

(b) All the vaults and partitions which are not load-bearing within its perimeter walls;

(c) The inner decorated or finished surfaces of all walls, floors and ceilings;

(d) Any doors, vestibules, windows or panels along the perimeters; and

(e) All fixtures originally installed therein. Where any cement floor or cement ceiling of the building is included within the units, the boundary of the unit is the inner surface of the floor and ceiling; where the vertical boundaries of a Commercial Unit are not a part of the building as in the case of any ceiling or roof area that is not affixed to the floor of an Apartment above it, the Commercial Unit shall include the surface of the ground level, the roof that is not part of the building, and the airspace between the surface of the floor and that roof

Each Commercial Unit shall also include all ducts, electrical equipment, wiring, machinery and air conditioning serving only that unit, and Commercial Unit C-11 and C-13 shall have their own electric and gas meter.

No Commercial Unit shall include any of the following:

(a) The undecorated or unfinished surfaces of the perimeter walls, or the party walls; the undecorated or unfinished floors and ceilings surrounding each Commercial Unit;

(b) The foundation, the exterior walls, roof, beams and columns of the building of the Project; and

(c) All pipes, wires, conduits, and other utility or service lines which are utilized for or serve another or more than one Apartment (the same being deemed common elements as hereinafter provided).

4.10 Limits of Parking Units. The Parking Units shall include the surface of all the paved parking spaces bounded in part by the exterior boundary of the land that is part of the Project and in part by the exterior walls of the building, and in part by the lines marked on the surface as shown on the Condominium Map, along with all airspace above that surface. The Parking Units shall not include the land, the exterior walls or foundation, nor any pipes, wires, conduits, and other utility or service lines which are utilized for or serve another or more than one Apartment (the same being deemed common elements as hereinafter provided).

5. Common Elements. The common elements shall include the limited common elements described in Paragraph 6 below and all other portions of the Property, excluding those items defined as part of any Apartment in Paragraph 4 hereof, but including both the building and the land on which the Project is located, and all other portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and which are not included as part of an Apartment, and all elements mentioned in the Condominium Property Act which are actually constructed on the land and specifically shall include but not be limited to:

- (a) The land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, support or bearing walls, and roof;
- (c) All ducts, electrical equipment and wiring and other central and appurtenant installations for service including power, lights, cold and hot water, refuse, telephone, and electrical room areas, except as otherwise provided in Paragraph 4;
- (d) All other devices or installations upon the land and building existing for or rationally of common use to all of the owners of Apartments;
- (e) The transformer vault on the first floor;
- (f) The roof of the building; and
- (g) The meter rooms and the trash room on the first floor of the building.

Designation of additional areas to be common elements or subject to common expenses shall require the approval of ninety percent (90%) of the Apartment owners.

5.1 Use of Common Elements. Each Apartment owner may 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 to:

- (a) The right of the Board of Directors, upon the approval of the owners of seventy-five percent (75%) of the common interests, except as provided in section 514A-13.4 Hawaii Revised Statutes as amended, ("HRS") to change the use of the common elements;
- (b) The right of the Board of Directors, on behalf of the Association of Apartment Owners (the "Association"), to lease or otherwise use for the benefit of the

Association those common elements which are not actually used by any of the Apartment owners for an originally intended special purpose, as determined by the Board of Directors; provided that, except for any leases, licenses, or other agreements entered into for the purposed authorized by section 514A-13.4 HRS, unless the approval of the owners of seventy-five percent (75%) of the common interest is obtained, any such lease shall not have a term exceeding five years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty days written notice;

(c) The right of the Board of Directors to lease or otherwise use for the benefit of the Association those common elements not falling within Paragraph 5(b) above, upon obtaining: (1) except as provided in section 514A-13.4 HRS the approval of the owners of seventy-five percent (75%) of the common elements, including all directly affected owners and all owners of Apartments to which such common elements are appurtenant in the case of limited common elements, and (2) approval of all mortgagees of record on Apartments with respect to which owner approval is required by subparagraph (1) above, if such lease or use would be in derogation of the interest of such mortgagees; and

(d) The exclusive use of the limited common elements as provided herein.

6. Limited Common Elements. Certain parts of the common elements which are rationally related to less than all of the Apartments are hereby set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. By way of illustration and not by way of limitation, the air conditioning condenser and compressor units (and the equipment, plumbing and electrical apparatus thereto) which shall be located on the roof of the machine room in the rear of the building shall be limited common elements appurtenant to and for the exclusive use of Commercial Unit No. G-11. As another illustration, the two (2) air conditioning units to be located on the meter room and the two (2) air conditioning units to be suspended above the doorway in the rear of the Project, shall be limited common elements appurtenant to and for the exclusive use of Commercial Unit No. C-13, who shall: (i) at its sole expense, keep, repair and maintain the units in good working order and in attractive condition, and (ii) indemnify, defend and hold harmless the Association, its officers and directors for all claims, demands, liabilities and loss of whatsoever nature in connection with such air-conditioning units.

6.1 Limited Common Element of Parking Units. The two paved driveways and paved turnaround area bounded in part by the perimeter of the Parking Units, in part by the perimeter of the exterior boundary of the land that is part of the Project, and in part by the exterior walls of the building, is hereby set aside and reserved as a limited common element for the exclusive use of the Parking Units as shown on the Condominium Map.

7. Percentage of Undivided Interest. Subject to the provisions of Paragraph 12 hereof, the percentage of undivided interest (the "common interest"), in the common elements appertaining to each Apartment, for all purposes, including voting shall be as follows:

7.1 RESIDENTIAL UNITS:

<u>UNIT NO.</u>	<u>APARTMENT TYPE</u>	<u>PERCENTAGE</u>
21	R-1	2.2674
31	R-1	2.2674
41	R-1	2.2674
51	R-1	2.2674
61	R-1	2.2674
71	R-1	2.2674
81	R-1	2.2674
91	R-1	2.2674
22	R-2	1.6163
32	R-2	1.6163
42	R-2	1.6163
52	R-2	1.6163
62	R-2	1.6163
72	R-2	1.6163
82	R-2	1.6163
92	R-2	1.6163
23	R-2	1.6163
33	R-2	1.6163
43	R-2	1.6163
53	R-2	1.6163
63	R-2	1.6163
73	R-2	1.6163
83	R-2	1.6163
93	R-2	1.6163
24	R-3	1.6163
34	R-3	1.6163
44	R-3	1.6163
54	R-3	1.6163
64	R-3	1.6163
74	R-3	1.6163

84	R-3	1.6163
94	R-3	1.6163
25	R-3	1.6163
35	R-3	1.6163
45	R-3	1.6163
55	R-3	1.6163
65	R-3	1.6163
75	R-3	1.6163
85	R-3	1.6163
95	R-3	1.6163
26	R-4	2.2674
36	R-4	2.2674
46	R-4	2.2674
56	R-4	2.2674
66	R-4	2.2674
76	R-4	2.2674
86	R-4	2.2674
96	R-4	<u>2.2674</u>

TOTAL RESIDENTIAL	88.0000%
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7.2 COMMERCIAL UNITS:

<u>UNIT NO.</u>	<u>PERCENTAGE</u>
C-11	3.4435
C-12	2.4730
C-13	<u>5.0835</u>

TOTAL COMMERCIAL	11.0000%
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7.3 PARKING UNITS:

<u>UNIT NO.</u>	<u>PERCENTAGE</u>
P-1	0.0416
P-2	0.0416



P-3	0.0416
P-4	0.0416
P-5	0.0416
P-6	0.0416
P-7	0.0416
P-8	0.0416
P-9	0.0416
P-10	0.0416
P-11	0.0416
P-12	0.0416
P-13	0.0416
P-14	0.0416
P-15	0.0416
P-16	0.0416
P-17	0.0416
P-18	0.0416
P-19	0.0416
P-20	0.0416
P-21	0.0416
P-22	0.0416
P-23	0.0416
P-24	0.0432

TOTAL PARKING UNITS	1.000%
<u>TOTAL</u>	<u>100.000%</u>

8. Easements and Licenses. The Apartments and common elements shall also have and shall be subject to the following easements:

(a) Each Apartment shall have appurtenant thereto non-exclusive easements: (i) for ingress to and egress from, stairways and ramps of the building; (ii) for ingress to and egress from utility services for and support, maintenance, and repair of the Apartments; (iii) in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as provided herein; and (iv) in all other Apartments and limited common elements of the building in which it is located, for support;

(b) If any part of the common elements or an part of any Apartment or limited common element encroaches upon any other Apartment or limited common element thereto, or if any part of any Apartment shall encroach upon any common element, or, in either case, if such encroachment shall occur as a result of any settling or shifting of the Project or any part thereof, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist so long as the building in which such Apartment is located shall stand. In the event any Apartment or building of the Project shall be partially or totally destroyed and then rebuilt, the encroachment of any parts of the common elements upon any Apartment or of any Apartment or upon any portion of the common elements due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist for so long as the building or Apartment rebuilt shall stand.

(c) The Association shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each Apartment and the limited common elements at reasonable times when necessary for the operation of the Project or for making emergency repairs therein which may be necessary to prevent damage to any other Apartment or to the common elements.

(d) Each Apartment shall have appurtenant to it (i) a non-exclusive easement for ingress and egress over portions of Commercial Unit C-12, as shown on the Condominium Map, and (ii) non-exclusive easements for pedestrian traffic over the paved driveways and turnaround area (the same being a limited common element reserved and set aside for the Parking Units) for purposes only of emergency ingress and egress from the stairwells on the first floor of the building to the street fronting the Project.

(e) Each Apartment shall have a non-exclusive easement over the paved driveways and turnaround area (the same being a limited common element reserved and set aside for the Parking Units) for access to and from the trash rooms and meter rooms for removal of trash and for utility service.

(f) Commercial Unit Nos. C-11 and C-13 shall have an irrevocable license to enter into and upon and to keep, repair and maintain their respective air conditioning condenser and compressor units (and the equipment, plumbing and electrical apparatus incidental thereto) described in paragraph 6 of this Declaration, in wall(s) of the building and the air space adjacent thereto and/or above said surrounding land, as well as in, on or upon any other area, place or space reasonably required to accommodate said equipment; provided, however, that the owners of Commercial Units No. C-11 and C-13 shall at all times exercise such license in compliance with the terms of this Declaration and Chapter 514A HRS.

9. Alteration and Transfer of Interests. The common interest and easements appurtenant to each Apartment shall have a permanent character, and except as expressly provided otherwise in the Apartment deed, shall not be altered without the consent of the owner of each Apartment affected thereby, expressed in a duly recorded amendment to this Declaration. Said common interest and easements appurtenant to each Apartment shall not be separated from said Apartment and shall be deemed to be conveyed or encumbered with said Apartment even though not expressly mentioned or described in the conveyance or other instrument. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the aforesaid Condominium Property Act.

10. Uses.

10.1 Residential Units. The Residential Units may be used for residential and any other use lawful under the zoning laws and ordinances prevailing from time to time, including the leasing or rental of those units from time to time, subject to such limitations as may be contained herein or in the Bylaws of the Association and House Rules which may be adopted from time to time governing the use of Residential Units. The Residential Units in the Project or any interest therein may be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Residential Unit or Residential Units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, beneficial interest under a Hawaii Land Trust, partnership or otherwise. The Fee Owner may use any Residential Unit for sales or display purposes prior to its sale.

Owners of Residential Units and all guests occupying Residential Units shall at all times make arrangements with the Front Desk operator for the issuance of a card key for the front door of the Residential Unit in order that access to the Residential Unit is controlled. The Front Desk operator shall receive reasonable compensation from the Association for performing this card key service for Residential Units and for hotel guests and for administering the card key system and its equipment which belongs to the Association. In the event an owner of a Residential Unit desires to take custody of the card key for his Residential Unit, the Front Desk operator shall be relieved of that responsibility. If an owner of a Residential Unit elects to leave a card key in the custody of the Front Desk operator for issuance of the card key to owner's tenants or guests, then the owner shall (a) execute an indemnity agreement in a form provided by the Front Desk operator relieving the Front Desk operator and its employees and agents of liability in connection with the card key(s) except for gross negligence or willful misconduct; (b) provide the Front Desk operator in writing from time to time the names and addresses of the persons to whom the card key(s) are to be issued and the dates for which they are to be issued; and (c) pay a reasonable fee to the Front Desk operator for this service. The Front Desk operator may charge a reasonable fee to Residential Unit owners for issuance of additional key cards and for replacing lost key cards. Card keys shall also be provided to the Association for access to the Residential Units and any limited common elements accessed by card keys when such access is permitted by this Declaration, the Bylaws or the Act. As used in this paragraph, "Front Desk operator" means the owner of Commercial Unit 12 or such tenant or agent of Commercial Unit 12 to whom the owner of Commercial Unit 12 delegates its duties under this paragraph.

10.2 Commercial Units and Parking Units. The Commercial Units are intended and shall be used for commercial uses of any lawful type. Except as allowed below, the Parking Units shall be used solely for parking and vehicular access, and may be leased or rented. The Commercial Units and Parking Units shall be subject to such limitations as may be contained herein or in the Commercial Rules which may be adopted from time to time, which shall not unreasonably impair the value or usefulness of those units. No permanent or temporary structure may be erected in airspace above the limited common elements reserved thereto, and

the arcade roofs of the Commercial Units. Permanent or temporary structures may be erected in airspace above the surface of the Parking Units and the entire structure will be part of the Parking Unit without the necessity of approval of any other Unit owner, provided that any such construction will be subject to obtaining a building permit and complying with any zoning requirements existing at that time. In the event such structure is erected, the Parking Unit containing the structure may be used for commercial uses of any lawful type.

11. Service of Process. Service of process may be made upon any current member of the Board of Directors.

12. Expenses.

12.1 Common Expenses. All charges, costs and expenses whatsoever incurred by the Association for or in connection with the administration of the Project, including without limitation, the operation thereof, any maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto; any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon; and any premiums for hazard and liability insurance herein required with respect to the Project and the cost of all utility services, including water, sewer, electricity, garbage disposal and any similar services unless separately metered or billed shall constitute common expenses of the Project for which all Apartment Owners shall be severally liable in proportion to their respective common interests, except that the Parking Units shall not be assessed for any share of the cost of utility services, nor shall the Commercial Units be so assessed while those units are separately metered for such utility serviced. Real property taxes and special assessments referred to in Section 514A-6 HRS, shall not be common expenses of the Condominium Property Regime hereby created and no payments thereof shall be payments of such common expenses. The Board of Directors shall from time to time assess the common expenses against all the Apartments in their respective proportionate shares, and the unpaid amount of such assessments against any Apartment shall constitute a lien against such Apartment, subject only to (i) liens for taxes and assessments lawfully imposed by governmental authorities, and (ii) all sums, unpaid on mortgages of record and costs and expenses including attorneys' fees provided in such mortgages, which such liens may be foreclosed by the Board of Directors or Managing Agent as provided by said Condominium Property Act, provided that thirty (30) days' prior written notice of intention to foreclose shall be mailed, postage prepaid, to the Apartment owners and all other persons having any interest in such Apartments as shown in the Association's record of ownership. Notwithstanding the foregoing, in the event that the Board of Directors has reason to believe that any Apartment is consuming commonly metered utilities in excess of its percentage undivided interest, then the Board of Directors, in its sole discretion, may measure such consumption, if feasible, and if the same is in excess of said percentage interest, then and in such event, the Board of Directors may assess and charge the costs for the excess consumption against the Apartment in question and the same shall for all purposes deemed to be a common expense of such Apartment.

12.2 Limited Common Elements Expenses. The expenses which are incurred in connection with limited common elements shall be borne by the respective Apartment owners of the Apartments to which said limited common elements are appurtenant.

13. Compliance with Declaration and Bylaws. All owners, their tenants, families, employees, licensees, invitees, and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the provisions of this Declaration, the Bylaws of the Association, and all agreements, decisions and determinations of the Association duly and lawfully made or amended from time to time, and failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board of Directors or Managing Agent on behalf of the Association or, in a proper case, by any aggrieved Apartment owner.

14. Insurance.

(a) The Association at its common expense shall at all times keep the building of the Project, including 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, insured against loss or damage by fire with extended coverage in 'an insurance company authorized to do business in Hawaii having a financial rating by Best's Insurance Reports of Class VI or better, in an amount sufficient to provide for the full repair or full replacement thereof without deduction for depreciation, in the name of the Association, and mortgagees as their interests may appear, and payable in case of any loss exceeding FIFTY THOUSAND DOLLARS (\$50,000) to such bank or trust company authorized to do business in the State of Hawaii as the Board of Directors shall designate for the custody and disposition as herein provided of all proceeds of such insurance (the "Trustee"), and from time to time cause to be deposited promptly with the Secretary of the Association true copies of such insurance policies, without prejudice to the right of each Apartment owner, to insure his or her Apartment for his or her own benefit. Flood insurance shall also be maintained if the property is located in a special flood hazard area as delineated on flood maps issued by the Federal Emergency Management Agency. The flood insurance policy shall comply with the requirements of the National Flood Insurance Program and the Federal Insurance Administration. The members of the Association may by majority vote at any meeting of the Association require that the exterior glass of the Project also be insured by the Association. In every case of such loss or damage all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing or otherwise reinstating the building, except as provided herein and in Paragraph 15 of this Declaration, 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 herein provided, and the Association at its common expense shall make up any deficiency in such insurance proceeds. Every such policy of insurance shall:

(1) Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counter-claim, apportionment, proration or contribution by reason of any other insurance obtained by or for any Apartment owner;

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

(3) Provide that such policy and the coverage thereunder may not be cancelled or substantially modified (whether or not requested by the Board of Directors) except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board of Directors, every first mortgagee of an Apartment and every other person in interest who shall have requested such notice of the insurer;

(4) Contain a waiver by the insurer of any right of subrogation against the Board of Directors, or any Apartment owners;

(5) Provide that the insurer, at the inception of the policy and on each anniversary date thereof, shall provide the Board of Directors with a written summary, in layman's terms, of the policy. This summary shall include, without limitation, a description of the type of policy, the coverage and limits thereof, the amount of the annual premium, and the renewal dates. Upon receipt of such summary from the insurer, the Board of Directors shall provide the summary to the Apartment owners; and

(6) Contain a standard mortgage clause which shall:

(i) Name as an additional assured the holder of any mortgage affecting any Apartment whose name shall have been furnished to the Board of Directors and provide that any reference to a mortgagee include all holders of mortgages of any Apartment or Apartment deed 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 Board of Directors, 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 mortgage pay any premium thereon, and any contribution clause and any right to be subrogated to the rights of any mortgagee against the owner or lessee of any Apartment or the Association, or to require an assignment of any mortgage to the insurer; 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 of Directors.

(7) Contain a waiver by the insurer of any right of the insurer to repairs, rebuild or replace, if the Apartment owners decide as set forth herein and in Paragraph 15 of this Declaration not to repair, reinstate, rebuild or restore the damaged or destroyed improvements.

(8) Shall be accompanied by the Certificate of a licensed insurance broker or agent certifying that the policy complies with and satisfies all of the requirements contained in this Paragraph 14.

(b) 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 One Million Dollars (\$1,000,000.00) for injury in any one

accident or occurrence and One Hundred Thousand Dollars (\$100,000.00) for property damage without prejudice to the right of any Apartment owners to maintain additional liability insurance for their respective Apartments. Any such policy of insurance shall:

(1) provide that the same shall not be invalidated by any act or neglect of the Board of Directors, or Apartment owners or any persons under any of them;

(2) contain a waiver by the insurer of any right of subrogation to any right of the Board of Directors or Apartment owners, against any of them or any other persons under them;

(3) 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

(4) provide that the policy and its coverage may not be cancelled or reduced (whether or not requested by the Board of Directors), except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board of Directors, Apartment owners, every first mortgagee of an Apartment or Apartment deed and every other person in Interest who shall have requested such notice of the insurer.

(c) All premiums for insurance herein required to be obtained by the Board of Directors on behalf of the Association shall be a common expense to be paid by monthly assessments thereof.

(d) (i) The Board of Directors shall review not less frequently than annually the adequacy of its entire insurance program and shall adjust its insurance program accordingly; the Board of Directors shall then report in writing its conclusions and action 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; provided that no adjustment shall be made which decreases any insurance coverage, except as provided in subparagraph (ii).

(ii) Provided, further, however, any insurance coverage specified in this paragraph 14 shall be subject to availability with responsible insurance companies authorized to do business in the State of Hawaii. Where such coverage is not available, or is not available at a reasonable cost, then the Board of Directors shall substitute such other insurance coverage, available at reasonable cost, as is acceptable to institutional lenders for apartments in projects similar in construction, location and use. At the request of any mortgagee of any interest in any Apartment, the Board of Directors shall furnish to such mortgagee a copy, or at the option of the Board of Directors, a certificate, of the casualty and liability insurance policies referred to herein.

(e) If the building is damaged by fire or other casualty which is insured against, and said damage is limited to a single Apartment, the insurance proceeds shall be used by the Board of Directors or the Trustee for payment of the contractor retained by the Board of Directors to rebuild or repair such Apartment, including paint, floor covering and fixture, in accordance with the original plans and specifications therefor. If the insurance proceeds are insufficient to pay all costs of repair, the deficiency shall be paid from the Association's Maintenance Reserve Funds as provided in Paragraph 17 of this Declaration. If the maintenance fund is insufficient for this purpose, the Board of Directors shall levy a special

assessment on all the owners of Apartments in proportion to their respective common interests. If such damage extends to two or more Apartments or extends to any part of the limited common elements, if any, or to the common elements:

(1) The Board of Directors shall thereupon contract to repair or rebuild the damaged portions of the building, including all Apartments so damaged; as well as the common elements, in accordance with plans and specifications therefor, which will restore the same to the design immediately prior to destruction, or if reconstruction 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 of Directors and the mortgagee of record of any interest in an Apartment directly affected thereby, provided that in the event said modified plan eliminates any Apartment and such Apartment is not reconstructed the Trustee shall pay to the owner of said Apartment and the mortgagee of record of such Apartment the portion of said insurance proceeds allocable to said Apartment (less the proportionate share of said Apartment in the cost of debris removal) and shall disburse the balance of insurance proceeds as hereinafter provided for the disbursement of insurance proceeds. The insurance proceeds shall be paid by the Trustee to the contractor employed for such work, in accordance with the terms of the contract for such construction and in accordance with the terms herein set forth. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding all damaged Apartments and common elements, the Board of Directors is expressly authorized to pay such costs in excess of the insurance proceeds from the maintenance fund, and if the maintenance fund is insufficient for the purpose, the Board of Directors shall levy a special assessment on all the owners of Apartments in proportion to their respective common interests.

(2) The cost of the work shall be paid out from time to time or at the direction of the Trustee as the work progresses, but subject to the following conditions:

(i) The work shall be in charge of an architect or engineer;

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

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

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



(v) The fees and expenses of the Trustee as determined by the Board of Directors and the Trustee shall be paid by the Association as common expenses; and

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

(3) Upon the completion of the work and payment in full therefor, any remaining proceeds of insurance then or thereafter in the hands of the Board of Directors or the Trustee shall be paid or credited to the owners of the Apartments (or to the mortgagee of an Apartment if there be a mortgage) in proportion to their respective common interests.

(4) To the extent that any loss, damage or destruction to the building or other real property is covered by insurance procured by the Board of Directors, the Board of Directors shall have no claim or cause of action for such loss, damage or destruction against any Apartment owner; unless such loss, damage, or destruction was intentional. All policies of insurance referred to in this Paragraph 14 shall contain appropriate waivers of subrogation.

(f) If the Apartment owners who own (i) eighty percent (80%) or more of the Apartments, and (ii) Apartments to which are appurtenant eighty percent (80%) or more of the common interest shall agree in writing consented to by all mortgagees of their respective interests, if required, that the building need not be rebuilt, the insurance proceeds shall be used to remove any remaining improvements on the land and included in the Condominium Property Regime, and the balance, if any shall be allocated between the Apartment owners and their mortgagees, if any, as interests may appear.

15. Damage or Destruction. If the common elements shall suffer substantial damage or destruction and the owners of Apartments who own (i) eighty percent (80%) or more of the Apartments, and (ii) Apartments which are appurtenant to eighty percent (80%) or more of the common interest shall determine, by vote at a meeting of the Association or by execution of an instrument expressing such determination, that such damage or destruction shall not be rebuilt, repaired or restored, such action shall be determinative of whether to rebuild, repair or restore the Project and the Property shall be subject to an action for partition as provided by law.

16. Common Profits. The profits from the common elements of the Project shall be distributed among the Apartment owners in proportion to the common interest appurtenant to their respective Apartments.

17. Maintenance Reserve Fund. The Board of Directors shall establish and maintain a Maintenance Reserve Fund by the assessment of and payment by all the Apartment owners in equal monthly installments of their respective proportionate shares of such reasonable annual amount as the Board of Directors may estimate as adequate to cover each Apartment owner obligations to the Association, in accordance with the provisions of the Condominium Property Act including without limitation Section 514A-83.6 HRS. The Board of Directors may include reserves for contingencies in such assessment, and such assessment may from time to time be increased or reduced in the discretion of the Board of Directors, in accordance with the provisions of the Condominium Property Act including without limitation Section 514A-83.6 HRS. The amount of the common expenses allocated, used or to be used for capital

improvement or repair, or any capital expenditures, shall not be deemed income to the Association but shall be credited upon the books of the Association to the paid-in surplus account as a capital contribution by the Apartment owner. The interest of each Apartment owner in said 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 Condominium Property Regime hereby created shall be terminated, said Fund remaining after full payment of all common expenses of the Association shall be distributed to all Apartment owners as their interests may appear, except for the interests of owners of any Apartments then reconstituted as a new Condominium Property Regime.

18. Condemnation In the event of taking in condemnation or by eminent domain of part or all of the common elements, all compensation payable for or on account of taking shall be payable to a condemnation trustee, who shall be a bank or trust company designated by the Board of Directors authorized to do business in the State of Hawaii. The Board of Directors shall arrange for the repair and restoration of the building and improvements in accordance with the design thereof immediately prior to such condemnation or, if such repair and restoration in accordance with said design are not permissible under the laws then in force, in accordance with such modified plan as shall be previously approved by the Board of Directors 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 of said Apartment in 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 of Directors is expressly authorized to pay such excess costs from the Maintenance Reserve Fund and if the Maintenance Reserve Fund is insufficient for this purpose the Board of Directors 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 building and improvements, or in the event all the building 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 accordance with their interests in the common elements prior to such taking, including any Apartment which is eliminated or not restored.

18.1 Alteration of Project Restoration or replacement of the Project or of the building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any Apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of all the Apartment owners and accompanied by the written consent of the holders of all liens (if the lien holders require such consent and approval) affecting any of the Apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board of Directors, and promptly upon completion of such restoration, replacement or construction, the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. Provided, however, that notwithstanding any provision in this Declaration to the

contrary, any alterations or additions within an Apartment or within a limited common element appurtenant to and for the exclusive use of an Apartment, or of certain Apartments, shall require the written consent thereto and the written approval of the Apartment owner's plans therefor by only the holders of all liens affecting such Apartment (if the lien holders require such consent and approval), the Board of Directors, all other Apartment owners thereby directly affected (as determined by the Board of Directors), 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.

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

20. Administration of the Project. Administration of the Project shall be vested in its Association of Apartment owners, herein referred to as the "Association", consisting of all Apartment owners of the Project in accordance with the Bylaws of the Association attached hereto as Exhibit "B" 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 Condominium Property Act, this Declaration and the Bylaws and specifically but without limitation the Association shall:

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

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

(c) Well and substantially repair, maintain, amend and keep all common elements of the Project, including without limitation the buildings thereof, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep said land and all adjacent land between any street boundary of the Project and the established curb or street line in a neat and attractive condition and all trees, shrubs, and grass hereon in good cultivation and replant the same as may be necessary, and repair and make good all defects in the common elements of the Project herein required to be repaired by the Association, of which notice shall be given by any owner or his agent, within thirty (30) days after the giving of such notice.

(d) Maintain and keep in good order and condition an easement for pedestrian and vehicle passage over and across a portion of Lot 31 as described in Exhibit "A", being a strip 10 feet wide, as contained in that certain instrument dated April 1, 1968, recorded in the Bureau of Conveyances of the State of Hawaii, in Book 6024, Page 289.

(e) Before commencing or permitting construction of any improvement on the Project, obtain a bond or certificate thereof naming as obligees collectively

all Apartment owners 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 514A-16 HRS.

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

(g) 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, except in accordance with plans and specifications including detailed plot plans, prepared by a licensed architect if so required by the Board of Directors, and also approved by a majority of Apartment owners (or such larger percentage as required by law or this Declaration) including all owners of Apartments thereby directly affected, and complete any such improvements diligently after the commencement thereof.

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

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

(j) As its common expense and as provided in the Bylaws, at all times keep the buildings of the Project insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in Hawaii. In every case of such loss or damage all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing or otherwise reinstating the buildings 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 as herein provided and the Association at its common expense shall make up any deficiency in such insurance proceeds.

21. Amendment of Declaration This Declaration may be amended by an instrument filed in the Bureau of Conveyances of the State of Hawaii, signed, verified and acknowledged by the President or Vice President, and Secretary or Treasurer of the Association of the Project, setting forth the amendment involved and that such amendment has been approved by the owners of Apartments holding at least seventy-five percent (75%) of the common interest at a meeting of the Association duly called and held for the purpose; provided however, that no amendment affecting the Parking Units or any Commercial Unit may be made without the written consent of the owner of the affected unit, and further provided that any amendment which increases or decreases the common interest appurtenant to any Apartment is effective only if signed and acknowledged by the owner of each Apartment with respect to which the common interest appurtenant to such Apartment is either increased or decreased. In the case of a modification or amendment to the Bylaws, this Declaration may be amended to set forth such modification or amendment pursuant to such percentage vote as is required by the Bylaws to render the modification or amendment thereof effective.

22. Definitions. The term "majority" or "majority of Apartment owners" herein means the owners of the Apartments to which are appurtenant more than fifty percent (50%) of the common interests, and any other specified percentage of the Apartment owners means the owners of Apartments to which are appurtenant such percentage of the common interests.

23. Project Compliance. The building was constructed in 1961, and is in compliance with all ordinances, codes, rules, regulations, or other requirements in force at the time of its construction. No variances were sought nor granted from any ordinances, codes, rules, regulations, or other requirements in force at the time of its construction or from any current ordinances, codes, rules, regulations or other requirements.

24. Subordination and Interpretation. This Declaration and any amendments hereto are subordinate and subject to the Condominium Property Act and the rules and regulations of the Real Estate Commission Chapter 107, 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 said Condominium Property Act. In case any provision of this Declaration shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect.

**EXHIBIT "A"**

**FIRST:**

ALL of that certain parcel of land being Lot A, being all of Lot No. 35 and a portion of Lot 33 of Beach Walk Tract (File Plan No. 133) situate on the southeast side of Beach Walk of Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

BEGINNING at the north corner of this parcel of land on the southeast side of Beach Walk, the true azimuth and distance from the north corner of Lot 33 and the west corner of Lot 31 of said Beach Walk Tract being 41° 04' 00" 46.69 feet and the coordinates of said point of beginning referred to a City and County Street Monument at the corner of Kalakaua Avenue and Kalaimoku Street in Honolulu aforesaid being 787.44 feet south and 29.65 feet west and thence running by azimuths measured clockwise from the true south:

- |    |          |        |  |
|----|----------|--------|--|
| 1. | 302° 40' | 106.83 | feet along remainder of Lot 33 (Lot B);  |
| 2. | 46° 00'  | 55.26  | feet along six-foot lane;  |
| 3. | 122° 40' | 102.02 | feet along Lot 37 of File Plan 133;  |
| 4. | 221° 04' | 54.41  | feet along the southeast side of Beach Walk to the point of beginning and containing an area of 5,620 square feet, more or less. |

TOGETHER with the right and privilege to use and enjoy as and for a foot path a lane six feet wide adjoining said Lot A, as shown on said File Plan No. 133.

**SECOND:**

ALL of that certain parcel of land being LOT B, being a portion of Lot 33 of the Beach Walk Tract (File Plan No. 133) situate on the southeast side of Beach Walk at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

BEGINNING at the west corner of this parcel of land on the southeast side of Beach Walk, the coordinates of said point of beginning referred to a Survey Street Monument at the corner of Kalakaua Avenue and Kalaimoku Street in Honolulu aforesaid, being 787.44 feet south and 29.65 feet west and thence running by azimuths measured clockwise from true South:

- |    |          |        |   |
|----|----------|--------|---|
| 1. | 221" 04' | 46.69  | feet along the southeast side of Beach Walk;  |
| 2. | 302" 40' | 110.96 | feet along Lot 13;  |
| 3. | 46" 00'  | 47.40  | feet along six-foot lane;   |
| 4. | 122" 40' | 106.83 | feet along remainder of Lot 33 (Lot A) to the point of beginning and containing an area of 5,029 square feet, more or less. |

TOGETHER with the right and privilege to use and enjoy as and for a foot path a lane six (6) feet wide adjoining said Lot B, as shown on said File Plan No. 133.

THIRD:

ALL of that certain parcel of land situate on the southeast side of Beach Walk at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, being LOT 31, of "BEACH WALK TRACT", as shown on the Map thereof filed in the Bureau of Conveyances of the State of Hawaii as File Plan 133, containing an area of 5,620 square feet

TOGETHER with the right and privilege to use and enjoy as and for a foot path a lane six (6) feet wide adjoining said LOT 31, as shown on said File Plan No. 133.

AND TOGETHER with an easement for pedestrian and vehicle passage over and across a portion of said Lot 29, being a strip ten (10) feet wide and more fully described as follows:

BEGINNING at the west corner of this easement on the southeast side of Beach Walk, being also the west corner of said Lot 29 and the north corner of the Consolidation of Lot 31 and Lots A and B of the Consolidation and Resubdivision of Lots 33 and 35, all of the said Beach Walk Tract, along Beach Walk on a curve to the left having a radius of 527.45 feet, the chord azimuth and distance being:

- |    |              |       |  |
|----|--------------|-------|--|
| 1. | 217" 41' 17" | 10.04 | feet; thence;  |
| 2. | 302" 40' 00" | 97.11 | feet along remainder of said Lot 29;   |
| 3. | 32" 40' 00"  | 10.00 | feet along the same;   |
| 4. | 122" 40' 00" | 98.00 | feet along the said Consolidation of Lots 31, 33 and 35 to the point of beginning and containing an area of 986 square feet. |

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. AS TO THIRD ONLY:

- (a) Easement in favor of Lot 29 for pedestrian and vehicle passage over and across a portion of Lot 31, being a strip 10 feet wide, as contained in that certain instrument dated April 1, 1968, recorded in Book 6024, Page 289.

2. AS TO ALL PARCELS:

- (a) Title to all mineral and metallic mines reserved to the State of Hawaii.
- (b) Restrictive Conditions as contained in Deeds dated December 10, 1915; November 30 1914; and April 7, 1915, recorded in Book 442, Page 24; Book 422, Page 165; and in Book 420, Page 284.



## **EXHIBIT "B"**

### **AMENDED BYLAWS OF THE ASSOCIATION OF THE APARTMENT OWNERS OF THE REGENCY ON BEACHWALK**

The following Bylaws shall apply to the condominium project known as "THE REGENCY ON BEACHWALK, herein called the "Project", situate at Waikiki, City and County of Honolulu, State of Hawaii, as described in and created by Declaration of Condominium Property Regime, herein called the Declaration", to be recorded in the Bureau of Conveyances of the State of Hawaii contemporaneously herewith, and to all present and future owners, tenants and occupants of any Apartment of the Project and all other persons who shall at any time use the Project:

#### **ARTICLE I MEMBERSHIP**

Section 1. Qualification. All owners of Apartments in 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 the Apartment ceases for any reason, at which time his membership in the Association shall automatically cease.

Section 2. Place and Conduct of Meetings. Meetings of the Association shall be held at the Project or such other suitable place within the State of Hawaii convenient to the Apartment owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held not later than 180 days after recordation of the first Apartment conveyance; provided forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) of the Project is not sold and recorded at the end of one (1) year, an annual meeting shall be called; provided ten percent (10%) of the Apartment owners so request.

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 the owners of Apartments to which are appurtenant at least twenty-five percent (25%) of the common interests established by the Declaration, 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, at least fourteen (14) days before the date set for such meeting, stating whether it is an annual or special meeting; the authority for the call thereof, the place, day and hour of such meeting and the items on the agenda therefor, in any of the following ways: (i) by delivering it to him personally, or (ii) by leaving it at his Apartment in the Project or at his usual residence or place of business, or (iii) by mailing it, postage prepaid, addressed to him at his address as it appears on the Association's record of ownership. Said notice shall also include the standard proxy form authorized by the Association, if any, which said proxy shall be valid for the meeting to which the notice pertains and its adjournment only. If notice is given pursuant to the provisions of this section, the failure of any Apartment owner to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of any

Apartment owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Quorum. The presence at any meeting in person or by proxy of the majority of Apartment owners shall constitute a quorum, and the acts of a majority of the Apartment owners at any meeting at which a quorum is present shall be the acts of the Association except as otherwise provided herein: The term "majority of Apartment owners" herein means the owners of Apartments to which are appurtenant more than fifty percent (50%) of the common interest as established by the Declaration, and any other specified percentage of the Apartment owners means the owners of Apartments to which are appurtenant such percentage of the common interests.

Section 7. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each Apartment is entitled shall be the percentage of the common interest assigned to such Apartment in the Declaration. Votes may be cast in person or by proxy by the respective Apartment owners as shown in the record of ownership of the Association. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any Apartment owned or controlled by him in such capacity; whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such Apartment in such capacity. The vote for any Apartment owned of record by two (2) 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. Votes allocated to any area which constitutes a common element under Section 514A-13(h) HRS, shall not be cast at any Association meeting, whether or not it is so designated in the Declaration.

Section 8. Proxies and Pledges.

(a) A proxy, to be valid, must:

(1) Be delivered to the Secretary of the Association or the Managing Agent no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains;

(2) Contain at least: the name of the Association, the date of the meeting of the Association, the printed name and signature of the person or persons giving the proxy, the Apartment or Apartments for which the proxy is given, the printed name of the person or entity to whom the proxy is given, and the date that the proxy is given;

(3) Contain boxes wherein the owner has indicated that the proxy is given:

(i) For quorum purposes only;

(ii) To the individual whose name is printed on a line next to this box;

(iii) To the Board of Directors as a whole and that the vote be made on the basis of the preference of the majority of the Board of Directors; or

(iv) To those directors present at the meeting and the vote to be shared with each member of the Board of Directors receiving an equal percentage.

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

(c) No Board of Directors or member of the Board of Directors shall use Association funds to solicit proxies except for the distribution of proxies as set forth in section 514A-82(b)(4) HRS; provided that this shall not prevent, an individual member of the Board of Directors from soliciting proxies as an Apartment owner under Section 514A-82(b)(4) HRS.

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

(e) Nothing in this section shall affect the holder of any proxy under a first mortgage of record encumbering an Apartment or under an agreement of sale affecting an Apartment.

Section 9. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the Apartment owners present, whether or not a quorum be 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 directors.
- (g) Unfinished business.
- (h) New business.

Section 11. Documents of the Association of Apartment Owners. (a) The Association's most current financial statement and minutes of the Board of Directors' meetings, once approved, shall be available to any owner at no cost or on twenty-four hour loan, at a convenient location designated by the Board of Directors.

(b) Minutes of meetings of the Board of Directors and the Association for the current and prior year shall be available for examination by Apartment owners at convenient hours at a place designated by the Board of Directors. Minutes of meetings shall include the

recorded vote of each member of the Board of Directors on all motions except motions voted on in executive session. Copies of meeting minutes shall be provided to any owner upon the owner's request provided that the owner pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

(c) Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers, insurance policies, contracts, and invoices of the Association for the current and prior year and delinquencies of ninety days or more shall be available for examination by Apartment owners at convenient hours at a place designated by the Board of Directors; provided:

(1) That the Board of Directors may require owners to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the Association or its members or both; and

(2) That owners pay for administrative costs in excess of eight hours per year. Copies of these items shall be provided to any owner upon the owner's request, provided that the owner pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

(d) Owners shall also be permitted to view proxies, tally sheets, ballots, owners' check-in lists, and the certificate of election for a period of thirty days following any Association meeting; provided:

(1) That the Board of Directors may require owners to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interest of the Association or its members or both; and

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

(e) Owners may file a written request with the Board of Directors to examine other documents. The Board of Directors shall give written authorization or written refusal with an explanation of the refusal within thirty calendar days of receipt of the request.

Section 12. Audits. (a) The Association shall require a yearly audit of the Association's financial accounts and no less than one yearly unannounced verification of the Association's cash balance by a public accountant; provided that the yearly audit and the yearly unannounced cash balance verification may be waived by a majority vote of all Apartment owners taken at an Association meeting.

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

(1) An unedited year end financial statement for the fiscal year to each Apartment owner at least thirty days prior to the annual meeting; and

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

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

## 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 five (5) persons, each of whom shall be the sole owner or co-owner of an Apartment or a vendee under an agreement of sale. If a corporation, general partnership or limited partnership is an Apartment owner, any officer or general partner of such corporation, general partnership or limited partnership shall be eligible to serve as director so long as he remains an officer or general partner of such corporation, general partnership or limited partnership. There shall not be more than one representative on the Board of Directors from any one Apartment. No resident manager of the Project shall serve on the Board of Directors. Each director shall owe the Association a fiduciary duty in the performance of the director's responsibilities. The directors shall serve without compensation.

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 Bylaws directed to be exercised or done only the Apartment owners.

Section 3. Election and Term. The owners of Residential Units shall elect four (4) directors. The owners of the Commercial Units and Parking Units shall elect one (1) director. Election of directors whose terms have expired (except as to the first annual meeting) shall be by cumulative voting by secret ballot at annual meetings and any special meeting called for the purpose. Directors shall hold office as follows: At the first annual meeting two of the directors shall be elected for one year; two for two years and one for three years, subject to removal as herein provided.

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, unless the vacant directorship is the one elected by the owners of the Commercial Units and Parking Units in which case a special meeting of those owners shall be held, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of any director, or his continuous absence from the State of Hawaii for more than six months, or his ceasing to be the sole owner or co-owner of an Apartment, or a vendee under an agreement of sale shall cause the 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 elected by the owners of Residential Units may be removed with or without cause by vote of a majority of the owners of Residential

Units and a successor shall then and there be elected to fill the vacancy thus created. The director elected by the owners of the Commercial Units and the Parking Units may be removed by vote of a majority of the owners of such units and a successor shall 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.

If such removal and replacement is to occur at a special Association meeting, the call for such meeting shall be by the President or by a petition to the Secretary or Managing Agent signed by not less than twenty-five percent (25%) of the Apartment owners as shown in the Association's record of ownership; and provided further that if the Secretary or Managing Agent shall fail to send out the notices for the special meeting within fourteen days of receipt of the petition, then the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices for the special meeting in accordance with the requirements of the Bylaws. Such meeting for the removal and replacement from office of directors shall be scheduled, noticed, and conducted in accordance with the Bylaws of the Association.

Section 6. Annual Meeting. An organizational meeting of the Board of Directors shall be held at the place of and immediately following each annual meeting of the Association. Whenever practicable, notice of all Board meetings shall be posted by the resident manager or a member of the Board of Directors in prominent locations within the project seventy-two hours prior to the meeting or simultaneously with notice to the Board of Directors. At such meeting the Board of Directors 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 such calendar quarter of every year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least one day prior to the date of such meeting.

All meetings of the Board of Directors, other than executive sessions, shall be open to all members of the Association, and Association member who are not on the Board of Directors may participate in any deliberation or discussion, other than executive sessions, unless a majority of a quorum of the Board of Directors votes otherwise.

The Board of Directors, with the approval of a majority of a quorum of its members, may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters or litigation in which the Association is or may become involved. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least eight (8) hours' notice to each director, given personally or by telephone or telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and with like notice on the written request of at least two (2) 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 of

Directors shall be a waiver of notice to him of such meeting. If all of the directors are present at any meeting of the Board of Directors, 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 Bylaws 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 of Directors; If less than a quorum shall be present at any meeting of the Board of Directors, 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. Voting. Each director present at any meeting shall be entitled to one (1) vote on each item of business transacted at said meeting; provided, however, that a director shall not cast any proxy vote at any meeting of the Board of Directors, nor shall a director vote at any meeting of the Board of Directors on any issue in which the director has a conflict of interest.

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

Any Board of Directors that intends to use Association funds to distribute proxies, including the standard proxy form referred to in section 514A-82(b) HRS, shall first post notice of its intent to solicit proxies in prominent locations within the project at least thirty (30) days prior to its solicitation of proxies; provided that if the Board of Directors receives within seven (7) days of the posted notice a request by any owner for use of Association funds to solicit proxies accompanied by a statement, the Board of Directors shall:

(a) Mail to all owners a proxy form containing either the names of all owners who have requested the use of Association funds for soliciting proxies accompanied by their statements; or

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

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

Section 12. Conduct of Meetings. All meetings of the Board of Directors and the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers; directors, employees and agents of the Association handling or responsible for its funds, secure adequate fidelity bonds in accordance with Section 514-95.11 HRS. The premiums on such bonds shall be paid by the Association.

Section 14. Directors' Expenses.

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

(b) Directors may expend Association funds, which shall not be deemed to be compensation to the directors, to educate and train themselves in subject areas directly related to their duties and responsibilities as directors; provided that the approved annual operating budget shall include these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for economy travel expenses within the State, all other travel expenses incurred under this subsection shall be subject to the requirements of subsection (a)ARTICLE IISection 14(a).

Section 15. Provision of Documents. The Association at its own expense shall provide all members of the Board of Directors with a current copy of the Declaration, Bylaws, house rules, and annually, a copy of Hawaii Revised Statute Chapter 514A, as amended.

ARTICLE III  
OFFICERS

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

An Apartment owner shall not act as an officer of the Association and as an employee of the Managing Agent employed by the Association.

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 of Directors.

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 of Directors 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 of Directors 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 Bylaws or assigned to him from time to time by the Board of Directors.

Section 5. Vice-President. The Vice-President shall assume and perform the duties of the President in absence or disability of the President or whenever the office of president is vacant. He shall also have such other powers and duties as may be assigned to him from time to time by the Board of Directors.

Section 6. Secretary. The Secretary shall attend, keep and make available for examination by Apartment owners at convenient hours at a place designated by the Board of



Directors the minutes of all meetings of the Association and of the Board of Directors, give all notices thereof as provided by these Bylaws, maintain and keep at a place designated by the Board of Directors a current and accurate record of members of the Association and their current addresses, including vendees under agreements of sale, if any, have charge of such books, documents and records of the Association as the Board of Directors may direct, and in general perform all the duties incident to the office of Secretary.

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

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

#### ARTICLE IV ADMINISTRATION

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

- (a) Supervision of its immediate management and operation;
- (b) Maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto;
- (c) Purchase, maintenance and replacement of any equipment and provision of all water, sewer and other 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 of Directors shall deem necessary either at the expense of such Apartment or as a common expense as determined by the Board of Directors;
- (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) Collection of all installments of assessments levied and payment of all common expenses authorized by the Board of Directors;
- (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 of Directors;
- (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, all in accordance with Section 514A-85 HRS and Section 514A-97 HRS;

(j) Notification to all persons having any interest in any Apartment according to the Association's record of ownership of delinquency exceeding sixty (60) days in the payment of any assessment against such Apartment; and

(k) 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.

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible corporation authorized to do business in Hawaii as Managing Agent to manage and control the Project subject at all times to direction by the Board of Directors, with all the administrative functions set forth specifically in the preceding Section 1 and such other powers and duties and at such compensation as the Board of Directors may establish. The Managing Agent shall not solicit any proxies from any Apartment owner of the Association nor shall the Managing Agent cast any proxy vote at any Association meeting except for the purpose of establishing a quorum.

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 Managing Agent shall also be the agent of the respective lessees under any Apartment leases filed with the Board of Directors for the collection, custody and payment of all rent, taxes, assessments and other charges thereunder payable to their lessor.

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.

Section 5. Sale and Rental of Condominium Apartments. The Association's employees shall not engage in selling or renting Apartments in the condominium except for Association owned units, unless such activity is approved by an affirmative vote of sixty-five percent (65%) of the membership.

Section 6. Availability of Project Documents. An accurate copy of the Declaration, the Bylaws, the House Rules, if any, the Master Lease, if any, a sample original conveyance document, all public reports and any amendments thereto, shall be kept at the Managing Agent's office. The Managing Agent shall provide copies of these documents to owners, prospective purchasers and their prospective agents during normal business hours, upon payment to the Managing Agent of a reasonable charge to defray any administrative or duplicating cost.

Section 7. Membership List. The resident manager or managing agent or Board of Directors shall keep an accurate and current list of member of the Association and their

current addresses and the names and addresses of the vendees under an agreement of sale, if any. The membership list shall be maintained at a place designated by the Board of Directors and a copy shall be available, at cost, to any member of the Association who furnishes a duly executed and acknowledged affidavit stating that the list will be used by such owner personally and only for the purpose of soliciting votes or proxies or providing information to other owners with respect to Association matters and shall not be used by such owner or furnished to anyone else for any other purpose. No Board of Directors shall adopt any rule prohibiting the solicitation of proxies or distribution of material relating to Association matters on the common elements by Apartment owners; provided that the Board of Directors may adopt rules regulating reasonable time, place, and manner of such solicitations or distributions, or both. The Board of Directors may prohibit commercial solicitations.

Section 8. Budget and Reserves. The Board of Directors shall prepare and adopt an annual operating budget and distribute it to the Apartment Owners all in accordance with Section 514A-83.6 HRS and the rules and regulations of the Real Estate Commission Chapter 107 and shall any expenditures in excess of such budget shall comply with Section 514A-83.6 HRS.

## ARTICLE V OBLIGATIONS OF APARTMENT OWNERS

### Section 1. Assessments.

(a) All Apartment owners without written notice or demand, shall pay to the Managing Agent in advance on the first day of each and every month the monthly installments or assessments against their respective Apartments for common expenses of the Project in accordance with the Declaration.

(b) The Managing Agent or Board of Directors shall notify the Apartment owners in writing of increases in the monthly installments or assessments at least thirty (30) days prior to such increase.

(c) The lien for such assessments, created pursuant to the Section 514A-90 HRS, may be enforced by the Association in any manner permitted by law, including nonjudicial or power of sale foreclosure procedures authorized by Chapter 667 HRS and all in accordance with the provisions of Section 514A-90 HRS.

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, including without limitation all internal installations therein such as water, electricity, telephone, sewer, sanitation, 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 also 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 Residential Units shall be used for residential and other lawful uses permitted under the zoning laws and ordinances prevailing from time to time. The Residential Units in the Project or any interest therein may be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Residential Unit or Residential Units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co—tenancy agreement, beneficial interest under a Hawaii Land Trust, partnership or otherwise. The Commercial Units and Parking Units may be used for any commercial purpose permitted under the zoning laws and ordinances prevailing from time to time.

(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 in the common elements consisting of stairways, walkways, grounds or other common elements of similar nature 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 make any additions or alterations to any common elements of the Project.

(g) No Residential Unit owner shall decorate or landscape any entrance or lanai appurtenant to his Apartment except in accordance with standards therefor established by the Board of Directors or specific plans approved in writing by the Board of Directors.

(h) All Residential Unit owners shall avoid making loud noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other Residential Unit owners. The use of fireworks of any type shall be prohibited.

(i) No garments, rugs or other objects shall be hung from the windows or facades of the Project or otherwise displayed in public view. Clothing shall not be hung on Apartment lanais or on or from lanai railings for any purpose whatsoever. Lanais may be furnished appropriately with chairs, lounges, and small tables and kept in an orderly manner.

Refrigerators and other articles not usually considered as normal lanai furniture will not be permitted on the lanais. Lanais will not be used as storage areas for sports and play equipment nor surplus cartons, boxes or any other type of excess belongings.

(j) No rugs or other objects shall be dusted or shaken from the windows or doors of any Apartment or cleaned by beating or sweeping on any walkways, lanais, entries or other exterior part of the Project.

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

(l) No livestock poultry, rabbits or other animals or dogs, cats or other household pets 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 telephone installations, machines, or other equipment or appurtenances whatsoever on the exterior of any building of the Project or protruding through the walls, windows or roof thereof.

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

(o) No soliciting of goods or services of any type shall be allowed in the Project area.

(p) No Apartment owner or occupant shall erect, place or maintain any television or other antennas on the Project.

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 meeting of the Association and opportunity to be heard thereon, may adopt, amend or repeal any reasonable rules and regulations affecting Apartments in the Project so long as such rules and regulations are not inconsistent with any provision of law, the Declaration or these Bylaws; provided, however, that such rules and regulations which affect the Commercial Units and Parking Units must be unanimously approved by the owners of such units.

Section 5. Expenses of Enforcement. Every Apartment owner, tenant, employee of an owner, or any other person who may in any manner use the property 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, these Bylaws, House Rules and the Condominium Property Act against such person or persons.

Section 6. Record of Ownership. Every Apartment owner shall promptly cause to be duly recorded or filed of record the deed, agreement of sale, or other conveyance to him of such Apartment or other evidence of his title thereto and shall file such conveyance with and present such other evidence of his title to the Board of Directors through the Managing Agent, and the Secretary shall maintain all such information in the record of ownership of the Association.

Section 7. Disposition of Unclaimed Possessions. When personalty in or on the common elements of a project has been abandoned, the Board of Directors may sell the personalty in a commercially reasonable manner, donate such personalty to a charitable organization, or otherwise dispose of such personalty in its sole discretion; provided that no such sale, storage, or donation shall occur until sixty (60) days after the Board of Directors complies with the following:

- (1) The Board of Directors notifies the owner in writing of
  - (A) The identity and location of the personalty, and
  - (B) The Board of Directors' intent to so sell, store, donate, or dispose of the personalty. Notification shall be by certified mail, return receipt requested to the owners address as shown by the records of the Association or to an address designated by the owner for the owner's last known address, if any; or
- (2) If the identity or address of the owner is unknown, the Board of Directors shall first advertise the sale, donation, or disposition at least once in a daily paper of general circulation within the circuit in which the personalty is located.

The proceeds of any sale or disposition of personalty shall after deduction of any accrued costs of mailing, advertising, storage, and sale, be held for the owner for thirty (30) days. Any proceeds not claimed within this period shall become the property of the Association.

## ARTICLE VI MORTGAGES

Section 1. Notice to Board of Directors. An Apartment owner who mortgages his interest in an Apartment shall notify the Board of Directors of the name and address of his Mortgagee and within ten (10) days after the execution of the same shall file a conformed copy of the note and mortgage with the Board of Directors; the Board of Directors shall maintain such information in a book entitled "Mortgages of Apartments".

Section 2. Mortgagee's Rights. Notwithstanding anything in these Bylaws to the contrary, each Mortgagee shall have the following rights:

(a) Upon written request of the Mortgagee to the Board of Directors, the Mortgagee shall be entitled to all of the following:

(1) An annual financial statement of the Project within ninety (90) days following the end of any fiscal year of the Project, the annual budget and schedule of assessments and such other statements or reports prepared for the Association, the Board of Directors, or the owners, by the Managing Agent or other party hereunder.

(2) The right to inspect the books and records of the Project during normal business hours; and

(3) Written notice of all meetings of the Association and the Committee and the right to designate a representative to attend all such meetings.

(b) The Association, through the Managing Agent, or the Board of Directors, shall timely furnish a Mortgagee with the following: (i) notice of any default in obligations under the Declaration, Bylaws, Apartment Deed or Rules and Regulations, by any mortgagor of

such Mortgagee which is not cured within thirty (30) days after the giving of notice by the Board of Directors to the mortgagor of the existence of the default; (ii) a copy of all pleadings filed in any lawsuit, administrative proceeding or other action affecting the Project or any portion thereof; (iii) a copy of any bond required to be posted before commencing or permitting construction of any improvements to the Apartment subject to such mortgage; and (iv) prior written notice of any proposal to subdivide, encumber, sell or transfer the common elements or any part thereof. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium Project shall not be deemed a transfer within the meaning of this clause.

(c) The Association shall not terminate professional management and assume self-management of the Project without the prior written consent of all Mortgagees.

(d) No Apartment shall be partitioned or subdivided without the prior written consent of the Mortgagee of such Apartment.

(e) Except as provided in Section 514A-21 HRS, the Project shall not by act or omission be abandoned, terminated or removed from the Condominium Property Regime treated by the Declaration and the Condominium Property Act without the prior written approval of all Mortgagees.

(f) In the event of (i) substantial damage to or destruction of any part of the Project or (ii) any portion of the Project being made the subject matter of any condemnation or eminent domain proceeding or otherwise being sought for acquisition by a condemning authority; the Board of Directors shall give timely written notice to all Mortgagees of any such damage or destruction or proceeding or proposed acquisition, as the case may be.

(g) In the event of (i) any distribution of insurance proceeds hereunder as a result of substantial damage to or destruction of, any part of the Project or (ii) as a result of condemnation or eminent domain proceedings with respect to any part of the Project, any such distribution shall be made to the owners and their respective Mortgagees, as their interests may appear, and no owner or other party shall be entitled to priority over the Mortgagee of an Apartment with respect to any such distribution to or with respect to, such Apartment; provided, that, nothing in this paragraph ARTICLE VI Section 2(g) shall be construed to deny to the Association the right to apply any such proceeds to the repair or replacement of damaged portions of the Project or to restore what remains of the Project after condemnation or taking by eminent domain of a part of the Project.

(h) The Secretary of the Association shall notify in writing all holders of first mortgages on Apartments as shown in the Association's record of ownership or of which the Secretary 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 AND NO/100 DOLLARS (\$10,000.00).

(i) The Secretary of the Association shall notify in writing the holders of the first mortgage on any Apartment as shown in the Association's record of ownership or of which the Secretary has been given written notice, of any loss of such Apartment which exceeds ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00).

Section 3. Mortgagee Approval. Unless the first mortgagees or owners (other than the Declarant) of Apartments to which at least two-thirds (2/3) of the common interests are appurtenant have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Project shall not be deemed a transfer within the meaning of this clause.)

(b) Use hazard insurance proceeds for losses to the Project or any part thereof (whether to Apartments or to common elements) for other than the repair, replacement or reconstruction of the same, except as otherwise provided by the Declaration, these Bylaws or the Condominium Property Act.

Section 4. Mortgage Protection. Notwithstanding all other provisions hereof:

(a) The liens created hereunder upon any Apartment and its appurtenant interests in the common elements shall be subject and subordinate to, and shall not affect the rights of the holder of any indebtedness secured by any recorded mortgage of such interests made for value, provided that after the foreclosure of any such mortgage there shall be a lien upon the interests of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such Apartment, if falling due after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided in Section 4 of Article VI hereof.

(b) No amendment to this Section 4 shall affect the rights of the holder of any such mortgage filed of record in the Bureau of Conveyances, or the Office of the Assistant Registrar of the Land Court, whichever is appropriate, prior to the filing of such amendment who does not join in the execution thereof.

## ARTICLE VII MISCELLANEOUS

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

(a) No such amendment may expand the control of the Association or the Board of Directors over the Commercial Units or Parking Units or otherwise affect the owners thereof without the unanimous written consent of all such owners.

(b) Each one of the particulars set forth in Section 514A-82 HRS shall be embodied in these Bylaws always; and

(c) To the extent required by Section 514A-82 HRS proposed bylaws with the rationale for the proposal may be submitted by the Board of Directors or by a volunteer Apartment owners' committee. If submitted by that committee, the proposal shall be accompanied by a petition signed by not less than twenty-five percent (25%) of the Apartment owners as shown in the Association's record of ownership. The proposed bylaws, rationale, and ballots for voting on any proposed bylaw shall be mailed by the Board of Directors to the owners



at the expense of the Association for vote or written consent without change within thirty (30) days of the receipt of the petition by the Board of Directors. The vote or written consent required to adopt the proposed bylaw shall not be less than sixty-five percent (65%) of all Apartment owners; provided that the vote or written consent must be obtained within three hundred sixty-five (365) days after mailing for a proposed bylaw submitted by either the Board of Directors or a volunteer Apartment owners' committee. If the bylaw is duly adopted, then the Board of Directors shall cause the bylaw amendment to be recorded in the bureau of conveyances or filed in the land court, as the case may be. The volunteer Apartment owners' committee shall be precluded from submitting a petition for a proposed bylaw that is substantially similar to that which has been previously mailed to the owners within one year after the original petition was submitted to the Board of Directors. This subsection shall not preclude any Apartment owner or voluntary Apartment owners' committee from proposing any bylaw amendment at any annual Association meeting.

Section 2. Indemnification. The Association shall indemnify every director and officer and his executors and administrators against all expenses reasonably incurred by or imposed on him in connection with any action, suit or 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. The Association may purchase directors and officers liability insurance in accordance with Section 514A 86(b) HRS.

Section 3. Subordination. These Bylaws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Condominium Property Act (Chapter 514A, HRS, as amended) and the rules and regulations of the Real Estate Commission Chapter 107 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 Condominium Property Act.

Section 4. Registration of Association. The Association shall register with the Commission, as required by the Condominium Property Act and shall pay any registration fees required by the Act.

Section 5. Interpretation. In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these Bylaws 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.

## RULES AND REGULATIONS OF ASSOCIATION OF APARTMENT OWNERS OR THE REGENCY ON BEACHWALK

Welcome to the Regency on BeachWalk, a resort condominium. As in any community, the quality of life is often determined by the courtesy and consideration that each member of the community extends to the others. The following rules and regulations are established and designed to ensure maximum enjoyment by all owners and occupants of the Regency on BeachWalk and to enhance the livability and desirability of the Regency on BeachWalk. These rules and regulations apply to the common elements and to all apartments except the Commercial apartments.

A. DEFINITIONS. Terms used in these Rules and not specifically defined have the same meaning or meanings given to them in the Amended and Restated Declaration Condominium Property Regime and Bylaws. The terms used in these Rules shall also have the meanings given below:

"Act" means the Chapter 514A Condominium Property Regimes Hawaii Revised Statutes as it may be amended or replaced.

"Front Desk" means the Front Desk which is part of Commercial Apartment 12 described in the Declaration.

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

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

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

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

"The Project" means The Regency on BeachWalk condominium project as defined in the Declaration.

"Apartments" refers to the Apartments identified in and created under the Declaration except the Commercial and Parking Apartments.

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

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

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

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

E. **RULES FOR OCCUPANTS.**

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

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

3. Rentals. The Managing Agent or the resident manager will be notified by the Owner of the Owner's agent of the name of any tenant. Owners or agents who rent, loan or otherwise permit occupancy of their Apartments, shall furnish a copy of these Rules to their Occupants. Owners or agents who rent, loan or otherwise permit occupancy of their Apartments by any Occupant for more than thirty (30) days shall furnish a copy of the Declaration and Bylaws to the Occupant. The Owner shall be responsible for the actions and omissions of his agent and the Occupant of the Apartment.

4. Occupancy Limits. For safety and in accordance with the current fire code, occupancy is limited to four (4) in a one-bedroom unit and six (6) in a two-bedroom unit.

F. RULES FOR CONDUCT OF OCCUPANTS.

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

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

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

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

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

6. Violations of Law. No activity shall be engaged in and no substance introduced into or manufactured within or on any portion of The Regency on BeachWalk which might result in violation of the law.

7. Solicitation. No solicitation or canvassing by Occupants or other persons will be allowed in any portion of The Regency on BeachWalk, including the common elements, a any time, except insofar as such solicitation or canvassing is carried out by or at the direction of the Developer, as part of its rights to conduct sales efforts as provided in the Apartment Deeds.

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

9. Trash Disposal. Garbage, rubbish and other trash shall be disposed of only in receptacles and areas provided for the purpose. All trash containing garbage or other materials subject to decay or which would emit offensive odors, etc., must be securely wrapped in a plastic bag before being placed in receptacles. Occupants shall

comply with recycling programs (if any) adopted by the Board, including, but not limited to, sorting trash prior to disposal.

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

11. Barbequing. No fires, open flames, hibachis or grills of any kind whatsoever shall be permitted in any portion of an Apartment, including lanais, or in any of the common areas.

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

13. Bulky Objects in Elevators. Except with the prior approval of the Board or the Managing Agent and subject to such limitations as the Board or the Managing Agent may impose, surfboards, bicycles and similar bulky or heavy objects shall not be carried in the elevators but only in the stairwells.

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

#### G. RULES ABOUT APARTMENTS AND LIMITED COMMON ELEMENTS.

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

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

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

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

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

6. Door Locks. Card key door locks are provided to each Apartment (except the Commercial Apartments) and shall not be removed or altered by any Owner or Occupant nor shall any additional locks be added to the front door of the Apartment.

7. Air Conditioners. Since the Apartments (except the Commercial Apartments) share a common electricity meter, the maintenance of the air conditioning units affects all such Apartments and therefore the Managing Agent may arrange for quarterly inspection, filter change and maintenance of the air conditioners in such Apartments.

#### H. RULES ABOUT COMMON AREAS.

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

areas and the Board gives notice to the Apartment Owners that because of the size and configuration of the Project it may not be possible to designate any such areas and Apartment Owners may need to arrange for offsite parking or storage.

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

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

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

I. LEFT BLANK

J. RULES ABOUT PARKING AREAS.

1. Use of Parking Spaces. Parking spaces are all Parking Apartments. The owner of the Parking Apartment may promulgate rules for the Parking Apartments and their limited common elements.

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

3. Roadways and Driveways. No cars may be parked or left unattended in the The Regency on BeachWalk's driveways. There are no loading areas.

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

5. Guest Parking. There are no guest parking spaces and parking arrangements must be made with the owner(s) of the Parking Apartments or their parking operator(s).

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

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

#### K. RULES ABOUT THE LAUNDRY ROOMS.

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

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

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

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

#### L. RULES ABOUT ANIMALS.

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

2. Guide Dogs, Signal Dogs, Etc. Guide dogs, signal dogs, or other service animals upon which disabled Owners, Occupants or guests depend for assistance with their disabilities shall be permitted to be kept by such Owners, Occupants and guests in their Apartments and shall be allowed to walk throughout the common elements while on a leash, provided that such animals shall at all times be accompanied by their owners while present upon the common elements. If such a certified guide dog, signal dog or other animal causes a nuisance or unreasonable disturbance or poses a threat to the health or safety of any Owner, Occupant or guest, the owner thereof will be given an opportunity to rectify the problem by measures which fall short of ejection of the animal from the Project. Ejection will be required only if the Board of Directors reasonably determines that less drastic alternatives have been unsuccessful. If such an animal is ejected, it will nonetheless be allowed to remain at the Project for a reasonable



period of time while the owner thereof attempts to find a suitable replacement animal, provided that the problem is controlled to a sufficient degree that the continued presence of the animal during that time does not constitute an unreasonable imposition upon, or threat to the safety or health of other Owners, Occupants or guests.

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

M. EMPLOYEES OF THE ASSOCIATION OR MANAGING AGENT.

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

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

N. RIGHTS RESERVED. Nothing contained in these Rules shall limit or affect the rights given to the Front Desk Owner in the Declaration, the Bylaws, the apartments deeds of apartments or any other documents pertaining to The Regency on BeachWalk, including, but not limited to, rights reserved in apartment deeds to conduct sales activities and to post signs on The Regency on BeachWalk.

O. VIOLATIONS OF THESE RULES.

The Violation of these Rules shall give the Board of Directors, its Agents or Employees the Right to:

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

2. ENJOIN, ABATE OR REMEDY BY APPROPRIATE LEGAL PROCEEDINGS, EITHER AT LAW OR IN EQUITY, THE CONTINUANCE OF ANY

SUCH BREACH, AND ALL COSTS THEREOF, INCLUDING REASONABLE ATTORNEYS' FEES, SHALL BE BORNE BY THE DEFAULTING APARTMENT OWNER.

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

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

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

The Board of Directors hereby adopts the foregoing Rules and Regulations as the Rules and Regulations of the Association of Apartment Owners of The Regency on BeachWalk Club, as amended October 3, 2012. These Rules and Regulations supersede all previous Rules and Regulations in their entirety.

**AOAO of The Regency on  
Beackwalk  
Insurance Summary  
Date Prepared: 6/15/18**

**Pacific Corporate  
Insurance, Inc.  
PO Box 860150  
Wahiawa, HI 96786**

**Agent: Evan Kanbara  
Phone: 808-621-1878  
Fax: 808-439-6280  
E-mail:  
[evan@pacificcorporateinsurance.com](mailto:evan@pacificcorporateinsurance.com)**

Coverage	Limits of Liability	Policy Period	Annual Premium	Insurance Company	Comments
<b>Commercial Property w/ Equipment Breakdown</b> Blanket Building & Business Personal Property Business Income/Extra Expense Backup of Sewers & Drains Building Ordinance and Law – Loss of Undamaged Portion Building Ordinance and Law – Increased Cost of Construction & Demolition Cost Deductible (all other perils excluding hurricane) Hurricane Deductible (1% of the building value)	\$ 14,400,000 \$ 100,000 \$ 1,000,000 \$ 14,300,000 \$ 5,000,000 \$ 5,000 \$ 144,000	6/15/18-19	\$ 10,445	Dongbu Insurance Company, Ltd.	Replacement cost; Agreed Value; 4% inflation guard; “Special” Causes of Loss excluding earthquake/flood
<b>Commercial General Liability</b> General Aggregate Personal & Advertising Injury Each Occurrence Damage to Premises Rented to You Medical Expense (any one person) Hired/Non-Owned Automobile Liability	\$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 5,000 \$ 1,000,000	6/15/18-19	\$ 1,771	Dongbu Insurance Company, Ltd.	
<b>Commercial Umbrella</b> Each Occurrence Liability Aggregate Limit Retained Limit	\$ 25,000,000 \$ 25,000,000 \$ 0	6/15/18-19	\$ 2,081	Federal Insurance Company	Excess over D&O
<b>Directors’ and Officers’ Liability</b> Each Claim Annual Aggregate Deductible	\$ 1,000,000 \$ 1,000,000 \$ 1,000	6/15/18-19	\$977	Philadelphia Indemnity Ins. Co.	Unlimited defense cost outside of limits
<b>Fidelity Bond</b> Employee Dishonesty Limit Deductible	\$ 250,000 \$ 1,000	6/15/18-19	\$ 527	Continental Casualty Company	
<b>Flood Insurance</b> Building Contents Deductible	\$ 12,750,000 \$ 100,000 \$ 5,000	11/7/17-18	\$50,790	First Insurance Company Of Hawaii, Ltd.	
<b>Workers’ Compensation</b>		N/A	N/A	N/A	No employees

*DISCLAIMER - The abbreviated outlines of coverages used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages. Please read your policy for specific details of coverages.*



**First Insurance  
Company of Hawaii**

A Member of the Tokio Marine Group

INSURANCE ASSOCIATES  
800 BETHEL ST STE 200  
HONOLULU, HI 96813-4339

Agency Phone: (808) 538-6938

NFIP Policy Number: 0002039457  
Company Policy Number: 0002039457  
Agent: JOHN HALL

Policy Term: 11/07/2018 12:01 AM through 11/07/2019 12:01 AM  
Renewal Billing Payor: INSURED

To report a claim visit or call us at: <https://fioh.managemyfloodingpolicy.com>  
(877) 254-6819

## RENEWAL FLOOD INSURANCE POLICY DECLARATIONS

### RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION POLICY

#### DELIVERY ADDRESS

REGENCY ON BEACHWALK AOA  
C/O INSURANCE ASSOCIATES  
800 BETHEL STREET #200  
HONOLULU, HI 96813

#### INSURED NAME(S) AND MAILING ADDRESS

REGENCY ON BEACHWALK AOA  
C/O INSURANCE ASSOCIATES  
800 BETHEL STREET #200  
HONOLULU, HI 96813

#### COMPANY MAILING ADDRESS

FIRST INSURANCE COMPANY OF HAWAII, LTD.  
PO BOX 912240  
DENVER, CO 80291-2240

#### PROPERTY LOCATION

255 BEACH WALK  
HONOLULU, HI 96815-1935

#### DESCRIPTION: N/A

#### RATING INFORMATION

ORIGINAL NEW BUSINESS DATE: 11/07/2007  
REINSTATEMENT DATE: N/A  
BUILDING OCCUPANCY: OTHER RESIDENTIAL  
CONDOMINIUM INDICATOR: RCBAP HIGH RISE  
NUMBER OF UNITS: 51  
PRIMARY RESIDENCE: NO  
ADDITIONS/EXTENSIONS: N - NO ADDITIONS/EXTENSIONS  
BUILDING TYPE: THREE OR MORE FLOORS  
BASEMENT/ENCLOSURE/CRAWLSPACE TYPE: NO BASEMENT

DATE OF CONSTRUCTION: 01/01/1961  
COMMUNITY NUMBER: 150001 0368 G REGULAR PROGRAM  
COMMUNITY NAME: HONOLULU, CITY AND COUNTY OF  
CURRENT FLOOD ZONE: AE  
GRANDFATHERED: NO  
FLOOD RISK/RATED ZONE: AE  
ELEVATION DIFFERENCE: 0  
ELEVATED BUILDING TYPE: NON-ELEVATED  
REPLACEMENT COST: \$14,000,000

#### 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 Elevation Rated

	COVERAGE	DEDUCTIBLE	BASIC COVERAGE	BASIC RATE	ADD'L COVERAGE	ADD'L RATE	DED. DISCOUNT/SURCHARGE	PREMIUM
BUILDING	\$12,750,000	\$5,000	\$175,000	2.290	\$12,575,000	0.075	(\$221.00)	\$13,218.00
CONTENTS	\$100,000	\$5,000	\$25,000	0.690	\$75,000	0.120	\$0.00	\$263.00

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

#### Prefirm Elevation Rated

<b>ANNUAL SUBTOTAL:</b>	\$13,481.00
INCREASED COST OF COMPLIANCE:	\$6.00
COMMUNITY RATING DISCOUNT:	0% \$0.00
RESERVE FUND ASSESSMENT:	15.0% \$2,023.00
PROBATION SURCHARGE:	\$0.00
<b>ANNUAL PREMIUM:</b>	\$15,510.00
HFIAA SURCHARGE:	\$250.00
FEDERAL POLICY SERVICE FEE:	\$2,000.00
<b>TOTAL:</b>	\$17,760.00

IN WITNESS WHEREOF, I have signed this policy below and hereby enter into this Insurance Agreement

Stephen J. Tabussi/Senior Vice President

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 FIRST INSURANCE COMPANY OF HAWAII, LTD.

Company NAIC: 41742

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



File: 10129605

Page 1 of 2



DocID: 80820844

**Minutes of the Annual Meeting of the  
Association of Apartment Owners of  
Regency on BeachWalk  
March 2, 2018  
Outrigger Enterprises Group Executive Offices**

1. **Call to Order/Determination of Quorum** The meeting was called to order at 10:03 a.m. The ownership was advised that there was more than 50% of the common interest represented in person or by proxy at this meeting at this time.
2. **Proof of Notice of Meeting** In accordance with Article I, Section 5 of the bylaws, notice was sent to all owners of record on January 29, 2018.
3. **Introductions** The Chair welcomed the owners present and introduced various members and guests, as follows: Directors David Robinson, George Bloomfield, Grant Langton and Henry Perez; also with the managing agent, Bruce Schneider, Vice President of the Hawaii Vacation Condos by Outrigger; Walter Tolentino, General Manager; and Susan Taraya, AOA Services Manager. Bob Berges, candidate for the commercial space director's seat, was also present.
4. **Conduct of Business** In accordance with *Hawaii Revised Statutes* 514B-121, the meeting was conducted using the most recent edition of *Robert's Rules of Order Newly Revised*. There being no objection, special meeting rules were permanently adopted in June, 2007 as standing rules by the members and were available at check in.
5. **Reading & Approval of Minutes** In accordance with *Hawaii Revised Statutes* 514B-122, the board of directors was authorized to approve the minutes of the previous Annual Meeting and did so at their meeting on July 20, 2017. There being no corrections to the minutes, they were approved as submitted.
6. **Reports of Officers** A status report was given by the property manager during the board meeting. The year-end financials for 2017 were included with the proxy mailing to all owners and a copy of the annual audit for the year ending December 31, 2017 was provided at the meeting. Questions were deferred to the Owners Forum.
7. **Appointment of Tellers** Henry Perez (45) was appointed as the teller for this meeting.
8. **Election of Directors** The Chair explained that the documents allow for five directors. Four of those positions are held by residential owners and one is held by a commercial owner. This year there were two positions open. One residential position was open for a three year term, and the commercial position was open for a two year term. Director Robinson was self-nominated to serve another term as a residential director and Bob Berges was self-nominated to serve as the director representing the commercial units. Hearing no further nominations, the nominations were closed. The managing agent explained the balloting procedures. The meeting was recessed to give the owners the opportunity to cast their ballots. The Chair confirmed with the ownership that all who wished to vote had done so and recessed the meeting once again while the ballots were counted. The Chair called the meeting back to order and thanked the teller for taking time away from the meeting to assist. The results were read once by a teller and again by the chair as follows:

David Robinson (#75)	3-year term	Residential
Bob Berges (#C12)	2-year term	Commercial

The teller was thanked for his time.

9. **New Business**

- A. **Tax Resolution:** The following tax resolution was adopted by unanimous consent:

Resolved by the owners of the Association that the amount by which each member's assessment in the current year exceeds the total payments of the Association for maintenance, repairs and other expenses and capital expenditures of the Association as the board of directors has appropriately paid or determined payable, shall be applied to regular member assessments in the next year as provided by IRS Revenue Ruling 70-604.

Hearing no objection, the motion was unanimously carried.

B. **Other:** The Chair opened the floor to any further business requiring a motion. No motions were made.

**10. Adjournment** There being no further business to be brought before the members, the meeting was adjourned at 10:10 a.m.

**Minutes of the Organizational Meeting of the  
Association of Apartment Owners of  
Regency on BeachWalk  
March 2, 2018  
Outrigger Enterprises Group Executive Offices**

Following the adjournment of the annual meeting, all board members present met briefly to elect the officers for the 2018/2019 term, as follows:

President – David Robinson  
Vice President – Henry Perez  
Secretary/Treasurer – Bob Berges

There being no further business at this time, the meeting was adjourned.

Respectfully submitted,

Hawaii Vacation Condos, LLC  
Managing Agent for Regency on BeachWalk AOA

Susan Taraya  
Condominium AOA Services Manager

**Association of Apartment Owners of  
Regency on Beachwalk  
Annual Meeting  
March 1, 2019 – 10:00 A.M. (HST)  
Outrigger East – Mauka Conference Room**

**MINUTES**

1. **Call to Order:** President Robinson called the meeting to order at 10:00 A.M. (HST)
2. **Proof of Notice of Meeting:** In accordance with Article I, Section 5 of the Bylaws, notice was sent to all owners of record on January 28, 2019.
3. **Certification of Quorum:** The Chair was advised that 20.62% of the common interest was represented in person or by proxy at the meeting. A quorum was not established.

**ADJOURNMENT:** Hearing no objection, President Robinson adjourned the meeting at 10:01 A.M. (HST).

*As the current acting Secretary of the above named Association, I certify that the foregoing minutes, prepared by Nicole Marks, were approved as the official minutes of the Association, on the 12th day of July 2019.*

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*Bob Berges, Board Secretary*



## PROJECT INFORMATION FORM

### Condominium, Co-op, PUD, and other Homeowner Organizations Hawaii Association of REALTORS® Standard Form Revised 12/17 (NC) For Release 11/18

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Property Reference or Address: 255 Beachwalk Honolulu HI 96815

Project Name: Regency on Beachwalk AOA

Tax Map Key: Div. 1 /Zone 2 /Sec. 6 /Plat 003 /Parcel 014 /CPR (if applicable).

Project is ☒ managed by a licensed real estate Brokerage Firm OR ☐ Self-managed

Name of Managing Agent: Hawaii Vacation Condos, LLC

Managed by this Managing Agent since: 2006

Managing Agent provides (Check those services that apply):

☒ Administrative Management Services

☒ Fiscal Management Services

☒ Physical Management Services

☐ Other Management Services -

☐ Onsite Manager's name and cell phone number:

#### A. GENERAL

Total number of apartments: 75 Number of guest parking stalls available: 0

If applicable, what is the # of Condominium Apartments that have been sold and conveyed (excluding to the Developer)? 100

What is the approximate # of Condominium Apartments that are primary residences? 0

What is the approximate # of Condominium Apartments that are second homes? 0

What is the approximate # of Condominium Apartments that are investor properties? 48

Approximately how many foreclosures have been filed by the Board of Directors during the past twelve (12) months? 0

What is the approximate # of owners more than one month delinquent in maintenance fees? 0

What is the approximate dollar amount of the delinquencies?

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

Yes No NTMK (Not To My Knowledge)

☐ ☒ ☐ (1) Is the subject property leasehold? If yes:

☐ ☒ ☐ (a) 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?

☐ ☒ ☐ (b) Does the Association own any fee interest in the Project?

☐ ☒ ☐ (c) Has the Association taken a loan to acquire its fee interest?

☐ ☒ ☐ (d) If so, are any owners assessed to repay the Association's loan?

☐ ☒ ☐ (e) Are there any current or pending negotiations regarding the lease?

☐ ☒ ☐ (2) Is the Project subject to phasing or development of additional increments?

☐ ☒ ☐ (3) Has the Owners Association been in control of the operations of the Project for less than two (2) years?

☐ ☐ ☒ (4) Are there any lawsuits, arbitration or mediation actions affecting the Project and/or the 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.**

☐ ☒ ☐ (5) If the Project is a Condominium, does any single entity, individual or partnership own more than 10 percent of the common interest of the Project?

(a) What is the largest number of units owned by one entity?

☐ ☒ ☐ (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)?

BUYER'S INITIALS & DATE



- | Yes   | No    | NTMK |   |
|-------|-------|------|---|
| [ ]   | [ X ] | [ ]  | (8) Is a time share operation located at the Project? Name of Operator: _____<br>(a) What is the estimated number of time share units? _____  |
| [ X ] | [ ]   | [ ]  | (9) Is there a hotel operation or mandatory rental pool? Name of operator? _____<br>Hawaii Vacation Condos LLC  |
| [ ]   | [ X ] | [ ]  | (10) Have any of the following items been discovered by the Association or Corporation at the Project?<br>[ ] asbestos; [ ] formaldehyde; [ ] radon gas; [ ] lead-based paint; [ ] mold, mildew, fungus                             |
| [ ]   | [ X ] | [ ]  | (11) Are there commercial apartments, lots or commercial use of the common areas or common elements at the Project?<br>(a) If Yes, what percentage of the total square footage in the Project is used for commercial space? _____ % |
| [ X ] | [ ]   | [ ]  | (12) Is the Project part of a master association?<br>(a) If yes, what is the name of the master association? _____  |

**Number of Question answered "YES" and Explain:**

(12a) The Association of the Apartment Owners of the Regency on Beachwalk

**B. INSURANCE**

Name of Insurance Company: Insurance Associates Inc / Pacific Corporate Insurance Inc.

Name of Insurance Agent: John Hall / Evan Kanbara

Phone: 888-867-7671 / 808-621-1878

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

- | Yes   | No    | NTMK | Note: In case of Planned Unit Development, questions #10 to #14 apply to common areas only.   |
|-------|-------|------|---|
| [ ]   | [ X ] | [ ]  | (13) Are any improvements located in a designated Flood Hazard Zone that require insurance?   |
| [ X ] | [ ]   | [ ]  | (14) Is the Project covered by Flood Insurance?   |
| [ X ] | [ ]   | [ ]  | (15) Is the Project located in a tsunami inundation area?   |
| [ ]   | [ X ] | [ ]  | (16) Has there been any substantial damage to the Project due to earthquake, fire, floods, winds, landslides, tsunami, or volcanic activity within the last five years? |

**Number of Question answered "YES" and Explain:**

2 Flood insurance carried at 100 percent of allowable coverage

BUYER'S INITIALS & DATE

## C. FINANCIAL

What does the apartment maintenance fee include?

<input type="checkbox"/> Air Conditioning	<input type="checkbox"/> Real Property Tax
<input checked="" type="checkbox"/> Cable TV Signal	<input type="checkbox"/> Refuse Service
<input type="checkbox"/> Common Area Expenses	<input checked="" type="checkbox"/> Sewer
<input checked="" type="checkbox"/> Electricity	<input checked="" type="checkbox"/> Water
<input type="checkbox"/> Gas	<input type="checkbox"/> Loan(s)
<input checked="" type="checkbox"/> Hot Water	<input checked="" type="checkbox"/> Other: Internet
<input type="checkbox"/> Parking	<input type="checkbox"/> Other:
<input type="checkbox"/> Photovoltaic	

Are there any other fees billed to the owners by the Association? (i.e., Community association dues, water/electric sub-meters, lease rents, real property taxes) Please describe (type and amount) No

How frequently is a financial statement prepared? ☒ Monthly ☐ Quarterly Specify: ☐ Cash Basis ☒ Accrual Basis

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

Yes No NTMK

☒ ☐ ☐ (17) Has the Association or Corporation Board of Directors approved a maintenance fee increase, change in maintenance fee structure or inclusions, assessment(s) (special or other), or loan?

☒ ☐ ☐ (18) Are any assessment(s) (special or other) or loans in effect at this time?  
(a) If yes, explain below the purpose, amount, and duration for the assessment(s) (special or other) or loans?

☐ ☒ ☐ (19) Are any assessment(s) (special or other) required to be paid in full at Closing?

☒ ☐ ☐ (20) Are there separate accounts for operating and reserve funds?

☐ ☐ ☐ (a) What is the balance of the reserve account? \$395,365 as of January 31, 2019

Number of Question answered "YES" and Explain:

See attached for Special Assessment

## D. PROJECT 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 Project?

Yes	NTMK		Yes	NTMK	
(21) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Air Conditioning system	(37) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Roofing
(22) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Barbecue Facilities	(38) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Sauna
(23) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Community Laundry	(39) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Security Systems
(24) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Drainage	(40) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Sewage Treatment Plant
(25) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Driveways/Parking Areas	(41) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Slab(s)
(26) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Electrical Systems	(42) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Spalling Remediation
(27) <input checked="" type="checkbox"/>	<input type="checkbox"/>	Elevators	(43) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Spas
(28) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Exterior Walls	(44) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Sprinkler System
(29) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Foundations	(45) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Swimming Pool
(30) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Lanai Decks/Railings	(46) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Tennis Courts
(31) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Lights	(47) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Trash Chutes
(32) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Painting	(48) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Walkways
(33) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Photovoltaic/Solar	(49) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Wall(s)/Fences/Gates (including sea walls)
(34) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Plumbing	(50) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Water Features
(35) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Pool/Deck/Railings	(51) <input type="checkbox"/>	<input type="checkbox"/>	Other
(36) <input type="checkbox"/>	<input checked="" type="checkbox"/>	Rec./Fitness Room Equipment			

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Yes	No	NTMK		
[ ]	[ X ]	[ ]	(52)	Are lanai enclosures presently permitted by the Association or Corporation Board of Directors?
[ ]	[ X ]	[ ]	(53)	Do you know, within the past year, of the presence of live infestation, wood boring insects/termites in the common elements/common areas of the Project?
[ ]	[ X ]	[ ]	(54)	Do you know, within the past year, of leaks and/or water damage in the common elements/common areas of the Project?
[ ]	[ X ]	[ ]	(55)	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:**

1 Elevator refurbishment to be done in 2018 & 2019 funded from reserves

**E. DISCLAIMER**

While not guaranteed, the information contained in this Project Information Form is based on information reasonably available to the Managing Agent at the time this form was completed. It has been provided by the Managing Agent at Owner/Seller's request and is believed to be current and correct to the best of the Managing Agent's knowledge at the time this form was completed. All persons relying upon the information contained in this form are advised that the information provided cannot be considered a substitute for a careful inspection of Project and Project's governing documents, meeting minutes, financial documents and other documentation; and that they should refer to qualified experts in the various professional fields, including but not limited to attorneys, accountants, architects, engineers, contractors and other appropriate professionals for detailed evaluation of areas where additional clarification or information is desired. The person or entity completing the form is doing so only as an accommodation to the parties and shall not be held liable for any errors or omissions whatsoever. The person or entity completing this form is not required to and has not completed any special investigation, and is only reporting facts already known to that person or entity or readily available. Specifically and without limitation, the person or entity completing the form has not reviewed any records except official records of meetings in the possession of that person or entity and only for the current and prior year. Where the answer to a question is not applicable, unknown or is otherwise unanswerable, it has been marked "NTMK". Where the Managing Agent has marked "NTMK" or "NO" in response to a question concerning project condition, it must be recognized that this does not mean there may not be a defect which an expert could discover or the passage of time would reveal. Likewise, a problem could be more serious than the Managing Agent, the Association, the Corporation or its Board of Directors knows. All such persons having access to this Project Information Form understand and acknowledge that this Project Information Form is not a warranty or guaranty of any kind by the Managing Agent, the Association or its Board of Directors.

Person completing this form:

Signature _____		March 19, 2019 _____	
		Date	
Name: Bob Berges		Title: AOA Services Manager	
Company: Hawaii Vacation Condos By Outrigger		Brokerage Firm License No. _____	
Address: 2375 Kuhio Ave			
Phones 808-921-6750	Fax 808-921-6565		
E-Mail bob.berges@outrigger.com			

**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. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

BUYER'S INITIALS & DATE \_\_\_\_\_



# RESERVE ANALYSIS REPORT

Regency On Beachwalk AOAO

Honolulu, HI

Fiscal Year Start Date: Jan 01, 2019

Date Prepared: Oct 30, 2018

Barrera & Company, Inc.

[info@barreraco.com](mailto:info@barreraco.com)

800-543-8670

[www.barreraco.com](http://www.barreraco.com)

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The purpose of the Reserve Analysis Report is to help you better understand what you own, in order to develop a financial plan, and adequately budget to pay for future expenses. It consists of a component inventory, life cycle assessment, snapshot of current financial condition, and multiple funding plan options that give you more customization in selecting a strategy that's right for you.

## What Should I Expect In My Reserve Analysis Report?

By definition, the reserve analysis report is a budget-planning tool, which identifies the current status of the reserve fund and provides a stable and equitable funding plan to offset the anticipated expenditures of tomorrow. The contents are based on estimates of the most probable current replacement costs and remaining useful lives. Accordingly, the funding plans reflect judgments based on circumstances of the most likely replacement costs and the assumption of regular maintenance of useful and remaining lives. The property may elect to adopt any of the funding plans presented, or may implement some variation developed from the reserve analysis.

The report includes the following:

**Executive Summary:** Provides project description, financial information, assumptions used in calculations, key indicators of current funding plan, and category summary of expenditures.

**Anticipated Expenditures:** Includes expenditures associated with the components you will refurbish, replace or repair in a given year.

**Component Inventory:** Includes the useful life and remaining life of each component, current replacement cost, projected annual expenditures, and source of component information.

**Percent Funded Analysis:** Provides a snapshot of the financial condition on a component basis by looking at how much you have in reserves vs. how much you should ideally have.

**Summary of Funding Plans:** An overview of different funding plans that include key performance indicators of financial strength. The funding plans include:

- **Current Funding Plan:** This plan analyzes the current financial path you're on. It includes your current reserve balance, your annual reserve contributions, interest earned, and projected annual expenditures to see how your current funding plan stacks up against your anticipated expenditures over the next 20 to 30 years. This plan also assumes a rate of increase to your reserve contributions over a 20 to 30-year period of time as well as inflation and interest.
- **Hawaii Percent Funding Plan:** A statutory funding plan for the State of Hawaii designed to meet all projected disbursement requirements as they occur over the projected 20 year funding plan, while also maintaining a 50% funded threshold.
- **Hawaii Cash Flow Funding Plan:** A statutory funding plan for the State of Hawaii designed to meet all projected disbursement requirements as they occur over the projected 20 years while never allowing the reserve balance to go below the designated threshold level of zero.
- **300k Total Special Assessment Plan:** This plan represents annual reserve contributions, rate of annual reserve contributions, and special assessments applied to year 1 based on specified durations which are detailed in the plan. The plan allows for multiple ladders or steps to be included in order to develop a more flexible plan that can account for gradual reserve contribution increases over time while addressing funding requirements. It takes into account an inflation factor of 3% per year and interest rate of 0.5% per year. This funding plan is a more realistic approach and allows for strategic budgeting of reserves. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all funding goals and expectations are being met.

## How Do I Read My Reserve Study?

Here are four easy steps to help you better understand your reserve study so you can use it as an effective tool to budget and plan for your future needs.

**Step One (1): Understand What You Own.** First things first. Whether you are evaluating the need to increase your reserve



contributions or leaving them the same, everybody wants to know – “where is the money going ?” Typically, 3 to 5 categories make up 80 % to 90 % of the anticipated expenditures. Review the Executive Summary and Component Inventory to understand what you own.

Step Two (2): **Review Your Upcoming Anticipated Expenditures.** It's important to evaluate what projects are expected for repair, refurbishment, and/or replacement within the next 3 to 5 years. Review the Anticipated Expenditures report and if you don't agree or don't plan to complete those improvements, make sure your component inventory is adjusted accordingly.

Step Three (3): **Analyze Your Current Funding Plan.** Always look to see if your Current Funding Plan is solvent. In other words, are you going to run out of money? Look to see if your current reserve contributions meet your anticipated expenditures over the life of the plan? If yes, great! If not, look at the year the ending reserve balance goes negative (the plan runs out of money), see what the anticipated expenditures driving the shortfall are, and make adjustments accordingly.

Step Four (4): **Adopt a Funding Plan that Meets Your Needs.** We believe it's important to give you options. That's why we designed the Summary of Funding Plans for you to review. We show you what you are currently contributing to reserves, and let you compare to a minimum threshold amount, as well as a more conservative approach of 100% reserve funding in 10 years. If you don't like those options we also give you the flexibility to create your own customized funding plans.

## What Does Percent Funded Mean?

This is an indicator of your financial strength. The ratio of Starting Reserve Balance divided by Fully Funded Reserve Balance is expressed as a percentage.

The higher the percentage is, the stronger or healthier your reserve fund is and the more confidence you'll have to pay for future repairs. If your Reserve Fund Balance equals the Fully Funded Reserve Balance, the reserve fund would be considered fully funded, or 100% funded. This is considered an ideal amount.

Think of the Reserve Fund Balance as the gas in your tank and the Fully Funded Reserve Balance as the ideal amount you need to fund your road trip. It's okay if the two don't match perfectly. Usually 70% funded or above is considered strong or healthy.

## What Are The Assumptions Used In The Reserve Analysis?

Assumptions are applied in calculating the inflation rate, average interest rate, and rate of reserve contribution increases over the duration of funding plan.

The inflation rate is the percentage rate of change of a price index over time. Future-cost calculations include an assumed annual inflationary factor, which is incorporated into the component inventory, anticipated expenditures, and reserve funding projections. Typically the cost of goods and services will increase over time, so the analysis wants to take that into consideration as it projects long-term, future costs. The current replacement cost of each common area component will be annually compounded by the inflation rate selected. Historical inflation rates in this industry are about 3%, but users can increase or decrease the rate depending on the applicable economic climate. These costs should be updated and reincorporated into your reserve analysis on an ongoing basis.

For planning purposes, an annual average interest is applied to the ending reserve balance values represented in the reserve funding plans and Percent Funded Analysis report. Reserve funds deposited in certificates of deposit or money market accounts will generate interest income, increasing the reserves. Interest rates can be pegged to current bank rates or CD rates. Obviously, a lower rate is more conservative for planning purposes. Note that income from the reserve and operating accounts is taxable to an association, even if the association is established as a non-profit organization. Adjustments to the operating budget may be required to account for applicable federal and state taxes.

Annual reserve contribution increases are assumed in the reserve funding plans provided for future projections. Generally, this is established at the same rate as inflation with the school of thought being that contributions will, at a minimum, be raised to pace inflationary increases in the cost of good and services. However, it's important for users to be realistic. If users set it to 3% and then do not increase the annual reserve contributions by 3% annually, there will be a shortfall. If there is no plan or expectation to increase reserve contributions, it is best to leave at zero to develop a more realistic plan.



## What Methodology Is Used to Perform the Reserve Analysis?

The Cash Flow Method of calculation is utilized to perform your Reserve Analysis. In other words the reserves are 'pooled' together into one reserve account. This is a method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the projected annual expenditures from year to year. At any given point in time using the Cash Flow Method, all components are funded equally in relation to the overall percent funded. If your 88% funded, all your components are equally funded at 88%.

This method gives you the flexibility to pursue a solvent, reasonably funded reserve plan when multiple components on different life cycles exist. It allows for minor adjustments to the reserve plan without worry of funding shortfalls. If one or more of the anticipated expenditures are slightly higher than expected there should be cushion to absorb the shortfall and avoid a special assessment or the need to borrow money.

## Disclosure

The Reserve Analysis report is to be used only for the purpose stated herein, any use or reliance for any other purpose is invalid. The analysis provided is applicable as of the report completion date, and those items, which are not expected to undergo major repair or replacement within the duration of the report, have been defined as 'life of the project' and may not be included. It is imperative that these components be reviewed annually to consider the impact of changing conditions. Adjustments to the component useful lives and replacement costs should be made whenever the rate of deterioration has changed or when there have been significant changes in the cost of materials and/or labor. Some assumptions have been made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material.

No conclusion or any other form of assurance on the reserve funding plans or projections is provided because the compilation of the reserve funding plans and related projections is limited as described above.

No responsibility to update this report for events and circumstances occurring after the date of this report is assumed.

## Glossary of Terms:

**Annual Fully Funded Requirement:** This is a theoretical value represented in the Percent Funded Analysis report per component. It's also considered the annual accrued depreciation. In other word it's the ideal amount required to Fully Fund the replacement on an annual basis. The amount is calculated based on the useful life and replacement cost and makes no adjustment to eliminate any current reserve deficits.

**Annual Reserve Contributions:** The total assessments, fees, or dues are apportioned between annual operating costs (paying for trash, water, utilities, maintenance, insurance, management fees) and the money you are setting aside every year to pay for anticipated expenditures. This value should not include interest earned as that is already calculated into the reserve funding plans. Our Reserve Analysis Report compares the annual reserve contributions vs. the anticipated expenditures over the duration of the reserve funding plan.

**Component:** Components are all the different common parts of the property (that typically an HOA would be responsible for). They are everything from the roof to asphalt or concrete to decking and balconies to landscaping, lighting, and painting. All of these things need to be repaired or replaced eventually. Our Reserve Analysis Report provides estimates of those current replacement costs to help determine how much money will be required in the bank to pay for them eventually.

**Fully Funded Reserve Balance:** The Fully Funded Reserve Balance is the total accrued depreciation. In other words it's the amount of life "used up" for each one of your components translated into a dollar value. This is calculated by multiplying the fractional age of each component by its current estimated replacement cost, then adding them all together, otherwise known as straight-line depreciation. Its purpose is to help you measure the strength of your reserve fund.

Here's a simple example not taking interest and inflation into consideration: If the association's reserve study says replace the roof every 10 years at a cost of \$100,000, Fully Funded does not mean \$100,000 is required today. It means that \$10,000 is required in the bank this year, \$20,000 next year, \$30,000 the following year, and so on until you have \$100,000 on the 10th





year when the roof is scheduled to be replaced.

**Reserve Balance:** This is how much money you have in the bank set aside for reserves at a given point in time, like at the start of each fiscal year called 'Starting Reserve Balance' or at the end of the fiscal year called 'Ending Reserve Balance.' It can also be the reserve accumulated to date, like in the Percent Funding Analysis report where each component has an 'Accumulated Reserve Balance' value.

Reserves are the money set aside for anticipated common area expenses. The reserve account (also called cash reserves or reserve funds) is funded by dues collected from owners (like HOA fees).

Just like an emergency fund or a rainy-day fund to cover personal expenses if the car breaks down or the kitchen sink leaks, HOAs with commonly owned space like condominiums must set aside a healthy percentage of funds every year to plan for the future.

Without it, paying for big expenses becomes difficult. It may require a special assessment to raise the funds to pay for a repair, putting an oversized financial burden on owners. Or a capital improvement loan may be required. The Reserve Analysis report will help figure out a sufficient amount of money to put away in reserves each year to pay for those eventual expenses. Usually a 70% funded reserve balance or above is considered strong.

**Remaining Useful Life (RUL):** Remaining useful life is how many remaining years of use a component should have left before it has to be replaced. For example, if the useful life of your roof is 20 years and it is five years old, the remaining useful life would be 15 years.

**Replacement Contingency %:** The replacement contingency percentage is a budgeting option that gives you the flexibility to determine the amount or percentage to fund replacements. This gives you more control to establish the funds available to make the necessary repairs on a cycled basis. For example, the retaining walls may be estimated to be replaced over 25 years, but the budget may call to phase the replacement in stages of 20% every five years. It may be determined to only account for that percentage of the replacement cost in your budget.

**Source:** These are the source(s) utilized to obtain component repair or replacement cost estimates and can be reviewed on the Component Inventory report.

**Useful Life (UL):** Useful life is how many years a component is expected to be in use from the time it's new (or refurbished); to the time it has to be replaced. For example, the roof – depending on what kind it is – might have a useful life of 20 years. After 20 years, you'd expect to replace it.



**Regency On Beachwalk AOA**  
Honolulu, HI

Date Prepared: Oct 30, 2018

Start Date: Jan 1, 2019

## Project Description

Property Name: Regency On Beachwalk AOA  
Location: Honolulu, HI  
Project Type: Condominium  
Number of Units: 75  
Age of Project: 57 Year(s)

## Financial Summary

Starting Reserve Balance: \$402,456  
Fully Funded Reserve Balance: \$1,272,597  
Percent Funded: 32%  
Current Replacement Cost: \$1,862,427  
Deficit/Surplus vs. Fully Funded Reserve: (\$870,141) or (\$11,601.88) Per Unit Avg

## Assumed Inflation, Interest & Rate of Annual Reserve Contribution Increase

Funding and anticipated expenditures have been computed with a Time Value of Money approach. Inflation was applied to the anticipated expenditures, and average interest to the ending reserve balance values.

Annual Inflation Rate: 3.00 %

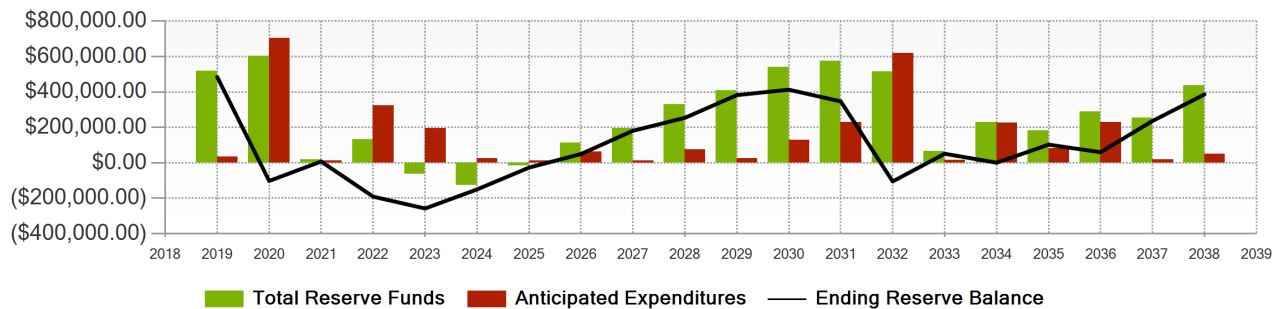
Annual Interest Rate: 0.50 %

Annual Reserve Contribution Increase: 3.00 %

## 5-Year Current Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2019	\$113,183	\$125.76	\$33,670	\$484,180	\$1,392,690	35%
2020	\$116,578	\$129.53	\$703,914	(\$102,203)	\$829,533	0%
2021	\$120,076	\$133.42	\$10,609	\$7,264	\$967,188	1%
2022	\$123,678	\$137.42	\$321,756	(\$190,813)	\$792,202	0%
2023	\$127,388	\$141.54	\$194,545	(\$257,970)	\$746,816	0%

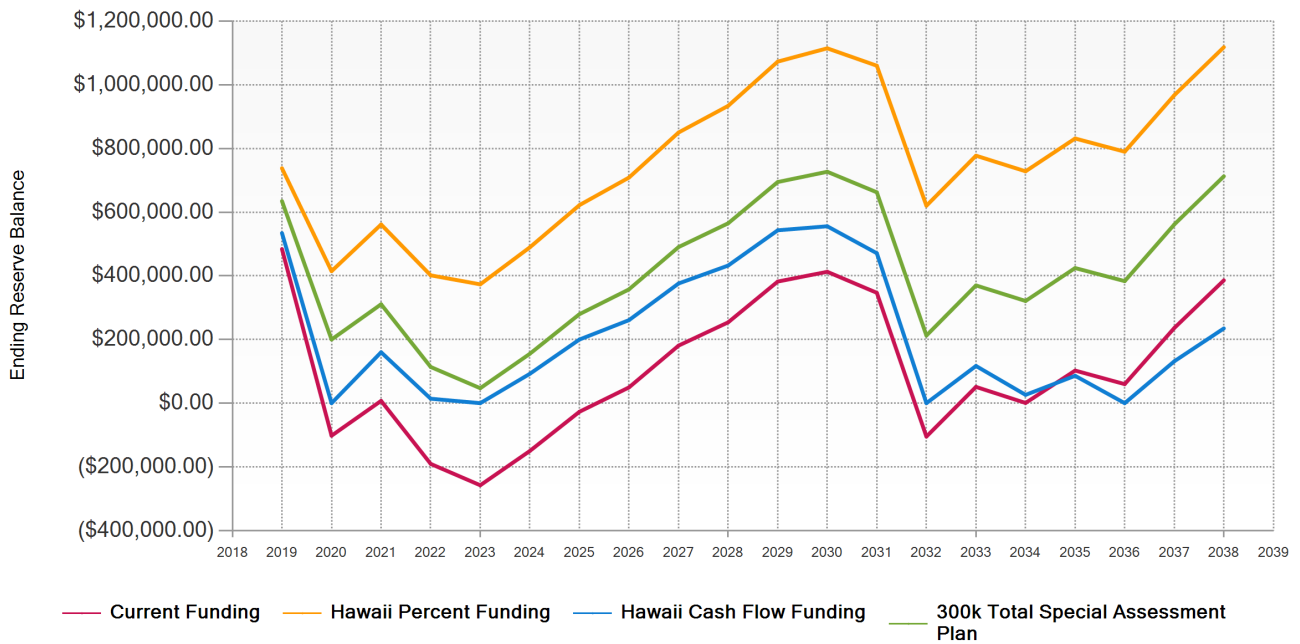
## 20 -Year Current Funding Chart





## Summary of Funding Plans

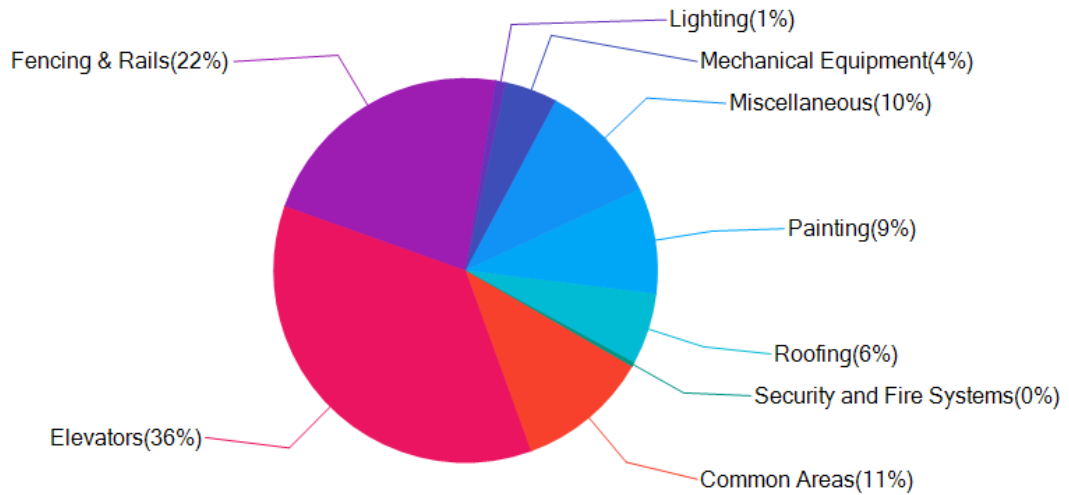
Funding Plans	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Meet All Anticipated Expenditures During Next 20 Years	1st Year of Reserve Deficit (If Applicable)	Average Reserve Balance Over 20 Years	Average Percent Funded Over 20 Years
Current Funding	\$113,183	\$125.76	No	2020	\$106,019	9%
Hawaii Percent Funding Plan	\$366,593	\$407.33	Yes	N/A	\$758,965	57%
Hawaii Cash Flow Funding Plan	\$163,283	\$181.43	Yes	N/A	\$211,784	15%
300k Total Special Assessment Plan	\$113,183	\$125.76	Yes	N/A	\$411,277	29%





## Expenditures by Category

**Total Current Cost: \$1,862,427.00**



	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Common Areas	6-20	0-9	\$207,260	\$52,301	\$12,648	\$165,380	\$12,646
Elevators	16-25	1-1	\$670,000	\$202,913	\$28,375	\$641,625	\$28,371
Fencing & Rails	26-26	13-13	\$411,180	\$65,017	\$15,815	\$205,590	\$15,812
Lighting	20-20	4-11	\$15,699	\$3,557	\$785	\$11,246	\$785
Mechanical Equipment	4-15	1-11	\$82,181	\$6,396	\$7,467	\$20,224	\$7,466
Miscellaneous	1-20	0-16	\$191,289	\$35,325	\$21,212	\$111,701	\$21,209
Painting	8-8	3-4	\$165,561	\$26,759	\$20,695	\$84,613	\$20,692
Roofing	20-20	15-15	\$112,047	\$8,859	\$5,602	\$28,012	\$5,602
Security and Fire Systems	12-12	5-5	\$7,210	\$1,330	\$601	\$4,206	\$601
Totals			\$1,862,427	\$402,456	\$113,199	\$1,272,597	\$113,183

# Component Inventory



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019

**Current Replacement Cost: \$1,862,427**

Component	GL Code	UL	RUL	Unit Price	Quantity	Current Replacement Cost	Anticipated Expenditures	Source
<b>Common Areas</b>								
Exit Doors (Stairs)		20	9	\$1,039.83 / EA	24	\$24,956	\$32,562	Management
Unit Doors Fireproof Gaskets		20	0	\$300.00 / EA	48	\$14,400	\$14,400	Management
Unit Doors Phase 1		20	0	\$3,090.00 / EA	3	\$9,270	\$9,270	Management
Unit Doors Phase 2		20	3	\$3,090.00 / EA	45	\$139,050	\$151,944	Management
Walkways - Carpeting		6	3	\$34.00 / SY	576	\$19,584	\$21,400	Management
<i>Completed in 2015 for \$18,552. Cost has been adjusted for inflation.</i>								
<b>Totals</b>						<b>\$207,260</b>	<b>\$229,575</b>	
<b>Concrete Surfaces</b>								
Concrete Repairs								Management
<i>(Maintenance / Operating)</i>								
<b>Totals</b>						<b>\$0</b>	<b>\$0</b>	
<b>Elevators</b>								
Elevators - Cab Refurbish		16	1	\$35,000.00 / EA	2	\$70,000	\$72,100	Management
Elevators - Testing/Repairs								Management
<i>(Maintenance / Operating)</i>								
Elevators - Upgrade Systems		25	1	\$300,000.00 / EA	2	\$600,000	\$618,000	Management
<b>Totals</b>						<b>\$670,000</b>	<b>\$690,100</b>	
<b>Fencing &amp; Rails</b>								
Lanai's - Metal Rails Front of Building		26	13	\$210.00 / LF	966	\$202,860	\$297,907	Inspector
<i>Changed to metal rails.</i>								
Stairways, Walkways, Lanai's - Metal Rails Rear & Side of Building		26	13	\$210.00 / LF	992	\$208,320	\$305,925	Inspector
<i>Changed to metal rails.</i>								
<b>Totals</b>						<b>\$411,180</b>	<b>\$603,832</b>	
<b>Landscaping</b>								
Landscaping - Maintenance								On File
<i>(Maintenance / Operating)</i>								
<b>Totals</b>						<b>\$0</b>	<b>\$0</b>	
<b>Lighting</b>								
Exit Fixtures								On File
<i>(Maintenance / Operating)</i>								
Lanai Fixtures								On File
<i>(Maintenance / Operating)</i>								
Stairwell Fixtures		20	11	\$125.04 / EA	30	\$3,751	\$5,193	Management
Wall Security Fixtures								Management
<i>(Maintenance / Operating)</i>								
Wall Walkway Fixtures		20	4	\$206.00 / EA	58	\$11,948	\$13,448	Management
<b>Totals</b>						<b>\$15,699</b>	<b>\$18,640</b>	
<b>Mechanical Equipment</b>								
Booster Pump		14	3	\$11,701.83 / EA	1	\$11,702	\$12,787	Management
Circ. Pump #1		8	1	\$1,705.68 / EA	1	\$1,706	\$1,757	Management
<i>Gave these another year as they are reported to be operating properly.</i>								
Circ. Pump #2		8	1	\$1,705.68 / EA	1	\$1,706	\$1,757	Management
<i>Gave these another year as they are reported to be operating properly.</i>								
Emergency Generator - Portable		15	5	\$3,067.34 / EA	1	\$3,067	\$3,556	Management
Hot Water Heaters		12	11	\$15,000.00 / EA	4	\$60,000	\$83,054	Management
Hot Water Heaters Maintenance		4	3	\$4,000.00 / EA	1	\$4,000	\$4,371	Management
<b>Totals</b>						<b>\$82,181</b>	<b>\$107,281</b>	
<b>Miscellaneous</b>								
Bathroom Vents		12	10	\$3,000.00 / EA	3	\$9,000	\$12,095	Management
Card Key System		10	7	\$36,951.29 / Total	1	\$36,951	\$45,445	Management
Electrical - Repairs/Replacements		1	0	\$5,000.00 / Total	1	\$5,000	\$5,000	Management
Fire Alarm Panel - Replace		20	16	\$9,889.03 / EA	1	\$9,889	\$15,869	Management
Fire System - Stairwell Standpipe		20	16	\$20,285.85 / Total	1	\$20,286	\$32,553	Management
Lanai Surfaces - Tile								Management

# Component Inventory



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019

Component	GL Code	UL	RUL	Unit Price	Quantity	Current Replacement Cost	Anticipated Expenditures	Source
<i>(Individual Homeowner Responsibility)</i>								
Pest Control								Management
<i>(Maintenance / Operating)</i>								
Phone System		20	3	\$74,343.34 / Total	1	\$74,343	\$81,237	Management
Phone System - Maint.								Management
<i>(Maintenance / Operating)</i>								
Phone System - Voicemail		20	16	\$9,704.68 / Total	1	\$9,705	\$15,573	Management
Plumbing - Repairs/Replacements		1	0	\$5,000.00 / Total	1	\$5,000	\$5,000	Management
Safety Support Systems (Pull Stations , Bells, Strobes, etc.		20	3	\$21,115.00 / Total	1	\$21,115	\$23,073	Management
<b>Totals</b>						<b>\$191,289</b>	<b>\$235,846</b>	
<b>Painting</b>								
Exterior - Paint & Spalling Repairs		8	4	\$3.45 / SF	43,740	\$150,903	\$169,843	Management
Stairwell Surfaces		8	3	\$1.23 / SF	3,878	\$4,770	\$5,212	Management
Unit Doors		8	3	\$206.00 / EA	48	\$9,888	\$10,805	Management
<b>Totals</b>						<b>\$165,561</b>	<b>\$185,860</b>	
<b>Roofing</b>								
Built-Up Roofing		20	15	\$1,333.89 / SQ	84	\$112,047	\$174,565	Management
Built-Up Roofing - Maintenance								Management
<i>(Maintenance / Operating)</i>								
<b>Totals</b>						<b>\$112,047</b>	<b>\$174,565</b>	
<b>Security and Fire Systems</b>								
CCTV Camera & Intercom		12	5	\$7,210.00 / Total	1	\$7,210	\$8,358	Management
<b>Totals</b>						<b>\$7,210</b>	<b>\$8,358</b>	

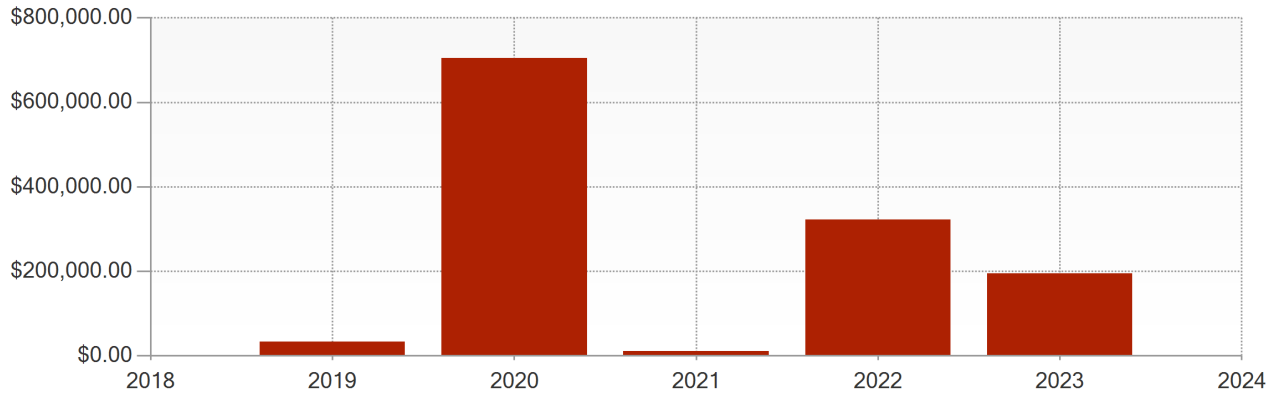
**Measure key :** SF = Square Feet , EA = Each , SY = Square Yard(s) , LF = Linear Feet , ALW = Allowance , BLD = Building(s) , CY = Cubic Yard(s) , LT = Lot , PLC = Place(s) , SQ = Square(s) , TN = Ton(s)

# Anticipated Expenditures (5 Years)



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019



Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
<b>2019</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,000
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,000
Unit Doors Fireproof Gaskets		Common Areas	\$14,400	\$14,400
Unit Doors Phase 1		Common Areas	\$9,270	\$9,270
			<b>Total for 2019:</b>	<b>\$33,670</b>
<b>2020</b>				
Circ. Pump #1		Mechanical Equipment	\$1,706	\$1,757
Circ. Pump #2		Mechanical Equipment	\$1,706	\$1,757
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,150
Elevators - Cab Refurbish		Elevators	\$70,000	\$72,100
Elevators - Upgrade Systems		Elevators	\$600,000	\$618,000
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,150
			<b>Total for 2020:</b>	<b>\$703,914</b>
<b>2021</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,305
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,305
			<b>Total for 2021:</b>	<b>\$10,609</b>
<b>2022</b>				
Booster Pump		Mechanical Equipment	\$11,702	\$12,787
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,464
Hot Water Heaters Maintenance		Mechanical Equipment	\$4,000	\$4,371
Phone System		Miscellaneous	\$74,343	\$81,237
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,464
Safety Support Systems (Pull Stations , Bells, Strobes, etc.		Miscellaneous	\$21,115	\$23,073
Stairwell Surfaces		Painting	\$4,770	\$5,212
Unit Doors		Painting	\$9,888	\$10,805
Unit Doors Phase 2		Common Areas	\$139,050	\$151,944
Walkways - Carpeting		Common Areas	\$19,584	\$21,400
			<b>Total for 2022:</b>	<b>\$321,756</b>
<b>2023</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,628
Exterior - Paint & Spalling		Painting	\$150,903	\$169,843

## Anticipated Expenditures (5 Years)



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018

Start Date: Jan 1, 2019

Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
Repairs				
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,628
Wall Walkway Fixtures		Lighting	\$11,948	\$13,448
			<b>Total for 2023:</b>	<b>\$194,545</b>



# Current Funding Plan



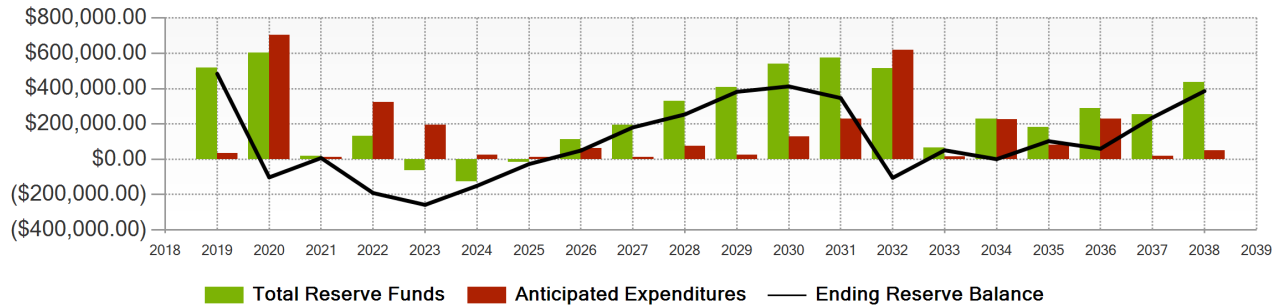
## Regency On Beachwalk AOA

Honolulu, HI

Date Prepared: Oct 30, 2018

Start Date: Jan 1, 2019

This plan represents the currently adopted annual reserve contribution of \$113,183 or \$125.76 per unit per Monthly projected over the 20 year duration using an inflation factor of 3% per year, interest rate of 0.5% per year, and assumed rate of annual reserve contribution increases of 3%. Based on the projected starting reserve balance of \$402,456 as of Jan 1, 2019, this plan will not meet all anticipated expenditures as they occur. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all future expenditures will be funded.



Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2019	\$113,183	\$125.76	\$402,456	\$2,211	\$517,850	\$33,670	\$484,180	\$1,392,690	35%
2020	\$116,578	\$129.53	\$484,180	\$953	\$601,711	\$703,914	(\$102,203)	\$829,533	0%
2021	\$120,076	\$133.42	(\$102,203)	\$0	\$17,873	\$10,609	\$7,264	\$967,188	1%
2022	\$123,678	\$137.42	\$7,264	\$0	\$130,942	\$321,756	(\$190,813)	\$792,202	0%
2023	\$127,388	\$141.54	(\$190,813)	\$0	(\$63,425)	\$194,545	(\$257,970)	\$746,816	0%
2024	\$131,210	\$145.79	(\$257,970)	\$0	(\$126,760)	\$23,507	(\$150,267)	\$880,174	0%
2025	\$135,146	\$150.16	(\$150,267)	\$0	(\$15,121)	\$11,941	(\$27,061)	\$1,033,501	0%
2026	\$139,201	\$154.67	(\$27,061)	\$56	\$112,196	\$62,664	\$49,532	\$1,143,361	4%
2027	\$143,377	\$159.31	\$49,532	\$574	\$193,483	\$12,668	\$180,816	\$1,312,313	14%
2028	\$147,678	\$164.09	\$180,816	\$1,084	\$329,578	\$75,613	\$253,965	\$1,425,932	18%
2029	\$152,108	\$169.01	\$253,965	\$1,586	\$407,659	\$25,534	\$382,125	\$1,599,104	24%
2030	\$156,672	\$174.08	\$382,125	\$1,983	\$540,779	\$127,916	\$412,863	\$1,676,719	25%
2031	\$161,372	\$179.30	\$412,863	\$1,894	\$576,129	\$229,409	\$346,720	\$1,656,966	21%
2032	\$166,213	\$184.68	\$346,720	\$603	\$513,536	\$618,517	(\$104,981)	\$1,240,827	0%
2033	\$171,199	\$190.22	(\$104,981)	\$0	\$66,219	\$15,126	\$51,093	\$1,438,833	4%
2034	\$176,335	\$195.93	\$51,093	\$129	\$227,557	\$226,888	\$669	\$1,429,955	0%
2035	\$181,625	\$201.81	\$669	\$257	\$182,552	\$80,042	\$102,510	\$1,577,512	6%
2036	\$187,074	\$207.86	\$102,510	\$405	\$289,989	\$230,199	\$59,789	\$1,580,446	4%
2037	\$192,686	\$214.10	\$59,789	\$738	\$253,214	\$17,024	\$236,190	\$1,808,820	13%
2038	\$198,467	\$220.52	\$236,190	\$1,551	\$436,208	\$50,252	\$385,956	\$2,015,776	19%

Inflation Rate: 3.00%

Interest Rate: 0.50%

Average Rate of Annual Reserve Funding Increases: 3.00%

# Hawaii Percent Funding Plan



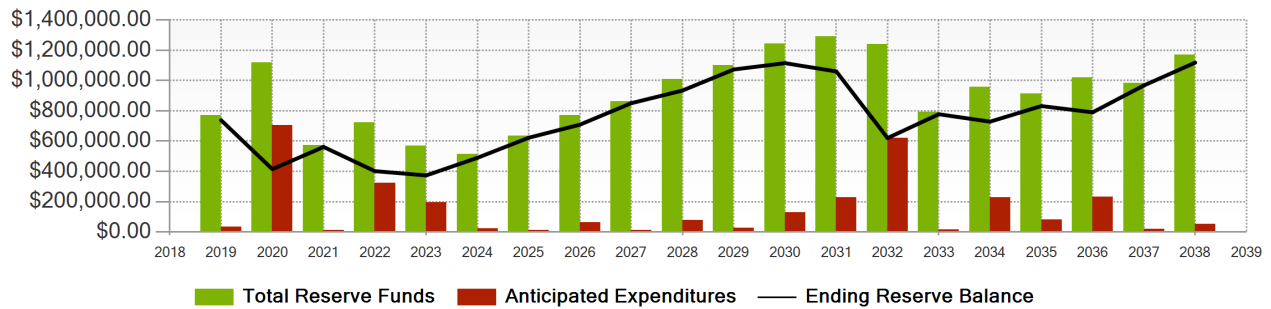
## Regency On Beachwalk AOA

Honolulu, HI

Date Prepared: Oct 30, 2018

Start Date: Jan 1, 2019

This plan represents the annual reserve contribution of \$366,593 or \$407.33 per unit per Monthly as a set forth in section 514B - 148 of the Hawaii Condominium Act. It takes into account an inflation factor of 3% per year, interest rate of 0.5% per year, and assumed rate of annual reserve contribution increases of 3%. The association shall assess the unit owners to fund a minimum of 50% of the estimated replacement reserves; provided that a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. For each fiscal year, the association shall collect the amount assessed to fund the estimated replacement for that fiscal year reserves, as determined by the association's plan. (c) The association shall compute the estimated replacement reserves by a formula that is based on the estimated life and the estimated capital expenditure or major maintenance required for each part of the property. The estimated replacement reserves shall include: (1) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and (2) Separate, designated reserves for each part of the property for which capital expenditures or major maintenance will exceed \$10,000. Parts of the property for which capital expenditures or major maintenance will not exceed \$10,000 may be aggregated in a single designated reserve.



Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2019	\$366,593	\$407.33	\$402,456	\$2,845	\$771,894	\$33,670	\$738,224	\$1,392,690	53%
2020	\$377,591	\$419.55	\$738,224	\$2,875	\$1,118,690	\$703,914	\$414,776	\$829,533	50%
2021	\$154,898	\$172.11	\$414,776	\$2,435	\$572,109	\$10,609	\$561,500	\$967,188	58%
2022	\$159,545	\$177.27	\$561,500	\$2,402	\$723,447	\$321,756	\$401,691	\$792,202	51%
2023	\$164,331	\$182.59	\$401,691	\$1,933	\$567,955	\$194,545	\$373,410	\$746,816	50%
2024	\$137,623	\$152.91	\$373,410	\$2,152	\$513,185	\$23,507	\$489,678	\$880,174	56%
2025	\$141,752	\$157.50	\$489,678	\$2,773	\$634,203	\$11,941	\$622,262	\$1,033,501	60%
2026	\$146,004	\$162.23	\$622,262	\$3,320	\$771,586	\$62,664	\$708,922	\$1,143,361	62%
2027	\$150,384	\$167.09	\$708,922	\$3,889	\$863,196	\$12,668	\$850,528	\$1,312,313	65%
2028	\$154,896	\$172.11	\$850,528	\$4,451	\$1,009,875	\$75,613	\$934,261	\$1,425,932	66%
2029	\$159,543	\$177.27	\$934,261	\$5,006	\$1,098,810	\$25,534	\$1,073,276	\$1,599,104	67%
2030	\$164,329	\$182.59	\$1,073,276	\$5,457	\$1,243,062	\$127,916	\$1,115,147	\$1,676,719	67%
2031	\$169,259	\$188.07	\$1,115,147	\$5,425	\$1,289,831	\$229,409	\$1,060,422	\$1,656,966	64%
2032	\$174,337	\$193.71	\$1,060,422	\$4,192	\$1,238,950	\$618,517	\$620,433	\$1,240,827	50%
2033	\$168,963	\$187.74	\$620,433	\$3,487	\$792,883	\$15,126	\$777,757	\$1,438,833	54%
2034	\$174,032	\$193.37	\$777,757	\$3,757	\$955,545	\$226,888	\$728,657	\$1,429,955	51%
2035	\$179,253	\$199.17	\$728,657	\$3,891	\$911,802	\$80,042	\$831,760	\$1,577,512	53%
2036	\$184,630	\$205.14	\$831,760	\$4,045	\$1,020,435	\$230,199	\$790,235	\$1,580,446	50%
2037	\$190,169	\$211.30	\$790,235	\$4,384	\$984,789	\$17,024	\$967,764	\$1,808,820	54%
2038	\$195,874	\$217.64	\$967,764	\$5,203	\$1,168,842	\$50,252	\$1,118,590	\$2,015,776	55%

Inflation Rate: 3.00%

Interest Rate: 0.50%

Average Rate of Annual Reserve Funding Increases: (1.60%)

# Hawaii Cash Flow Funding Plan



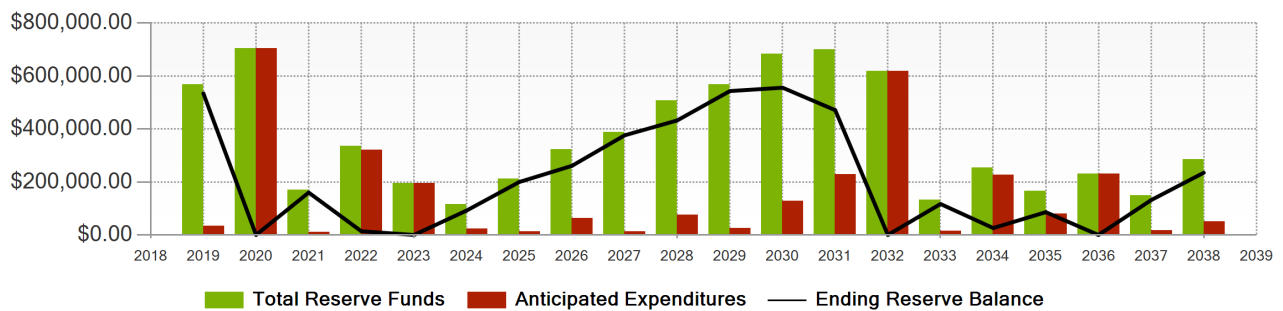
## Regency On Beachwalk AOA

Honolulu, HI

Date Prepared: Oct 30, 2018

Start Date: Jan 1, 2019

This plan represents the annual reserve contribution of \$163,283 or \$181.43 per unit per Monthly as a set forth in section 514B - 148 of the Hawaii Condominium Act. It takes into account an inflation factor of 3% per year, interest rate of 0.5% per year, and assumed rate of annual reserve contribution increases of 3%. The cash flow plan is defined in section 514B - 148(h)(b) as a minimum 20-year projection of an association's future income and expense requirements to fund fully its replacement reserves requirements each year during that 20-year period, except in an emergency; provided that it does not include a projection of special assessments or loans during that 20-year period, except in an emergency. In accordance with the cash flow plan the association shall assess the unit owners to fund 100 % of the estimated replacement reserves; provided that a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. For each fiscal year, the association shall collect the amount assessed to fund the estimated replacement for that fiscal year reserves, as determined by the association's plan. (c) The association shall compute the estimated replacement reserves by a formula that is based on the estimated life and the estimated capital expenditure or major maintenance required for each part of the property. The estimated replacement reserves shall include: (1) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and(2) Separate, designated reserves for each part of the property for which capital expenditures or major maintenance will exceed \$10, 000. Parts of the property for which capital expenditures or major maintenance will not exceed \$10, 000 may be aggregated in a single designated reserve.



Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2019	\$163,283	\$181.43	\$402,456	\$2,336	\$568,075	\$33,670	\$534,405	\$1,392,690	38%
2020	\$168,181	\$186.87	\$534,405	\$1,333	\$703,919	\$703,914	\$6	\$829,533	0%
2021	\$170,193	\$189.10	\$6	\$399	\$170,598	\$10,609	\$159,989	\$967,188	17%
2022	\$175,299	\$194.78	\$159,989	\$434	\$335,721	\$321,756	\$13,966	\$792,202	2%
2023	\$180,558	\$200.62	\$13,966	\$35	\$194,558	\$194,545	\$13	\$746,816	0%
2024	\$115,478	\$128.31	\$13	\$230	\$115,721	\$23,507	\$92,214	\$880,174	10%
2025	\$118,942	\$132.16	\$92,214	\$729	\$211,885	\$11,941	\$199,944	\$1,033,501	19%
2026	\$122,511	\$136.12	\$199,944	\$1,149	\$323,604	\$62,664	\$260,941	\$1,143,361	23%
2027	\$126,186	\$140.21	\$260,941	\$1,588	\$388,715	\$12,668	\$376,047	\$1,312,313	29%
2028	\$129,972	\$144.41	\$376,047	\$2,016	\$508,035	\$75,613	\$432,422	\$1,425,932	30%
2029	\$133,871	\$148.75	\$432,422	\$2,433	\$568,725	\$25,534	\$543,191	\$1,599,104	34%
2030	\$137,887	\$153.21	\$543,191	\$2,741	\$683,819	\$127,916	\$555,903	\$1,676,719	33%
2031	\$142,023	\$157.80	\$555,903	\$2,561	\$700,487	\$229,409	\$471,078	\$1,656,966	28%
2032	\$146,284	\$162.54	\$471,078	\$1,175	\$618,537	\$618,517	\$20	\$1,240,827	0%
2033	\$131,728	\$146.36	\$20	\$292	\$132,039	\$15,126	\$116,913	\$1,438,833	8%
2034	\$135,680	\$150.76	\$116,913	\$357	\$252,950	\$226,888	\$26,062	\$1,429,955	2%
2035	\$139,750	\$155.28	\$26,062	\$280	\$166,092	\$80,042	\$86,050	\$1,577,512	5%
2036	\$143,943	\$159.94	\$86,050	\$215	\$230,207	\$230,199	\$7	\$1,580,446	0%
2037	\$148,261	\$164.73	\$7	\$328	\$148,597	\$17,024	\$131,572	\$1,808,820	7%
2038	\$152,709	\$169.68	\$131,572	\$914	\$285,195	\$50,252	\$234,943	\$2,015,776	12%

Inflation Rate: 3.00%

Interest Rate: 0.50%

Average Rate of Annual Reserve Funding Increases: 0.17%

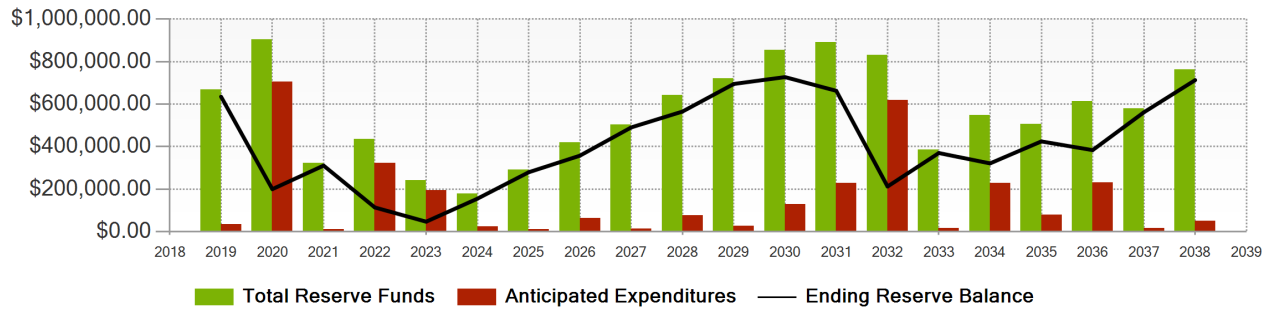
# 300k Total Special Assessment Plan



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019

This plan represents annual reserve contributions, rate of annual reserve contributions, and special assessments applied to year 1 based on specified durations which our detailed in the plan. The plan allows for multiple ladders or steps to be included in order to develop a more flexible plan that can account for gradual reserve contribution increases over time while addressing funding requirements. It takes into account an inflation factor of 3% per year and interest rate of 0.5% per year. This funding plan is a more realistic approach and allows for strategic budgeting of reserves. If adopted, this plan should be reviewed annually and adjusted accordingly to ensure all funding goals and expectations are being met.



Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2019	\$113,183	\$125.76	\$552,456	\$2,961	\$668,600	\$33,670	\$634,930	\$1,392,690	46%
2020	\$116,578	\$129.53	\$784,930	\$2,456	\$903,965	\$703,914	\$200,051	\$829,533	24%
2021	\$120,076	\$133.42	\$200,051	\$1,274	\$321,401	\$10,609	\$310,792	\$967,188	32%
2022	\$123,678	\$137.42	\$310,792	\$1,059	\$435,529	\$321,756	\$113,773	\$792,202	14%
2023	\$127,388	\$141.54	\$113,773	\$401	\$241,562	\$194,545	\$47,017	\$746,816	6%
2024	\$131,210	\$145.79	\$47,017	\$504	\$178,732	\$23,507	\$155,225	\$880,174	18%
2025	\$135,146	\$150.16	\$155,225	\$1,084	\$291,455	\$11,941	\$279,515	\$1,033,501	27%
2026	\$139,201	\$154.67	\$279,515	\$1,589	\$420,304	\$62,664	\$357,641	\$1,143,361	31%
2027	\$143,377	\$159.31	\$357,641	\$2,115	\$503,133	\$12,668	\$490,465	\$1,312,313	37%
2028	\$147,678	\$164.09	\$490,465	\$2,632	\$640,775	\$75,613	\$565,162	\$1,425,932	40%
2029	\$152,108	\$169.01	\$565,162	\$3,142	\$720,413	\$25,534	\$694,879	\$1,599,104	43%
2030	\$156,672	\$174.08	\$694,879	\$3,546	\$855,097	\$127,916	\$727,181	\$1,676,719	43%
2031	\$161,372	\$179.30	\$727,181	\$3,466	\$892,018	\$229,409	\$662,609	\$1,656,966	40%
2032	\$166,213	\$184.68	\$662,609	\$2,182	\$831,005	\$618,517	\$212,487	\$1,240,827	17%
2033	\$171,199	\$190.22	\$212,487	\$1,453	\$385,140	\$15,126	\$370,014	\$1,438,833	26%
2034	\$176,335	\$195.93	\$370,014	\$1,724	\$548,073	\$226,888	\$321,185	\$1,429,955	22%
2035	\$181,625	\$201.81	\$321,185	\$1,860	\$504,670	\$80,042	\$424,628	\$1,577,512	27%
2036	\$187,074	\$207.86	\$424,628	\$2,015	\$613,718	\$230,199	\$383,518	\$1,580,446	24%
2037	\$192,686	\$214.10	\$383,518	\$2,357	\$578,561	\$17,024	\$561,537	\$1,808,820	31%
2038	\$198,467	\$220.52	\$561,537	\$3,178	\$763,182	\$50,252	\$712,931	\$2,015,776	35%

Inflation Rate: 3.00%

Interest Rate: 0.50%

Average Rate of Annual Reserve Funding Increases: 3.00%

# Percent Funding Analysis



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019

Component	UL	RUL	Effective Age	Current Replacement Cost	Starting Reserve Balance	Annual Fully Funding Reqmt.	Fully Funded Reserve Balance	Annual Reserve Contrib.
	A	B	C	D	E	F	G	H
<b>COMMON AREAS</b>								
Exit Doors (Stairs)	20	9	11	\$24,956	\$4,341	\$1,248	\$13,726	\$1,248
Unit Doors Fireproof Gaskets	20	0	20	\$14,400	\$4,554	\$720	\$14,400	\$720
Unit Doors Phase 1	20	0	20	\$9,270	\$2,932	\$464	\$9,270	\$463
Unit Doors Phase 2	20	3	17	\$139,050	\$37,378	\$6,953	\$118,193	\$6,951
Walkways - Carpeting	6	3	3	\$19,584	\$3,097	\$3,264	\$9,792	\$3,264
			Total	\$207,260	\$52,301	\$12,648	\$165,380	\$12,646
<b>ELEVATORS</b>								
Elevators - Cab Refurbish	16	1	15	\$70,000	\$20,754	\$4,375	\$65,625	\$4,374
Elevators - Upgrade Systems	25	1	24	\$600,000	\$182,159	\$24,000	\$576,000	\$23,997
			Total	\$670,000	\$202,913	\$28,375	\$641,625	\$28,371
<b>FENCING &amp; RAILS</b>								
Lanai's - Metal Rails Front of Building	26	13	13	\$202,860	\$32,077	\$7,802	\$101,430	\$7,801
Stairways, Walkways, Lanai's - Metal Rails Rear & Side of Building	26	13	13	\$208,320	\$32,940	\$8,012	\$104,160	\$8,011
			Total	\$411,180	\$65,017	\$15,815	\$205,590	\$15,812
<b>LIGHTING</b>								
Stairwell Fixtures	20	11	9	\$3,751	\$534	\$188	\$1,688	\$188
Wall Walkway Fixtures	20	4	16	\$11,948	\$3,023	\$597	\$9,558	\$597
			Total	\$15,699	\$3,557	\$785	\$11,246	\$785
<b>MECHANICAL EQUIPMENT</b>								
Booster Pump	14	3	11	\$11,702	\$2,908	\$836	\$9,194	\$836
Circ. Pump #1	8	1	7	\$1,706	\$472	\$213	\$1,492	\$213
Circ. Pump #2	8	1	7	\$1,706	\$472	\$213	\$1,492	\$213
Emergency Generator - Portable	15	5	10	\$3,067	\$647	\$204	\$2,045	\$204
Hot Water Heaters	12	11	1	\$60,000	\$1,581	\$5,000	\$5,000	\$4,999
Hot Water Heaters Maintenance	4	3	1	\$4,000	\$316	\$1,000	\$1,000	\$1,000
			Total	\$82,181	\$6,396	\$7,467	\$20,224	\$7,466
<b>MISCELLANEOUS</b>								
Bathroom Vents	12	10	2	\$9,000	\$474	\$750	\$1,500	\$750
Card Key System	10	7	3	\$36,951	\$3,506	\$3,695	\$11,085	\$3,695
Electrical - Repairs/Replacements	1	0	1	\$5,000	\$1,581	\$5,000	\$5,000	\$4,999
Fire Alarm Panel - Replace	20	16	4	\$9,889	\$625	\$494	\$1,978	\$494
Fire System - Stairwell Standpipe	20	16	4	\$20,286	\$1,283	\$1,014	\$4,057	\$1,014
Phone System	20	3	17	\$74,343	\$19,984	\$3,717	\$63,192	\$3,717
Phone System - Voicemail	20	16	4	\$9,705	\$614	\$485	\$1,941	\$485
Plumbing - Repairs/Replacements	1	0	1	\$5,000	\$1,581	\$5,000	\$5,000	\$4,999
Safety Support Systems (Pull Stations , Bells, Strobes, etc.	20	3	17	\$21,115	\$5,676	\$1,056	\$17,948	\$1,056
			Total	\$191,289	\$35,325	\$21,212	\$111,701	\$21,209
<b>PAINTING</b>								
Exterior - Paint & Spalling Repairs	8	4	4	\$150,903	\$23,861	\$18,863	\$75,452	\$18,860
Stairwell Surfaces	8	3	5	\$4,770	\$943	\$596	\$2,981	\$596
Unit Doors	8	3	5	\$9,888	\$1,954	\$1,236	\$6,180	\$1,236
			Total	\$165,561	\$26,759	\$20,695	\$84,613	\$20,692
<b>ROOFING</b>								
Built-Up Roofing	20	15	5	\$112,047	\$8,859	\$5,602	\$28,012	\$5,602
			Total	\$112,047	\$8,859	\$5,602	\$28,012	\$5,602
<b>SECURITY AND FIRE SYSTEMS</b>								
CCTV Camera & Intercom	12	5	7	\$7,210	\$1,330	\$601	\$4,206	\$601
			Total	\$7,210	\$1,330	\$601	\$4,206	\$601
<b>Totals</b>				<b>\$1,862,427</b>	<b>\$402,456</b>	<b>\$113,199</b>	<b>\$1,272,597</b>	<b>\$113,183</b>

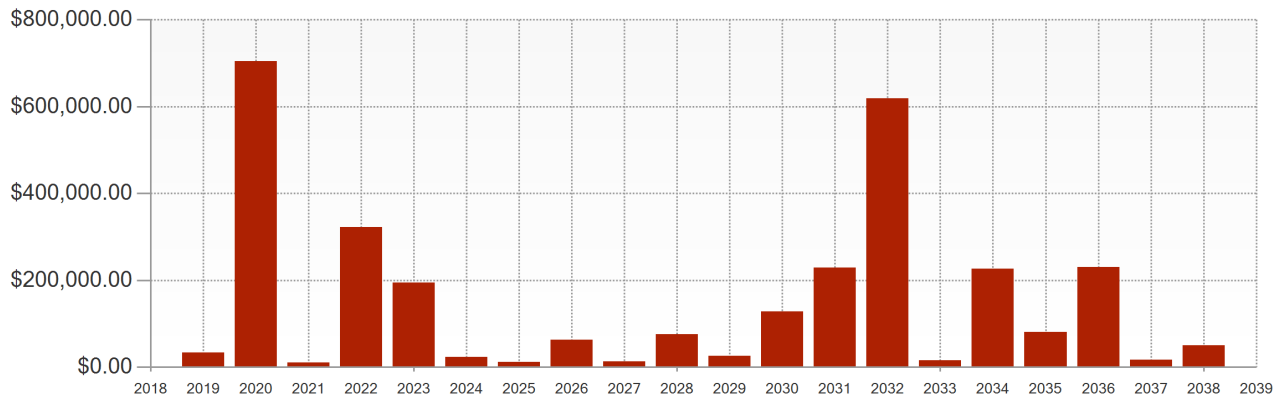
**Percent Funded Calculations:** Effective Age (Column C): (A) - (B) = (C). Accumulated Reserve Balance (Column E): G (Individual) / G (Total) \* E (Total) = E (Individual).  
Annual Fully Funding Requirement (Column F): (D) / (A) = (F). Fully Funded Reserve Balance (Column G): (C) \* (F) = (G)

# Anticipated Expenditures (20 Years)



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019



Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
<b>2019</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,000
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,000
Unit Doors Fireproof Gaskets		Common Areas	\$14,400	\$14,400
Unit Doors Phase 1		Common Areas	\$9,270	\$9,270
			<b>Total for 2019:</b>	<b>\$33,670</b>
<b>2020</b>				
Circ. Pump #1		Mechanical Equipment	\$1,706	\$1,757
Circ. Pump #2		Mechanical Equipment	\$1,706	\$1,757
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,150
Elevators - Cab Refurbish		Elevators	\$70,000	\$72,100
Elevators - Upgrade Systems		Elevators	\$600,000	\$618,000
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,150
			<b>Total for 2020:</b>	<b>\$703,914</b>
<b>2021</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,305
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,305
			<b>Total for 2021:</b>	<b>\$10,609</b>
<b>2022</b>				
Booster Pump		Mechanical Equipment	\$11,702	\$12,787
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,464
Hot Water Heaters Maintenance		Mechanical Equipment	\$4,000	\$4,371
Phone System		Miscellaneous	\$74,343	\$81,237
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$5,464
Safety Support Systems (Pull Stations , Bells, Strobes, etc.		Miscellaneous	\$21,115	\$23,073
Stairwell Surfaces		Painting	\$4,770	\$5,212
Unit Doors		Painting	\$9,888	\$10,805
Unit Doors Phase 2		Common Areas	\$139,050	\$151,944
Walkways - Carpeting		Common Areas	\$19,584	\$21,400
			<b>Total for 2022:</b>	<b>\$321,756</b>
<b>2023</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$5,628
Exterior - Paint & Spalling		Painting	\$150,903	\$169,843

# Anticipated Expenditures (20 Years)



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019

Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
Repairs				
Plumbing -		Miscellaneous	\$5,000	\$5,628
Repairs/Replacements				
Wall Walkway Fixtures		Lighting	\$11,948	\$13,448
			<b>Total for 2023:</b>	<b>\$194,545</b>
<b>2024</b>				
CCTV Camera & Intercom		Security and Fire Systems	\$7,210	\$8,358
Electrical -		Miscellaneous	\$5,000	\$5,796
Repairs/Replacements				
Emergency Generator -		Mechanical Equipment	\$3,067	\$3,556
Portable				
Plumbing -		Miscellaneous	\$5,000	\$5,796
Repairs/Replacements				
			<b>Total for 2024:</b>	<b>\$23,507</b>
<b>2025</b>				
Electrical -		Miscellaneous	\$5,000	\$5,970
Repairs/Replacements				
Plumbing -		Miscellaneous	\$5,000	\$5,970
Repairs/Replacements				
			<b>Total for 2025:</b>	<b>\$11,941</b>
<b>2026</b>				
Card Key System		Miscellaneous	\$36,951	\$45,445
Electrical -		Miscellaneous	\$5,000	\$6,149
Repairs/Replacements				
Hot Water Heaters		Mechanical Equipment	\$4,000	\$4,919
Maintenance				
Plumbing -		Miscellaneous	\$5,000	\$6,149
Repairs/Replacements				
			<b>Total for 2026:</b>	<b>\$62,664</b>
<b>2027</b>				
Electrical -		Miscellaneous	\$5,000	\$6,334
Repairs/Replacements				
Plumbing -		Miscellaneous	\$5,000	\$6,334
Repairs/Replacements				
			<b>Total for 2027:</b>	<b>\$12,668</b>
<b>2028</b>				
Circ. Pump #1		Mechanical Equipment	\$1,706	\$2,226
Circ. Pump #2		Mechanical Equipment	\$1,706	\$2,226
Electrical -		Miscellaneous	\$5,000	\$6,524
Repairs/Replacements				
Exit Doors (Stairs)		Common Areas	\$24,956	\$32,562
Plumbing -		Miscellaneous	\$5,000	\$6,524
Repairs/Replacements				
Walkways - Carpeting		Common Areas	\$19,584	\$25,553
			<b>Total for 2028:</b>	<b>\$75,613</b>
<b>2029</b>				
Bathroom Vents		Miscellaneous	\$9,000	\$12,095
Electrical -		Miscellaneous	\$5,000	\$6,720
Repairs/Replacements				
Plumbing -		Miscellaneous	\$5,000	\$6,720
Repairs/Replacements				
			<b>Total for 2029:</b>	<b>\$25,534</b>
<b>2030</b>				
Electrical -		Miscellaneous	\$5,000	\$6,921
Repairs/Replacements				
Hot Water Heaters		Mechanical Equipment	\$60,000	\$83,054
Hot Water Heaters		Mechanical Equipment	\$4,000	\$5,537
Maintenance				
Plumbing -		Miscellaneous	\$5,000	\$6,921



# Anticipated Expenditures (20 Years)



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018  
Start Date: Jan 1, 2019

Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
Repairs/Replacements				
Stairwell Fixtures		Lighting	\$3,751	\$5,193
Stairwell Surfaces		Painting	\$4,770	\$6,603
Unit Doors		Painting	\$9,888	\$13,687
			<b>Total for 2030:</b>	<b>\$127,916</b>
<b>2031</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$7,129
Exterior - Paint & Spalling Repairs		Painting	\$150,903	\$215,152
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$7,129
			<b>Total for 2031:</b>	<b>\$229,409</b>
<b>2032</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$7,343
Lanai's - Metal Rails Front of Building		Fencing & Rails	\$202,860	\$297,907
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$7,343
Stairways, Walkways, Lanai's - Metal Rails Rear & Side of Building		Fencing & Rails	\$208,320	\$305,925
			<b>Total for 2032:</b>	<b>\$618,517</b>
<b>2033</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$7,563
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$7,563
			<b>Total for 2033:</b>	<b>\$15,126</b>
<b>2034</b>				
Built-Up Roofing		Roofing	\$112,047	\$174,565
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$7,790
Hot Water Heaters Maintenance		Mechanical Equipment	\$4,000	\$6,232
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$7,790
Walkways - Carpeting		Common Areas	\$19,584	\$30,511
			<b>Total for 2034:</b>	<b>\$226,888</b>
<b>2035</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$8,024
Fire Alarm Panel - Replace		Miscellaneous	\$9,889	\$15,869
Fire System - Stairwell Standpipe		Miscellaneous	\$20,286	\$32,553
Phone System - Voicemail		Miscellaneous	\$9,705	\$15,573
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$8,024
			<b>Total for 2035:</b>	<b>\$80,042</b>
<b>2036</b>				
Booster Pump		Mechanical Equipment	\$11,702	\$19,341
Card Key System		Miscellaneous	\$36,951	\$61,075
CCTV Camera & Intercom		Security and Fire Systems	\$7,210	\$11,917
Circ. Pump #1		Mechanical Equipment	\$1,706	\$2,819
Circ. Pump #2		Mechanical Equipment	\$1,706	\$2,819
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$8,264
Elevators - Cab Refurbish		Elevators	\$70,000	\$115,699



## Anticipated Expenditures (20 Years)



Regency On Beachwalk AOA  
Honolulu, HI

Date Prepared: Oct 30, 2018

Start Date: Jan 1, 2019

Component	GL Code	Category	Current Replacement Cost	Anticipated Expenditures
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$8,264
<b>Total for 2036:</b>				<b>\$230,199</b>
<b>2037</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$8,512
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$8,512
<b>Total for 2037:</b>				<b>\$17,024</b>
<b>2038</b>				
Electrical - Repairs/Replacements		Miscellaneous	\$5,000	\$8,768
Hot Water Heaters Maintenance		Mechanical Equipment	\$4,000	\$7,014
Plumbing - Repairs/Replacements		Miscellaneous	\$5,000	\$8,768
Stairwell Surfaces		Painting	\$4,770	\$8,364
Unit Doors		Painting	\$9,888	\$17,339
<b>Total for 2038:</b>				<b>\$50,252</b>

# Hawaii Vacation Condos

BY OUTRIGGER®

November 20, 2018

Aloha Owners at Regency on BeachWalk -

Over the last few years, different issues have come to light in our community as well as on our property. There is a renewed focus on safety concerns, particularly after the high-rise fire at the Marco Polo that took four lives. In local government, regulations are being tightened to protect owners and their guests. The emphasis has been on fire prevention systems and other safety protocols. Fortunately, the Regency is in full compliance with the sprinkler and fire suppression systems (with the exception of the elevator system). The fire alarm panel was replaced in 2015, the dry stand pipes were renovated in 2016 and the Board proactively approved a sprinkler head replacement project in 2018 to be completed in 2019.

The Board took the additional step of reviewing the reserve study line by line for safety, aesthetics and operations. Upon their review coupled with recent reports from the building management, the following issues came to their attention:

1. Due to the most recent problems that we have had with the operation of the elevators which include guests getting detained in the elevators for periods of time, all service records were reviewed and advice was obtained from two consultants regarding the condition of the elevators and their remaining life. It was brought to the Board's attention that the elevators were originally installed in 1961. Most elevator systems are modernized every 25 years, but the reserve study indicated that the next scheduled modernization was not due until 2033 as well as grossly underestimated the cost. It appears that it was originally thought that the modernization completed during the conversion from hotel to condominium replaced the elevators but it was discovered that it only involved the electrical, not the mechanic upgrades for the systems. Modernization is being accelerated to 2020 to ensure operations run smoothly for our owners and our guests and to address outdated fire-safety standards within the elevators.
2. The doors to the individual units are not fire rated as required by the City and County of Honolulu. Although this was apparently always a requirement of the city code, it is coming under much higher scrutiny due to the aforementioned Marco Polo incident and must be addressed sooner than later. While the doors belong to the individual units and are technically the responsibility of each owner, the Board deemed this as a high-risk component of the property more appropriately replaced systematically by the Association over the next few years.
3. Lanai railings were also added to the reserve study as this item has been a safety concern at other properties and it was overlooked in previous versions of the reserve study.

The reserve funding plan was sufficient to cover all additional items except for the modernization of the elevators. This project is underway and will be completed in 2020. The project is estimated to cost \$670,000, but the shortfall in the reserves is only for \$300,000 due to funding that is already earmarked in the reserves for the elevators.

The decision was made to collect the \$300,000 through a special assessment rather than an increase in maintenance fees as higher maintenance fees tend to reduce the resale value of the property. Additionally, the decision was made to spread the payments over 24 months to lessen the burden to the ownership. Please find

below the summary of the 2019 monthly Maintenance Fees (as compared to the 2018 monthly Maintenance Fees) as well as the allocation of the Special Assessment Fee reflected as a monthly payment by ownership category.

	2018	2019	(24 months)	2019
	Monthly Maintenance Fees	Monthly Maintenance Fees	Monthly Special Assessment Fee	Total Monthly Maintenance and Special Assessment Fee
One Bedroom	\$852.99	\$898.03	\$202.04	\$1,100.07
Two Bedroom	\$1,196.59	\$1,259.77	\$283.43	\$1,543.20
C-11	\$1,619.38	\$1,544.61	\$430.44	\$1,975.05
C-12	\$1,330.09	\$1,399.00	\$309.13	\$1,708.13
C-13	\$2,378.72	\$2,268.34	\$635.44	\$2,903.78

**\*C-11, C-12, and C-13 reflect the first floor business allocations.**

If you pay by check or directly through your bank, we are enclosing payment coupons as well as a form to sign up for an electronic fund transfer for your convenience. **If you have a direct payment set up with your bank, please contact them to update the payment amount.**

If you are using the electronic fund transfer option, the payment amount will be adjusted automatically starting with the January payment.

Please feel free to contact us with any questions you may have. Thank you once again for the opportunity to serve your community.

On behalf of the Board of Directors -

Mahalo -

Susan Taraya  
AOAO Service Manager  
Regency on BeachWalk AOAO

Regency on Beachwalk 71		
Purchase Contract ¶ E-3 Inventory		
LR Lanai	1	Table
LR Lanai	4	Chairs
LR Lanai	1	Split Air Conditioner outside unit
LR	1	Split Air Conditioner inside unit
LR	1	Table
LR	4	Chairs
LR	1	Coffee Table
LR	1	Fold out sofa sleeper
LR	1	Chair
LR	1	TV Cabinet
LR	1	Flat Screen TV
LR	3	Framed Art Works
LR	2	Couch end tables
LR	2	Table top lamps
LR	1	Set black out drapes
LR	1	Set sheer curtains
LR	1	Chandelier
LR	1	Clock Radio - iHome
KI	1	Refrigerator
KI	1	Cooktop
KI	1	Microwave
KI	1	Dishwasher
KI	1	Garbage disposal
KI	4	Plates Large
KI	4	Plates Small
KI	4	Bowls
KI	1	Serving Bowl
KI	4	Small Tumblers
KI	4	Large Tumblers
KI	4	Stem glasses
KI	1	Orange bowl
KI	4	Mugs
KI	1	Ice Bucket
KI	1	Coffee maker
KI	1	Paper towel holder
KI	1	Wood block with 11 knives and 1 scissor
KI	1	Toaster
KI	4	Skillets
KI	1	Set 3 pots, 3 lids and 1 saucepan
KI	1	Rice maker
KI	1	Blender
KI	1	Electric hot water pot

KI	1	Cutting board - plastic or nylon
KI	1	Table ware tray
KI	4	Cube Handled Flatware (5 pc set)
KI	1	3 piece set cookware; spoon, spatula etc.
KI	1	Trash can
BR2	1	Queen platform bed frame & headboard
BR2	1	Queen mattress
BR2	1	Bed runner throw
BR2	5	Queen pillows
BR2	1	Queen bed skirt
BR2	2	Couch end tables
BR2	2	Table top lamps
BR2	2	Framed Art Works
BR2	1	Set black out drapes
BR2	1	Set sheer curtains
BR2	1	Dresser/Bureau
BR2	1	Flat Screen TV
BR2	1	Bed foot bench small
BR2	1	Bed foot bench large
BR2	1	Trash can
BA	1	Hair dryer
BA	1	Vanity mirror
HA	1	Mirror
HA	1	Ironing board
HA	1	Iron
MBR	1	Queen platform bed frame & headboard
MBR	1	Queen mattress
MBR	1	Bed runner throw
MBR	5	Queen pillows
MBR	1	Queen bed skirt
MBR	2	Couch end tables
MBR	2	Table top lamps
MBR	3	Framed Art Works
MBR	1	Set black out drapes
MBR	1	Set sheer curtains
MBR	1	Dresser/Bureau
MBR	1	TV cabinet step stand
MBR	1	Flat Screen TV
MBR	3	Framed Art Works
MBR	2	Faux suede chairs
MBR	1	Safe
MBR	1	Trash can

MBR	1	A few wooden clothes hangars
MBR	1	Table top decorative cube lamp
MBR	1	Split Air Conditioner inside unit
MBR Lanai	1	Cube table
MBR Lanai	2	Chairs
MBR Lanai	1	Split Air Conditioner outside unit

Photos:

<https://photos.app.goo.gl/PM9PwHXVdVDS6dxa6>

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Date Buyer

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Date Buyer

3/20/2019  
Date

DocuSigned by:  
*AMY PORTER LOSOREK*  
FE48D6A9B2934A2...  
Seller

3/19/2019  
Date

DocuSigned by:  
*Theodore Porter*  
C04D18A7944440D...  
Seller

3/20/2019  
Date

DocuSigned by:  
*Daniel H. Porter*  
02597B86305A42E...  
Seller



# Fidelity National Title & Escrow of Hawaii, Inc.

201 Merchant Street, Suite 2100, Honolulu, HI 96813  
808-536-0404 FAX 808-533-3173

## PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title and Escrow of Hawaii, Inc.** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedule, Conditions and Stipulations of said Policy forms.*

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

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

*The Policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida corporation.*

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

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

**Fidelity National Title Insurance Company**

By:

\_\_\_\_\_  
President

Countersigned By:

\_\_\_\_\_  
Authorized Officer or Agent



Attest:

\_\_\_\_\_  
Secretary

**ISSUING OFFICE:**

Fidelity National Title and Escrow of Hawaii, Inc.  
201 Merchant Street, Suite 2100, Honolulu, HI 96813  
808-536-0404 FAX 808-533-3173

**FOR SETTLEMENT INQUIRIES, CONTACT:**

Fidelity National Title and Escrow of Hawaii, Inc.  
4211 Waialae Avenue, Suite 8050, Honolulu, HI 96816  
808-380-6767 FAX 808-380-5883

**PRELIMINARY REPORT**

Title Officer: Robert Sablan  
Email: Robert.Sablan@fnf.com  
Title No.: 161800473-RS

Escrow Officer: Izumi Sawa  
Email: Izumi.Sawa@fnf.com  
Escrow No.: 161800473-IS

**TO:** Hawaii Home and Commercial  
3821 Tantalus Drive  
Honolulu, HI 96822  
Attn: Robin Charles Glass

**RATE:** NO

**PROPERTY ADDRESS:** 255 Beach Walk #71, Honolulu, HI 96815

**EFFECTIVE DATE:** March 12, 2019 at 12:00 AM

The form of Policy or Policies of title insurance contemplated by this report is:

ALTA Homeowner's Policy of Title Insurance 2013  
Coverage Amount: \$ 720,000.00  
Proposed Insured: Adrian Davd Kanaar and Jennifer Kanaar

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

Fee Simple Condominium, Regular System

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Amy Porter Kosorek, Theodore D. Porter, and Daniel H. Porter, as Co-Trustees of the Kenneth and Sara Porter Revocable Trust, dated October 6, 2014, as amended by Restatement of the Kenneth and Sara Porter Revocable Trust, UTD 10/6/14, executed on July 6, 2018 and Second Amendment to the Restatement of the Kenneth and Sara Porter Revocable Trust, UTD 10/6/14, executed on September 11, 2018, with full power to sell, convey, mortgage, lease, etc.

3. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE COUNTY OF HONOLULU, STATE OF HAWAII AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF



## EXHIBIT "A"

### Legal Description

**For Tax Map ID(s):**     [1-2-6-003-014-0034](#)

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FIRST:

Apartment No. 71 (hereafter called the "Apartment") comprising a portion of ""THE REGENCY ON BEACH WALK (formerly THE WAIKIKI ROYAL)", a condominium project (hereinafter called the "Project") as described in and established by Declaration of Condominium Property Regime recorded March 2, 1980 in the Bureau of Conveyances, State of Hawaii, in [Liber 14566, Page 720](#), as the same may have been amended from time to time (hereafter called the "Declaration") as shown on the plans of the Project filed in said Office as Condominium Map No. 693, as the same may have been amended from time to time (hereinafter called the "Condominium Map").

Together With exclusive appurtenant easements as follows:

- (a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility purposes for and support of said apartment; in the other common elements for use according to their respective purposes.
- (b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

SECOND:

An undivided 2.2674 percentage interest in all common elements of the project and in the land upon which said project is located as established for said apartment by the Declaration, or such other percentage interest as hereinafter established for said apartment by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

Being all to the property conveyed by the following:

Apartment Deed

Grantor:                     Kenneth Edward Porter, husband of Sara Thompson Porter, and Sara Thompson Porter, wife of Kenneth Edward Porter  
Grantee:                     Kenneth E. Porter and Sara T. Porter, as Trustees of the Kenneth and Sara Porter Revocable Trust, dated October 6, 2014, with full power to sell, convey, mortgage, lease, etc.  
Dated:                        October 6, 2014  
Recording Date: November 19, 2014  
[Recording No.:](#)             [A-54360545](#)

The land upon which said condominium is located is described as follows:

PARCEL FIRST:

That certain parcel of land being Lot A, being all of Lot 35 and a portion of Lot 33 of Beach Walk (File Plan No. 133) situate on the Southeast side of Beach Walk of Waikiki, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Beginning at the North corner of this parcel of land on the Southeast side of Beach Walk, the true azimuth and distance from the North corner of Lot 33 and the West corner of Lot 31 of said Beach Walk Tract being 41° 04' 00" 46.69 feet and the coordinates of said point of beginning referred to a City and County Street Monument at the corner of Kalakaua Avenue and Kalaimoku Street in Honolulu aforesaid being 787.44 feet South and 29.65 feet West and thence running by azimuths measured clockwise from true South:

**EXHIBIT "A"**  
**Legal Description**  
 (continued)

- |    |          |        |   |
|----|----------|--------|---|
| 1. | 302° 40' | 106.83 | feet along remainder<br>of Lot 33 (Lot B)   |
| 2. | 46° 00'  | 55.26  | feet along six-foot lane  |
| 3. | 122° 40' | 102.02 | feet along Lot 37 of File<br>Plan No. 133   |
| 4. | 221° 04' | 54.41  | feet along the Southeast side<br>of Beach Walk to the point of<br>beginning and containing an<br>area of 5,620 square feet, more or less. |

TOGETHER WITH the right and privilege to use and enjoy as and for a foot path a lane six (6) feet wide adjoining said Lot A, as shown on said File Plan No. 133.

**PARCEL SECOND:**

That certain parcel of land being Lot B, being portion of Lot 33 of Beach Walk (File Plan No. 133), situate on the Southeast side of Beach Walk of Waikiki, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Beginning at the West corner of this parcel of land on the Southwest side of Beach Walk, the coordinates of said point of beginning referred to a Survey Street Monument at the corner of Kalakaua Avenue and Kalaimoku Street in Honolulu aforesaid being 787.44 feet South and 29.65 feet West and thence running by azimuths measured clockwise from true South:

- |    |          |        |  |
|----|----------|--------|--|
| 1. | 221° 04' | 46.69  | feet along the Southeast<br>side of Beach Walk   |
| 2. | 302° 40' | 110.96 | feet along Lot 13  |
| 3. | 46° 00'  | 47.40  | feet along six-foot lane   |
| 4. | 122° 40' | 106.83 | feet along the remainder of<br>Lot 33 (Lot A) to the point of<br>beginning and containing an area<br>of 5,029 square feet, more or less. |

TOGETHER WITH the right and privilege to use and enjoy as and for a foot path a lane six (6) feet wide adjoining said Lot B, as shown on said File Plan No. 133.

**PARCEL THIRD:**

All of that certain parcel of land situate at Waikiki, City and County of Honolulu, State of Hawaii, being LOT 31, of the "Beach Walk Tract", as shown on File Plan No. 133, filed in the Bureau of Conveyances of the State of Hawaii, and containing an area of 5,620 square feet, more or less.

TOGETHER WITH an easement for pedestrian and vehicle passage over and across a portion of said Lot 29, being a strip ten (10) feet wide and more fully described as follows:

**EXHIBIT "A"**  
**Legal Description**  
 (continued)

Beginning at the West corner of this easement on the Southeast side of Beach Walk, being also the West corner of Lot 29 and the North corner of the consolidation of Lot 31 and Lots A and B of the Consolidation and Resubdivision of Lots 33 and 351 all of said Beach Walk, along Beach Walk on a curve to the left having a radius of 527.45 feet, the chord azimuth and distance being:

1.        217°    41'    17"    10.04 feet, thence
2.        302°    40'            97.11 feet along the remainder  
   of said Lot 29
3.        32°    40'            10.00 feet along the same
4.        122°    40'            98.00 feet along the said consolidation  
   of Lots 31, 33 and 35 to the point  
   of beginning and containing an  
   area of 986 square feet, more or  
   less.

TOGETHER WITH the right and privilege to use and enjoy as and for a foot path a lane six (6) feet wide adjoining said Lot 31, as shown on said File Plan No. 133.

## EXCEPTIONS

### AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.
7. Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2018-2019, [Tax Map Key 1-2-6-003-014-0034](#).  
  
1st installment: \$4,015.77 Paid  
2nd installment: \$4,015.77 Paid  
WBID Taxes  
  
1st installment: \$41.50 Paid  
2nd installment: \$41.49 Paid  
  
WSID Taxes  
  
1st installment: \$21.70 Paid  
2nd installment: \$21.70 Paid
8. Mineral and water rights of any nature in favor of the State of Hawaii.
9. AS TO PARCEL THIRD ONLY:  
  
A. An easement in favor of Lot 29, for pedestrian and vehicle passage over and across a portion of Lot 31, being a strip 10 feet wide, as contained in that certain instrument dated April 1, 1968, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 6024 at Page 289.

**EXCEPTIONS**  
(continued)

10. Covenants, conditions restrictions and reservations (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Deed

Dated: December 10, 1915  
Recording No: [Liber 442 Page 24](#)

11. Covenants, conditions restrictions and reservations (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Deed

Dated: November 30, 1914  
Recording No: [Liber 442 Page 165](#)

12. Covenants, conditions restrictions and reservations (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Deed

Dated: July 5, 1915  
Recording Date: May 10, 1915  
Recording No.: [Liber 420 Page 284](#)

13. Any matters which a current survey or archeological study might show.

14. Any unrecorded leases affecting the said property.

15. Rights and claims of parties in possession.

16. Condominium Map No. 693, recorded in the Bureau of Conveyances of the State of Hawaii.

17. Covenants, conditions restrictions and reservations (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Declaration of Condominium Property Regime of the "Waikiki Royal"

Dated: March 2, 1980  
Recording Date: March 12, 1980  
Recording No: [Liber 14566 Page 720](#)

**EXCEPTIONS**  
(continued)

Modification(s) of said covenants, conditions and restrictions

Recording Date: January 30, 1981  
Recording No: [Liber 15316 Page 127](#)

Recording Date: February 22, 1991  
[Recording No: 91-023911](#)

Recording Date: February 22, 1991  
[Recording No: 91-023912](#)

Recording Date: October 6, 2005  
[Recording No: 2005-203140](#)

Recording Date: December 9, 2005  
[Recording No: 2005-252616](#)

Recording Date: November 19, 2010  
[Recording No: 2010-179713](#)

18. Covenants, conditions restrictions and reservations (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

Limited Warranty Apartment Deed with Reservations and Covenants and Limited Powers of Attorney

Dated: July 20, 2007  
Recording Date: July 24, 2007  
[Recording No.: 2007-131817](#)

19. Terms, provisions and conditions as contained in the Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.

Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the laws and/or as delineated on said Condominium Map.

20. A mortgage to secure an indebtedness as shown below

Amount: \$218,300.00  
Dated: January 14, 2008  
Mortgagor: Kenneth Edward Porter, husband of Sara Thompson Porter, and Sara Thompson Porter, wife of Kenneth Edward Porter  
Mortgagee: Bank of Hawaii, a Hawaii corporation organized and existing under the laws of Hawaii  
Loan No.: None Shown  
Recording Date: January 22, 2008  
[Recording No: 2008-008768](#)

21. Terms, provisions, conditions and restrictions and the failure to comply with said terms, contained in that certain Kenneth and Sara Porter Revocable Trust, dated October 6, 2014, to which reference is hereby made.

**EXCEPTIONS**  
(continued)

**END OF EXCEPTIONS**

## NOTES

1. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
2. Any escrow involving real property located in the State of Hawaii must be handled by an escrow depository which is licensed by the State of Hawaii. Effective July 1, 2010, Hawaii Revised Statutes Section 449-5(b) states: "No person shall act as an escrow depository from an out-of-state location for property located in this State unless licensed to act as a Hawaii escrow depository by the commissioner." Fidelity National Title & Escrow of Hawaii, Inc. is a Hawaii-licensed escrow depository. Please contact our office for assistance in complying with the Hawaii Escrow Law.
3. The following qualifying language applies to any and all covenants, conditions and restrictions (CC&R's) set forth in the numbered items above:  
  
But omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.
4. There are NO conveyances affecting said land, recorded within thirty six (36) months of the date of this report.
5. The death of Sara Lynn Thompson Porter on September 15, 2018, in Berkeley, California.
6. The Company and its policy issuing agents are required by Federal law to collect additional information about certain transactions in specified geographic areas in accordance with the Bank Secrecy Act. If this transaction is required to be reported under a Geographic Targeting Order issued by FinCEN, the Company or its policy issuing agent must be supplied with a completed ALTA Information Collection Form ("ICF") prior to closing the transaction contemplated herein.

## END OF NOTES





Inquire before you wire!

## WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.  
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**  
<http://www.fbi.gov>

**Internet Crime Complaint Center:**  
<http://www.ic3.gov>

**FIDELITY NATIONAL FINANCIAL**  
**PRIVACY NOTICE**  
**Revised May 1, 2018**

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF", "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

**Types of Information Collected**

We may collect two types of information from you: Personal Information and Browsing Information.

**Personal Information.** FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

**Browsing Information.** FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or mobile device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

**How Personal Information is Collected**

We may collect Personal Information about you from:

- information we receive from you on applications or other forms;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

**How Browsing Information is Collected**

If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

**Other Online Specifics**

**Cookies.** When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to other websites. FNF is not responsible for the privacy practices or the content of any of those other websites. We advise you to read the privacy policy of every website you visit.

### **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and third parties' products and services, jointly or independently.

### **When Information Is Disclosed**

We may make disclosures of your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see "**Choices With Your Information**" to learn the disclosures you can restrict.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

### **Choices With Your Information**

If you do not want FNF to share your information with our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

**For California Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law.

**For Nevada Residents:** You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

**For Oregon Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about you creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

#### **Information From Children**

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

#### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

#### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

#### **Your Consent To This Privacy Notice; Notice Changes**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

#### **Accessing and Correcting Information; Contact Us**

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue,  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer

**ATTACHMENT ONE  
HAWAII**

The following are the standard exclusions and exceptions from coverage that will be included in your policy, depending on the type of policy issued to you.

**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12/03/2013)  
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$2,500.00</u> (whichever is less)	<u>\$10,000.00</u>

**ATTACHMENT ONE****HAWAII**

(continued)

Covered Risk 18:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$5,000.00</u> (whichever is less)	<u>\$25,000.00</u>
Covered Risk 19:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$5,000.00</u> (whichever is less)	<u>\$25,000.00</u>
Covered Risk 21:	<u>1.00%</u> of Policy Amount Shown in Schedule A or <u>\$2,500.00</u> (whichever is less)	<u>\$5,000.00</u>

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (04/02/2015)  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees, or expenses which arise by reason of:

1. (a) any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion 5 does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion 6 does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion 7 does not modify or limit the coverage provided in Covered Risk 11(b) or 25.

**ATTACHMENT ONE**  
**HAWAII**  
(continued)

8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion 8 does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is:
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**2006 ALTA LOAN POLICY (06-17-06)**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.

**ATTACHMENT ONE**  
**HAWAII**  
(continued)

Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;  
(b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims;  
(b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;  
(c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.
7. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
8. Mineral and water rights of any nature in favor of the State of Hawaii.
9. The arbitration provisions of this policy do not supersede Hawaii's Uniform Arbitration Act, Hawaii Revised Statutes, Chapter 658A (Endorsement).

**2006 ALTA OWNER'S POLICY (06-17-06)**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.



**ATTACHMENT ONE**  
**HAWAII**  
(continued)

3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1.
  - (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
  - (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5.
  - (a) Unpatented mining claims;
  - (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
  - (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.
7. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
8. Mineral and water rights of any nature in favor of the State of Hawaii.
9. The arbitration provisions of this policy do not supersede Hawaii's Uniform Arbitration Act, Hawaii Revised Statutes, Chapter 658A (Endorsement).

## **ATTACHMENT ONE**

### **HAWAII**

(continued)

#### **HAWAII STANDARD OWNER'S POLICY OF TITLE INSURANCE (11-01-10) EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
6. (a) Taxes or assessments levied or imposed by a government authority on the Title that are not shown as existing liens by the Public Records;
- (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
7. Any facts, rights, interests or claims which are not recorded in the Public Records at Date of Policy but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof or of the lessors in any lease of the Land.
8. Easements or claims of easements which are not recorded in the Public Records at Date of Policy.
9. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey or archaeological study of the Land and not shown by the Public Records.
10. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

## **ATTACHMENT ONE**

### **HAWAII**

(continued)

11. Rights or claims of persons or entities other than the Insured involving or arising out of: mineral or metallic mines; geothermal resources; water; fishing, commerce or navigation; creation or loss of the Land or any portion thereof by accretion, avulsion, erosion or artificial means; persons residing on or otherwise in possession of the Land or any portion thereof; trails, roadways or other rights of way, including without limitation any such rights or claims under Chapter 264, Hawaii Revised Statutes.
12. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the Land, whether furnished before or after Date of Policy and regardless of the legal effective date of any such lien or claim, unless at the Date of Policy such lien or claim was recorded in the Public Records or filed in the Circuit Court pursuant to Chapter 507, Hawaii Revised Statutes.
13. Any claim arising as a result of the inability or failure of the Insured to comply with applicable doing business laws of the State of Hawaii.



STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED

November 19, 2014 8:02 AM

Doc No(s) A-54360545



/s/ NICKI ANN THOMPSON  
REGISTRAR

1 1/1 KEO  
B-32550215

Conveyance Tax: \$0.00

LAND COURT

REGULAR SYSTEM

(AREA ABOVE RESERVED FOR RECORDING INFORMATION)

After Recordation, Return by Mail ☒ or Pick-up ☐ Phone#: 925/806-9008

FILL IN NAME AND ADDRESS BELOW:

ALLEN T. RATCLIFFE, JR.
3150 CROW CANYON PLACE, STE. 250
SAN RAMON, CA 94583

DOCUMENT CONTAINS 7 PAGES

RECORDING REQUESTED BY  
ATTORNEY  
AND WHEN RECORDED,  
MAIL THIS DEED TO:

**ALLEN T. RATCLIFFE, JR.**  
Law Firm of Allen T. Ratcliffe, Jr.  
3150 Crow Canyon Place, Suite 250  
San Ramon, CA 94583-1324

LAND COURT SYSTEM

Return by: Mail ( ) Pickup ( )  
Kenneth E. Porter  
Sara T. Porter  
3411 La Caminita  
Lafayette, CA 94549

**Tax Map Key(s): (1) 2-6-003-014 (CPR. No. 0034)**

**APARTMENT DEED**

THIS INDENTURE is made this 6<sup>th</sup> day of October, 2014, by and between KENNETH EDWARD PORTER, husband of Sara Thompson Porter, and SARA THOMPSON PORTER, wife of Kenneth Edward Porter, both of whose address is 3411 La Caminita, Lafayette, California 94549, hereinafter called the "Grantor," and KENNETH E. PORTER and SARA T. PORTER, as trustees of the KENNETH AND SARA PORTER REVOCABLE TRUST, utd October 6, 2014, whose address is 3411 La Caminita, Lafayette, California 94549, hereinafter called the "Grantee"

**WITNESSETH:**

The Grantor, in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration to it paid, the receipt of which whereof is hereby acknowledged, and of the provisions and covenants hereinafter set forth and on the part of the Grantee to be faithfully observed and performed, Grantor does hereby grant, bargain, sell and convey unto the Grantee, in fee simple, forever, the property more particularly described as follows:

All of the real property more particularly described in Exhibit "A", which is attached to and expressly made a part hereof, being that certain Apartment No. 71 of the Condominium Project known as "THE REGENCY ON BEACHWALK" and the undivided percentage interest in the common elements appurtenant thereto, together with all interests thereto appertaining, and together also with the personal property, if any, described in said Exhibit "A".

And the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto;

TO HAVE AND TO HOLD the same, together with all buildings, improvements, rights, easements, privileges and appurtenances thereon and thereto belonging or appertaining or held and enjoyed therewith, unto the Grantee according to the tenancy herein set forth, forever.

AND, in consideration of the premises, the Grantor does hereby covenant with the Grantee that the Grantor is seized of the property herein described in fee simple; that said property is free and clear of and from all liens and encumbrances, except for the lien of real property taxes not yet by law required to be paid, and except as may be specifically set forth herein; that the Grantor has good right to sell and convey said property, as aforesaid; and, that the Grantor will WARRANT AND DEFEND the same unto the Grantee against the lawful claims and demands of all persons, except as aforesaid.

The terms "Grantor" and "Grantee", as and when used herein, or any pronouns used in place thereof; shall mean and include the masculine, feminine or neuter, the singular or plural number, individuals, partnerships, trustees or corporations and their and each of their respective successors, heirs, personal representatives, successors in trust and assigns, according to the context thereof. All covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed elsewhere herein.

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

IN WITNESS WHEREOF, the parties have executed this instrument as of the date set forth above.

GRANTOR:

  
KENNETH EDWARD PORTER

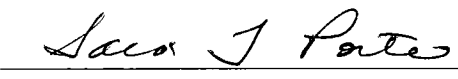
  
SARA THOMPSON PORTER

GRANTEE:

KENNETH AND SARA PORTER  
REVOCABLE TRUST, utd

October 6, 2014

  
KENNETH E. PORTER, Trustee

  
SARA T. PORTER, Trustee

STATE OF CALIFORNIA

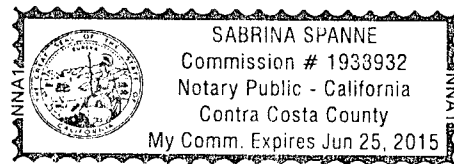
COUNTY OF Contra Costa

On October 6, 2014, before me, Sabrina Spanne,  
Notary Public, personally appeared KENNETH E. PORTER and SARA T. PORTER, who  
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the  
foregoing paragraph is true and correct.**

WITNESS my hand and official seal.

Signature Sabrina Spanne



## EXHIBIT A

(attached to and made a part of the Apartment Deed dated 10/06/14)

### FIRST:

Apartment No. 71 of that certain Condominium Project known as "THE REGENCY ON BEACHWALK" (formerly THE WAIKIKI ROYAL), as shown on Condominium Map No. 693, and described in the Declaration of Horizontal Property Regime recorded march 2, 1980 in the Bureau of Conveyances, State of Hawaii, in Book 14566, Page 720, as the same may be amended.

Together with exclusive appurtenant easements as follows:

- (a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility purposes for and support of said apartment; in the other common elements for use according to their respective purposes.
- (b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration.

### SECOND:

An undivided 2.2674 percentage interest in all common elements of the project and in the land upon which said project is located as established for said apartment by the Declaration, or such other percentage interest as hereinafter established for said apartment by any amendment of the Declaration as tenant in common with the other owners and tenants thereof.

Being all of the property described in the following:

#### APARTMENT DEED

Recorded : January 22, 2008 in the Bureau of Conveyances, State of Hawaii, as Document No. 2008-008767

Grantor : REGENCY PARTNERS LLC, a Hawaii limited liability company

Grantee : KENNETH EDWARD PORTER, husband of Sarah Thompson Porter, and SARAH THOMPSON PORTER, wife of Kenneth Edward Porter

THE LAND UPON WHICH SAID CONDOMINIUM PROJECT IS LOCATED IS DESCRIBED IN THE AFORESAID DECLARATION, AS THE SAME MAY BE AMENDED, WHICH DESCRIPTION IS SPECIFICALLY INCORPORATED HEREIN BY REFERENCE.



SUBJECT, HOWEVER, to the following:

1. Title to all minerals, and metallic mines reserved to the State of Hawaii.

2. AS TO PARCEL THIRD ONLY (LOT 31):

Easement in favor of Lot 29 for pedestrian and vehicle passage over a portion of Lot 31, being a strip ten (10) feet wide, as shown on the map of Tax Key (1)2-6-3-14, and more fully described as follows:

Beginning at the North corner of this easement being also the North corner of said Lot 31, and the West corner of Lot 29 of the said Beach Walk Tract, thence running by azimuths measured clockwise from true South and distances:

- |    |      |     |       |  |
|----|------|-----|-------|--|
| 1. | 302° | 40' | 98.00 | feet along said Lot 29;                  |
| 2. | 32°  | 40' | 10.00 | feet along the remainder of said Lot 31; |
| 3. | 122° | 40' | 99.06 | feet along the same;                     |

Thence along Beach Walk on a curve to the left having a radius of 527.45 feet, the chord azimuth and distance being:

- |    |      |     |     |       |  |
|----|------|-----|-----|-------|--|
| 4. | 218° | 46' | 48" | 10.06 | feet to the point of beginning and containing an area of 986 square feet |
|----|------|-----|-----|-------|--|

3. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in Deeds dated December 10, 1915, recorded in the Bureau of Conveyances, State of Hawaii, in Book 442, Page 24; dated November 30, 1914, recorded in the Bureau of Conveyances, State of Hawaii, in Book 422, Page 165; and dated April 7, 1915, recorded in the Bureau of Conveyances, State of Hawaii, in Book 420, Page 284, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or natural origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.

4. Condominium Map No. 693, filed in the Bureau of Conveyances, State of Hawaii.

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

Entitled : Declaration of Horizontal Property Regime  
Recorded : March 2, 1980 in the Bureau of Conveyances, State of Hawaii, in Book 14566, Page 720

Said Declaration was amended by the following instruments:

DATED:	RECORDED:	BOOK:	PAGE:
--/--/--	January 30, 1981	15316	127
DATED:	RECORDED:	DOCUMENT NO.:	
February 19, 1991	February 22, 1991	91-023911	
--/--/--	February 22, 1991	91-023912	
August 31, 2005	October 6, 2005	2005-203140	
December 2, 2005	December 9, 2005	2005-252616	

6. Terms, provisions and condition as contained in the Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.
7. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the Apartment Deed, and/or as delineated on said Condominium Map.
8. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in Deed recorded July 24, 2007 in the Bureau of Conveyances of the State of Hawaii, as Document No. 2007-131817, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or natural origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.

TOGETHER, WITH, all built-in furniture, attached existing fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, air conditioner, dishwasher, existing window coverings, microwave, range hood, refrigerator, smoke detectors, TV cable outlet, kitchen ware/linens and inventory of furnishings agreed to by the parties but not attached hereto.

U. S. MILITARY RESERVATION PLAT C5

DERUSSY FORT ROAD

SARATOGA

WALK

WALK

WALK

WALK

WALK

WALK

WALK

WALK

WALK

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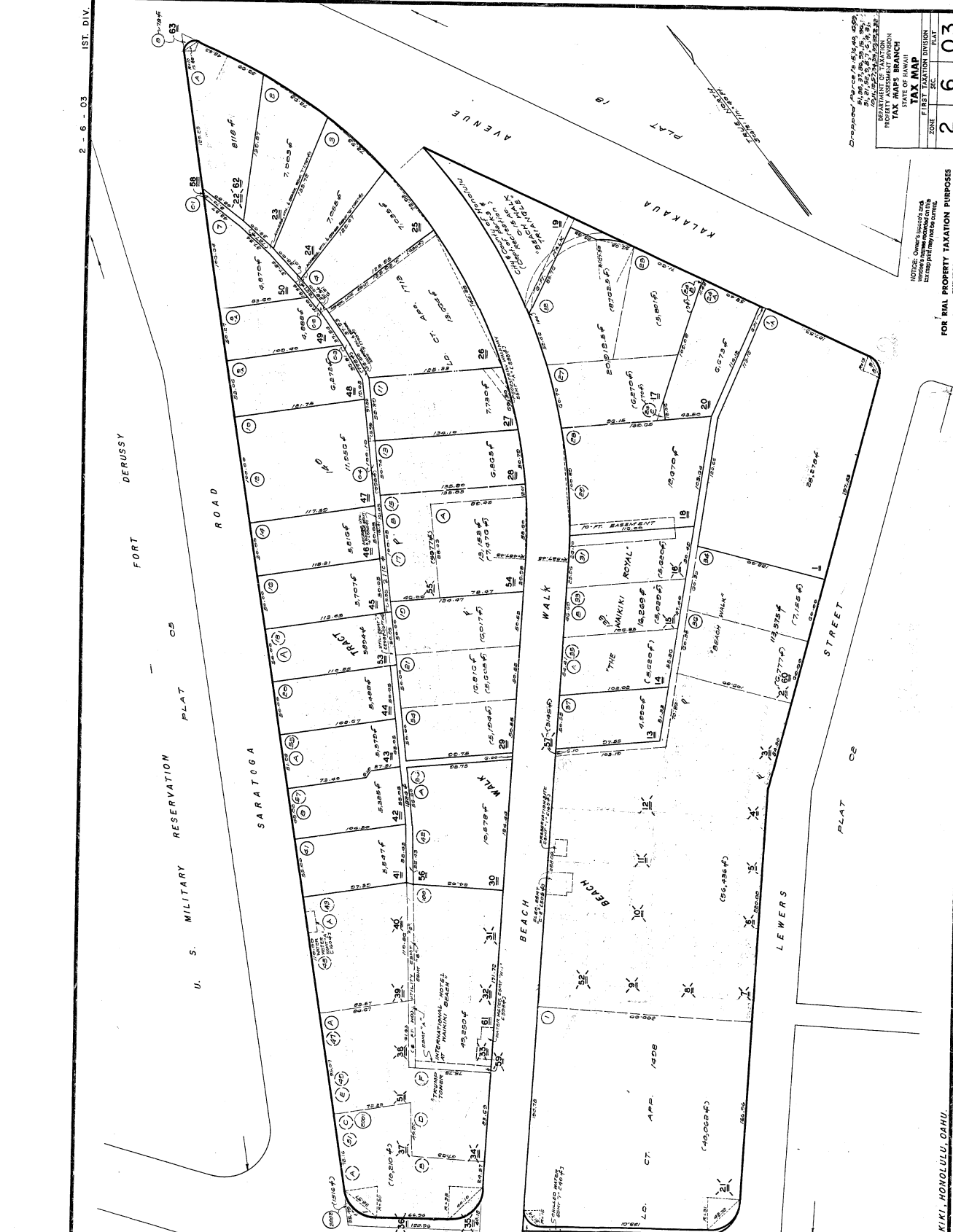
WALK

WALK

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WALK

WALK



Drawn by: [Name]  
Checked by: [Name]  
Date: [Date]

DEPARTMENT OF TAXATION  
TAX ASSESSMENT DIVISION  
STATE OF HAWAII

**TAX MAP**  
ZONE: 2  
SEC: 6  
PLAT: 03

NOTICE: Owner's liability and  
liability of the property owner  
for real property taxation purposes  
SUBJECT TO CHANGE

FOR REAL PROPERTY TAXATION PURPOSES

SCALE: 1 IN. = 40 FT.

## STATEMENT OF ASSESSED VALUES AND REAL PROPERTY TAXES DUE

NAME OF OWNER: PORTER, KENNETH/SARA TR  
 LEASED TO :

## TAX MAP KEY

DIVISION ZONE SECTION PLAT PARCEL CPR NO.  
 (1) 2 6 003 014 0034

CLASS: HOTEL AND RESORT AREA ASSESSED: .000 AC

ASSESSED VALUES FOR CURRENT YEAR TAXES: 2018

This certifies that the records of this division show the  
 assessed values and taxes on the property designated by Tax Key shown  
 above are as follows:

BUILDING	\$	301,300
EXEMPTION	\$	0
NET VALUE	\$	301,300
LAND	\$	321,300
EXEMPTION	\$	0
NET VALUE	\$	321,300
TOTAL NET VALUE	\$	622,600

Installment (1 - due 8/20; 2 - due 2/20)

Tax Tax	Installment Installment	Tax Tax	Penalty Penalty	Interest Interest	Other Other	Total Total	
2018	2	4,015.77				4,015.77	PENDING
2018	1	4,015.77				4,015.77	PAID
2017	2	3,835.81				3,835.81	PAID
2017	1	3,835.82				3,835.82	PAID
2016	2	4,037.70				4,037.70	PAID
2016	1	4,037.70				4,037.70	PAID
2015	2	4,425.34				4,425.34	PAID
2015	1	4,425.35				4,425.35	PAID
2014	2	3,519.76				3,519.76	PAID
2014	1	3,519.77				3,519.77	PAID
2013	2	2,294.62				2,294.62	PAID
2013	1	2,294.62				2,294.62	PAID
2012	2	2,888.30				2,888.30	PAID
2012	1	2,888.31				2,888.31	PAID
2011	2	2,527.73				2,527.73	PAID
2011	1	2,527.74				2,527.74	PAID
2010	2	3,015.82				3,015.82	PAID
2010	1	3,015.82				3,015.82	PAID
2009	2	3,657.40				3,657.40	PAID
2009	1	3,657.41				3,657.41	PAID
2008	2	3,070.11				3,070.11	PAID
2008	1	3,070.12				3,070.12	PAID
2007	2	2,614.27				2,614.27	PAID
2007	1	2,614.27				2,614.27	PAID
2006	2	615.29	61.53	33.84		710.66	PAID
2006	1	615.29	61.53	74.45		751.27	PAID
2005	2	564.52				564.52	PAID
2005	1	564.53				564.53	PAID
2004	2	559.40				559.40	PAID
2004	1	559.41				559.41	PAID
2003	2	530.55				530.55	PAID
2003	1	530.57				530.57	PAID
2002	2	836.14				836.14	PAID
2002	1	836.15				836.15	PAID
2001	2	1,000.98				1,000.98	PAID
2001	1	1,000.98				1,000.98	PAID
2000	2	791.82				791.82	PAID
2000	1	791.82				791.82	PAID

FIDELITY



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Owner and Parcel Information <a href="#">Print Owner Info</a>				
Parcel Number	260030140034	Data current as of	December 17, 2018	
Owner Name	PORTER,KENNETH/SARA TR Fee Owner	Project Name	REGENCY ON BEACHWALK	
Location Address	255 BEACH WALK UNIT: 71	Plat Map	<a href="#">Plat Map PDF</a>	
Property Class	HOTEL AND RESORT	Parcel Map	<a href="#">GIS Parcel Map</a>	
Land Area (approximate sq ft)		Legal Information APT 71 THE REGENCY AT BEACH WALK CM 693		
Land Area (acres)	0			
Any ownership changes after assessment date of October 1 will be reflected on website after assessment roll certification on or after January 31.				

<b>Assessment Information</b> <a href="#">Hide Historical Assessments</a> <a href="#">Print Assessment Info</a>											
Assessment Year	Property Class	Assessed Land Value	Dedicated Use Value	Land Exemption	Net Taxable Land Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Property Assessed Value	Total Property Exemption	Total Net Taxable Value
2019	HOTEL AND RESORT	\$ 387,300	\$ 0	\$ 0	\$ 387,300	\$ 292,800	\$ 0	\$ 292,800	\$ 680,100	\$ 0	\$ 680,100
2018	HOTEL AND RESORT	\$ 321,300	\$ 0	\$ 0	\$ 321,300	\$ 301,300	\$ 0	\$ 301,300	\$ 622,600	\$ 0	\$ 622,600
2017	HOTEL AND RESORT	\$ 247,200	\$ 0	\$ 0	\$ 247,200	\$ 347,500	\$ 0	\$ 347,500	\$ 594,700	\$ 0	\$ 594,700
2016	HOTEL AND RESORT	\$ 226,900	\$ 0	\$ 0	\$ 226,900	\$ 399,100	\$ 0	\$ 399,100	\$ 626,000	\$ 0	\$ 626,000
2015	HOTEL AND RESORT	\$ 193,700	\$ 0	\$ 0	\$ 193,700	\$ 492,400	\$ 0	\$ 492,400	\$ 686,100	\$ 0	\$ 686,100
2014	HOTEL AND RESORT	\$ 152,200	\$ 0	\$ 0	\$ 152,200	\$ 393,500	\$ 0	\$ 393,500	\$ 545,700	\$ 0	\$ 545,700
2013	HOTEL AND RESORT	\$ 145,200	\$ 0	\$ 0	\$ 145,200	\$ 224,900	\$ 0	\$ 224,900	\$ 370,100	\$ 0	\$ 370,100
2012	HOTEL AND RESORT	\$ 138,300	\$ 0	\$ 0	\$ 138,300	\$ 321,500	\$ 0	\$ 321,500	\$ 459,800	\$ 0	\$ 459,800
2011	HOTEL AND RESORT	\$ 138,300	\$ 0	\$ 0	\$ 138,300	\$ 264,100	\$ 0	\$ 264,100	\$ 402,400	\$ 0	\$ 402,400
2010	HOTEL AND RESORT	\$ 138,300	\$ 0	\$ 0	\$ 138,300	\$ 341,800	\$ 0	\$ 341,800	\$ 480,100	\$ 0	\$ 480,100
2009	HOTEL AND RESORT	\$ 143,900	\$ 0	\$ 0	\$ 143,900	\$ 438,800	\$ 0	\$ 438,800	\$ 582,700	\$ 0	\$ 582,700
2008	HOTEL AND RESORT	\$ 143,900	\$ 0	\$ 0	\$ 143,900	\$ 345,100	\$ 0	\$ 345,100	\$ 489,000	\$ 0	\$ 489,000
2007	HOTEL AND RESORT	\$ 143,900	\$ 0	\$ 0	\$ 143,900	\$ 272,800	\$ 0	\$ 272,800	\$ 416,700	\$ 0	\$ 416,700
2006		\$ 52,800	\$ 0	\$ 0	\$ 52,800	\$ 48,800	\$ 0	\$ 48,800	\$ 101,600	\$ 0	\$ 101,600

	HOTEL AND RESORT										
2005	HOTEL AND RESORT	\$ 52,800	\$ 0	\$ 0	\$ 52,800	\$ 46,500	\$ 0	\$ 46,500	\$ 99,300	\$ 0	\$ 99,300
2004	HOTEL AND RESORT	\$ 52,800	\$ 0	\$ 0	\$ 52,800	\$ 45,600	\$ 0	\$ 45,600	\$ 98,400	\$ 0	\$ 98,400
2003	HOTEL AND RESORT	\$ 52,800	\$ 0	\$ 0	\$ 52,800	\$ 45,600	\$ 0	\$ 45,600	\$ 98,400	\$ 0	\$ 98,400
**2002	HOTEL AND RESORT	\$ 52,800	\$ 0	\$ 0	\$ 52,800	\$ 45,600	\$ 0	\$ 45,600	\$ 98,400	\$ 0	\$ 98,400
2001	HOTEL AND RESORT	\$ 52,800	\$ 0	\$ 0	\$ 52,800	\$ 148,200	\$ 0	\$ 148,200	\$ 201,000	\$ 0	\$ 201,000

Note: \*\* record has changed from the original certified value or from a previously posted value

#### Appeal Information [Print Appeal Info](#)

Year	Appeal Type Value	Scheduled Hearing Date <i>subject to change</i>	Status
2002	BOARD OF REVIEW	09/26/2002	Closed

#### Land Information [Department of Planning and Permitting \(DPP\)](#) [Print Land](#)

Property Class	Square Footage	Acreage	Agricultural Use Indicator
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#### Residential Improvement Information

Building Number	Occupancy	Framing	Year Built	Effective Year Built	Square Feet	Bedrooms	Full Baths	Half Baths	Sketch
1	H.P.R.	CONCRETE	1961		693	2	1	0	Not Available
Condo Style: Highrise			Floor Level: 7		Condo View: OPEN SPACE		# Parking Spaces: 0		

#### Residential Additions

Card	Line	Lower	First	Second	Third	
1	0					693
1	1		PORCH CEILED RECESSED OPEN			217

#### Other Building and Yard Improvements

Description	Quantity	Year Built	Area
No information associated with this parcel.			

#### Sales Information [Print Sales Info](#)

Sale Date	Sale Amount	Instrument #	Instrument Type	Instrument Description	Date of Recording	Land Court Document Number	Cert #	Book/Page
10/06/2014		A54360545	FEE CONVEYANCE	Apartment deed	11/19/2014			
01/15/2008	\$ 608,000	2008-008767	FEE CONVEYANCE	Apartment deed	01/22/2008			
07/20/2007	\$ 586,850	2007-131817	FEE CONVEYANCE	Apartment deed	07/24/2007			
08/15/2006			FEE CONVEYANCE	Route Slip	08/15/2006			
10/03/2005		2005-203140	FEE CONVEYANCE	Amendment of CPR, HPR or Declaration	10/06/2005			
07/29/2005	\$ 12,250,000	2005-0151444	FEE CONVEYANCE	Deed	07/29/2005			

03/28/2001	\$ 5,097,912	0100044017	FEE CONVEYANCE		03/28/2001			
03/23/2001	\$ 1,001	0100044018	FEE CONVEYANCE		03/28/2001			
07/16/1997	\$ 3,098,010	9700093199	LEASE		07/15/1997			
07/15/1997	\$ 5,100,000	9700093198	FEE CONVEYANCE		07/15/1997			
06/29/1988	\$ 7,250,000	8800094229	FEE CONVEYANCE		07/01/1988			22102/440

Current Tax Bill Information		<a href="#">2018 Tax Payments</a>	<a href="#">Show Historical Taxes</a>	<a href="#">Treasury Division</a>	Current Bill				
Tax Period	Description	Original Due Date	Taxes Assessment	Tax Credits	Net Tax	Penalty	Interest	Other	Amount Due
2018-2	Property Tax	02/20/2019	\$ 4,015.77	\$ 0.00	\$ 4,015.77	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,015.77
2018-2	WSID	02/20/2019	\$ 21.70	\$ 0.00	\$ 21.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 21.70
2018-2	WBID	02/20/2019	\$ 41.49	\$ 0.00	\$ 41.49	\$ 0.00	\$ 0.00	\$ 0.00	\$ 41.49
									<b>\$ 4,078.96</b>
Tax bill is computed to 12/31/2018 Or pay online at <a href="http://www.hnlpay.com">www.hnlpay.com</a> Other Payment Options Click <a href="#">Here</a>									

Historical Tax Information		<a href="#">Hide Historical Taxes</a>	<a href="#">Treasury Division</a>			
Year	Tax	Payments and Credits	Penalty	Interest	Other	Amount Due
<a href="#">2018</a>	\$ 8,157.93	(\$ 4,078.97)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 4,078.96
<a href="#">2017</a>	\$ 7,797.77	(\$ 7,797.77)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2016</a>	\$ 8,214.43	(\$ 8,214.43)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2015</a>	\$ 9,008.22	(\$ 9,008.22)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2014</a>	\$ 7,130.50	(\$ 7,130.50)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2013</a>	\$ 4,650.94	(\$ 4,650.94)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2012</a>	\$ 5,776.61	(\$ 5,776.61)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2011</a>	\$ 5,055.47	(\$ 5,055.47)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2010</a>	\$ 6,031.64	(\$ 6,031.64)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2009</a>	\$ 7,314.81	(\$ 7,314.81)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2008</a>	\$ 6,140.23	(\$ 6,140.23)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2007</a>	\$ 5,228.54	(\$ 5,228.54)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2006</a>	\$ 1,230.58	(\$ 1,230.58)	(\$ 123.06)	(\$ 108.29)	\$ 0.00	\$ 0.00
<a href="#">2005</a>	\$ 1,143.95	(\$ 1,143.95)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2004</a>	\$ 1,134.23	(\$ 1,134.23)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2003</a>	\$ 1,061.12	(\$ 1,061.12)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2002</a>	\$ 1,695.24	(\$ 1,695.24)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<a href="#">2001</a>	\$ 2,032.08	(\$ 2,032.08)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Click a year to see tax payment information for the year.

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#### Owner and Parcel Information

<b>Parcel Number</b>	260030140034	<b>Data current as of</b>	December 17, 2018
<b>Owner Name</b>	PORTER,KENNETH/SARA TR Fee Owner	<b>Project Name</b>	REGENCY ON BEACHWALK
<b>Location Address</b>	255 BEACH WALK UNIT: 71	<b>Plat Map</b>	<a href="#">Plat Map PDF</a>
<b>Property Class</b>	HOTEL AND RESORT	<b>Parcel Map</b>	<a href="#">Show Parcel Map</a>
<b>Land Area (approximate sq ft)</b>	0	<b>Legal Information</b>	
<b>Land Area (acres)</b>	0		

#### 2018 Tax Details

Tax Period	Description	Tax	Payments/Credits	Penalty	Interest	Other
2018-1	Beginning Tax	4,015.77	0.00	0.00	0.00	0.00
2018-1	WBID	41.50	0.00	0.00	0.00	0.00
2018-1	WSID	21.70	0.00	0.00	0.00	0.00
2018-1	Payment	0.00	-4,015.77	0.00	0.00	0.00
2018-1	WBID	0.00	-41.50	0.00	0.00	0.00
2018-1	WSID	0.00	-21.70	0.00	0.00	0.00
2018-2	Beginning Tax	4,015.77	0.00	0.00	0.00	0.00
2018-2	WBID	41.49	0.00	0.00	0.00	0.00
2018-2	WSID	21.70	0.00	0.00	0.00	0.00
<b>Totals:</b>		<b>8,157.93</b>	<b>-4,078.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### 2018 Tax Payments

Year	Payment Sequence	Effective Date	Tax	Penalty	Interest	Other
2018	9613320	08/15/2018	-4,078.97	0.00	0.00	0.00
<b>Totals:</b>			<b>-4,078.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### 2018 Tax Credits

Period	Description	Amount
No Tax Credits applicable for 2018 on this parcel.		

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