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BYLAWS OF ASSOCIATION OF APARTMENT OWNERS

OF

THE IMPERIAL PLAZA



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 OF
THE IMPERIAL PLAZA

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The following Bylaws shall apply to the condominium project known as "THE IMPERIAL PLAZA" (herein the "Project"), situate in Honolulu, City and County of Honolulu, State of Hawaii, as described in and created by Declaration of Condominium Property Regime of The Imperial Plaza (herein the "Declaration") filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (herein the "Land Court") and also recorded in the Bureau of Conveyances of the State of Hawaii (herein the "Bureau of Conveyances") concurrently herewith.

ARTICLE I

Introductory Provisions

Section 1. Definitions. The terms used herein shall have the same meaning given to them in Chapter 514A of the Hawaii Revised Statutes, as amended, except as expressly otherwise provided herein. The term "apartment owner" shall mean the person owning, or the persons owning jointly or in common, an apartment and the common interest appertaining thereto; provided, however, that the purchaser of an apartment under an agreement of sale shall be deemed an apartment owner as provided in Article II, Section 1 hereof. The term "Association of Apartment Owners" or simply "Association" shall mean all of the apartment owners acting as a group in accordance with these Bylaws and the Declaration. The term "Board of Directors" or simply "Board" shall mean and include the persons elected to the Board of Directors of the Association as provided in Article III, Section 3 hereof. The term "Project" shall mean and include the land, the buildings and all other improvements thereon (including the apartments and the common elements) and easements, rights, and appurtenances belonging thereto, and all

other property affixed thereto and intended for use in connection therewith, and constituting the condominium property regime known as "THE IMPERIAL PLAZA."

Section 2. Conflicts. These Bylaws are intended to comply with the provisions of said Chapter 514A and in case of any conflict between these Bylaws and the provisions of said Chapter 514A or the Declaration, said Chapter 514A or the Declaration, as the case may be, shall control.

Section 3. Application. All present and future apartment owners, mortgagees, tenants and occupants of apartments and any other persons who may use any part of the Project in any manner are subject to these Bylaws, the Declaration, the Rules and Regulations or House Rules adopted by the Board of Directors as hereinafter provided, and the Building Rules adopted by the Merchants Committee as hereinafter provided. The acceptance of a conveyance or the entering into of a lease or the act of occupancy of an apartment shall constitute an agreement that these Bylaws, the Declaration, the Rules and Regulations or House Rules, and the Building Rules as they may be amended from time to time are accepted, ratified and will be complied with.

ARTICLE II

MEMBERSHIP

Section 1. Qualification. All owners of apartments of the Project shall constitute the Association of Apartment Owners. 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 ownership ceases for any reason, at which time membership of such apartment owner in the Association shall automatically cease; provided, however, that

to such extent and for such purposes, including voting, as may be provided by lease of any apartment filed under Chapter 501 of the Hawaii Revised Statutes, as amended, and recorded under Chapter 502 of the Hawaii Revised Statutes, as amended, and filed with the Board of Directors, the lessee of such apartment shall be deemed to be the owner thereof. The purchaser of an apartment pursuant to an agreement of sale filed in the Land Court and recorded in the Bureau of Conveyances and filed with the Board of Directors shall have all of the rights of an apartment owner, including the right to vote; provided that the seller may retain the right to vote on matters substantially affecting its security interest in the apartment as set forth in Section 514A-83, Hawaii Revised Statutes, as amended.

Section 2. Place 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 one hundred eighty (180) days after the date of recordation of the first apartment conveyance, provided that prior to such first annual meeting forty percent (40%) or more of the Project has been sold and the instruments conveying the same have been filed in the Land Court and recorded in the Bureau of Conveyances. If at the end of one (1) year after recordation of the first apartment conveyance forty percent (40%) or more of the Project has not been sold and the instruments conveying the same filed in the Land Court and recorded in the Bureau of Conveyances, then the first annual meeting shall be held as soon as practicable thereafter upon the call of at least ten percent (10%) of the apartment owners. Thereafter, the annual meetings of the Association

shall be held within three (3) calendar months after the end of each accounting year.

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

Section 5. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President or of any four (4) directors, or a petition signed by at least twenty-five percent (25%) of all the apartment owners and presented to the Secretary. Upon the receipt of such call or petition, the Secretary shall send written notice of the meeting to all apartment owners and the meeting shall be held on the date and at the time specified in the petition or call or if unspecified then within thirty (30) days of the receipt of such call or petition at any reasonable time at the Project, unless some other suitable place within the State of Hawaii is designated by the Board of Directors.

Section 6. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special meeting to every apartment owner according to the Association's record of ownership, and to every holder of a first mortgage on an apartment, as shown in the Association's record of ownership and who have filed with the Board of Directors a request for notices of meetings, at least fourteen (14) days but not more than thirty (30) days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting, the items on the agenda for such meeting and a brief statement of the business proposed to be transacted, a standard proxy

form authorized by the Association, if any, and if an election of members of the Board is to be held at such meeting, a statement that every apartment owner has the right to cumulate his vote in such election as provided in Article III, Section 3 of these Bylaws, in any of the following ways: (a) by delivering it personally to the apartment owner, or (b) if, the apartment owner resides in the Project, by leaving it at such owner's apartment in the Project, or (c) by mailing it, postage prepaid, addressed to the apartment owner at the address of such owner as it appears on the Association's record of ownership. If notice is given pursuant to the provisions of this section, the failure of any apartment owner or mortgagee to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of an apartment owner or first mortgagee in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner or first mortgagee unless such owner or first mortgagee shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof. Upon written request for notices delivered and received by the Board, the holder of any duly recorded and registered mortgage or deed of trust from any apartment owner may obtain a copy of any and all notices permitted or required to be given to the apartment owner whose interest is subject to such mortgage or deed of trust. Each apartment owner shall by writing promptly notifying the Board of any change of address.

Section 7. Quorum. The presence at any meeting in person or by proxy of a majority of apartment owners shall constitute a quorum, and the acts of a majority of the voting owners at any meeting of the Association at which a quorum is

present shall be binding upon all apartment owners for all purposes except where in the Declaration or by these Bylaws or by law a higher percentage vote is required. The term "majority of apartment owners" herein means the owners of apartments to which are appurtenant more than fifty percent (50%) of the common interests of the Project as established by the Declaration, and any specified percentage of the apartments owners means the owners of apartments to which are appurtenant such percentage of the common interests. The term "majority of the voting owners" shall mean and refer to those voting owners whose apartments have appurtenant thereto more than fifty percent (50%) of the common interests of the Project as established by the Declaration, represented or present at any meeting of the Association.

Section 8. 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 common interest assigned to such apartment in the Declaration. Votes allocated to any area which constitutes a common element under Section 514A-13(h), Hawaii Revised Statutes, as amended, shall not be cast at any meeting of the Association. Votes may be cast in person or by proxy by the respective apartment owners as shown in the Association's record of ownership. A personal representative, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any apartment owned or controlled by such person in such capacity, whether or not the same shall have been transferred to such person in the Association's record of ownership, provided that evidence satisfactory to the Secretary that such person owns or controls such apartment in such capacity has been presented. The vote for any

apartment owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest each co-tenant shall be entitled to a share of such vote equal to the share of such co-tenant's ownership in such apartment.

Section 9. Proxies and Pledges. The authority given by any apartment owner to another person to represent him at meetings of the Association shall be in writing, signed by such owner and filed with the Managing Agent or the Secretary no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains and designating at least, the following: (1) the name of the Association, (2) the date and location of the meeting of the Association, (3) the printed name and signature of the person(s) giving the proxy or the printed names(s) and signature(s) of duly authorized officers or representatives of the entity (including the name of the entity) giving the proxy, (4) the apartment(s) for which the proxy is given, (5) the printed name of the person or entity to whom the proxy is given, and (6) the date the proxy is given, and unless limited by its terms shall continue until revoked by a writing filed with the Secretary or by the death or incapacity of such owner. No proxy shall be irrevocable unless coupled with a financial interest in the apartment. Notwithstanding any provision hereof to the contrary, the standard proxy form, if any, which accompanies a notice of meeting: (a) shall be valid only for the meeting to which such notice pertains and its adjournment, if any; (b) may designate any person as proxy; and (c) may be limited as the apartment owner(s) desires and indicates. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any apartment or interest

therein, a true copy of which is filed with the Board of Directors through the Secretary or the Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Board of Directors in like manner.

The resident manager of the Project or the Managing Agent shall not solicit, for use by such resident manager or the Managing Agent, any proxies from any apartment owner, nor shall such resident manager or the Managing Agent cast any proxy vote at any meeting of the Association except for the purpose of establishing a quorum.

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

No officer of the Board of Directors shall use funds of the Association to solicit proxies; provided that this shall not prevent an officer from exercising his right as an apartment owner under Section 514-82(b)(4), Hawaii Revised Statutes, as amended.

No member of the Board of Directors who uses funds of the Association to solicit proxies shall cast any of these proxy votes for the election or reelection of the Board at any meeting of the Association unless: (1) the proxy form specifically authorizes such member of the Board to vote for the election or reelection of members of the Board and (2) the Board first posts 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 receives within seven (7) days of the posted notice a request by any apartment owner for use of funds of the Association to solicit proxies accompanied by a statement, the Board shall:

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

The statement shall not exceed one hundred (100) words and shall indicate the apartment owner's qualifications to serve on the Board and reasons for wanting to receive proxies.

Section 10. Adjournment of Meetings. Any meeting of the Association may be adjourned from time to time not less than forty-eight (48) hours from the time the original meeting was called as may be determined by majority vote of the apartment owners present, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 11. 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 Board of Directors;
- (f) Report of committees;
- (g) Election of inspectors of election (when so required);
- (h) Election of directors (when so required);
- (i) Unfinished business; and
- (j) New business.

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

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by the Board of Directors, which shall be composed of nine (9) members. There shall at all times be not less than three (3) members on the Board from the commercial apartments and not less than two (2) members on the Board from the building designated in the Declaration as "The Plaza." The Board shall not be comprised of less than nine (9) members unless not less than sixty-five percent (65%) of all apartment owners (including sixty-five percent of all commercial apartment owners) vote by mail ballot, or at a special or annual meeting, to reduce the minimum number of directors. All members of the Board shall be owners, co-owners, vendees under an agreement of sale, an officer of any corporate owner of an apartment or, in the case of fiduciary owners, the fiduciaries

or officers of corporate fiduciaries. The partners in a general partnership and the general partner(s) of a limited partnership shall be deemed to be the owners of an apartment for this purpose. There shall not be more than one (1) representative on the Board of Directors from any one (1) apartment. The directors shall serve without compensation. The directors shall not expend funds of the Association for their travel, directors' fees and per diem unless the apartment owners are informed and a majority of the apartment owners approve of these expenses. The resident manager of the Project or the Managing Agent shall not serve on the Board.

Section 2. Powers. Subject to the powers granted to the Merchants Committee under Article IV, Section 11 of these Bylaws, the Board shall have all powers necessary for the operation of the Project and 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 by the apartment owners. Each member of the Board shall owe the Association a fiduciary duty in the performance of such member's responsibilities.

Section 3. Election and Terms. Election of directors shall be by cumulative voting by secret written ballot at each annual meeting and any special meeting called for the purpose. Directors shall hold office for a period of three (3) years and until their respective successors have been elected, subject to removal as herein provided, except that at the first annual meeting of the Association three (3) of the directors shall be elected for one (1) year, three (3) for two (2) years and three (3) for three (3) years.

Section 4. Vacancies. Vacancies in the Board caused by any reason other than removal of a director by the Association shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of a director, or if a director ceases to qualify for office as set forth above, 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 (1) or more of the directors may be removed with or without cause by vote of a majority of apartment owners and a successor shall then and there be elected to fill the vacancy thus created for the remainder of the term. 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 meeting of the Association, the call for such meeting shall be by the President or by a petition to the Secretary or the Managing Agent signed by at least twenty-five percent (25%) of all the apartment owners. If the Secretary or the Managing Agent does not send out the notices for the special meeting within fourteen (14) days of receipt of the petition, the petitioners shall send out the notices for the special meeting in the manner as provided in Article II, Section 6 of these Bylaws.

Section 6. Annual Meetings. An organizational meeting of the Board and each annual meeting thereafter shall be held at the place of and immediately following each annual meeting of the Association. Notice of the annual meeting of the Board

shall be given in a reasonable manner at least fourteen (14) days, if practicable, prior to such meeting and may be included with the notice of the annual meeting of the Association. At each annual meeting, the Board shall elect the officers of the Association for the ensuing year.

Section 7. Regular Meetings. Regular meetings of the Board 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 (1) such meeting shall be held during each calendar quarter of every year. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone or messenger service, at least three (3) business days prior to the date of such meeting.

Section 8. Special Meetings. Special meetings of the Board may be called by the President on at least eight (8) hours notice to each director, given personally or by telephone or messenger service, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least three (3) directors.

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

Section 10. Quorum of Board. At all meetings of the Board 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. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity Bonds. The Board shall secure annually on behalf of the Association a fidelity bond covering the Managing Agent and all directors, officers, employees and volunteers of the Association handling or responsible for funds belonging to or administered by the Association. The premiums for such fidelity bond shall be paid by the Association. The amount of such fidelity bond shall be determined from time to time by the Board but shall not be less than the lesser of (a) \$100,000.00 or (b) an amount equal to \$500.00 multiplied by the number of apartments in the Project.

Section 12. Conflict of Interest. A director shall not cast any proxy vote at any meeting of the Board nor shall a director vote on any issue in which such director has a conflict of interest. A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the meeting of the Board, and the minutes of the meeting shall record the fact that a disclosure was made. The determination of whether a conflict of interest exists as to a particular director or directors

shall be made by a majority of the non-interested directors, which determination shall be conclusive and binding on all parties.

Section 13. Rules of Order. All meetings of the Board shall be conducted in accordance with the most current edition of Robert's Rules of Order.

Section 14. Minutes of Board Meetings. The minutes of all meetings of the Board shall be available for examination of apartment owners at convenient hours at a place designated by the Board, shall be mailed to any owner upon the owner's request, and shall include the recorded vote of each member of the Board on all motions except motions voted on in executive session.

Section 15. Open Board Meetings. All meetings of the Board shall be open to all members of the Association, and members of the Association who are not on the Board may participate in any deliberation or discussion other than executive sessions, unless a majority of a quorum of the Board votes otherwise. Whenever practicable, notice of all meetings of the Board shall be posted by the resident manager or a member of the Board in prominent locations within the Project seventy-two (72) hours prior to the meeting or simultaneously with notice to the members of the Board.

Section 16. Executive Session. Upon the approval of a majority of a quorum of its members, the Board may adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters or litigation which involves or may involve the Association. The time, place and nature of any or all business to be discussed and considered in any executive session shall first be announced in open session.

Section 17. Liability and Indemnity of the Board of Directors and Officers. The members of the Board and officers shall not be liable to the apartment owners for any mistake of judgment or otherwise except for their own individual negligence or willful misconduct. The Association shall indemnify each director and officer of the Association against all costs, expenses and liabilities, including the amount of judgments, amounts paid in compromise settlements, amounts paid pursuant to any arbitration award or amended award and amounts paid for services of counsel and other related expenses which may be reasonably incurred by or reasonably imposed on him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted, or threatened, in which he may be involved as a party or otherwise by reason of his being or having been a director or officer, or by reason of any action taken or authorized or approved by him or any omission or failure to act as director or officer, whether or not he continues to be a director or officer at the time of the incurring or imposition of such costs, expenses or liabilities, except such costs, expenses or liabilities as shall relate to matters as to which he is liable by reason of his negligence or willful misconduct toward the Association in the performance of his duties as such director or officer. In the absence of such final adjudication of the existence of such liability, the Board and each director and officer may conclusively rely upon an opinion of legal counsel selected by the Board. The foregoing right of indemnification shall not be exclusive of other rights to which any such director or officer may be entitled as a matter of law or otherwise, and shall inure to the benefit of the heirs, legal representatives and assigns of each such director and officer.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, a Secretary and a Treasurer, all of whom shall be members of the Association and shall be elected by, and in the case of the President and the Vice President, from the Board of Directors. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers, who shall also be members of the Association, as in its judgment may be necessary. The Secretary and the Treasurer may be the same person, and also the Assistant Treasurer and the Assistant Secretary may be the same person. An apartment owner shall not act as an officer of the Association and 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.

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

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. Subject to the control of the Board, he shall exercise general supervision and direction over the management and conduct of the business and affairs of the Association. He shall also have such other powers and duties as may be provided by these Bylaws or assigned to him from time to time by the Board, including but not limited

to the power to appoint committees comprised of members of the Association from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

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

Section 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board, give all notices thereof as provided by these Bylaws, maintain and keep a continuous and accurate record of ownership of all apartments, have charge of such books, documents and records of the Association as the Board may direct, keep the minute book wherein resolutions shall be recorded, and in general perform all the duties incident to the office of Secretary of a corporation organized under the laws of the State of Hawaii. The duties of the Secretary may be delegated to the Managing Agent or the Assistant Secretary. The Secretary shall be responsible for supervision of the Managing Agent and the Assistant Secretary.

Section 7. Treasurer. The Treasurer shall be responsible for the keeping of full and accurate financial records and books of account of the Association, showing all receipts and disbursements and for the preparation of all required financial

data and reports, and shall supervise the Managing Agent's custody of all funds of the Association, maintenance of accounts and financial records. The duties of the Treasurer may be delegated to an Assistant Treasurer. The Treasurer shall be responsible for supervision of the Assistant Treasurer.

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

Section 9. Audits. The Association shall require a yearly audit of the Association's financial accounts and no less than one (1) yearly unannounced cash balance verification of the Association by a public accountant; provided, however, that the yearly audit and the yearly unannounced cash balance verification may be waived by a majority vote of all apartment owners taken at a meeting of the Association.

Section 10. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

Section 11. Merchants Committee.

(a) Number and Qualification. At its organizational meeting, the Board shall create the Merchants Committee, which

shall be composed of five (5) members, all of whom shall at all times be owners, co-owners, vendees under an agreement of sale, an officer of any corporate owner or, in the case of fiduciary owners, the fiduciaries or officers of corporate fiduciaries of a commercial apartment. The partners in a general partnership and the general partner(s) of a limited partnership shall be deemed to be the owners of a commercial apartment for this purpose. There shall not be more than one (1) member on the Merchants Committee from any one (1) commercial apartment. The members of the Merchants Committee shall serve without compensation.

(b) Appointment and Terms. The members of the Merchants Committee shall be appointed by the Board from a list of at least five nominees presented to the Board by the owners of the commercial apartments for this purpose. Such list shall require the prior written approval of a majority of all commercial apartment owners. The members of the Merchants Committee shall hold membership for a period of three (3) years and until their respective successors have been appointed as herein provided, subject to removal as herein provided, except that at the organizational meeting of the Board, one (1) of the members shall be appointed for one (1) year, two (2) for two (2) years and two (2) for three (3) years.

(c) Vacancies. Vacancies in the Merchants Committee caused by any reason other than removal of a member by the Board shall be filled by vote of a majority of the remaining members, even though they may constitute less than a quorum, and each person so elected shall be a member of the Merchants Committee until a successor is appointed at the next annual or regular meeting of the Board. Death, incapacity or resignation of a

member or if a member ceases to qualify for membership as set forth above, shall cause the membership to become vacant.

(d) Removal of Members. At any annual, regular or special meeting of the Board duly called, any one (1) or more of the members may be removed with cause by vote of a majority of the directors present at such meeting and a successor shall then and there be appointed to fill the vacancy thus created for the remainder of the term; provided, however, that such successor shall be appointed from a list of at least five nominees presented to the Board by the owners of the commercial apartments for this purpose. Such list shall require the prior written approval of a majority of all commercial apartment owners. Any member whose removal has been proposed by the Board shall be given an opportunity to be heard at such meeting.

(e) Powers and Duties. Notwithstanding anything in these Bylaws to the contrary and to the extent not inconsistent with the Declaration or any provision of law, the Merchants Committee shall at all times have all powers necessary for the operation of the commercial apartments and the limited common elements appurtenant to the commercial apartments and for the administration of the affairs of the commercial apartments. The Merchants Committee shall have all powers and duties as may be necessary or proper therefor including, without limitation, the following:

(i) The power and authority to adopt, amend or repeal any rules and regulations (herein the "Building Rules") governing details of the conduct and use of the commercial apartments and the common elements and the limited common elements within the building designated in the Declaration and referred to hereinafter as "The Galerie" and the commercial

apartments and the limited common elements appurtenant thereto within the building described in the Declaration and referred to hereinafter as the "platform." Each commercial apartment shall recognize and be bound by the Building Rules and fully observe and perform the same and be responsible for the strict observance and performance by the customers, invitees, guests, employees and tenants of such commercial apartment owner. Upon the adoption of the Building Rules and each amendment thereof, a copy thereof shall be sent to each commercial apartment owner in a manner set forth for notices under Article VIII, Section 13 of these Bylaws. Until such time as the Merchants Committee shall adopt its Building Rules, the Building Rules adopted by the Developer hereinafter named shall be in effect and each commercial apartment owner shall be bound thereby:

(ii) Establishment of such penalties and fines as it deems appropriate with respect to enforcement of the provisions of the Building Rules; provided such penalties and fines are not inconsistent with the law or the provisions herein, and the unpaid amount of such penalties and fines against any commercial apartment owner shall constitute a lien against his interest in his commercial apartment which may be foreclosed by the Board or the Managing Agent in the same manner as provided in the Condominium Property Act for common expenses; provided, however, that said lien for such penalties and fines shall be subordinate to liens for taxes and assessments lawfully imposed by governmental authority against the commercial apartment and to all sums unpaid on mortgages of record;

(iii) Notification in writing to the owner or occupant of a commercial apartment in violation of the Building Rules, and if any such violation shall continue beyond the deadline imposed by the Merchants Committee, notification in

writing to the Board of the continuance of any such violation;
and

(iv) Establish and alter from time to time all parking rates, rules and regulations governing the use of the parking stalls reserved for the exclusive use of the customers, guests and invitees of the commercial apartments.

ARTICLE V

ADMINISTRATION

Section 1. Management. Subject to the powers granted to the Merchants Committee under Article IV, Section 11 of these Bylaws, the Board shall at all times manage and operate the Project, including the common elements of the Project, and have all 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 limited common elements and any additions and alterations thereto;

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

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

(e) Employment, designation, supervision and dismissal of such personnel as may be necessary for the maintenance, repair, replacement and restoration of the common elements and

limited common elements and any additions and alterations thereto;

(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.

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

(i) Custody and control of all funds of the Association, maintenance of full and accurate books of account and records of such funds with the guidance of the Secretary and the Treasurer, and preparation and filing of regular financial reports and returns as required by governmental agencies;

(j) Notification of 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;

(k) Notification in writing of all institutional 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 or the limited common elements of the Project if such loss or taking exceeds TEN THOUSAND DOLLARS (\$10,000.00);

(l) Notification in writing to the institutional holder of the first mortgage on any apartment, as shown in the Association's record of ownership or of which the Secretary has

been given written notice, of any loss to such apartment which exceeds ONE THOUSAND DOLLARS (\$1,000.00);

(m) Establishment of such penalties and fines as it deems appropriate with respect to enforcement of the provisions of the Declaration, these Bylaws and the House Rules adopted pursuant to Article VI, Section 10 of these Bylaws; provided such penalties and fines are not inconsistent with the law or the provisions herein, and the unpaid amount of such penalties and fines against any apartment owner shall constitute a lien against his interest in his apartment which may be foreclosed by the Board or the Managing Agent in the same manner as provided in the Condominium Property Act for common expenses; provided, however, that the said lien for such penalties and fines shall be subordinate to liens for taxes and assessments lawfully imposed by governmental authority against the apartment and to all sums unpaid on mortgages of record;

(n) Adoption and amendment of rules and regulations or House Rules covering the details of the operation and the use of the Project;

(o) Procurement of legal and accounting services necessary or proper in the operation of the Project or enforcement of these Bylaws; provided that the Board shall not institute any legal proceeding against 725 Kapiolani Associates (herein and in the Declaration called the "Owner") or Business Investment, Ltd. (herein and in the Declaration called the "Developer"), without the prior approval of fifty-one percent (51%) of the apartment owners, and no legal proceeding concerning or relating to the construction of the Project may be filed against the Owner or the Developer more than two (2) years after the date of completion of the Project, as the date of completion

is defined in Section 507-43, Hawaii Revised Statutes, as amended;

(p) Exercise on behalf of the apartment owners, the apartment owners' irrevocable right to have access to each apartment from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments;

(q) Acquire ownership of an apartment for the resident manager at a foreclosure sale or from the Owner as a third party at a private sale; and

(r) Subject to any approval requirements and spending limits contained in the Declaration and these Bylaws, borrow money to be used by the Association for the repair, replacement, maintenance, operation or administration of the common elements of the Project, or the making of any additions, alterations and improvements thereto; provided that apartment owners, representing fifty percent of the common interest of the Project and having been first notified of the purpose and use of the funds, give written consent to such borrowing.

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible corporate managing agent authorized to do business in the State of Hawaii to manage and operate the Project subject at all times to the direction and supervision by the Board, with all of the administrative functions specifically set forth on the preceding Section 1 and with such other powers and duties and at such compensation as the Board may establish from time to time. Every such employment contract shall provide: (a) that it may be terminated by the Board for cause on no more than thirty (30) days' written notice

and without cause on no more than ninety (90) days' written notice; (b) that in no event shall a termination fee be due and owing the Managing Agent in the event of such termination; and (c) in no event shall such employment contract be for a fixed term exceeding one (1) year. The funds in the general operating account of the Association shall not be commingled with funds of other activities such as lease rent collections and rental operations, nor shall the Managing Agent commingle any funds of the Association with its own funds. For purposes of this Section, lease rent collections and rental operations shall not include the rental or leasing of common elements that is conducted on behalf of the Association; provided that the collection is allowed by the provisions of the Declaration or these Bylaws and the system of lease rent collection is approved by a majority vote of all apartment owners at a meeting of the Association. All funds collected by the Managing Agent shall be deposited in a financial institution located in the State of Hawaii whose deposits are insured by an agency of the United States government, or held by a corporation authorized to do business under Chapter 406, Hawaii Revised Statutes, as amended, or invested in the obligations of the United States government. All funds collected by the Managing Agent from the Association shall be held in a client trust fund account and shall be disbursed only by the Managing Agent or the Managing Agent's employees under the supervision of the Board. The Managing Agent shall not transfer funds of the Association by telephone between accounts, including but not limited to the general operating account and the Maintenance Reserve Fund. The Managing Agent shall keep and disburse funds collected on behalf of the Association in strict compliance with any agreement made with the Association, Chapter

467 of the Hawaii Revised Statutes, as amended, the Rules of the Real Estate Commission and all other applicable laws.

Section 3. Representation. The President or the Managing Agent, acting on behalf of and subject to the direction of the Board, shall represent the Association or any two (2) 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 (1) apartment, and on its or their behalf may institute, defend, intervene in, prosecute and settle any such action, suit, hearing or other proceeding, without prejudice to the rights of any apartment owner individually to appear, sue or be sued; provided, that the Managing Agent shall not represent any apartment owner or owners in any matter unless such matter shall directly concern the Association or the common elements of the Association (not including limited common elements) and not merely the interests of such apartment owner(s). Service of process on two (2) or more apartment owners in any such action, suit, hearing or other proceeding may be made on the President or the Managing Agent.

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

ARTICLE VI

OBLIGATIONS OF APARTMENT OWNERS

Section 1. Common Expenses. Each apartment owner

shall be liable for and pay a share of the common expenses in proportion to the common interest appertaining to each apartment owner's apartment. Common expenses shall include all charges, costs and expenses whatsoever incurred by the Association for and in connection with the administration, management and operation of the Project, including but not limited to all charges for taxes (except real property taxes and other such taxes and assessments which are or may hereafter be assessed separately on each apartment and the common interest appertaining thereto or the personal property or any other interest of the apartment owner), assessments, insurance (including fire, errors and omission covering the members of the Board and the officers of the Association and liability insurance), any liability whatsoever for loss or damage arising out of or in connection with the common elements or any fire, accident or nuisance thereon, cost of repair, restoration, rebuilding and replacement of the common elements, yard, janitorial, and other similar services, wages, accounting and legal fees, management fees, and other necessary expenses of upkeep, maintenance, repair, management and operation actually incurred on or for the common elements, and the cost of all utility services, including water, electricity, gas, waste or garbage disposal, sewer services and any other similar services, unless separately metered. The common expenses shall also include assessments for the Maintenance Reserve Fund and such amounts as the Board may deem proper to make up any deficit in the common expenses for any prior year. The Board may levy special assessments against apartments owners for payment of nonrecurring expenses of the Association. No special assessment in excess of an aggregate amount of Five Hundred Thousand

Dollars (\$500,000.00) shall be levied without prior authorization of not less than sixty-five percent (65%) of the apartment owners. The Board may, in its sole discretion, increase the \$500,000.00 limitation from time to time by an amount equal to the percentage increase in the Honolulu Consumer Price Index for all items as published by the Bureau of Labor Statistics of the United States Department of Labor or other successor federal or state agency or department, and adjusted to any new basis and method of computation then applicable. For purposes of these Bylaws, the term "percentage increase" shall mean the product of (a) the fraction, the numerator of which is the difference between the Honolulu Consumer Price Index for the first day of the calendar month preceding the calendar month in which the Board shall approve an increase in said dollar limitation and the Honolulu Consumer Price Index for the first day of the calendar month in which these Bylaws are filed in the Land Court, and the denominator of which is the Honolulu Consumer Price Index for the first day of the calendar month in which these Bylaws are filed in the Land Court, times (b) \$500,000.00. If there remains any excess assessments on hand at the end of any accounting year, it shall be used to pay common expenses in the following year, unless a majority of the apartment owners vote to return such unexpended sums to the apartment owners.

All costs, fees, charges and expenses incurred by the Association for or in connection with the administration, management and operation of the limited common elements, including but not limited to costs of maintenance, repair, restoration, replacement, additions, alteration and improvements shall be assessed against and borne entirely by the apartment or apartments to which such limited common element is appurtenant. The

Managing Agent or the Board shall notify the apartment owners in writing of maintenance fee increases at least thirty (30) days prior to such an increase.

Section 2. Board Acting As Agent. The Board shall pay or cause to be paid, on behalf of the apartment owners, all common expenses. The Board shall maintain or cause to be maintained separate books of account of common expenses in accordance with recognized accounting practices, and shall have such books of account available for inspection by each apartment owner at reasonable business hours. The Board shall annually render or cause to be rendered a statement to each apartment owner of all receipts and disbursements during the preceding year, which statement shall be certified by an independent public accountant. Each apartment owner, as principal, shall pay and be liable for his share, determined as aforesaid, of all common expenses and the Board shall be responsible, as agent for each apartment owner, only to transmit the payments made by the apartment owner to third persons or entities to whom such payments must be made by the apartment owner. The Board or the Managing Agent collecting the common expenses shall not be liable for payment of said common expenses as a principal but only as the agent of all apartment owners to transmit said payments to third persons or entities to whom such payments must be made by the apartment owner.

Section 3. Taxes and Assessments. Each apartment owner shall be obligated to have the real property taxes for his own apartment and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of all such real property taxes so determined. The foregoing shall apply to all types of taxes which

now are or may hereafter be assessed separately by law on each apartment or the personal property or any other interest of the apartment owner. Each apartment owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each apartment owner shall be obligated to pay to the Board his proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire Project or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire Project or any part of the common elements, the Board may pay such taxes or assessments and shall assess the same to the apartment owners in their proportionate share.

Section 4. Default in Payment of Assessments. Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the apartment owner against whom the same are assessed. If the apartment owner shall fail to pay his assessment when due, then he shall pay all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended, for each such failure. All delinquent assessments shall bear interest at the rate of one percent (1%) per month or such maximum rate as may from time to time be permitted by law from the assessment due date. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Board may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation and to recover all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended. Such action or actions shall be authorized by resolution adopted by a majority of the Board at a regular or special meeting thereof (which resolution may be a general and continuing resolution authorizing the giving of notice to the defaulting owner and such owner's mortgagee, the filing of legal actions, the filing of claims of lien and the enforcement of such claims of lien or liens), and any such suit may be instituted by any one member of the Board or by the Managing Agent if the latter is so authorized in writing. Each such action shall be brought in the name of the Association and the Board shall be deemed to be acting on behalf of the Association. Each such action shall seek judgment for the amount of unpaid assessments, interest and all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended. Upon full satisfaction of any such judgment, it shall be the duty of the Board to authorize any two (2) members thereof, acting in the name of the Board, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time upon the occurrence of any such default, the Board, acting upon such resolution hereinbefore described in Section 4(a) immediately preceding, may give notice to the defaulting apartment owner, with a copy to the mortgagee of such apartment owner, if such mortgagee has furnished its name and address to the Board, which said notice shall state the date of the delinquency, the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid

within thirty (30) days after delivery of such notice, the Board may elect to file a claim of lien against the apartment of such delinquent apartment owner. Such claim of lien shall state (i) the name of the delinquent apartment owner or reputed apartment owner, (ii) a description of the apartment against which claim of lien is made, (iii) the amount claimed to be due and owing (with any proper offset allowed), (iv) that the claim of lien is made by the Board pursuant to the terms of these Bylaws and of Chapter 514A, Hawaii Revised Statutes, as amended, and (v) that a lien is claimed against said described apartment in an amount equal to the amount of the stated delinquency, plus accrued interest and all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended. Any such claims of lien shall be signed and acknowledged by any two (2) or more members of the Board and shall be dated as of the date of the execution by the last such member of the Board to execute said claim of lien. Upon filing of a duly executed original or copy of such claim of lien with the Land Court and recordation of the same with the Bureau of Conveyances, the Board shall have all remedies provided in Section 514A-90, Hawaii Revised Statutes, as amended. Each default shall constitute a separate basis for a claim of lien or a lien. In the event the foreclosure is under power of sale, the Board, or any person designated by it in writing, shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. The certificate of sale shall be executed and acknowledged by any two (2) members of the Board or by the person conducting the sale.

(c) For the purposes of this section, a certificate executed and acknowledged or made under penalty or perjury by any two (2) members of the Board shall be conclusive upon the Board and the apartment owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any apartment owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his apartment (or the fact that all assessments due are paid if such is the case) within fifteen (15) days after demand therefor and upon payment of a reasonable fee. In the event any claims of liens have been recorded and thereafter the Board shall receive payment in full of the amount claimed to be due and owing, then upon demand of the apartment owner or his successor, and payment of a reasonable fee, the Board, acting by any two (2) members, shall execute and acknowledge (in the manner provided above) a release of lien, stating the date of the original claim of lien, the amount claimed, the date, the Land Court document number and the Bureau of Conveyances' liber and page number(s) of the claim of lien, the fact that the lien has been fully satisfied and that the particular lien is released and discharged; such release of lien to be delivered to the apartment owner or his successor upon payment of the fee.

Section 5. Collection from Tenants. If the owner shall at any time rent or lease his apartment and shall default for a period of thirty (30) days or more in the payment of the apartment owner's share of the common expenses, the owner hereby authorizes and agrees that the Board may, at its option, so long as such default shall continue, demand and receive from any such renter or lessee (hereinafter in this paragraph referred to as

"tenant") of the apartment owner occupying the apartment, the rent due or becoming due from such tenant to the apartment owner up to an amount sufficient to pay all sums due from the apartment owner, including interest, if any, and any such payment of such rent to the Board by the tenant shall be sufficient discharge of such tenant, as between such tenant and the apartment owner to the extent of the amount so paid. In the event that the Board makes demand upon the tenant as aforesaid, the tenant shall not have the right to question the right of the Board to make such demand, but shall be obligated to make the said payments as to the Board as demanded by the Board with the effect as aforesaid; provided, however, that the Board may not exercise this right if a receiver has been appointed to take charge of the apartment pending a mortgage foreclosure or if a mortgagee is in possession pending a mortgage foreclosure.

Section 6. Assessments. All apartment owners shall pay to the Managing Agent in advance on the first day of each and every month the monthly installments of assessments against their respective apartments for common expenses of the Project in accordance with the Declaration.

Section 7. Responsibilities of Apartment Owners. An apartment owner shall be responsible for the conduct of his lessee(s), renter(s), tenant(s), invitee(s) or guest(s) and shall, upon request of the Board or the Managing Agent, immediately abate and remove, at his expense, any structure, thing or condition that may exist with regard to the occupancy of his apartment by his lessee(s), renter(s), tenant(s), invitee(s), or guest(s) which is a violation hereof, or of the Declaration or of any rules and regulations adopted by the Board, or, if the apartment owner is unable to control the conduct of his

lessee(s), renter(s), tenant(s), invitee(s) or guest(s), the apartment owner shall, upon request of the Board or the Managing Agent, immediately remove such lessee(s), renter(s), tenant(s), invitee(s) or guest(s) from the premises, without compensation for lost rentals or any other loss or damage resulting therefrom.

Section B. Repair and Maintenance of Apartments.

(a) Every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment and the limited common elements appurtenant thereto, including without limitation all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning or ventilation ducts, lights and all other fixtures and accessories belonging to such apartment and the interior decorated or finished surfaces of all walls, floors and ceilings of such apartment, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board 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.

(b) It is intended that the exterior of the buildings shall present a uniform appearance, and to attain that result each apartment owner hereby agrees that the Board may require the apartment owner at his sole expense to paint or repair his balcony, lanai or patio and the Board may regulate the design and appearance of the repairs and replaced items, the type of surface and the type and color of paint to be used. In the alternative, the Board is authorized to contract for the repairs, painting or resurfacing of all such balconies, lanais or patios. If the Board contracts for such items, the Board shall assess the respective owners of the apartments affected in the proportion to the ratio that the common interest appurtenant to their respective apartments bears to the sum of the common interest of all apartments affected.

(c) Furniture and potted plants suitable to the balconies, the lanais and the patios may be used thereon. Articles which are unsightly shall be removed upon the written request of the Board or the Managing Agent.

(d) Every residential apartment owner will, at his own expense, at all times repair, maintain, amend and keep his storage unit (constructed in a storage room), including the exterior finished surface thereof, in good order and condition and in case such apartment owner shall fail to so repair and maintain his storage unit after reasonable notice to perform given by the Board or the Managing Agent, such apartment owner shall reimburse the Association promptly on demand all expenses incurred by the Association in performing such repair or maintenance work authorized by the Board or the Managing Agent.

Section 9. Use of Project.

(a) The apartments of the Project shall be used only

for their respective purposes as set forth in the Declaration and for no other purpose.

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

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

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

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

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

(g) No owner or occupant of a commercial apartment shall erect or place in the Project any building or structure, including fences and walls, nor make any additions or alterations to any common elements of the Project, nor shall any owner or occupant of a commercial apartment place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications, including detailed plot plans, prepared by a licensed architect if so required by the Merchants Committee and approved by the Merchants Committee and a majority of commercial apartment owners (and also by the Board if any of the foregoing shall be erected, placed or maintained in an area of the Project other than the common elements and the limited common elements within The Galerie and the limited common elements appurtenant to the commercial apartments within the platform).

(h) No notice or advertisement visible from the exterior of any commercial apartment will be permitted without prior written approval of the Merchants Committee.

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

(j) No commercial apartment owner shall decorate or landscape any entrance to his commercial apartment or any other portion of the Project except in accordance with standards therefor established by the Merchants Committee or specific plans approved in writing by the Merchants Committee (and also approved in writing by the Board if any such decoration or landscaping shall be within any portion of the Project other

than the commercial apartments and the common elements and the limited common elements within The Galerie and the commercial apartments and the limited common elements appurtenant thereto within the platform).

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

(l) No garments, rugs or other objects shall be hung from the windows or facades of the Project, except that with the prior written approval of the Merchants Committee, garments, rugs or other objects may be hung from the windows or facades of the commercial apartments and the common elements and the limited common elements within The Galerie and the commercial apartments and the limited common elements appurtenant thereto within the platform.

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

(n) 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.

(o) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that one (1) household pet (either a dog, a cat or a small bird) or fish may be kept in any apartment, but shall not be kept, bred or used therein for any commercial purpose nor allowed in the recreation areas or on any other common elements except in transit when hand carried or held on a short leash;

provided, however, that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board or the Managing Agent. All pets must be registered with the resident manager, and no pets belonging to visitors shall be allowed on the Project.

(p) No apartment owner or occupant shall, without the written approval of the Board, install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the Project or protruding through the walls, windows or roof thereof; provided, however, that commercial apartment owners may, with the prior written approval of the Merchants Committee, make any such installations if the same shall be within the commercial apartments and the common elements and the limited common elements of The Galerie and/or within the commercial apartments and the limited common elements appurtenant thereto of the platform.

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

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

(s) If the Project shall have separate elevators devoted (i) to the transportation of the apartment owners and

their guests and (ii) for freight service or auxiliary purposes, the apartment owners and tradesmen are expressly required to utilize the freight or service elevators for transporting packages, merchandise or any other object that may affect the comfort or well-being of the passengers of the elevators designed for the transportation of the apartment owners, occupants and guests.

(t) No apartment owner or occupant shall enclose or make any structural modifications, changes, additions or alterations to their respective balconies, lanais or patios, add any awnings, sunscreens, louvers, exhaust vents, wind baffles, or drain without the prior written approval of the Board. It is intended that the exterior of the buildings present a uniform appearance, and to effect that end the apartment owners hereby agree that the use of balconies, lanais, patios and railings for the hanging and drying of clothing or garments, the open storage of equipment or building supplies and materials or the displaying of signs or art of any sort or kind whatsoever is prohibited and that the Board may prohibit such use.

Section 10. House Rules. The Board shall have the power and authority to adopt, amend or repeal any rules and regulations (herein the "House Rules") governing details of the operation and use of the common elements and limited common elements not inconsistent with any provision of law, the Declaration or these Bylaws. Each apartment owner shall recognize and be bound by the House Rules and fully observe and perform the same and be responsible for the strict observance and performance by the invitees, guests, employees and tenants of such apartment owner. Upon the adoption of the House Rules and each amendment thereof, a copy thereof shall be sent to each apartment owner in a manner set forth for notices under Article VIII,

Section 13 of these Bylaws. Until such time as the Board shall adopt its own House Rules, the House Rules adopted by the Developer shall be in effect and each apartment owner shall be bound thereby.

Section 11. Expenses of Enforcement. Every apartment owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments against such apartment, foreclosing its lien thereon or enforcing any provisions of the Condominium Property Act, the Declaration, the House Rules, the Building Rules, the Rules of the Real Estate Commission or these Bylaws against such owner or any occupant of such apartment.

Section 12. Record of Ownership. The Secretary or the Managing Agent shall keep an accurate and current list of the names and addresses of all members of the Association, including all vendees under any agreement of sale on an apartment in the Project, if any; and said list shall be maintained at the address of the Project or elsewhere within the State of Hawaii as determined by the Board. In connection therewith every apartment owner shall promptly cause to be duly recorded and 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 a copy of such document(s) with the Board through the Secretary or the Managing Agent.

Section 13. Mortgages.

(a) Notice to Board of Directors. An apartment owner who mortgages any interest in his apartment shall notify the Association through the Managing Agent or the Secretary 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 such mortgage with the Association; the Association shall maintain such information in a book or binder entitled "Mortgages of Apartments".

(b) Notice of Unpaid Common Expenses. The Board whenever so requested in writing by an apartment owner or any mortgagee of any interest in an apartment shall promptly report to such person any then unpaid assessments for common expenses due from the apartment owner involved.

(c) Notice of Default. The Board, when giving notice to an apartment owner of a default in paying common expenses or other default in the performance of any obligation under the Declaration, these Bylaws, the House Rules or the Building Rules, shall send a copy of such notice to each holder of a mortgage covering such apartment or interest therein whose name and address has theretofore been furnished to the Association. In each and every case where the mortgagee has made a request, the Association shall notify the mortgagee of any unpaid assessment that is thirty (30) or more days delinquent.

(d) Examination of Books. Each apartment owner and each mortgagee shall be permitted to examine the books and records of the Association or the Project at reasonable times on business days, and each mortgagee shall have the right to require the submission of annual reports and other financial data.

(e) Mortgage Protection. Notwithstanding any provision to the contrary in these Bylaws:

(1) Any first mortgagee who obtains title to an apartment pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage or conveyance in lieu of foreclosure will not be liable for such apartment's unpaid dues or charges

which accrue prior to the acquisition of title to such apartment by the mortgagee.

(2) All taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the State of Hawaii shall relate only to the individual apartments and not to the Project as a whole.

(3) The Declaration and these Bylaws shall not give an apartment owner or any other party priority over any rights of first mortgagees of apartments pursuant to their mortgages in the case of a distribution to apartment owners of insurance proceeds or condemnation awards for losses to or a taking of the apartments, common elements or both.

(4) Notwithstanding any other provision of these Bylaws, no amendment of this Section 13(e) shall affect the rights of the holder of any mortgage who has notified the Association of its interest unless such mortgagee consents to the filing of such amendment.

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

(i) Prior written notice of any proposed amendment to the Declaration or these Bylaws;

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

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

(iv) Written notice of any default of an apartment owner affecting an interest of said holder or insurer which is not cured within sixty (60) days;

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

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

(vii) Prior written notice of any proposal to sell, encumber, subdivide, or transfer the common elements or any part thereof; provided that the granting of easements for public or private utilities or for public purposes consistent with the intended use of the common elements of the Project and the relocation of any easements appurtenant to the Project over other lands pursuant to the exercise of any right to relocate such easements by the owner of such other lands shall not be deemed a transfer within the meaning of this clause; provided, further, that the exchange of easements with owners of lands adjoining the Project pursuant to and in accordance with written agreements heretofore made with such owners of adjoining lands shall not be deemed a transfer within the meaning of this clause.

Section 14. Abatement of Violations by Apartment Owners or Occupants. The violation of the House Rules or notification by the Merchants Committee of the violation of the Building Rules or the breach of any provisions of the Declaration or these Bylaws shall give the Board the right, power and authority, in addition to any other rights or powers set forth

in these Bylaws, to 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 attorney's fees, shall be borne by the defaulting apartment owner; provided that any item of construction made by an apartment owner or occupant which is claimed by the Board to be in violation of any provisions of the House Rules, the Building Rules, the Declaration or these Bylaws may be altered or demolished only upon final order of a court issued pursuant to judicial proceeding.

Section 15. Waiver. The failure of the Board to insist in any one or more instances upon a strict performance of or compliance by apartment owners with any of the covenants, restrictions and provisions of the Declaration, these Bylaws, the House Rules and the Building Rules or to exercise any right or option in these Bylaws, or to serve any notice, or to institute any action or summary proceedings shall not be construed as a waiver, or a relinquishment for the future, of such covenant, restriction, provision or option or right, but such covenant, restriction, provision or option or right shall continue and remain in full force and effect. The receipt by the Board of any sum paid by the apartment owner hereunder, with or without knowledge by the Board of the breach of any provisions of the Declaration, these Bylaws, the House Rules or the Building Rules, shall not be deemed a waiver of such breach, and no waiver expressed or implied by the Board of any such provisions shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in a resolution of the Board.

ARTICLE VII
MISCELLANEOUS

Section 1. Amendment.

(a) Required Percentage of Vote. Except as to those amendments requiring the prior written approval of not less than fifty-one percent (51%) of the eligible mortgage holders as hereinafter provided, these Bylaws may be amended in any respect consistent with law or the Declaration by affirmative vote of sixty-five percent (65%) of all apartment owners at any meeting of the Association duly called for such purpose or by written consent of sixty-five percent (65%) of all apartment owners, and shall be effective only upon the filing in the Land Court and recording in the Bureau of Conveyances of an instrument setting forth such amendment duly executed by the authorized officers of the Association; provided, however, that any amendment which shall affect either the powers and duties of the Merchants Committee or the governance of the commercial apartment owners' activities shall be subject to and conditioned upon the affirmative vote or written consent of seventy-five percent (75%) of all commercial apartment owners. Any proposed amendment to these Bylaws with the rationale for the proposal may be submitted by the Board or by a volunteer apartment owners' committee. If submitted by a volunteer apartment owners' committee, any proposed amendment to these Bylaws with the rationale for the proposal shall be accompanied by a petition signed by not less than twenty-five percent (25%) of the apartment owners. The proposed amendments to these Bylaws, the rationale, and the ballots for voting on such amendments shall be mailed by the Board to the apartment owners at the expense of the Association for vote or written consent without change within thirty (30)

days of the receipt of the petition by the Board. The vote or written consent required to adopt any proposed amendment to these Bylaws shall be sixty-five percent (65%) of all apartment owners; provided that the vote or written consent must be obtained within one hundred twenty (120) days after mailing. In the event that any proposed amendment to these Bylaws is duly adopted, then the Board shall cause such amendment to these Bylaws to be filed in the Land Court and recorded in the Bureau of Conveyances. The volunteer apartment owners' committee shall be precluded from submitting a petition for any proposed amendment to these Bylaws which 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. This subsection shall not preclude any apartment owner or voluntary apartment owners' committee from proposing any amendment to these Bylaws at any annual meeting of the Association.

(b) Consent of Eligible Mortgage Holders. Amendments of a material nature to these Bylaws shall require the prior written approval of fifty one percent (51%) of the eligible mortgage holders. Further, any amendment which would allow any action to terminate the condominium property regime created by the Declaration for reasons other than substantial destruction or condemnation shall require the prior written approval of sixty-seven percent (67%) of the eligible mortgage holders. The term "amendments of a material nature" as used herein shall mean and refer to any changes to these Bylaws relating to those matters set forth in subparagraphs 2(a) to 2(n), inclusive, of paragraph R of the Declaration. Any other changes to these Bylaws shall not be considered as amendments of a material nature. The term "eligible mortgage holders" as used in these

Bylaws shall mean and refer to eligible mortgage holders as defined in subparagraph 2 of paragraph R of the Declaration.

In the event that an eligible mortgage holder fails to appear at a meeting of the Association at which amendments to these Bylaws not considered material are proposed and considered, or fails to file a written response with the Association within thirty (30) days after the holding of such meeting of the Association and adoption of such amendments, then and in any such event the approval of such eligible mortgage holder of such amendments not considered as material changes shall be conclusively assumed.

Section 2. Indemnification. The Association shall indemnify every director and officer and his personal representatives against all expenses reasonably incurred by or imposed on him in connection with any action, suit or proceedings to which he may be made a party by reason of being or having been a director or officer of the Association, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or willful misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

Section 3. Subordination. These Bylaws are subordinate and subject to all provisions of the Declaration and any amendments thereto, and the Condominium Property Act (Chapter 514A, Hawaii Revised Statutes, as amended), which shall control

in case of any conflict. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or the Condominium Property Act.

Section 4. Severability. In case any provision of these Bylaws shall be held partially or totally invalid, such invalidity shall not render invalid or unenforceable any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or the Board to conduct or engage in active business for profit on behalf of any or all of the apartment owners.

Section 5. Books of Receipts and Expenditures. The Managing Agent or the Board shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred and shall also keep monthly statements indicating the total current delinquent dollar amount of any unpaid assessments for common expenses. All records, statements, and the vouchers authorizing the payments shall be kept and maintained at the address of the Project, or elsewhere within the State of Hawaii as determined by the Board, and shall be available for examination by the apartment owners at convenient hours of week days. The Managing Agent or the Board shall not transfer by telephone any funds of the Association between accounts, including, but not limited to, the general operating account and the Maintenance Reserve Fund account. All funds collected by the Managing Agent or the Board shall be deposited in a financial institution located in the State of Hawaii whose deposits are insured by an agency of the United States government, or held by a corporation authorized to do business under

Chapter 406, Hawaii Revised Statutes, as amended, or invested in the obligations of the United States government.

Section 6. Minutes of Meetings of Board of Directors and Association. The minutes of meetings of the Board and of the Association shall be available for examination by apartment owners at convenient hours of week days at a place designated by the Board.

Section 7. Apartment Owners May Incorporate. All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a nonprofit membership corporation, formed under the laws of the State of Hawaii for the purposes herein set forth by the Association. Said corporation shall be formed upon the written approval of a majority of the apartment owners. The formation of said corporation shall in no way alter the terms, covenants and conditions set forth herein and the Articles and Bylaws of said corporation shall be subordinated hereto and controlled hereby. Any action taken by said corporation, which said action is in violation of any or all of the terms, covenants or conditions contained herein, shall be void and of no effect.

Section 8. Record of Ownership. Every apartment owner and every vendee of an apartment under an agreement of sale shall promptly cause to be duly filed with the Land Court and recorded in the Bureau of Conveyances the deed, agreement of sale or other conveyance to him of such apartment or other evidence of his title thereto and shall present such evidence of his title to the Board through the Secretary or the Managing Agent. Every apartment owner and vendee as aforesaid shall file with the Managing Agent a copy of any rental agreement or lease in respect of his apartment which he may have executed with a

tenant or lessee and shall file with the Managing Agent written notice of termination of said rental agreement or lease in the event of termination or expiration of the same. The Board shall keep an accurate and current list of members of the Association and their current addresses and the names and addresses of the vendees under an agreement of sale, if any. The list shall be maintained at a place designated by the Board and a copy shall be available, at cost, to any member of the Association who furnishes to the Board a duly executed and acknowledged affidavit stating that the list (i) 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 matters of the Association and (ii) shall not be used by such owner or transferred, loaned, sold, distributed and furnished to anyone else (including any other member of the Association) for any other purpose.

Section 9. Documents of Association; Apartment Owner's Right to Inspect. The Association's most current financial statement and minutes of the Board's meetings, once approved, shall be available to any apartment owner at no cost or on twenty-four hour loan, at a convenient location designated by the Board. Minutes of meetings of the Board and the Association for the current and prior year shall be available for examination by the apartment owners at convenient hours at a place designated by the Board. Minutes of meetings of the Board shall include the recorded vote of each member of the Board on all motions except motions voted on in executive sessions. Copies of the minutes of the meetings of the Board and the Association shall be provided to any apartment owner upon such owner's

request provided that such owner pay a reasonable fee for duplicating, postage, stationery and other administrative costs associated with handling the request. 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 the apartment owners at convenient hours at a place designated by the Board; provided that:

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

(ii) The apartment owners pay for administrative costs in excess of eight hours per year.

Copies of these items shall be provided to any apartment owner upon such owner's request, provided that such owner pay a reasonable fee for duplicating, postage, stationery and other administrative costs associated with handling the request.

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

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

(b) The apartment owners pay for administrative costs in excess of eight hours per year.

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

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

Section 10. Books and Records; Directors' Right to Inspect. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and of the physical properties owned or controlled by the Association. This right of inspection by a director includes the right to make extracts and copies of documents. The Association, at its expense, shall provide each director with a current copy of the Declaration, these Bylaws, the House Rules, the Building Rules and, annually, a copy of Chapter 514A of the Hawaii Revised Statutes, as amended.

Section 11. Availability of Project Documents. An accurate copy of the Declaration, these Bylaws, the House Rules, the Building Rules, a sample original conveyance document, all public reports issued by the Real Estate Commission and any amendments thereto, shall be kept at the Managing Agent's office. The Managing Agent shall provide copies of these documents to apartment 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 costs. In the event that the Project is not managed by a managing agent, the foregoing requirements shall be undertaken by a person or entity, if any, employed by the Association to whom this function is delegated.

Section 12. Renting or Selling of Apartments by Association Employees. An employee of the Association shall not engage in renting or selling apartments in the Project except for apartments owned by the Association, unless such activity is approved by an affirmative vote of sixty-five percent (65%) of all apartment owners.

Section 13. Notices. All notices to the Board of Directors shall be by personal delivery or by mail, postage prepaid to the Board, c/o the Secretary or the Managing Agent, or if there be no Secretary or Managing Agent, to the office of the Board or to such other address as the Board hereafter designates from time to time by notice in writing to all apartment owners and to all mortgagees of apartments. All notices to any apartment owner shall be by personal delivery or by mail, postage prepaid, addressed to such owner at his address as shown on the books and records of the Association, or if no address has been given to the Board, addressed to him at the address of his apartment. All notices, if not made by personal delivery, shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 14. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.

Section 15. Gender. The use of any gender in these Bylaws shall be deemed to include either or both of the other genders and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 16. Definitions. The terms used herein shall have the same meaning given to them in Chapter 514A, Hawaii Revised Statutes, as amended, unless it is plainly evident from the context that a different meaning is intended or except as expressly otherwise provided herein. The term "apartment owner" is defined as the person owning, or the persons owning jointly or in common, an apartment and the common interest appertaining thereto; provided, however, that a lessee of an apartment and the purchaser of an apartment under an agreement of sale shall be deemed to be apartment owners as provided in Article II, Section 1 herein. The term "agreement of sale" is defined as an executory contract for the sale and purchase of real property or real estate which binds one party to sell and the other party to buy real property or real estate which is the subject-matter of the transaction, in which the seller retains legal title to the real property or real estate, and necessarily includes a sub-agreement of sale or other subsequent sub-agreement of sale.

Section 17. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any provision shall not affect the validity or enforceability of any other provision hereof.

CERTIFICATE OF ADOPTION

The Owner and the Developer, the owners of all of the interests in the Project, hereby adopt the foregoing as the

Bylaws of the Association of Apartment Owners of THE IMPERIAL
PLAZA, this 4TH day of APRIL, 1990.

725 KAPIOLANI ASSOCIATES, a Hawaii
general partnership

By GAMBOW LIMITED PARTNERSHIP,
a Hawaii limited partnership
A General Partner

By GCKB, INC., a Hawaii
corporation,
Its General Partner

By Richard L. Griffith
Its
Owner

BUSINESS INVESTMENT, LTD.

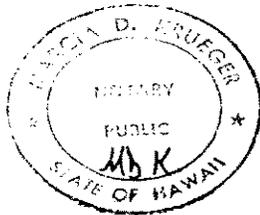
By Colin de Silva
COLIN de SILVA
Its President
Developer

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

On this 4TH day of APRIL, 1990, before me
appeared RICHARD L. GRIFFITH, to me personally known, who,

being by me duly sworn, did say that he is the Partner
of GCKB, INC., a Hawaii corporation, general partner of GAMBOW
LIMITED PARTNERSHIP, a general partner of 725 KAPIOLANI
ASSOCIATES, a Hawaii general partnership; that said instrument
was executed in the name and on behalf of said GAMBOW LIMITED
PARTNERSHIP as a general partner of said general partnership by
said corporation as its general partner; ~~that the seal affixed
to the foregoing instrument is the corporate seal of said corpo-
ration;~~ that said instrument was signed and sealed in behalf of
said corporation in the name and on behalf of said GAMBOW
LIMITED PARTNERSHIP as a general partner of said general part-
nership by authority of the Board of Directors of said corpora-

tion, and the said RICHARD L. GRIFFITH acknowledged
said instrument to be the free act and deed of said general
partnership. X ~~AND~~ ~~WITNESSED~~ ~~BY~~ ~~ME~~ ~~NOTARY~~ ~~PUBLIC~~

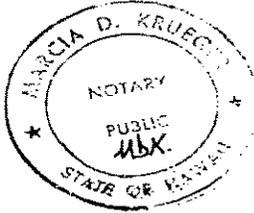


Patricia D. Brueger
Notary Public, State of Hawaii

My Commission Expires: April 15, 1991
-59-

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

On this 17th day of APRIL, 1990, before me appeared COLIN de SILVA, to me personally known, who, being by me duly sworn, did say that he is the President of BUSINESS INVESTMENT, LTD., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said COLIN de SILVA acknowledged said instrument to be the free act and deed of said corporation.



1699R

Marcia D. Krueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1991

APPROVED

MINUTES OF THE ANNUAL MEETING
OF THE ASSOCIATION OF APARTMENT OWNERS
OF IMPERIAL PLAZA
MARCH 23, 2005

DETERMINATION OF QUORUM

Chairman Bill Futrell announced that owners comprising 57.99 percent of the common interest were present in person or represented by proxy, thus constituting a quorum.

CALL TO ORDER

The 2005 Annual Meeting of the Association of Apartment Owners of The Imperial Plaza was called to order at 6:30 p.m. by Chairman Futrell.

PROOF OF NOTICE OF MEETING

A notice of the annual meeting was sent to all owners of record on February 25, 2005. A copy of this notice has been made a part of the annual meeting file.

INTRODUCTION OF BOARD MEMBERS AND GUESTS

Owners were welcomed to the annual meeting. Board of Directors and invited guests were introduced:

Board Members Present:

Bill Futrell, President
Clara Morikawa, Vice President
Wallace Y. Watanabe, Treasurer
Lee Stebbins, Director
Rodney Shapiro, Director
Ronald Schwalbaum, Director
Al Itamoto, Director
George Nabeshima, Director

Board Member Absent: Young Hirasa, Director

Present by Invitation:

Milton Motooka, Association Attorney
Christina Lee, Association General Manager
Kimberly McCotter, Association Assistant Manager

Pat Suenaga, Association Maintenance Engineer
Ken Whitten, Management Executive, Hawaiiana Management Company
Jean Fujimoto, Recording Secretary; Elena Javillo, Norma Vicencio and Jeff Kloetzel, Tally Clerks

PARLIAMENTARY AUTHORITY

There being no objections, Robert's Rules of Order, Newly Revised, was the governing authority for this meeting in any instances not covered by the Association By-Laws or Hawaii Revised Statutes 514A. Supplemental rules were distributed to owners upon check-in. There being no objections, the rules were adopted. Mr. Lee Stebbins was appointed as timekeeper.

APPROVAL OF MINUTES

The minutes of the last annual meeting were approved by the Board of Directors and were circulated to all owners prior to the meeting. There being no corrections the minutes were approved.

REPORTS OF OFFICERS

- A. President's Report. President Futrell stated that the Board's goal was to increase the property value of the building and the owner occupancy ratio. The Board also focused on improved communication with homeowners through the Association newsletter and via surveys to gather information on owners/tenants. Building improvements included the pool renovation, landscaping enhancements, roof repairs and recarpeting in the tower and gallery. He reported that future improvements are included in the Board's reserve study.
- B. Merchant's Committee. Greg Myers, committee chairman, stated that the committee meets monthly and encouraged all merchants to attend. Highlights of the committee's accomplishments included:
- Retention of an architect to review unit renovations.
 - Rekeying of parking cards for improved security.
 - Instituting car towing to deter illegal parking.
 - Working with merchants to improve signage.

AUDITOR'S REPORT

Jonathan Carr, CPA, has audited the books for the accounting year ending December 31, 2004, and a copy of the auditor's report was given to the owners during registration. There being no objections, the auditor's report was adopted as presented.

Section 8 of Article IV of the Bylaws requires the Association to annually appoint a public accountant or accounting firm as auditor. The Board recommended that Jonathan Carr, CPA be hired for another year. There being no objections, Jonathan Carr, CPA, was selected as the auditor for 2005.

ELECTION OF DIRECTORS

Section 1 of Article III of the By-Laws specifies that the affairs of the Association shall be governed by a Board of Directors composed of nine (9) persons, each of whom shall be an owner, co-owner, a vendee under Agreement of Sale, or a designated general partner or officer of an owner which is a corporation or general or limited partnership. Further, the Bylaws state that there shall be at least three (3) Directors from the commercial apartments and at least two (2) from the Plaza.

There were six (6) vacancies on the Board to be filled. Three (3) will be from the commercial apartments and three (3) from the building as a whole.

Remaining on the Board are Lee Stebbins, Clara Morikawa, and Wallace Watanabe.

In accordance with the Bylaws, the election will be conducted in two phases – first for the commercial representatives and then for the representatives from the building as a whole. Election of Directors will be by cumulative voting and by secret ballot.

Commercial Representatives:

The following owners were nominated for the Commercial Representatives: Young Hirasa (C-206), Al Itamoto (C-401), and Grace Seo (C-205, C-210, and C-303). There being no further nominations, the nominations were closed.

Tom Delaney (3004) and Nominique Merrill (2804) volunteered to serve as inspectors of election.

The meeting was recessed while the votes were counted. After the votes were counted, Chairman Futrell reconvened the meeting and announced the results of the election as follows

| | | |
|--------------|---------|-------------|
| Al Itamoto | 50.279% | 3 year term |
| Young Hirasa | 49.696% | 2 year term |
| Grace Seo | 49.542% | 2 year term |

Building as a Whole:

The names of Bill Futrell (1011), Rodney Shapiro (3202), and Ronald Schwalbaum (2406) were placed in nomination. Nominated from the floor were Gary Edwards (616) and Lynn Cohen (3203). There being no further nominations, the nominations were closed.

The meeting was recessed while the votes were counted. After the votes were counted, Chairman Futrell reconvened the meeting and announced the results of the election as follows:

| | | |
|-------------------|---------|-------------|
| Bill Futrell | 49.999% | 3 year term |
| Rodney Shapiro | 46.492% | 3 year term |
| Ronald Schwalbaum | 41.409% | 1 year term |

NEW BUSINESS

- A. Amendment to the Bylaws. Chairman Futrell announced that the amendment allowing for collection of rent from tenants of delinquent owners will not be necessary as the Association already has this authority
- B. Resolution on Assessments. Chairman Futrell read the following tax resolution and requested a motion to approve it:

RESOLVED, by the Association of Apartment Owners of Imperial Plaza that the amount by which members' assessments in 2005 exceed the total expenses of the Association for the purpose of managing, operating, maintaining and replacing the common elements of the Association, shall be applied against 2006 operating expenses.

It was moved by Kurt Spohn (2305) and seconded by Lynn Cohen (3203) to adopt the resolution. The motion was unanimously carried

ADJOURNMENT

There being no further business, the Annual Meeting of The Owners of the Imperial Plaza was adjourned at 7:30 p.m.

Submitted by:

Jean Fujimoto
Recording Secretary

APPROVED

MINUTES OF THE BOARD OF DIRECTORS' MEETING
OF THE IMPERIAL PLAZA
Thursday, September 22, 2005

CALL TO ORDER

President Bill Futrell called the regularly scheduled meeting of the Board of Directors of The Imperial Plaza to order at 5:12 PM.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Bill Futrell (P), Clara Morikawa (VP), Lee Stebbins (S) Wallace Watanabe (T) (arrived 5:12)
Directors: Rodney Shapiro, Grace Seo and Ron Schwalbaum (arrived 5:30 PM)

Members Excused: Directors Al Itamoto and Young Hirasa

Present by Invitation: Ken Whitten, Management Executive, Hawaiiana Management Company
Pat Suenaga, General Manager
Kimberly McCotter, Operations Manager

Also Present: Lyn Cohen (3203) and Gary Edwards (616)

WEBSITE COMMITTEE REPORT

Website Committee Chair Gary Edwards gave a verbal report.

Funds for Web Site. Director Shapairo moved to appropriate up to \$500 for web site expenses. The motion passed unanimously.

APPROVAL OF MINUTES

August 25, 2005 and September 7, 2005. The minutes of the August 25, 2005 regular Board of Directors meeting were corrected to show that under Unfinished Business, A, Security Shift, Directors Stebbins and Shapiro voted against the motion, that the Board went into Executive Session at 6:50 PM and that the meeting was adjourned at 7:01 PM. Director Shapiro moved to accept the minutes of the August, 25, 2005 regular Board of Directors meeting as corrected and the September 7, 2005 special Board of Directors meeting as distributed. The motion passed unanimously.

TREASURER'S REPORT

Treasurer Watanabe gave a verbal report.

Late Fees re-instated. Treasurer Watanabe moved to re-instate the late fees on unit 2206.

GENERAL MANAGER'S REPORT

General Manager Pat Suenaga submitted a written report.

Fencing and Pedestrian Gate. Treasurer Watanabe moved to accept a proposal from Servco Raynor Overhead Doors, Inc. to provide and install fencing and a pedestrian gate for \$60,868.00. The motion passed unanimously.

Parking Arm Gates. Vice President Morikawa moved to accept a proposal from Entrance Controls System to supply and install 5 barrier gates, 5 vehicle detectors & harnesses, and 1 ticket dispenser for \$23,354.00. The motion passed unanimously.

Trash Cute Cleaning. Treasurer Watanabe moved to accept a proposal from GOC Technologies, Inc. to clean the trash chutes for \$3,599.98. The motion passed unanimously.

Air Handlers. Treasurer Watanabe moved to accept a proposal from HBM to supply and install 2 12,000 BTU A/C units near the Operations Manager's office for \$4,750.00. The motion passed unanimously.

Number Placards. Director Schwalbaum moved to have the Association replace missing unit number placards and charge back the owner where the replacement is made. Voting for the motion: Treasurer Watanabe, Secretary Stebbins, Directors Shapiro, Schwalbaum, and Seo. Voting against the motion: Vice President Morikawa. The motion passed.

OPERATIONS MANAGER'S REPORT

Operations Manager McCotter submitted a written report.

COMMITTEE REPORTS

- A. Architectural – No report.
- B. Merchants – Operations Manager McCotter gave a verbal report.
- C. Web Site – Report given earlier in meeting.
- D. House Rules – No report.

UNFINISHED BUSINESS

- A. 2006 Budget. The Board reviewed a draft of the 2006 Budget.

NEW BUSINESS

- A. Insurance. Secretary Stebbins moved to accept a proposal from Insurance Associates for the Association's insurance. The motion passed unanimously.
- B. Board Procedures. President Futrell advised the Board that Board members should not approach Association employees directly and give them instructions to perform tasks.

EXECUTIVE SESSION

The Board went into Executive Session at 6:11 PM to discuss legal matters. Regular session resumed at 6:32 PM. During Executive Session a motion to have an independent review of construction litigation documents was defeated.

ADJOURNMENT

There being no further business, the meeting was adjourned at 6:32 PM.

Approved,

Lee Stebbins
Secretary

APPROVED

MINUTES OF THE BOARD OF DIRECTORS' MEETING
OF THE IMPERIAL PLAZA
Thursday, October 27, 2005

CALL TO ORDER

President Bill Futrell called the regularly scheduled meeting of the Board of Directors of The Imperial Plaza to order at 5:04 PM.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Bill Futrell (P), Clara Morikawa (VP), Lee Stebbins (S) Wallace Watanabe (T) (arrived 5:48 PM)
Directors: Al Itamoto, Young Hirasa (left 6:57), Rodney Shapiro (arrived 5:53 PM), Grace Seo and Ron Schwalbaum (arrived 5:28 PM, left 6:57 PM)

Members Excused: None

Present by Invitation: Ken Whitten, Management Executive, Hawaiiana Management Company
Pat Suenaga, General Manager
Kimberly McCotter, Operations Manager

Also Present: Lyn Cohen (3203)

APPROVAL OF MINUTES

September 22, 2005. Director Itamoto moved to accept the minutes of the September 22, 2005 regular Board of Directors meeting as distributed. The motion passed unanimously.

TREASURER'S REPORT

Management Executive Whitten gave a verbal report.

GENERAL MANAGER'S REPORT

General Manager Pat Suenaga submitted a written report.

Gate Installation. Secretary Stebbins moved to accept a proposal from HBM for gate installation and related expenses for \$102,635.59. The motion passed unanimously.

Tree Trimming. Secretary Stebbins moved to accept a one-year contract with Kuleana Gardens for tree trimming at \$10,220.00 The motion passed unanimously.

Roof Unit #622. Vice President Morikawa moved to accept a proposal for Group LLC to repair the roof above unit #622 for \$2,550.00 plus tax. The motion passed unanimously.

OPERATIONS MANAGER'S REPORT

Operations Manager McCotter submitted a written report.

Unit 3302. Operations Manager McCotter and Management Executive Whitten will work together and write a letter to the owner of unit #3302 re: construction work done in violation of House Rules.

House Rules Revision. Treasurer Watanabe moved to adopt the House Rules as amended. Voting for the motion: Treasurer Watanabe, Vice President Morikawa and Director Shapiro. Voting against the motion: Secretary Stebbins, Directors Hirasa, Seo, Schwalbaum, and Itamoto. The motion did not pass.

Window De-Scaling. Treasurer Watanabe moved to accept a proposal from Diamon-Fusion Hawaii, Inc. to remove spots on certain lobby windows for a cost of \$2,659.00. The motion passed unanimously.

COMMITTEE REPORTS

- A. Architectural – Operations Manager McCotter gave a verbal report.
- B. Merchants – Operations Manager McCotter gave a verbal report.
- C. Web Site – No report.
- D. House Rules – No report.

UNFINISHED BUSINESS

- A. **2006 Budget.** The Board will hold a special meeting to discuss House Rules and the 2006 budget on Thursday, November 3, 2005 at 5:00 PM.

NEW BUSINESS

- A. **Emergency Plan.** Owner Lyn Cohen gave a verbal report. This item will remain on the agenda until a plan is finalized.
- B. **November/December Meeting.** November and December Board meetings will be combined and held on December 8th, 2005 at 5:00 PM at the 6th floor Clubhouse.
- C. **Clubhouse Kitchen Renovations.** Owner Lyn Cohen gave a verbal report.
- D. **Security.** Deferred.
- E. **Policy on Access Control.** The committee will report at the December 8, 2005 Board of Directors meeting. The committee consists of Secretary Stebbins, Vice President Morikawa, Directors Schwalbaum and Itamoto and building management. Secretary Stebbins will chair the committee.

EXECUTIVE SESSION

The Board went into Executive Session at 6:55 PM to discuss personnel matters. Regular session resumed at 7:08 PM. During Executive Session a motion to ratify raises given to select HBM employees was passed.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:08 PM.

Approved,

Lee Stebbins
Secretary

MINUTES OF THE BOARD OF DIRECTORS' MEETING
OF THE IMPERIAL PLAZA
Thursday, September 7, 2005

CALL TO ORDER

President Bill Futrell called the special meeting of the Board of Directors of The Imperial Plaza to order at 5:00 PM.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Bill Futrell (P), Clara Morikawa (VP), Lee Stebbins (S) Wallace Watanabe (T)
Directors: Grace Seo (left 6:18 PM), Al Itamoto and Ron Schwalbaum

Members Excused: Directors Rodney Shapiro and Young Hirasa

Present by Invitation: Ken Whitten, Management Executive, Hawaiiana Management Company
Pat Suenaga, General Manager
Kimberly McCotter, Operations Manager
Mathew Hurihara, Safeguard Services
Jim Trapp, In Control
Rick Osborne, Jr., SimplexGrinnell

Also Present: Lyn Cohen (3203)

PRESENTATION BY IN CONTROL

Jim Trapp gave a presentation of the proposed CCTV and access systems.

PRESENTATION BY SIMPLEXGRINNELL

Rick Osborn, Jr. gave a presentation of the proposed CCTB and access systems.

UNFINISHED BUSINESS

- A. **Pool Furniture.** Vice President Morikawa moved to purchase pool furniture (gray fabric) from Lanai Things for \$13,598.35. The motion passed unanimously.
- B. **Quarterly Fire Alarm Maintenance and Testing.** Secretary Stebbins moved to accept a proposal from In Control to test ¼ of the fire alarm system quarterly at an annual fee of \$6,954. The motion passed unanimously.
- C. **Painting.** Director Itamoto moved to accept a painting proposal from Color Dynamics in the amount of \$397,800 for the exterior and \$48,960 for the interior lobbies. The motion passed unanimously.

- D. **CCTV and Access Systems.** Treasurer Watanabe moved to accept a proposal from In Control to supply and install CCTV and access control systems for \$212,575.29. Voting for the motion: Vice President Morikawa, Treasurer Watanabe, Secretary Stebbins and Director Itamoto. Director Schwalbaum abstained from voting. The motion passed.

EXECUTIVE SESSION

The Board went into Executive Session at 7:03 PM to discuss legal matters. Regular session resumed at 7:10 PM. During Executive Session the Board voted to approve paying the deductible amount on an insurance claim involving unit 1001.

ADJOURNMENT

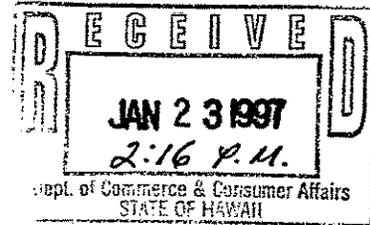
There being no further business, the meeting was adjourned at 7:12 PM.

Approved,

Lee Stebbins
Secretary

STATE OF HAWAII
IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810

In the Matter of the Incorporation
of
ASSOCIATION OF APARTMENT OWNERS
OF THE IMPERIAL PLAZA, INC.



ARTICLES OF INCORPORATION

RICHARD S. EKIMOTO, ESQ.
ELISHA, EKIMOTO & HARADA
1000 Bishop Street, Suite 702
Honolulu, Hawaii 96813
(Telephone: 523-0702)

IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Incorporation)
)
 of)
)
 ASSOCIATION OF APARTMENT OWNERS)
 OF THE IMPERIAL PLAZA, INC.)
 _____)

ARTICLES OF INCORPORATION

The undersigned, desiring to form a nonprofit corporation under the provisions of Chapter 415B, Hawaii Revised Statutes, hereby execute the following Articles of Incorporation.

ARTICLE I

Corporate Name and Seal

The name of the Corporation shall be "ASSOCIATION OF APARTMENT OWNERS OF THE IMPERIAL PLAZA, INC." The Corporation shall have no seal.

ARTICLE II

Place of Business

The place of the principal office of the Corporation shall be in Honolulu, City and County of Honolulu, State of Hawaii. The street address of the initial office of the Corporation will be c/o Hawaiiiana Management Co., Ltd., 700 Pacific Plaza, 711 Kapiolani Boulevard, Honolulu, Hawaii 96814.

ARTICLE III

Period of Duration

The duration of the Corporation shall be perpetual.

ARTICLE IV

Corporate Purposes

The specific purpose for which the Corporation is organized is for the administration, fiscal management and operation of The Imperial Plaza condominium project and the maintenance, repair and replacement of, and the making of any additions and improvements to, the common elements thereof in accordance with Chapter 514A, Hawaii Revised Statutes (the "Condominium Property Act" or the "Act"), the Declaration of Condominium Property Regime of The Imperial Plaza dated April 4, 1990, filed in the Office of the Assistant Registrar of the Land Court as Document No. 1719508 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-48554, as amended (the "Declaration") and the By-Laws of the Corporation, as amended (the "By-Laws"), and for no other purpose.

ARTICLE V

Corporate Powers

Section 5.1 Powers. Subject to and to the extent not inconsistent with the Act, the Declaration, and the By-Laws, the Corporation shall have all powers to effect any or all of the purposes for which the Corporation is organized or which may hereafter be provided for by law, and those which may be implied therefrom including, but not limited to, the powers set forth in §415B-5, Hawaii Revised Statutes, as the same may be amended from time to time.

Section 5.2 Scope. The foregoing powers shall be liberally construed and shall not be deemed to exclude by inference any powers which the Corporation is or may become empowered to exercise, whether expressly or impliedly through the reasonable construction of any applicable laws now or hereafter in effect.

ARTICLE VI

Members

The Corporation is nonprofit in nature and shall not authorize or issue any shares of stock. Each person who is an apartment owner of The Imperial Plaza condominium project shall be a member of the Corporation. As used herein, the term "apartment owner" shall have the same meaning as that term is defined in the Act, the Declaration, and the By-Laws, as each of the same have been and may hereafter be amended from time to time. No dividends shall be paid and no part of the income or profit of the Corporation shall be distributed to its members, directors, or officers except as permitted by law for services actually rendered to the Corporation, and except upon liquidation of its property in case of corporate dissolution in connection with the removal

of The Imperial Plaza condominium project from the provisions of the Act as provided therein.

ARTICLE VII

Directors and Officers

Section 7.1 Board of Directors. The Board of Directors of the Corporation shall consist of up to nine (9) persons as determined in accordance with the By-Laws. At all times that the laws of the State of Hawaii shall so require, at least one director shall be a resident of the State of Hawaii. The directors shall be elected or appointed, may be removed from office, and all vacancies in the office of a director shall be filled, in the manner and for the terms of office provided for in the Act and the By-Laws.

Section 7.2 Officers. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The Corporation may have an assistant secretary, assistant treasurer or other officers, as determined by the Board of Directors. The officers shall have the powers, perform the duties and be appointed as shall be determined by the Board of Directors and the By-Laws. Any person may hold two or more offices of the Corporation unless such practice is prohibited by the By-Laws.

Section 7.3 Initial Officers and Directors. The names and residence addresses of the initial officers and directors are:

| <u>NAME</u> | <u>RESIDENCE</u> |
|--|--|
| Richard Matti President and Director | 1 Keahole Place, #1202 Honolulu, HI 96825 |
| Matthew Arakawa Vice President and Director | 544 11th Avenue Honolulu, HI 96816 |
| Frederick R. Mayer Secretary and Director | 725 Kapiolani Blvd., #701 Honolulu, HI 96813 |
| Leonard Fong Treasurer and Director | 725 Kapiolani Blvd., #C204 Honolulu, HI 96813 |
| Ann Ho Director | 725 Kapiolani Blvd., #C120 Honolulu, HI 96813 |
| Robert F. James Director | 725 Kapiolani Blvd., #705 Honolulu, HI 96813 |

Lou Chan
Director

725 Kapiolani Blvd., #C207
Honolulu, HI 96813

Michael Loke
Director

1350 Kahili Street
Kailua, HI 96734

ARTICLE VIII

Powers of the Board of Directors

Section 8.1 Authority. All the powers and authority of the corporation shall be vested in and may be exercised by the Board of Directors, except as otherwise provided by the Act, these Articles of Incorporation or the By-Laws.

Section 8.2 Powers. The Board of Directors shall have the powers established therefor by the Act, the Declaration and the By-Laws.

ARTICLE IX

By-Laws

When adopted by the Board of Directors, the initial By-Laws of the Corporation shall be the existing By-Laws of the Association of Apartment Owners of The Imperial Plaza dated April 4, 1990, filed in the Office of the Assistant Registrar of the Land Court as Document No. 1719509 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-48555, as the same have been amended from time to time. The By-Laws may be amended only as provided in the Act, the Declaration and the By-Laws, as amended.

ARTICLE X

Subordination

These Articles shall in all respects be subordinate to and controlled by the Act and the Declaration. In the event of any conflict between the Act and Chapter 415B, Hawaii Revised Statutes, the Act shall be conclusively deemed to control except as to corporate matters.

ARTICLE XI

Dissolution

Section 11.1 Voluntary Dissolution. The Corporation shall not be voluntarily dissolved except in connection with the removal of The Imperial Plaza condominium project from the provisions of the Act as provided therein, or in the event of or on account of a decision rendered by the highest court of the State of Hawaii in which such decision can be

had that the incorporation of the association of apartment owners of a condominium project organized and existing pursuant to the Act is repugnant to said Act.

Section 11.2 Effect of Dissolution. In the event of the dissolution of the Corporation for any reason whatsoever, including without limitation dissolution pursuant to §415B-97, Hawaii Revised Statutes, the members of the Corporation shall, without any other action, immediately be deemed and construed to constitute an unincorporated condominium association organized and existing pursuant to the Act. The By-Laws of the Corporation shall, upon such dissolution, become the by-laws of said association. Those persons who are serving as directors and officers of the Corporation at the time of any such dissolution shall, upon such dissolution, become directors and officers of such unincorporated association and shall continue to serve as such until their successors are duly elected in accordance with the By-Laws. Immediately upon any such dissolution, the last directors of the Corporation, acting as trustees for the creditors and members of the Corporation and/or the court-appointed trustee, if any, shall promptly wind up and settle the affairs of the Corporation as provided by law and shall cause the assets and liabilities of the Corporation to be transferred to and assumed by said unincorporated association and shall have the power to do all acts and things necessary, appropriate, or convenient therefor.

ARTICLE XII

Amendment

These Articles of Incorporation may be amended by the vote of a majority of directors in office of the Board of Directors at any regular or special meeting.

IN WITNESS WHEREOF, the undersigned certify that we have read the above statements and that the same are true and correct to the best of our knowledge and belief.

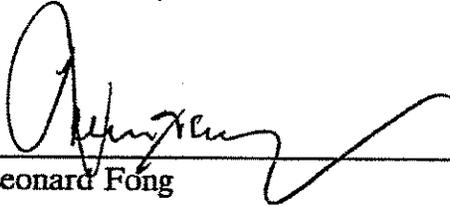
DATED: Honolulu, Hawaii, Jan 17, 1997

Richard J. Matti
Richard Matti

Matthew Arakawa
Matthew Arakawa

Frederick R. Mayer
Frederick R. Mayer

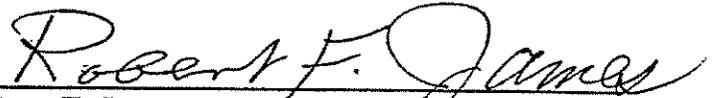
IN WITNESS WHEREOF, the undersigned certify that we have read the above statements and that the same are true and correct to the best of our knowledge and belief.



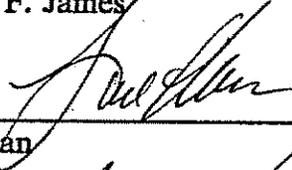
Leonard Fong



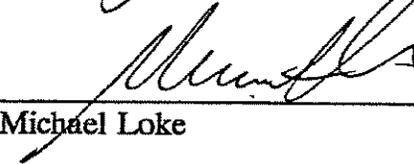
Ann Ho



Robert F. James



Lou Chan



Michael Loke

In the Matter of the Incorporation of Association of Apartment Owners of The Imperial Plaza, Inc.

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P. O. Box 40, Honolulu, Hawaii 96810

INFORMATION FOR DOMESTIC NONPROFIT CORPORATIONS

Account Books and Records

Section 415B-45 provides that each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and any committee having any of the authority of the board of directors; and shall keep at its registered office or principal office in this State, a record of the names and addresses of its members entitled to vote. All books and records of a corporation may be inspected by any member or member's agent or attorney, for any proper purpose, at any reasonable time.

Annual Report

Section 415B-11 provides that every nonprofit corporation, shall deliver to the director for filing, an annual report. Section 415B-12 provides that such report shall reflect the state of affairs of the corporation as of December 31 of the year preceding the year of filing. The annual report shall be delivered to the director for filing between January 1 and March 31 of each year. However, the first annual report of a domestic nonprofit corporation shall be filed between January 1 and March 31 of the year next succeeding the calendar year in which its articles of incorporation were filed by the director. A \$1.00 fee must be paid upon filing the report.

The annual report forms will be mailed to all corporations in January of each year and, in order to assure receipt of the same, this department shall be notified in writing of any change of address. The notification must be signed by a corporate officer and his corporate title stated below his signature.

Failure to file the report within the prescribed time will subject the corporation to a penalty of \$25. If the annual reports are not filed for a period of two years, the corporation may be involuntarily dissolved by the director pursuant to the provisions of Section 415B-97.

ByLaws

Section 415B-41 provides that the initial bylaws of a corporation shall be adopted by its board of directors. The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the board of directors unless otherwise provided in the articles of incorporation or the bylaws.

Solicitation of Funds

If your corporation will be engaged in soliciting money from the public for charitable purposes, you may be required to comply with Chapter 467B, Hawaii Revised Statutes. Please contact the Securities Compliance Branch of the Business Registration Division for information.

1719509

DOUBLE SYSTEM

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STATE OF HAWAII
ASSISTANT REGISTRAR
RECORDED

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ASSISTANT REGISTRAR

ON CERTIFICATE 303,091

LAND COURT SYSTEM

REGULAR SYSTEM

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BYLAWS OF ASSOCIATION OF APARTMENT OWNERS

OF

THE IMPERIAL PLAZA



BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS
 OF
THE IMPERIAL PLAZA

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The following Bylaws shall apply to the condominium project known as "THE IMPERIAL PLAZA" (herein the "Project"), situate in Honolulu, City and County of Honolulu, State of Hawaii, as described in and created by Declaration of Condominium Property Regime of The Imperial Plaza (herein the "Declaration") filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (herein the "Land Court") and also recorded in the Bureau of Conveyances of the State of Hawaii (herein the "Bureau of Conveyances") concurrently herewith.

ARTICLE I

Introductory Provisions

Section 1. Definitions. The terms used herein shall have the same meaning given to them in Chapter 514A of the Hawaii Revised Statutes, as amended, except as expressly otherwise provided herein. The term "apartment owner" shall mean the person owning, or the persons owning jointly or in common, an apartment and the common interest appertaining thereto; provided, however, that the purchaser of an apartment under an agreement of sale shall be deemed an apartment owner as provided in Article II, Section 1 hereof. The term "Association of Apartment Owners" or simply "Association" shall mean all of the apartment owners acting as a group in accordance with these Bylaws and the Declaration. The term "Board of Directors" or simply "Board" shall mean and include the persons elected to the Board of Directors of the Association as provided in Article III, Section 3 hereof. The term "Project" shall mean and include the land, the buildings and all other improvements thereon (including the apartments and the common elements) and easements, rights, and appurtenances belonging thereto, and all

other property affixed thereto and intended for use in connection therewith, and constituting the condominium property regime known as "THE IMPERIAL PLAZA."

Section 2. Conflicts. These Bylaws are intended to comply with the provisions of said Chapter 514A and in case of any conflict between these Bylaws and the provisions of said Chapter 514A or the Declaration, said Chapter 514A or the Declaration, as the case may be, shall control.

Section 3. Application. All present and future apartment owners, mortgagees, tenants and occupants of apartments and any other persons who may use any part of the Project in any manner are subject to these Bylaws, the Declaration, the Rules and Regulations or House Rules adopted by the Board of Directors as hereinafter provided, and the Building Rules adopted by the Merchants Committee as hereinafter provided. The acceptance of a conveyance or the entering into of a lease or the act of occupancy of an apartment shall constitute an agreement that these Bylaws, the Declaration, the Rules and Regulations or House Rules, and the Building Rules as they may be amended from time to time are accepted, ratified and will be complied with.

ARTICLE II

MEMBERSHIP

Section 1. Qualification. All owners of apartments of the Project shall constitute the Association of Apartment Owners. 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 ownership ceases for any reason, at which time membership of such apartment owner in the Association shall automatically cease; provided, however, that

to such extent and for such purposes, including voting, as may be provided by lease of any apartment filed under Chapter 501 of the Hawaii Revised Statutes, as amended, and recorded under Chapter 502 of the Hawaii Revised Statutes, as amended, and filed with the Board of Directors, the lessee of such apartment shall be deemed to be the owner thereof. The purchaser of an apartment pursuant to an agreement of sale filed in the Land Court and recorded in the Bureau of Conveyances and filed with the Board of Directors shall have all of the rights of an apartment owner, including the right to vote; provided that the seller may retain the right to vote on matters substantially affecting its security interest in the apartment as set forth in Section 514A-83, Hawaii Revised Statutes, as amended.

Section 2. Place 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 one hundred eighty (180) days after the date of recordation of the first apartment conveyance, provided that prior to such first annual meeting forty percent (40%) or more of the Project has been sold and the instruments conveying the same have been filed in the Land Court and recorded in the Bureau of Conveyances. If at the end of one (1) year after recordation of the first apartment conveyance forty percent (40%) or more of the Project has not been sold and the instruments conveying the same filed in the Land Court and recorded in the Bureau of Conveyances, then the first annual meeting shall be held as soon as practicable thereafter upon the call of at least ten percent (10%) of the apartment owners. Thereafter, the annual meetings of the Association

shall be held within three (3) calendar months after the end of each accounting year.

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

Section 5. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President or of any four (4) directors, or a petition signed by at least twenty-five percent (25%) of all the apartment owners and presented to the Secretary. Upon the receipt of such call or petition, the Secretary shall send written notice of the meeting to all apartment owners and the meeting shall be held on the date and at the time specified in the petition or call or if unspecified then within thirty (30) days of the receipt of such call or petition at any reasonable time at the Project, unless some other suitable place within the State of Hawaii is designated by the Board of Directors.

Section 6. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special meeting to every apartment owner according to the Association's record of ownership, and to every holder of a first mortgage on an apartment, as shown in the Association's record of ownership and who have filed with the Board of Directors a request for notices of meetings, at least fourteen (14) days but not more than thirty (30) days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting, the items on the agenda for such meeting and a brief statement of the business proposed to be transacted, a standard proxy

form authorized by the Association, if any, and if an election of members of the Board is to be held at such meeting, a statement that every apartment owner has the right to cumulate his vote in such election as provided in Article III, Section 3 of these Bylaws, in any of the following ways: (a) by delivering it personally to the apartment owner, or (b) if, the apartment owner resides in the Project, by leaving it at such owner's apartment in the Project, or (c) by mailing it, postage prepaid, addressed to the apartment owner at the address of such owner as it appears on the Association's record of ownership. If notice is given pursuant to the provisions of this section, the failure of any apartment owner or mortgagee to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of an apartment owner or first mortgagee in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner or first mortgagee unless such owner or first mortgagee shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof. Upon written request for notices delivered and received by the Board, the holder of any duly recorded and registered mortgage or deed of trust from any apartment owner may obtain a copy of any and all notices permitted or required to be given to the apartment owner whose interest is subject to such mortgage or deed of trust. Each apartment owner shall by writing promptly notifying the Board of any change of address.

Section 7. Quorum. The presence at any meeting in person or by proxy of a majority of apartment owners shall constitute a quorum, and the acts of a majority of the voting owners at any meeting of the Association at which a quorum is

present shall be binding upon all apartment owners for all purposes except where in the Declaration or by these Bylaws or by law a higher percentage vote is required. The term "majority of apartment owners" herein means the owners of apartments to which are appurtenant more than fifty percent (50%) of the common interests of the Project as established by the Declaration, and any specified percentage of the apartments owners means the owners of apartments to which are appurtenant such percentage of the common interests. The term "majority of the voting owners" shall mean and refer to those voting owners whose apartments have appurtenant thereto more than fifty percent (50%) of the common interests of the Project as established by the Declaration, represented or present at any meeting of the Association.

Section 8. 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 common interest assigned to such apartment in the Declaration. Votes allocated to any area which constitutes a common element under Section 514A-13(h), Hawaii Revised Statutes, as amended, shall not be cast at any meeting of the Association. Votes may be cast in person or by proxy by the respective apartment owners as shown in the Association's record of ownership. A personal representative, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any apartment owned or controlled by such person in such capacity, whether or not the same shall have been transferred to such person in the Association's record of ownership, provided that evidence satisfactory to the Secretary that such person owns or controls such apartment in such capacity has been presented. The vote for any

apartment owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest each co-tenant shall be entitled to a share of such vote equal to the share of such co-tenant's ownership in such apartment.

Section 9. Proxies and Pledges. The authority given by any apartment owner to another person to represent him at meetings of the Association shall be in writing, signed by such owner and filed with the Managing Agent or the Secretary no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains and designating at least, the following: (1) the name of the Association, (2) the date and location of the meeting of the Association, (3) the printed name and signature of the person(s) giving the proxy or the printed names(s) and signature(s) of duly authorized officers or representatives of the entity (including the name of the entity) giving the proxy, (4) the apartment(s) for which the proxy is given, (5) the printed name of the person or entity to whom the proxy is given, and (6) the date the proxy is given, and unless limited by its terms shall continue until revoked by a writing filed with the Secretary or by the death or incapacity of such owner. No proxy shall be irrevocable unless coupled with a financial interest in the apartment. Notwithstanding any provision hereof to the contrary, the standard proxy form, if any, which accompanies a notice of meeting: (a) shall be valid only for the meeting to which such notice pertains and its adjournment, if any; (b) may designate any person as proxy; and (c) may be limited as the apartment owner(s) desires and indicates. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any apartment or interest

therein, a true copy of which is filed with the Board of Directors through the Secretary or the Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Board of Directors in like manner.

The resident manager of the Project or the Managing Agent shall not solicit, for use by such resident manager or the Managing Agent, any proxies from any apartment owner, nor shall such resident manager or the Managing Agent cast any proxy vote at any meeting of the Association except for the purpose of establishing a quorum.

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

No officer of the Board of Directors shall use funds of the Association to solicit proxies; provided that this shall not prevent an officer from exercising his right as an apartment owner under Section 514-82(b)(4), Hawaii Revised Statutes, as amended.

No member of the Board of Directors who uses funds of the Association to solicit proxies shall cast any of these proxy votes for the election or reelection of the Board at any meeting of the Association unless: (1) the proxy form specifically authorizes such member of the Board to vote for the election or reelection of members of the Board and (2) the Board first posts 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 receives within seven (7) days of the posted notice a request by any apartment owner for use of funds of the Association to solicit proxies accompanied by a statement, the Board shall:

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

The statement shall not exceed one hundred (100) words and shall indicate the apartment owner's qualifications to serve on the Board and reasons for wanting to receive proxies.

Section 10. Adjournment of Meetings. Any meeting of the Association may be adjourned from time to time not less than forty-eight (48) hours from the time the original meeting was called as may be determined by majority vote of the apartment owners present, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 11. 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 Board of Directors;
- (f) Report of committees;
- (g) Election of inspectors of election (when so required);
- (h) Election of directors (when so required);
- (i) Unfinished business; and
- (j) New business.

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

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by the Board of Directors, which shall be composed of nine (9) members. There shall at all times be not less than three (3) members on the Board from the commercial apartments and not less than two (2) members on the Board from the building designated in the Declaration as "The Plaza." The Board shall not be comprised of less than nine (9) members unless not less than sixty-five percent (65%) of all apartment owners (including sixty-five percent of all commercial apartment owners) vote by mail ballot, or at a special or annual meeting, to reduce the minimum number of directors. All members of the Board shall be owners, co-owners, vendees under an agreement of sale, an officer of any corporate owner of an apartment or, in the case of fiduciary owners, the fiduciaries

or officers of corporate fiduciaries. The partners in a general partnership and the general partner(s) of a limited partnership shall be deemed to be the owners of an apartment for this purpose. There shall not be more than one (1) representative on the Board of Directors from any one (1) apartment. The directors shall serve without compensation. The directors shall not expend funds of the Association for their travel, directors' fees and per diem unless the apartment owners are informed and a majority of the apartment owners approve of these expenses. The resident manager of the Project or the Managing Agent shall not serve on the Board.

Section 2. Powers. Subject to the powers granted to the Merchants Committee under Article IV, Section 11 of these Bylaws, the Board shall have all powers necessary for the operation of the Project and 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 by the apartment owners. Each member of the Board shall owe the Association a fiduciary duty in the performance of such member's responsibilities.

Section 3. Election and Terms. Election of directors shall be by cumulative voting by secret written ballot at each annual meeting and any special meeting called for the purpose. Directors shall hold office for a period of three (3) years and until their respective successors have been elected, subject to removal as herein provided, except that at the first annual meeting of the Association three (3) of the directors shall be elected for one (1) year, three (3) for two (2) years and three (3) for three (3) years.

Section 4. Vacancies. Vacancies in the Board caused by any reason other than removal of a director by the Association shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of a director, or if a director ceases to qualify for office as set forth above, 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 (1) or more of the directors may be removed with or without cause by vote of a majority of apartment owners and a successor shall then and there be elected to fill the vacancy thus created for the remainder of the term. 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 meeting of the Association, the call for such meeting shall be by the President or by a petition to the Secretary or the Managing Agent signed by at least twenty-five percent (25%) of all the apartment owners. If the Secretary or the Managing Agent does not send out the notices for the special meeting within fourteen (14) days of receipt of the petition, the petitioners shall send out the notices for the special meeting in the manner as provided in Article II, Section 6 of these Bylaws.

Section 6. Annual Meetings. An organizational meeting of the Board and each annual meeting thereafter shall be held at the place of and immediately following each annual meeting of the Association. Notice of the annual meeting of the Board

shall be given in a reasonable manner at least fourteen (14) days, if practicable, prior to such meeting and may be included with the notice of the annual meeting of the Association. At each annual meeting, the Board shall elect the officers of the Association for the ensuing year.

Section 7. Regular Meetings. Regular meetings of the Board 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 (1) such meeting shall be held during each calendar quarter of every year. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone or messenger service, at least three (3) business days prior to the date of such meeting.

Section 8. Special Meetings. Special meetings of the Board may be called by the President on at least eight (8) hours notice to each director, given personally or by telephone or messenger service, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least three (3) directors.

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

Section 10. Quorum of Board. At all meetings of the Board 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. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity Bonds. The Board shall secure annually on behalf of the Association a fidelity bond covering the Managing Agent and all directors, officers, employees and volunteers of the Association handling or responsible for funds belonging to or administered by the Association. The premiums for such fidelity bond shall be paid by the Association. The amount of such fidelity bond shall be determined from time to time by the Board but shall not be less than the lesser of (a) \$100,000.00 or (b) an amount equal to \$500.00 multiplied by the number of apartments in the Project.

Section 12. Conflict of Interest. A director shall not cast any proxy vote at any meeting of the Board nor shall a director vote on any issue in which such director has a conflict of interest. A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the meeting of the Board, and the minutes of the meeting shall record the fact that a disclosure was made. The determination of whether a conflict of interest exists as to a particular director or directors

shall be made by a majority of the non-interested directors, which determination shall be conclusive and binding on all parties.

Section 13. Rules of Order. All meetings of the Board shall be conducted in accordance with the most current edition of Robert's Rules of Order.

Section 14. Minutes of Board Meetings. The minutes of all meetings of the Board shall be available for examination of apartment owners at convenient hours at a place designated by the Board, shall be mailed to any owner upon the owner's request, and shall include the recorded vote of each member of the Board on all motions except motions voted on in executive session.

Section 15. Open Board Meetings. All meetings of the Board shall be open to all members of the Association, and members of the Association who are not on the Board may participate in any deliberation or discussion other than executive sessions, unless a majority of a quorum of the Board votes otherwise. Whenever practicable, notice of all meetings of the Board shall be posted by the resident manager or a member of the Board in prominent locations within the Project seventy-two (72) hours prior to the meeting or simultaneously with notice to the members of the Board.

Section 16. Executive Session. Upon the approval of a majority of a quorum of its members, the Board may adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters or litigation which involves or may involve the Association. The time, place and nature of any or all business to be discussed and considered in any executive session shall first be announced in open session.

Section 17. Liability and Indemnity of the Board of Directors and Officers. The members of the Board and officers shall not be liable to the apartment owners for any mistake of judgment or otherwise except for their own individual negligence or willful misconduct. The Association shall indemnify each director and officer of the Association against all costs, expenses and liabilities, including the amount of judgments, amounts paid in compromise settlements, amounts paid pursuant to any arbitration award or amended award and amounts paid for services of counsel and other related expenses which may be reasonably incurred by or reasonably imposed on him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted, or threatened, in which he may be involved as a party or otherwise by reason of his being or having been a director or officer, or by reason of any action taken or authorized or approved by him or any omission or failure to act as director or officer, whether or not he continues to be a director or officer at the time of the incurring or imposition of such costs, expenses or liabilities, except such costs, expenses or liabilities as shall relate to matters as to which he is liable by reason of his negligence or willful misconduct toward the Association in the performance of his duties as such director or officer. In the absence of such final adjudication of the existence of such liability, the Board and each director and officer may conclusively rely upon an opinion of legal counsel selected by the Board. The foregoing right of indemnification shall not be exclusive of other rights to which any such director or officer may be entitled as a matter of law or otherwise, and shall inure to the benefit of the heirs, legal representatives and assigns of each such director and officer.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, a Secretary and a Treasurer, all of whom shall be members of the Association and shall be elected by, and in the case of the President and the Vice President, from the Board of Directors. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers, who shall also be members of the Association, as in its judgment may be necessary. The Secretary and the Treasurer may be the same person, and also the Assistant Treasurer and the Assistant Secretary may be the same person. An apartment owner shall not act as an officer of the Association and 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.

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

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. Subject to the control of the Board, he shall exercise general supervision and direction over the management and conduct of the business and affairs of the Association. He shall also have such other powers and duties as may be provided by these Bylaws or assigned to him from time to time by the Board, including but not limited

to the power to appoint committees comprised of members of the Association from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

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

Section 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board, give all notices thereof as provided by these Bylaws, maintain and keep a continuous and accurate record of ownership of all apartments, have charge of such books, documents and records of the Association as the Board may direct, keep the minute book wherein resolutions shall be recorded, and in general perform all the duties incident to the office of Secretary of a corporation organized under the laws of the State of Hawaii. The duties of the Secretary may be delegated to the Managing Agent or the Assistant Secretary. The Secretary shall be responsible for supervision of the Managing Agent and the Assistant Secretary.

Section 7. Treasurer. The Treasurer shall be responsible for the keeping of full and accurate financial records and books of account of the Association, showing all receipts and disbursements and for the preparation of all required financial

data and reports, and shall supervise the Managing Agent's custody of all funds of the Association, maintenance of accounts and financial records. The duties of the Treasurer may be delegated to an Assistant Treasurer. The Treasurer shall be responsible for supervision of the Assistant Treasurer.

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

Section 9. Audits. The Association shall require a yearly audit of the Association's financial accounts and no less than one (1) yearly unannounced cash balance verification of the Association by a public accountant; provided, however, that the yearly audit and the yearly unannounced cash balance verification may be waived by a majority vote of all apartment owners taken at a meeting of the Association.

Section 10. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

Section 11. Merchants Committee.

(a) Number and Qualification. At its organizational meeting, the Board shall create the Merchants Committee, which

shall be composed of five (5) members, all of whom shall at all times be owners, co-owners, vendees under an agreement of sale, an officer of any corporate owner or, in the case of fiduciary owners, the fiduciaries or officers of corporate fiduciaries of a commercial apartment. The partners in a general partnership and the general partner(s) of a limited partnership shall be deemed to be the owners of a commercial apartment for this purpose. There shall not be more than one (1) member on the Merchants Committee from any one (1) commercial apartment. The members of the Merchants Committee shall serve without compensation.

(b) Appointment and Terms. The members of the Merchants Committee shall be appointed by the Board from a list of at least five nominees presented to the Board by the owners of the commercial apartments for this purpose. Such list shall require the prior written approval of a majority of all commercial apartment owners. The members of the Merchants Committee shall hold membership for a period of three (3) years and until their respective successors have been appointed as herein provided, subject to removal as herein provided, except that at the organizational meeting of the Board, one (1) of the members shall be appointed for one (1) year, two (2) for two (2) years and two (2) for three (3) years.

(c) Vacancies. Vacancies in the Merchants Committee caused by any reason other than removal of a member by the Board shall be filled by vote of a majority of the remaining members, even though they may constitute less than a quorum, and each person so elected shall be a member of the Merchants Committee until a successor is appointed at the next annual or regular meeting of the Board. Death, incapacity or resignation of a

member or if a member ceases to qualify for membership as set forth above, shall cause the membership to become vacant.

(d) Removal of Members. At any annual, regular or special meeting of the Board duly called, any one (1) or more of the members may be removed with cause by vote of a majority of the directors present at such meeting and a successor shall then and there be appointed to fill the vacancy thus created for the remainder of the term; provided, however, that such successor shall be appointed from a list of at least five nominees presented to the Board by the owners of the commercial apartments for this purpose. Such list shall require the prior written approval of a majority of all commercial apartment owners. Any member whose removal has been proposed by the Board shall be given an opportunity to be heard at such meeting.

(e) Powers and Duties. Notwithstanding anything in these Bylaws to the contrary and to the extent not inconsistent with the Declaration or any provision of law, the Merchants Committee shall at all times have all powers necessary for the operation of the commercial apartments and the limited common elements appurtenant to the commercial apartments and for the administration of the affairs of the commercial apartments. The Merchants Committee shall have all powers and duties as may be necessary or proper therefor including, without limitation, the following:

(i) The power and authority to adopt, amend or repeal any rules and regulations (herein the "Building Rules") governing details of the conduct and use of the commercial apartments and the common elements and the limited common elements within the building designated in the Declaration and referred to hereinafter as "The Galerie" and the commercial

apartments and the limited common elements appurtenant thereto within the building described in the Declaration and referred to hereinafter as the "platform." Each commercial apartment shall recognize and be bound by the Building Rules and fully observe and perform the same and be responsible for the strict observance and performance by the customers, invitees, guests, employees and tenants of such commercial apartment owner. Upon the adoption of the Building Rules and each amendment thereof, a copy thereof shall be sent to each commercial apartment owner in a manner set forth for notices under Article VIII, Section 13 of these Bylaws. Until such time as the Merchants Committee shall adopt its Building Rules, the Building Rules adopted by the Developer hereinafter named shall be in effect and each commercial apartment owner shall be bound thereby:

(ii) Establishment of such penalties and fines as it deems appropriate with respect to enforcement of the provisions of the Building Rules; provided such penalties and fines are not inconsistent with the law or the provisions herein, and the unpaid amount of such penalties and fines against any commercial apartment owner shall constitute a lien against his interest in his commercial apartment which may be foreclosed by the Board or the Managing Agent in the same manner as provided in the Condominium Property Act for common expenses; provided, however, that said lien for such penalties and fines shall be subordinate to liens for taxes and assessments lawfully imposed by governmental authority against the commercial apartment and to all sums unpaid on mortgages of record;

(iii) Notification in writing to the owner or occupant of a commercial apartment in violation of the Building Rules, and if any such violation shall continue beyond the deadline imposed by the Merchants Committee, notification in

writing to the Board of the continuance of any such violation;
and

(iv) Establish and alter from time to time all parking rates, rules and regulations governing the use of the parking stalls reserved for the exclusive use of the customers, guests and invitees of the commercial apartments.

ARTICLE V

ADMINISTRATION

Section 1. Management. Subject to the powers granted to the Merchants Committee under Article IV, Section 11 of these Bylaws, the Board shall at all times manage and operate the Project, including the common elements of the Project, and have all 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 limited common elements and any additions and alterations thereto;

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

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

(e) Employment, designation, supervision and dismissal of such personnel as may be necessary for the maintenance, repair, replacement and restoration of the common elements and

limited common elements and any additions and alterations thereto;

(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.

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

(i) Custody and control of all funds of the Association, maintenance of full and accurate books of account and records of such funds with the guidance of the Secretary and the Treasurer, and preparation and filing of regular financial reports and returns as required by governmental agencies;

(j) Notification of 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;

(k) Notification in writing of all institutional 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 or the limited common elements of the Project if such loss or taking exceeds TEN THOUSAND DOLLARS (\$10,000.00);

(l) Notification in writing to the institutional holder of the first mortgage on any apartment, as shown in the Association's record of ownership or of which the Secretary has

been given written notice, of any loss to such apartment which exceeds ONE THOUSAND DOLLARS (\$1,000.00);

(m) Establishment of such penalties and fines as it deems appropriate with respect to enforcement of the provisions of the Declaration, these Bylaws and the House Rules adopted pursuant to Article VI, Section 10 of these Bylaws; provided such penalties and fines are not inconsistent with the law or the provisions herein, and the unpaid amount of such penalties and fines against any apartment owner shall constitute a lien against his interest in his apartment which may be foreclosed by the Board or the Managing Agent in the same manner as provided in the Condominium Property Act for common expenses; provided, however, that the said lien for such penalties and fines shall be subordinate to liens for taxes and assessments lawfully imposed by governmental authority against the apartment and to all sums unpaid on mortgages of record;

(n) Adoption and amendment of rules and regulations or House Rules covering the details of the operation and the use of the Project;

(o) Procurement of legal and accounting services necessary or proper in the operation of the Project or enforcement of these Bylaws; provided that the Board shall not institute any legal proceeding against 725 Kapiolani Associates (herein and in the Declaration called the "Owner") or Business Investment, Ltd. (herein and in the Declaration called the "Developer"), without the prior approval of fifty-one percent (51%) of the apartment owners, and no legal proceeding concerning or relating to the construction of the Project may be filed against the Owner or the Developer more than two (2) years after the date of completion of the Project, as the date of completion

is defined in Section 507-43, Hawaii Revised Statutes, as amended;

(p) Exercise on behalf of the apartment owners, the apartment owners' irrevocable right to have access to each apartment from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments;

(q) Acquire ownership of an apartment for the resident manager at a foreclosure sale or from the Owner as a third party at a private sale; and

(r) Subject to any approval requirements and spending limits contained in the Declaration and these Bylaws, borrow money to be used by the Association for the repair, replacement, maintenance, operation or administration of the common elements of the Project, or the making of any additions, alterations and improvements thereto; provided that apartment owners, representing fifty percent of the common interest of the Project and having been first notified of the purpose and use of the funds, give written consent to such borrowing.

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible corporate managing agent authorized to do business in the State of Hawaii to manage and operate the Project subject at all times to the direction and supervision by the Board, with all of the administrative functions specifically set forth on the preceding Section 1 and with such other powers and duties and at such compensation as the Board may establish from time to time. Every such employment contract shall provide: (a) that it may be terminated by the Board for cause on no more than thirty (30) days' written notice

and without cause on no more than ninety (90) days' written notice; (b) that in no event shall a termination fee be due and owing the Managing Agent in the event of such termination; and (c) in no event shall such employment contract be for a fixed term exceeding one (1) year. The funds in the general operating account of the Association shall not be commingled with funds of other activities such as lease rent collections and rental operations, nor shall the Managing Agent commingle any funds of the Association with its own funds. For purposes of this Section, lease rent collections and rental operations shall not include the rental or leasing of common elements that is conducted on behalf of the Association; provided that the collection is allowed by the provisions of the Declaration or these Bylaws and the system of lease rent collection is approved by a majority vote of all apartment owners at a meeting of the Association. All funds collected by the Managing Agent shall be deposited in a financial institution located in the State of Hawaii whose deposits are insured by an agency of the United States government, or held by a corporation authorized to do business under Chapter 406, Hawaii Revised Statutes, as amended, or invested in the obligations of the United States government. All funds collected by the Managing Agent from the Association shall be held in a client trust fund account and shall be disbursed only by the Managing Agent or the Managing Agent's employees under the supervision of the Board. The Managing Agent shall not transfer funds of the Association by telephone between accounts, including but not limited to the general operating account and the Maintenance Reserve Fund. The Managing Agent shall keep and disburse funds collected on behalf of the Association in strict compliance with any agreement made with the Association, Chapter

467 of the Hawaii Revised Statutes, as amended, the Rules of the Real Estate Commission and all other applicable laws.

Section 3. Representation. The President or the Managing Agent, acting on behalf of and subject to the direction of the Board, shall represent the Association or any two (2) 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 (1) apartment, and on its or their behalf may institute, defend, intervene in, prosecute and settle any such action, suit, hearing or other proceeding, without prejudice to the rights of any apartment owner individually to appear, sue or be sued; provided, that the Managing Agent shall not represent any apartment owner or owners in any matter unless such matter shall directly concern the Association or the common elements of the Association (not including limited common elements) and not merely the interests of such apartment owner(s). Service of process on two (2) or more apartment owners in any such action, suit, hearing or other proceeding may be made on the President or the Managing Agent.

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

ARTICLE VI

OBLIGATIONS OF APARTMENT OWNERS

Section 1. Common Expenses. Each apartment owner

shall be liable for and pay a share of the common expenses in proportion to the common interest appertaining to each apartment owner's apartment. Common expenses shall include all charges, costs and expenses whatsoever incurred by the Association for and in connection with the administration, management and operation of the Project, including but not limited to all charges for taxes (except real property taxes and other such taxes and assessments which are or may hereafter be assessed separately on each apartment and the common interest appertaining thereto or the personal property or any other interest of the apartment owner), assessments, insurance (including fire, errors and omission covering the members of the Board and the officers of the Association and liability insurance), any liability whatsoever for loss or damage arising out of or in connection with the common elements or any fire, accident or nuisance thereon, cost of repair, restoration, rebuilding and replacement of the common elements, yard, janitorial, and other similar services, wages, accounting and legal fees, management fees, and other necessary expenses of upkeep, maintenance, repair, management and operation actually incurred on or for the common elements, and the cost of all utility services, including water, electricity, gas, waste or garbage disposal, sewer services and any other similar services, unless separately metered. The common expenses shall also include assessments for the Maintenance Reserve Fund and such amounts as the Board may deem proper to make up any deficit in the common expenses for any prior year. The Board may levy special assessments against apartments owners for payment of nonrecurring expenses of the Association. No special assessment in excess of an aggregate amount of Five Hundred Thousand

Dollars (\$500,000.00) shall be levied without prior authorization of not less than sixty-five percent (65%) of the apartment owners. The Board may, in its sole discretion, increase the \$500,000.00 limitation from time to time by an amount equal to the percentage increase in the Honolulu Consumer Price Index for all items as published by the Bureau of Labor Statistics of the United States Department of Labor or other successor federal or state agency or department, and adjusted to any new basis and method of computation then applicable. For purposes of these Bylaws, the term "percentage increase" shall mean the product of (a) the fraction, the numerator of which is the difference between the Honolulu Consumer Price Index for the first day of the calendar month preceding the calendar month in which the Board shall approve an increase in said dollar limitation and the Honolulu Consumer Price Index for the first day of the calendar month in which these Bylaws are filed in the Land Court, and the denominator of which is the Honolulu Consumer Price Index for the first day of the calendar month in which these Bylaws are filed in the Land Court, times (b) \$500,000.00. If there remains any excess assessments on hand at the end of any accounting year, it shall be used to pay common expenses in the following year, unless a majority of the apartment owners vote to return such unexpended sums to the apartment owners.

All costs, fees, charges and expenses incurred by the Association for or in connection with the administration, management and operation of the limited common elements, including but not limited to costs of maintenance, repair, restoration, replacement, additions, alteration and improvements shall be assessed against and borne entirely by the apartment or apartments to which such limited common element is appurtenant. The

Managing Agent or the Board shall notify the apartment owners in writing of maintenance fee increases at least thirty (30) days prior to such an increase.

Section 2. Board Acting As Agent. The Board shall pay or cause to be paid, on behalf of the apartment owners, all common expenses. The Board shall maintain or cause to be maintained separate books of account of common expenses in accordance with recognized accounting practices, and shall have such books of account available for inspection by each apartment owner at reasonable business hours. The Board shall annually render or cause to be rendered a statement to each apartment owner of all receipts and disbursements during the preceding year, which statement shall be certified by an independent public accountant. Each apartment owner, as principal, shall pay and be liable for his share, determined as aforesaid, of all common expenses and the Board shall be responsible, as agent for each apartment owner, only to transmit the payments made by the apartment owner to third persons or entities to whom such payments must be made by the apartment owner. The Board or the Managing Agent collecting the common expenses shall not be liable for payment of said common expenses as a principal but only as the agent of all apartment owners to transmit said payments to third persons or entities to whom such payments must be made by the apartment owner.

Section 3. Taxes and Assessments. Each apartment owner shall be obligated to have the real property taxes for his own apartment and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of all such real property taxes so determined. The foregoing shall apply to all types of taxes which

now are or may hereafter be assessed separately by law on each apartment or the personal property or any other interest of the apartment owner. Each apartment owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each apartment owner shall be obligated to pay to the Board his proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire Project or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire Project or any part of the common elements, the Board may pay such taxes or assessments and shall assess the same to the apartment owners in their proportionate share.

Section 4. Default in Payment of Assessments. Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the apartment owner against whom the same are assessed. If the apartment owner shall fail to pay his assessment when due, then he shall pay all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended, for each such failure. All delinquent assessments shall bear interest at the rate of one percent (1%) per month or such maximum rate as may from time to time be permitted by law from the assessment due date. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Board may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation and to recover all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended. Such action or actions shall be authorized by resolution adopted by a majority of the Board at a regular or special meeting thereof (which resolution may be a general and continuing resolution authorizing the giving of notice to the defaulting owner and such owner's mortgagee, the filing of legal actions, the filing of claims of lien and the enforcement of such claims of lien or liens), and any such suit may be instituted by any one member of the Board or by the Managing Agent if the latter is so authorized in writing. Each such action shall be brought in the name of the Association and the Board shall be deemed to be acting on behalf of the Association. Each such action shall seek judgment for the amount of unpaid assessments, interest and all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended. Upon full satisfaction of any such judgment, it shall be the duty of the Board to authorize any two (2) members thereof, acting in the name of the Board, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time upon the occurrence of any such default, the Board, acting upon such resolution hereinbefore described in Section 4(a) immediately preceding, may give notice to the defaulting apartment owner, with a copy to the mortgagee of such apartment owner, if such mortgagee has furnished its name and address to the Board, which said notice shall state the date of the delinquency, the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid

within thirty (30) days after delivery of such notice, the Board may elect to file a claim of lien against the apartment of such delinquent apartment owner. Such claim of lien shall state (i) the name of the delinquent apartment owner or reputed apartment owner, (ii) a description of the apartment against which claim of lien is made, (iii) the amount claimed to be due and owing (with any proper offset allowed), (iv) that the claim of lien is made by the Board pursuant to the terms of these Bylaws and of Chapter 514A, Hawaii Revised Statutes, as amended, and (v) that a lien is claimed against said described apartment in an amount equal to the amount of the stated delinquency, plus accrued interest and all costs and expenses recoverable by the Association under Section 514A-94, Hawaii Revised Statutes, as amended. Any such claims of lien shall be signed and acknowledged by any two (2) or more members of the Board and shall be dated as of the date of the execution by the last such member of the Board to execute said claim of lien. Upon filing of a duly executed original or copy of such claim of lien with the Land Court and recordation of the same with the Bureau of Conveyances, the Board shall have all remedies provided in Section 514A-90, Hawaii Revised Statutes, as amended. Each default shall constitute a separate basis for a claim of lien or a lien. In the event the foreclosure is under power of sale, the Board, or any person designated by it in writing, shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. The certificate of sale shall be executed and acknowledged by any two (2) members of the Board or by the person conducting the sale.

(c) For the purposes of this section, a certificate executed and acknowledged or made under penalty or perjury by any two (2) members of the Board shall be conclusive upon the Board and the apartment owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any apartment owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his apartment (or the fact that all assessments due are paid if such is the case) within fifteen (15) days after demand therefor and upon payment of a reasonable fee. In the event any claims of liens have been recorded and thereafter the Board shall receive payment in full of the amount claimed to be due and owing, then upon demand of the apartment owner or his successor, and payment of a reasonable fee, the Board, acting by any two (2) members, shall execute and acknowledge (in the manner provided above) a release of lien, stating the date of the original claim of lien, the amount claimed, the date, the Land Court document number and the Bureau of Conveyances' liber and page number(s) of the claim of lien, the fact that the lien has been fully satisfied and that the particular lien is released and discharged; such release of lien to be delivered to the apartment owner or his successor upon payment of the fee.

Section 5. Collection from Tenants. If the owner shall at any time rent or lease his apartment and shall default for a period of thirty (30) days or more in the payment of the apartment owner's share of the common expenses, the owner hereby authorizes and agrees that the Board may, at its option, so long as such default shall continue, demand and receive from any such renter or lessee (hereinafter in this paragraph referred to as

"tenant") of the apartment owner occupying the apartment, the rent due or becoming due from such tenant to the apartment owner up to an amount sufficient to pay all sums due from the apartment owner, including interest, if any, and any such payment of such rent to the Board by the tenant shall be sufficient discharge of such tenant, as between such tenant and the apartment owner to the extent of the amount so paid. In the event that the Board makes demand upon the tenant as aforesaid, the tenant shall not have the right to question the right of the Board to make such demand, but shall be obligated to make the said payments as to the Board as demanded by the Board with the effect as aforesaid; provided, however, that the Board may not exercise this right if a receiver has been appointed to take charge of the apartment pending a mortgage foreclosure or if a mortgagee is in possession pending a mortgage foreclosure.

Section 6. Assessments. All apartment owners shall pay to the Managing Agent in advance on the first day of each and every month the monthly installments of assessments against their respective apartments for common expenses of the Project in accordance with the Declaration.

Section 7. Responsibilities of Apartment Owners. An apartment owner shall be responsible for the conduct of his lessee(s), renter(s), tenant(s), invitee(s) or guest(s) and shall, upon request of the Board or the Managing Agent, immediately abate and remove, at his expense, any structure, thing or condition that may exist with regard to the occupancy of his apartment by his lessee(s), renter(s), tenant(s), invitee(s), or guest(s) which is a violation hereof, or of the Declaration or of any rules and regulations adopted by the Board, or, if the apartment owner is unable to control the conduct of his

lessee(s), renter(s), tenant(s), invitee(s) or guest(s), the apartment owner shall, upon request of the Board or the Managing Agent, immediately remove such lessee(s), renter(s), tenant(s), invitee(s) or guest(s) from the premises, without compensation for lost rentals or any other loss or damage resulting therefrom.

Section B. Repair and Maintenance of Apartments.

(a) Every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment and the limited common elements appurtenant thereto, including without limitation all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning or ventilation ducts, lights and all other fixtures and accessories belonging to such apartment and the interior decorated or finished surfaces of all walls, floors and ceilings of such apartment, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board 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.

(b) It is intended that the exterior of the buildings shall present a uniform appearance, and to attain that result each apartment owner hereby agrees that the Board may require the apartment owner at his sole expense to paint or repair his balcony, lanai or patio and the Board may regulate the design and appearance of the repairs and replaced items, the type of surface and the type and color of paint to be used. In the alternative, the Board is authorized to contract for the repairs, painting or resurfacing of all such balconies, lanais or patios. If the Board contracts for such items, the Board shall assess the respective owners of the apartments affected in the proportion to the ratio that the common interest appurtenant to their respective apartments bears to the sum of the common interest of all apartments affected.

(c) Furniture and potted plants suitable to the balconies, the lanais and the patios may be used thereon. Articles which are unsightly shall be removed upon the written request of the Board or the Managing Agent.

(d) Every residential apartment owner will, at his own expense, at all times repair, maintain, amend and keep his storage unit (constructed in a storage room), including the exterior finished surface thereof, in good order and condition and in case such apartment owner shall fail to so repair and maintain his storage unit after reasonable notice to perform given by the Board or the Managing Agent, such apartment owner shall reimburse the Association promptly on demand all expenses incurred by the Association in performing such repair or maintenance work authorized by the Board or the Managing Agent.

Section 9. Use of Project.

(a) The apartments of the Project shall be used only

for their respective purposes as set forth in the Declaration and for no other purpose.

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

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

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

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

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

(g) No owner or occupant of a commercial apartment shall erect or place in the Project any building or structure, including fences and walls, nor make any additions or alterations to any common elements of the Project, nor shall any owner or occupant of a commercial apartment place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications, including detailed plot plans, prepared by a licensed architect if so required by the Merchants Committee and approved by the Merchants Committee and a majority of commercial apartment owners (and also by the Board if any of the foregoing shall be erected, placed or maintained in an area of the Project other than the common elements and the limited common elements within The Galerie and the limited common elements appurtenant to the commercial apartments within the platform).

(h) No notice or advertisement visible from the exterior of any commercial apartment will be permitted without prior written approval of the Merchants Committee.

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

(j) No commercial apartment owner shall decorate or landscape any entrance to his commercial apartment or any other portion of the Project except in accordance with standards therefor established by the Merchants Committee or specific plans approved in writing by the Merchants Committee (and also approved in writing by the Board if any such decoration or landscaping shall be within any portion of the Project other

than the commercial apartments and the common elements and the limited common elements within The Galerie and the commercial apartments and the limited common elements appurtenant thereto within the platform).

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

(l) No garments, rugs or other objects shall be hung from the windows or facades of the Project, except that with the prior written approval of the Merchants Committee, garments, rugs or other objects may be hung from the windows or facades of the commercial apartments and the common elements and the limited common elements within The Galerie and the commercial apartments and the limited common elements appurtenant thereto within the platform.

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

(n) 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.

(o) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that one (1) household pet (either a dog, a cat or a small bird) or fish may be kept in any apartment, but shall not be kept, bred or used therein for any commercial purpose nor allowed in the recreation areas or on any other common elements except in transit when hand carried or held on a short leash;

provided, however, that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board or the Managing Agent. All pets must be registered with the resident manager, and no pets belonging to visitors shall be allowed on the Project.

(p) No apartment owner or occupant shall, without the written approval of the Board, install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the Project or protruding through the walls, windows or roof thereof; provided, however, that commercial apartment owners may, with the prior written approval of the Merchants Committee, make any such installations if the same shall be within the commercial apartments and the common elements and the limited common elements of The Galerie and/or within the commercial apartments and the limited common elements appurtenant thereto of the platform.

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

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

(s) If the Project shall have separate elevators devoted (i) to the transportation of the apartment owners and

their guests and (ii) for freight service or auxiliary purposes, the apartment owners and tradesmen are expressly required to utilize the freight or service elevators for transporting packages, merchandise or any other object that may affect the comfort or well-being of the passengers of the elevators designed for the transportation of the apartment owners, occupants and guests.

(t) No apartment owner or occupant shall enclose or make any structural modifications, changes, additions or alterations to their respective balconies, lanais or patios, add any awnings, sunscreens, louvers, exhaust vents, wind baffles, or drain without the prior written approval of the Board. It is intended that the exterior of the buildings present a uniform appearance, and to effect that end the apartment owners hereby agree that the use of balconies, lanais, patios and railings for the hanging and drying of clothing or garments, the open storage of equipment or building supplies and materials or the displaying of signs or art of any sort or kind whatsoever is prohibited and that the Board may prohibit such use.

Section 10. House Rules. The Board shall have the power and authority to adopt, amend or repeal any rules and regulations (herein the "House Rules") governing details of the operation and use of the common elements and limited common elements not inconsistent with any provision of law, the Declaration or these Bylaws. Each apartment owner shall recognize and be bound by the House Rules and fully observe and perform the same and be responsible for the strict observance and performance by the invitees, guests, employees and tenants of such apartment owner. Upon the adoption of the House Rules and each amendment thereof, a copy thereof shall be sent to each apartment owner in a manner set forth for notices under Article VIII,

Section 13 of these Bylaws. Until such time as the Board shall adopt its own House Rules, the House Rules adopted by the Developer shall be in effect and each apartment owner shall be bound thereby.

Section 11. Expenses of Enforcement. Every apartment owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments against such apartment, foreclosing its lien thereon or enforcing any provisions of the Condominium Property Act, the Declaration, the House Rules, the Building Rules, the Rules of the Real Estate Commission or these Bylaws against such owner or any occupant of such apartment.

Section 12. Record of Ownership. The Secretary or the Managing Agent shall keep an accurate and current list of the names and addresses of all members of the Association, including all vendees under any agreement of sale on an apartment in the Project, if any; and said list shall be maintained at the address of the Project or elsewhere within the State of Hawaii as determined by the Board. In connection therewith every apartment owner shall promptly cause to be duly recorded and 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 a copy of such document(s) with the Board through the Secretary or the Managing Agent.

Section 13. Mortgages.

(a) Notice to Board of Directors. An apartment owner who mortgages any interest in his apartment shall notify the Association through the Managing Agent or the Secretary 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 such mortgage with the Association; the Association shall maintain such information in a book or binder entitled "Mortgages of Apartments".

(b) Notice of Unpaid Common Expenses. The Board whenever so requested in writing by an apartment owner or any mortgagee of any interest in an apartment shall promptly report to such person any then unpaid assessments for common expenses due from the apartment owner involved.

(c) Notice of Default. The Board, when giving notice to an apartment owner of a default in paying common expenses or other default in the performance of any obligation under the Declaration, these Bylaws, the House Rules or the Building Rules, shall send a copy of such notice to each holder of a mortgage covering such apartment or interest therein whose name and address has theretofore been furnished to the Association. In each and every case where the mortgagee has made a request, the Association shall notify the mortgagee of any unpaid assessment that is thirty (30) or more days delinquent.

(d) Examination of Books. Each apartment owner and each mortgagee shall be permitted to examine the books and records of the Association or the Project at reasonable times on business days, and each mortgagee shall have the right to require the submission of annual reports and other financial data.

(e) Mortgage Protection. Notwithstanding any provision to the contrary in these Bylaws:

(1) Any first mortgagee who obtains title to an apartment pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage or conveyance in lieu of foreclosure will not be liable for such apartment's unpaid dues or charges

which accrue prior to the acquisition of title to such apartment by the mortgagee.

(2) All taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the State of Hawaii shall relate only to the individual apartments and not to the Project as a whole.

(3) The Declaration and these Bylaws shall not give an apartment owner or any other party priority over any rights of first mortgagees of apartments pursuant to their mortgages in the case of a distribution to apartment owners of insurance proceeds or condemnation awards for losses to or a taking of the apartments, common elements or both.

(4) Notwithstanding any other provision of these Bylaws, no amendment of this Section 13(e) shall affect the rights of the holder of any mortgage who has notified the Association of its interest unless such mortgagee consents to the filing of such amendment.

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

(i) Prior written notice of any proposed amendment to the Declaration or these Bylaws;

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

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

(iv) Written notice of any default of an apartment owner affecting an interest of said holder or insurer which is not cured within sixty (60) days;

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

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

(vii) Prior written notice of any proposal to sell, encumber, subdivide, or transfer the common elements or any part thereof; provided that the granting of easements for public or private utilities or for public purposes consistent with the intended use of the common elements of the Project and the relocation of any easements appurtenant to the Project over other lands pursuant to the exercise of any right to relocate such easements by the owner of such other lands shall not be deemed a transfer within the meaning of this clause; provided, further, that the exchange of easements with owners of lands adjoining the Project pursuant to and in accordance with written agreements heretofore made with such owners of adjoining lands shall not be deemed a transfer within the meaning of this clause.

Section 14. Abatement of Violations by Apartment Owners or Occupants. The violation of the House Rules or notification by the Merchants Committee of the violation of the Building Rules or the breach of any provisions of the Declaration or these Bylaws shall give the Board the right, power and authority, in addition to any other rights or powers set forth

in these Bylaws, to 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 attorney's fees, shall be borne by the defaulting apartment owner; provided that any item of construction made by an apartment owner or occupant which is claimed by the Board to be in violation of any provisions of the House Rules, the Building Rules, the Declaration or these Bylaws may be altered or demolished only upon final order of a court issued pursuant to judicial proceeding.

Section 15. Waiver. The failure of the Board to insist in any one or more instances upon a strict performance of or compliance by apartment owners with any of the covenants, restrictions and provisions of the Declaration, these Bylaws, the House Rules and the Building Rules or to exercise any right or option in these Bylaws, or to serve any notice, or to institute any action or summary proceedings shall not be construed as a waiver, or a relinquishment for the future, of such covenant, restriction, provision or option or right, but such covenant, restriction, provision or option or right shall continue and remain in full force and effect. The receipt by the Board of any sum paid by the apartment owner hereunder, with or without knowledge by the Board of the breach of any provisions of the Declaration, these Bylaws, the House Rules or the Building Rules, shall not be deemed a waiver of such breach, and no waiver expressed or implied by the Board of any such provisions shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in a resolution of the Board.

ARTICLE VII
MISCELLANEOUS

Section 1. Amendment.

(a) Required Percentage of Vote. Except as to those amendments requiring the prior written approval of not less than fifty-one percent (51%) of the eligible mortgage holders as hereinafter provided, these Bylaws may be amended in any respect consistent with law or the Declaration by affirmative vote of sixty-five percent (65%) of all apartment owners at any meeting of the Association duly called for such purpose or by written consent of sixty-five percent (65%) of all apartment owners, and shall be effective only upon the filing in the Land Court and recording in the Bureau of Conveyances of an instrument setting forth such amendment duly executed by the authorized officers of the Association; provided, however, that any amendment which shall affect either the powers and duties of the Merchants Committee or the governance of the commercial apartment owners' activities shall be subject to and conditioned upon the affirmative vote or written consent of seventy-five percent (75%) of all commercial apartment owners. Any proposed amendment to these Bylaws with the rationale for the proposal may be submitted by the Board or by a volunteer apartment owners' committee. If submitted by a volunteer apartment owners' committee, any proposed amendment to these Bylaws with the rationale for the proposal shall be accompanied by a petition signed by not less than twenty-five percent (25%) of the apartment owners. The proposed amendments to these Bylaws, the rationale, and the ballots for voting on such amendments shall be mailed by the Board to the apartment owners at the expense of the Association for vote or written consent without change within thirty (30)

days of the receipt of the petition by the Board. The vote or written consent required to adopt any proposed amendment to these Bylaws shall be sixty-five percent (65%) of all apartment owners; provided that the vote or written consent must be obtained within one hundred twenty (120) days after mailing. In the event that any proposed amendment to these Bylaws is duly adopted, then the Board shall cause such amendment to these Bylaws to be filed in the Land Court and recorded in the Bureau of Conveyances. The volunteer apartment owners' committee shall be precluded from submitting a petition for any proposed amendment to these Bylaws which 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. This subsection shall not preclude any apartment owner or voluntary apartment owners' committee from proposing any amendment to these Bylaws at any annual meeting of the Association.

(b) Consent of Eligible Mortgage Holders. Amendments of a material nature to these Bylaws shall require the prior written approval of fifty one percent (51%) of the eligible mortgage holders. Further, any amendment which would allow any action to terminate the condominium property regime created by the Declaration for reasons other than substantial destruction or condemnation shall require the prior written approval of sixty-seven percent (67%) of the eligible mortgage holders. The term "amendments of a material nature" as used herein shall mean and refer to any changes to these Bylaws relating to those matters set forth in subparagraphs 2(a) to 2(n), inclusive, of paragraph R of the Declaration. Any other changes to these Bylaws shall not be considered as amendments of a material nature. The term "eligible mortgage holders" as used in these

Bylaws shall mean and refer to eligible mortgage holders as defined in subparagraph 2 of paragraph R of the Declaration.

In the event that an eligible mortgage holder fails to appear at a meeting of the Association at which amendments to these Bylaws not considered material are proposed and considered, or fails to file a written response with the Association within thirty (30) days after the holding of such meeting of the Association and adoption of such amendments, then and in any such event the approval of such eligible mortgage holder of such amendments not considered as material changes shall be conclusively assumed.

Section 2. Indemnification. The Association shall indemnify every director and officer and his personal representatives against all expenses reasonably incurred by or imposed on him in connection with any action, suit or proceedings to which he may be made a party by reason of being or having been a director or officer of the Association, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or willful misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

Section 3. Subordination. These Bylaws are subordinate and subject to all provisions of the Declaration and any amendments thereto, and the Condominium Property Act (Chapter 514A, Hawaii Revised Statutes, as amended), which shall control

in case of any conflict. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or the Condominium Property Act.

Section 4. Severability. In case any provision of these Bylaws shall be held partially or totally invalid, such invalidity shall not render invalid or unenforceable any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or the Board to conduct or engage in active business for profit on behalf of any or all of the apartment owners.

Section 5. Books of Receipts and Expenditures. The Managing Agent or the Board shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred and shall also keep monthly statements indicating the total current delinquent dollar amount of any unpaid assessments for common expenses. All records, statements, and the vouchers authorizing the payments shall be kept and maintained at the address of the Project, or elsewhere within the State of Hawaii as determined by the Board, and shall be available for examination by the apartment owners at convenient hours of week days. The Managing Agent or the Board shall not transfer by telephone any funds of the Association between accounts, including, but not limited to, the general operating account and the Maintenance Reserve Fund account. All funds collected by the Managing Agent or the Board shall be deposited in a financial institution located in the State of Hawaii whose deposits are insured by an agency of the United States government, or held by a corporation authorized to do business under

Chapter 406, Hawaii Revised Statutes, as amended, or invested in the obligations of the United States government.

Section 6. Minutes of Meetings of Board of Directors and Association. The minutes of meetings of the Board and of the Association shall be available for examination by apartment owners at convenient hours of week days at a place designated by the Board.

Section 7. Apartment Owners May Incorporate. All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a nonprofit membership corporation, formed under the laws of the State of Hawaii for the purposes herein set forth by the Association. Said corporation shall be formed upon the written approval of a majority of the apartment owners. The formation of said corporation shall in no way alter the terms, covenants and conditions set forth herein and the Articles and Bylaws of said corporation shall be subordinated hereto and controlled hereby. Any action taken by said corporation, which said action is in violation of any or all of the terms, covenants or conditions contained herein, shall be void and of no effect.

Section 8. Record of Ownership. Every apartment owner and every vendee of an apartment under an agreement of sale shall promptly cause to be duly filed with the Land Court and recorded in the Bureau of Conveyances the deed, agreement of sale or other conveyance to him of such apartment or other evidence of his title thereto and shall present such evidence of his title to the Board through the Secretary or the Managing Agent. Every apartment owner and vendee as aforesaid shall file with the Managing Agent a copy of any rental agreement or lease in respect of his apartment which he may have executed with a

tenant or lessee and shall file with the Managing Agent written notice of termination of said rental agreement or lease in the event of termination or expiration of the same. The Board shall keep an accurate and current list of members of the Association and their current addresses and the names and addresses of the vendees under an agreement of sale, if any. The list shall be maintained at a place designated by the Board and a copy shall be available, at cost, to any member of the Association who furnishes to the Board a duly executed and acknowledged affidavit stating that the list (i) 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 matters of the Association and (ii) shall not be used by such owner or transferred, loaned, sold, distributed and furnished to anyone else (including any other member of the Association) for any other purpose.

Section 9. Documents of Association; Apartment Owner's Right to Inspect. The Association's most current financial statement and minutes of the Board's meetings, once approved, shall be available to any apartment owner at no cost or on twenty-four hour loan, at a convenient location designated by the Board. Minutes of meetings of the Board and the Association for the current and prior year shall be available for examination by the apartment owners at convenient hours at a place designated by the Board. Minutes of meetings of the Board shall include the recorded vote of each member of the Board on all motions except motions voted on in executive sessions. Copies of the minutes of the meetings of the Board and the Association shall be provided to any apartment owner upon such owner's

request provided that such owner pay a reasonable fee for duplicating, postage, stationery and other administrative costs associated with handling the request. 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 the apartment owners at convenient hours at a place designated by the Board; provided that:

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

(ii) The apartment owners pay for administrative costs in excess of eight hours per year.

Copies of these items shall be provided to any apartment owner upon such owner's request, provided that such owner pay a reasonable fee for duplicating, postage, stationery and other administrative costs associated with handling the request.

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

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

(b) The apartment owners pay for administrative costs in excess of eight hours per year.

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

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

Section 10. Books and Records; Directors' Right to Inspect. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and of the physical properties owned or controlled by the Association. This right of inspection by a director includes the right to make extracts and copies of documents. The Association, at its expense, shall provide each director with a current copy of the Declaration, these Bylaws, the House Rules, the Building Rules and, annually, a copy of Chapter 514A of the Hawaii Revised Statutes, as amended.

Section 11. Availability of Project Documents. An accurate copy of the Declaration, these Bylaws, the House Rules, the Building Rules, a sample original conveyance document, all public reports issued by the Real Estate Commission and any amendments thereto, shall be kept at the Managing Agent's office. The Managing Agent shall provide copies of these documents to apartment 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 costs. In the event that the Project is not managed by a managing agent, the foregoing requirements shall be undertaken by a person or entity, if any, employed by the Association to whom this function is delegated.

Section 12. Renting or Selling of Apartments by Association Employees. An employee of the Association shall not engage in renting or selling apartments in the Project except for apartments owned by the Association, unless such activity is approved by an affirmative vote of sixty-five percent (65%) of all apartment owners.

Section 13. Notices. All notices to the Board of Directors shall be by personal delivery or by mail, postage prepaid to the Board, c/o the Secretary or the Managing Agent, or if there be no Secretary or Managing Agent, to the office of the Board or to such other address as the Board hereafter designates from time to time by notice in writing to all apartment owners and to all mortgagees of apartments. All notices to any apartment owner shall be by personal delivery or by mail, postage prepaid, addressed to such owner at his address as shown on the books and records of the Association, or if no address has been given to the Board, addressed to him at the address of his apartment. All notices, if not made by personal delivery, shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 14. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provisions thereof.

Section 15. Gender. The use of any gender in these Bylaws shall be deemed to include either or both of the other genders and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 16. Definitions. The terms used herein shall have the same meaning given to them in Chapter 514A, Hawaii Revised Statutes, as amended, unless it is plainly evident from the context that a different meaning is intended or except as expressly otherwise provided herein. The term "apartment owner" is defined as the person owning, or the persons owning jointly or in common, an apartment and the common interest appertaining thereto; provided, however, that a lessee of an apartment and the purchaser of an apartment under an agreement of sale shall be deemed to be apartment owners as provided in Article II, Section 1 herein. The term "agreement of sale" is defined as an executory contract for the sale and purchase of real property or real estate which binds one party to sell and the other party to buy real property or real estate which is the subject-matter of the transaction, in which the seller retains legal title to the real property or real estate, and necessarily includes a sub-agreement of sale or other subsequent sub-agreement of sale.

Section 17. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any provision shall not affect the validity or enforceability of any other provision hereof.

CERTIFICATE OF ADOPTION

The Owner and the Developer, the owners of all of the interests in the Project, hereby adopt the foregoing as the

Bylaws of the Association of Apartment Owners of THE IMPERIAL
PLAZA, this 4TH day of APRIL, 1990.

725 KAPIOLANI ASSOCIATES, a Hawaii
general partnership

By GAMBOW LIMITED PARTNERSHIP,
a Hawaii limited partnership
A General Partner

By GCKB, INC., a Hawaii
corporation,
Its General Partner

By Richard L. Griffith
Its
Owner

BUSINESS INVESTMENT, LTD.

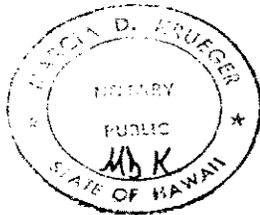
By Colin de Silva
COLIN de SILVA
Its President
Developer

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

On this 4TH day of APRIL, 1990, before me
appeared RICHARD L. GRIFFITH, to me personally known, who,

being by me duly sworn, did say that he is the Partner
of GCKB, INC., a Hawaii corporation, general partner of GAMBOW
LIMITED PARTNERSHIP, a general partner of 725 KAPIOLANI
ASSOCIATES, a Hawaii general partnership; that said instrument
was executed in the name and on behalf of said GAMBOW LIMITED
PARTNERSHIP as a general partner of said general partnership by
said corporation as its general partner; ~~that the seal affixed
to the foregoing instrument is the corporate seal of said corpo-
ration;~~ that said instrument was signed and sealed in behalf of
said corporation in the name and on behalf of said GAMBOW
LIMITED PARTNERSHIP as a general partner of said general part-
nership by authority of the Board of Directors of said corpora-

tion, and the said RICHARD L. GRIFFITH acknowledged
said instrument to be the free act and deed of said general
partnership. X ~~AND~~ ~~WITNESSED~~ ~~BY~~ ~~ME~~ ~~THE~~ ~~NOTARY~~ ~~PUBLIC~~

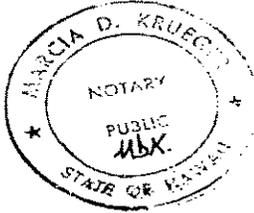


Patricia D. Brueger
Notary Public, State of Hawaii

My Commission Expires: April 15, 1991
-59-

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

On this 17th day of APRIL, 1990, before me appeared COLIN de SILVA, to me personally known, who, being by me duly sworn, did say that he is the President of BUSINESS INVESTMENT, LTD., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said COLIN de SILVA acknowledged said instrument to be the free act and deed of said corporation.



1699R

Marcia D. Krueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1991

DOUBLE SYSTEM

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220-4807
145

L-277

STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

MAY 14, 1997 02:15 PM

MAY 14, 1997 02:15 PM

Doc No(s) 2380973

Doc No(s) 97-062897

on Cert(s) AS LISTED HEREIN

/s/ CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Return by: Mail [] Pickup [AAA] 10:

RICHARD S. EKIMOTO, ESQ.
1132 Bishop Street, Suite 902
Honolulu, Hawaii 96813-2830
Telephone: (808) 523-0702

kat quorum.amd

This document contains 8 pages

Condominium Map No. 774 filed in the Land Court
Condominium Map No. 1312 recorded in the Bureau of Conveyances

**AMENDMENT TO THE BYLAWS OF THE ASSOCIATION
OF APARTMENT OWNERS OF THE IMPERIAL PLAZA**

WHEREAS, by Declaration of Condominium Property Regime of The Imperial Plaza dated April 4, 1990, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1719508, noted on Transfer Certificate of Title No. 333,091 and as well as the Transfer Certificates of Title Nos. listed on the attached Exhibit "A", and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-48554, as amended, 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership and BUSINESS INVESTMENT, LTD., a Hawaii corporation, did submit their respective interests in those certain parcels of land and the improvements thereon to the condominium property regime established by Chapter 514A, Hawaii Revised Statutes, as amended.

WHEREAS, the Bylaws of the Association of Apartment Owners of The Imperial Plaza is dated April 4, 1990 and filed in said Land Court as Document No. 1719509, and also recorded in said Bureau of Conveyances as Document No. 90-48555, as amended.

WHEREAS, Hawaii Revised Statutes §514A-82(b)(2) provides that the bylaws of condominium associations may be amended by the affirmative vote or written consent of 65% of the apartment owners; and

WHEREAS, more than 65% of the apartment owners voted to amend the Bylaws as hereinafter set forth;

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

Article II, Section 7 of the Bylaws is hereby amended to read as follows:

Section 7. Quorum. The presence at any meeting in person or by proxy of more than forty percent (40%) of apartment owners shall constitute a quorum, and the acts of a majority of the voting owners at any meeting of the Association at which a quorum is present shall be binding upon all apartment owners for all purposes except where in the Declaration or by these Bylaws or by law a higher percentage vote is required. The term "majority of apartment owners" herein means the owners of apartments to which are appurtenant more than fifty percent (50%) of the common interests of the Project as established by the Declaration, and any specified percentage of the apartments owners means the owners of apartments to which are appurtenant such percentage of the common interests. The term "majority of the voting owners" shall mean and refer to those voting owners whose apartments have appurtenant thereto more than fifty percent (50%) of the common interests of the Project as established by the Declaration, represented or present at any meeting of the Association.

The undersigned officers of the Association hereby certify that the foregoing Bylaw amendments were adopted by the written consent of the owners of more than 65% of the Imperial Plaza apartment owners.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this 26th day of February, 1977.

ASSOCIATION OF APARTMENT OWNERS
OF THE IMPERIAL PLAZA

By: Richard G. Matti
Type: Richard G. Matti
Name: RICHARD G. MATTI
Its: President

By: Frederick R. Mayer
Type: Frederick R. Mayer
Name: FREDERICK R. MAYER
Its: SECRETARY

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

On this 26th day of February, 1997, before me appeared Richard G. Motta, to me personally known, who being by me duly sworn, did say that he is the President of the Board of Directors of the Association of Apartment Owners of Imperial Plaza; that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors; and acknowledged that he executed the same as the free act and deed of said Association. Said Association has no seal.

L.S.



Notary Public, State of Hawaii

My commission expires: 02-16-98

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

On this 26th day of February, 1997, before me appeared Fredrick R. MAYER, to me personally known, who being by me duly sworn, did say that he is the Secretary of the Board of Directors of the Association of Apartment Owners of Imperial Plaza; that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors; and acknowledged that he executed the same as the free act and deed of said Association. Said Association has no seal.

L.S.



Notary Public, State of Hawaii

My commission expires: 02-16-98

EXHIBIT "A"

| <u>Apartment No.</u> | <u>TCT No.</u> | <u>Apartment No.</u> | <u>TCT No.</u> |
|----------------------|----------------|----------------------|----------------|
| 601 | 405513 | 805 | 393707 |
| 602 | 395398 | 806 | 398509 |
| 603 | 396339 | 811 | 389146 |
| 604 | 427288 | 812 | 442598 |
| 605 | 415379 | 813 | 333091 |
| 606 | 406381 | 814 | 385216 |
| 611 | 437706 | 815 | 389145 |
| 612 | 461590 | 816 | 389697 |
| 613 | 333091 | 817 | 400319 |
| 614 | 387480 | 818 | 404338 |
| 615 | 463439 | 819 | 333091 |
| 616 | 391766 | 901 | 397590 |
| 617 | 447934 | 902 | 435102 |
| 618 | 462243 | 903 | 485495 |
| 619 | 459396 | 904 | 403571 |
| 620 | 456576 | 905 | 394442 |
| 621 | 333091 | 906 | 429295 |
| 622 | 391226 | 1001 | 431345 |
| 701 | 393705 | 1002 | 486830 |
| 702 | 393618 | 1003 | 394517 |
| 703 | 396224 | 1004 | 422765 |
| 704 | 403570 | 1005 | 441368 |
| 705 | 393786 | 1006 | 394771 |
| 706 | 395603 | 1011 | 333091 |
| 801 | 393345 | 1012 | 429296 |
| 802 | 455640 | 1013 | 389511 |
| 803 | 401064 | 1014 | 388867 |
| 804 | 426321 | 1015 | 391858 |

| <u>Apartment No.</u> | <u>TCT No.</u> | <u>Apartment No.</u> | <u>TCT No.</u> |
|----------------------|----------------|----------------------|----------------|
| 1016 | 389513 | 1505 | 424175 |
| 1017 | 436244 | 1506 | 392494 |
| 1101 | 430983 | 1601 | 395043 |
| 1102 | 425660 | 1602 | 438345 |
| 1103 | 425290 | 1603 | 397931 |
| 1104 | 400049 | 1604 | 393571 |
| 1105 | 392942 | 1605 | 417189 |
| 1106 | 465837 | 1606 | 441127 |
| 1201 | 396492 | 1701 | 395198 |
| 1202 | 422725 | 1702 | 397021 |
| 1203 | 410960 | 1703 | 484947 |
| 1204 | 397589 | 1704 | 394281 |
| 1205 | 401360 | 1705 | 461690 |
| 1206 | 454866 | 1706 | 441548 |
| 1211 | 439079 | 1801 | 427649 |
| 1212 | 433788 | 1802 | 403086 |
| 1213 | 401747 | 1803 | 396644 |
| 1214 | 393479 | 1804 | 404160 |
| 1215 | 393480 | 1805 | 454595 |
| 1401 | 456848 | 1806 | 393162 |
| 1402 | 463725 | 1901 | 409910 |
| 1403 | 432328 | 1902 | 393572 |
| 1404 | 390618 | 1903 | 474583 |
| 1405 | 395604 | 1904 | 454847 |
| 1406 | 458388 | 1905 | 391351 |
| 1501 | 401596 | 1906 | 394634 |
| 1502 | 393344 | 2001 | 333091 |
| 1503 | 423271 | 2002 | 394861 |
| 1504 | 395317 | 2003 | 430701 |

| <u>Apartment No.</u> | <u>TCT No.</u> | <u>Apartment No.</u> | <u>TCT No.</u> |
|----------------------|----------------|----------------------|----------------|
| 2004 | 394862 | 2501 | 480291 |
| 2005 | 439312 | 2502 | 460430 |
| 2006 | 422454 | 2503 | 398081 |
| 2101 | 394956 | 2504 | 458035 |
| 2102 | 405514 | 2505 | 424898 |
| 2103 | 425800 | 2601 | 481950 |
| 2104 | 400666 | 2602 | 425389 |
| 2105 | 392025 | 2603 | 461965 |
| 2106 | 395929 | 2604 | 391225 |
| 2201 | 402063 | 2605 | 472987 |
| 2202 | 398003 | 2701 | 407432 |
| 2203 | 392493 | 2702 | 477645 |
| 2204 | 399602 | 2703 | 333091 |
| 2205 | 449921 | 2704 | 395602 |
| 2206 | 444767 | 2705 | 411373 |
| 2301 | 400574 | 2801 | 393089 |
| 2302 | 398005 | 2802 | 472579 |
| 2303 | 394957 | 2803 | 479012 |
| 2304 | 438351 | 2804 | 395122 |
| 2305 | 429540 | 2805 | 460404 |
| 2306 | 410716 | 2901 | 394029 |
| 2401 | 394280 | 2902 | 398767 |
| 2402 | 479241 | 2903 | 444195 |
| 2403 | 437622 | 2904 | 456193 |
| 2404 | 394694 | 2905 | 470318 |
| 2405 | 394772 | 3001 | 410541 |
| 2406 | 432151 | 3002 | 485589 |

| <u>Apartment No.</u> | <u>TCT No.</u> | <u>Apartment No.</u> | <u>TCT No.</u> |
|----------------------|----------------|----------------------|----------------|
| 3003 | 392611 | 3701 | 333091 |
| 3004 | 333091 | 3702 | 333091 |
| 3005 | 438742 | 3703 | 333091 |
| 3101 | 479606 | 3704 | 333091 |
| 3102 | 462055 | 3802 | 333091 |
| 3103 | 333091 | 3804 | 333091 |
| 3104 | 458326 | 3901 | 333091 |
| 3105 | 462244 | 3902 | 333091 |
| 3201 | 401985 | 3903 | 333091 |
| 3202 | 479330 | | |
| 3203 | 394515 | C-101 | 433498 |
| 3204 | 333091 | C-102 | 428493 |
| 3205 | 488506 | C-103 | 431561 |
| 3301 | 470827 | C-104 | 385286 |
| 3302 | 429926 | C-105 | 382765 |
| 3303 | 333091 | C-106 | 382773 |
| 3304 | 392685 | C-107 | 382757 |
| 3305 | 470134 | C-108 | 382758 |
| 3401 | 476551 | C-109 | 382759 |
| 3402 | 480604 | C-110 | 440251 |
| 3403 | 458730 | C-111 | 384321 |
| 3404 | 333091 | C-112 | 408643 |
| 3405 | 445706 | C-114 | 382766 |
| 3501 | 333091 | C-115 | 382772 |
| 3502 | 408267 | C-116 | 333091 |
| 3503 | 333091 | C-117 | 333091 |
| 3504 | 333091 | C-118 | 390101, 390102 |
| 3602 | 333091 | C-119 | 383449 |
| 3604 | 333091 | C-120 | 382764 |

| <u>Apartment No.</u> | <u>TCT No.</u> | | |
|----------------------|----------------|-------|--------|
| C-121 | 397528 | C-301 | 365909 |
| C-122 | 389203, 398379 | C-302 | 333091 |
| C-123 | 442761 | C-303 | 333091 |
| C-124 | 456868 | C-304 | 333091 |
| C-125 | 448180 | C-305 | 398774 |
| C-126 | 382769 | C-306 | 365911 |
| C-201 | 408387 | C-307 | 382763 |
| C-202 | 431108 | C-308 | 382768 |
| C-203 | 431109 | C-309 | 386830 |
| C-204 | 388148 | C-310 | 333091 |
| C-205 | 333091 | C-311 | 382767 |
| C-206 | 380532 | C-312 | 382762 |
| C-207 | 477240 | C-401 | 382380 |
| C-208 | 333091 | | |
| C-209 | 441363 | | |
| C-210 | 333091 | | |
| C-211 | 439457 | | |
| C-212 | 333091 | | |

DOUBLE SYSTEM

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A.C. 11

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STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDS

JUL 17 AM 8 01

333,091

S. FUJIKAWA, REGISTRAR

W

LAND COURT SYSTEM

REGULAR SYSTEM

Return By: Mail () Pickup () To:

Security Title Corporation

① STC 158944
(PO ONLY)

FIRST AMENDMENT TO BYLAWS OF ASSOCIATION
OF APARTMENT OWNERS OF THE IMPERIAL PLAZA

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the Bylaws of Association of Apartment Owners of The Imperial Plaza (the "Bylaws") dated April 4, 1990, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1719509 and noted on Transfer Certificate of Title No. 333,091, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-48555, was adopted by 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership (therein and herein called the "Owner"), and BUSINESS INVESTMENT, LTD., a Hawaii corporation (therein and herein called the "Developer"), as the Bylaws of the condominium project known as "The Imperial Plaza" (the "Project"); and

WHEREAS, the Owner is the owner of all but two of the apartments of the Project; and

WHEREAS, the Bylaws provide that the Bylaws may be amended by affirmative vote or written consent of sixty-five percent (65%) of all apartment owners;



NOW, THEREFORE, the Owner and the Developer do hereby amend the Bylaws in the following particulars:

1. By adding the following new paragraph after the second full paragraph in Article II, Section 9 (appearing on page 8 of the Bylaws):

"All official proxy forms provided by the Board of Directors shall also contain a box wherein the apartment owner may indicate the apartment owner's wishes in respect of the annual audit as more particularly described in Article V, Section 1 of these Bylaws."

2. By amending in its entirety Article III, Section 11 (appearing on page 14 of the Bylaws) to read as follows:

"Section 11. Fidelity Bonds. The Board shall secure annually on behalf of the Association a fidelity bond covering the Managing Agent (if the Board chooses to employ a managing agent) and all directors, officers, employees and volunteers of the Association handling or responsible for funds belonging to or administered by the Association. The premiums for such fidelity bond shall be paid by the Association. The amount of such fidelity bond shall be determined from time to time by the Board but shall not be less than the lesser of (a) \$100,000.00 or (b) an amount equal to \$500.00 multiplied by the number of apartments in the Project."

3. By amending in its entirety Article IV, Section 9 (appearing on page 19 of the Bylaws) to read as follows:

"Section 9. Audits. The Association shall require an annual audit of the Association's financial accounts and no less than one (1) annual unannounced verification of the Association's cash balance by a public accountant."

4. By adding the following new paragraph (s) at the end of Article V, Section 1 (at page 26 of the Bylaws):

"(s) Make available a copy of the annual audit of the Association's financial accounts to each apartment owner at least thirty (30) days prior to the annual meeting of the Association which follows the end of the Association's fiscal year. The Board shall provide upon all official proxy forms a box wherein the apartment owner may indicate that the apartment owner wishes to obtain either a summary of the annual audit report or an unabridged copy thereof. The Board shall not be required to submit a summary of the annual audit report or an unabridged

copy thereof to the apartment owner if the proxy form is not marked. If the annual audit has not been completed by that date, the Board shall make available:

"(i) An unaudited year end financial statement for the fiscal year to each apartment owner at least thirty (30) days prior to the annual meeting; and

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

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

5. By amending in its entirety Article V, Section 2 (appearing on pages 26, 27 and 28 of the Bylaws) to read as follows:

"Section 2. Managing Agent. The Board of Directors may employ a responsible corporate managing agent authorized to do business in the State of Hawaii to manage and operate the Project subject at all times to the direction and supervision by the Board, with all of the administrative functions specifically set forth on the preceding Section 1 and with such other powers and duties and at such compensation as the Board may establish from time to time. Every such employment contract shall provide: (a) that it may be terminated by the Board for cause on no more than thirty (30) days' written notice and without cause on no more than ninety (90) days' written notice; (b) that in no event shall a termination fee be due and owing the Managing Agent in the event of such termination; and (c) in no event shall such employment contract be for a fixed term exceeding one (1) year. The funds in the general operating account of the Association shall not be commingled with funds of other activities such as lease rent collections and rental operations, nor shall the Managing Agent commingle any funds of the Association with its own funds. For purposes of this Section, lease rent collections and rental operations shall not include the rental or leasing of common elements that is conducted on behalf of the Association; provided that the collection is allowed by the provisions of the Declaration or these Bylaws and the system of lease rent collection is approved by a majority vote of all apartment owners at a meeting of the Association. All funds collected by the Managing Agent shall be deposited in a financial institution located in the State of Hawaii whose deposits are insured by an agency of the United States government, or held by a corporation authorized to do business

under Chapter 406, Hawaii Revised Statutes, as amended, or invested in the obligations of the United States government. All funds collected by the Managing Agent from the Association shall be held in a client trust fund account and shall be disbursed only by the Managing Agent or the Managing Agent's employees under the supervision of the Board. The Managing Agent shall not transfer funds of the Association by telephone between accounts, including but not limited to the general operating account and the Maintenance Reserve Fund. The Managing Agent shall keep and disburse funds collected on behalf of the Association in strict compliance with any agreement made with the Association, Chapter 467 of the Hawaii Revised Statutes, as amended, the Rules of the Real Estate Commission and all other applicable laws. If the Board chooses not to employ a managing agent, the Board shall be solely responsible to discharge its duties under the Declaration and these Bylaws."

6. By amending in its entirety Article VI, Section 6 (appearing on page 36 of the Bylaws) to read as follows:

"Section 6. Assessments. All apartment owners shall pay to the Managing Agent (or the Board if the Board chooses not to employ a managing agent) in advance on the first day of each and every month the monthly installments of assessments against their respective apartments for common expenses of the Project in accordance with the Declaration."

7. By amending in its entirety Article VI, Section 8(a) (appearing on page 37 of the Bylaws) to read as follows:

"Section 8. Repair and Maintenance of Apartments.

"(a) Every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment and the limited common elements appurtenant thereto, including without limitation all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning or ventilation ducts, 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 repairs and amendments whatsoever in good order and condition except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board 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 (or the Board if the Board chooses not to employ a managing agent) of any such loss or damage or other defect in the Project when discovered."

8. By amending in its entirety Article VII, Section 8 (appearing on pages 53 and 54 of the Bylaws) to read as follows:

"Section 8. Record of Ownership. Every apartment owner and every vendee of an apartment under an agreement of sale shall promptly cause to be duly filed with the Land Court and recorded in the Bureau of Conveyances the deed, agreement of sale or other conveyance to him of such apartment or other evidence of his title thereto and shall present such evidence of his title to the Board through the Secretary or the Managing Agent. Every apartment owner and vendee as aforesaid shall file with the Managing Agent (or the Board if the Board chooses not to employ a managing agent) a copy of any rental agreement or lease in respect of his apartment which he may have executed with a tenant or lessee and shall file with the Managing Agent (or the Board if the Board chooses not to employ a managing agent) written notice of termination of said rental agreement or lease in the event of termination or expiration of the same. The Board shall keep an accurate and current list of members of the Association and their current addresses and the names and addresses of the vendees under an agreement of sale, if any. The list shall be maintained at a place designated by the Board and a copy shall be available, at cost, to any member of the Association who furnishes to the Board a duly executed and acknowledged affidavit stating that the list (i) 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 matters of the Association and (ii) shall not be used by such owner or transferred, loaned, sold, distributed and furnished to anyone else (including any other member of the Association) for any other purpose."

The Bylaws, as herein amended, is hereby confirmed and ratified.

AND FUKUOKA JISHO CORPORATION, a Japan corporation, the holder of the mortgages, assignments and financing

statements covering the Project and all of the unsold apartments therein, does hereby approve and consent to the within and foregoing amendment to the Bylaws.

AND JAS. W. GLOVER HOLDING COMPANY, LTD., a Hawaii corporation, the owner of apartments numbered C301 and C306, the only two apartments in the Project not owned by the Owner, does hereby join in and consent to the within and foregoing amendment to the Bylaws.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this 9th day of July, 1991.

725 KAPIOLANI ASSOCIATES, a Hawaii general partnership

By GAMBOW LIMITED PARTNERSHIP,
a Hawaii limited partnership
A General Partner

By GGKB, INC., a Hawaii corporation
Its General Partner

By Colin de Silva
COLIN de SILVA
Its President

Owner

BUSINESS INVESTMENT, LTD.

By Colin de Silva
COLIN de SILVA
Its President

Developer

FUKUOKA JISHO CORPORATION

By Keisuke Tawara
KEISUKE TAWARA
Its Director

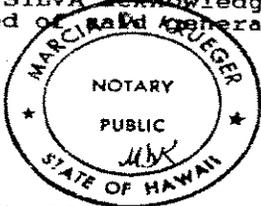
JAS. W. GLOVER HOLDING COMPANY,
LTD.

By *Stanley T. Doi*
STANLEY T. DOI
Its Vice President

By *Mabel A. Yokomoto*
MABEL A. YOKOMOTO
Its Secretary-Treasurer

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

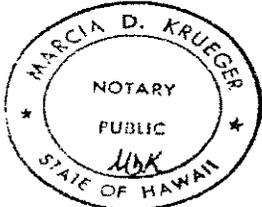
On this 18th day of JUNE, 1991, before me appeared COLIN de SILVA, to me personally known, who, being by me duly sworn, did say that he is the President of GGKB, INC., a Hawaii corporation, general partner of GAMBOW LIMITED PARTNERSHIP, a general partner of 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership; that said instrument was executed in the name and on behalf of said limited partnership as general partner of said general partnership by said corporation as its general partner; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation in the name and on behalf of said limited partnership as general partner of said general partnership by authority of the Board of Directors of said corporation, and the said COLIN de SILVA acknowledged said instrument to be the free act and deed of said general partnership.



Marcia D. Krueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1995

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

On this 18th day of JUNE, 1991, before me appeared COLIN de SILVA, to me personally known, who, being by me duly sworn, did say that he is the President of BUSINESS INVESTMENT, LTD., a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said COLIN de SILVA acknowledged said instrument to be the free act and deed of said corporation.

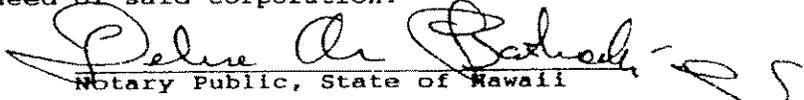


Marcia D. Krueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1995



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

On this 9th day of July, 1991, before me appeared KEISUKE TAWARA, to me personally known, who, being by me duly sworn, did say that he is a Director of FUKUOKA JISHO CORPORATION, a Japan corporation, and that said corporation has no corporate seal, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said KEISUKE TAWARA acknowledged said instrument to be the free act and deed of said corporation.


Notary Public, State of Hawaii
My Commission Expires: 6-29-94

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

On this 24th day of June, 1991, before me appeared STANLEY T. DOI and MABEL A. YOKOMOTO, to me personally known, who, being by me duly sworn, did say that they are the Vice President and Secretary-Treasurer, respectively, of JAS. W. GLOVER HOLDING COMPANY, a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said STANLEY T. DOI and MABEL A. YOKOMOTO acknowledged said instrument to be the free act and deed of said corporation.

ST


Notary Public, State of Hawaii
My Commission Expires: 9-16-93

725Kap/Imp/Plaza/1stAwd/Bylaws

L-150

STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

SEP 29. 1994 08:01 AM

Doc No(s) 2183853

on Cert(s) 333.091

/s/ S. FURUKAWA
ASSISTANT REGISTRAR

B-178

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

SEP 29. 1994 08:01 AM

Doc No(s) 94-15927R

/s/ S. FURUKAWA
REGISTRAR OF CONVEYANCES

LAND COURT SYSTEM

Return By: Mail () Pickup () To:

DS
1

Security Title Corporation
etc 159,158

TENTH AMENDMENT TO DECLARATION OF
CONDOMINIUM PROPERTY REGIME OF THE IMPERIAL PLAZA

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, by Declaration of Condominium Property Regime of The Imperial Plaza dated April 4, 1990, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court") as Document No. 1719508 and noted on Transfer Certificate of Title No. 333,091, and also recorded in the Bureau of Conveyances of the State of Hawaii (the "Bureau of Conveyances") as Document No. 90-048554, as amended by instruments dated June 18, 1991, October 15, 1991, February 6, 1992, April 9, 1992, June 22, 1992, July 20, 1992, -----, 1992, August 7, 1992, and November 9, 1992, filed in the Land Court as Document Nos. 1836022, 1858920, 1888146, 1908603, 1927259, 1935157, 1969959, 2022500, and 1971548, respectively, and also recorded in the Bureau of Conveyances as Document Nos. 91-95447, 91-142482, 92-020176, 92-067692, 92-106455, 92-119498, 92-184368, 92-----, and 92-187550, respectively (said Declaration, as amended, herein collectively called the "Declaration"), 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership (therein and herein called the "Owner"), and BUSINESS INVESTMENT, LTD., a Hawaii corporation ("BIL"), did submit their respective interests in those certain parcels of land and the improvements constructed



and to be constructed thereon, all as more particularly described in the Declaration (therein and herein called the "Project"), to the condominium property regime established by Chapter 514A, Hawaii Revised Statutes, as amended, to be known as "The Imperial Plaza" and shown on the plans therefor filed in the Land Court as Condominium Map No. 774 and also filed in the Bureau of Conveyances as Condominium Map No. 1312; and

WHEREAS, BIL is referred to in the Declaration as the Developer pursuant to that certain unrecorded agreement evidenced by letter dated July 7, 1989, by and between the Owner and BIL; and

WHEREAS, by that certain unrecorded letter dated August 5, 1992, addressed to the Owner, BIL acknowledged and confirmed that all of the rights and powers reserved to the Developer of the Project by the terms of the Declaration were reserved to BIL solely in its capacity as the agent or representative of the Owner, and such rights and powers inure exclusively to the benefit of the Owner and may be exercised by the Owner through its authorized agents or representatives as constituted from time to time; and

WHEREAS, since construction of the Project has been completed and further since BIL's services as the Developer of the Project were no longer required, BIL withdrew as the Developer of the Project effective as of September 30, 1992; and

WHEREAS, effective as of October 1, 1992, the Owner has acted on its own behalf as the Developer of the Project; and

WHEREAS, the Declaration provides that the Owner and the Developer excepted and reserved the right, power and authority, without the consent or joinder of any person then having an interest in an apartment, to amend the Declaration by filing and recording an amendment to which shall be attached a verified statement of a licensed registered architect or professional engineer certifying that the final plans theretofore filed and recorded or being filed and recorded simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; and

WHEREAS, the Declaration provides that the Owner reserved unto itself the right, power and authority (a) to convey

a portion of those certain parcels of land more particularly described in Exhibit "A" attached to the Declaration (the "Land") to the City and County of Honolulu in exchange for a portion of Dreier Street and to consolidate a portion of the Land and a portion of Dreier Street into a single lot, which will be submitted to the condominium property regime, and (b) to dedicate a portion of the Land for public facilities pursuant to the requirements of The Kakaako Community Development District Rules of the Hawaii Community Development Authority; and

WHEREAS, the Owner as the owner of Residential Apartment numbered 1211 is desirous of reducing the size of parking stalls numbered 3011SM and 3012SM from standard modified stalls to compact stalls to conform with their depictions on the Condominium Map, and the Owner as the owner of the aforesaid parking stalls approves of the aforesaid reduction of the same; and

NOW, THEREFORE, the Owner (for itself and as the Developer of the Project) does hereby amend the Declaration in the following particulars:

1. By filing in the Land Court and in the Bureau of Conveyances concurrently herewith the final plans of the Project which fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments of the Project as built. Said final plans modify the ground floor of the platform as described in paragraph B.2 of the Declaration by adding the following thereto: a manager's office for The Imperial, a security room for The Plaza, a storage room and a commercial trash room. Said final plans also modify the third floor of the platform as described in paragraph B.2 of the Declaration by adding three (3) storage rooms thereto. Said final plans also modify the list of rooms or areas of Residential Apartments numbered 615, 618 and 1212 owned by the Owner by deleting therefrom the walk-in closet set forth for Type "BB, BBR" Residential Apartments on page 2 of Exhibit "C" to the Declaration. Paragraph B.4 of the Declaration provides in part that if the descriptions set forth in the Declaration conflict with the depictions shown on the Condominium Map, the Condominium Map shall control.

2. By filing in the Land Court and also recording in the Bureau of Conveyances the verified statement of the

registered architect certifying that the final plans heretofore filed, as amended by the plans being filed simultaneously herewith, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments of the Project as built, which verified statement is attached hereto and made a part hereof.

3. The description of the parcels of land submitted to this condominium property regime as set forth on Exhibit "A" to the Declaration is amended in its entirety, and the parcels of land submitted to this condominium property regime is set forth on Exhibit "A" attached hereto and made a part hereof.

4. By reducing the size of parking stalls numbered 3011SM and 3012SM appurtenant to Residential Apartment numbered 1211 so that the same shall henceforth be compact stalls designated as 3011C and 3012C.

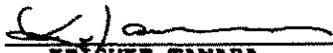
The Declaration, as herein amended, is hereby confirmed and ratified.

AND FUKUOKA JISHO CORPORATION, a Japan corporation, the holder of the mortgages, assignments and financing statements covering the Project and all of the unsold apartments therein, does hereby approve and consent to the within and foregoing amendment to the Declaration.

IN WITNESS WHEREOF, the Owner and FUKUOKA JISHO CORPORATION have executed this instrument on this 21st day of March, 1993.

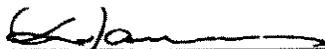
725 KAPIOLANI ASSOCIATES, a Hawaii general partnership

By F.J. USA, INC., a Hawaii corporation, a General Partner

By 
KEISUKE TAWARA
Its President

Owner

FUKUOKA JISHO CORPORATION

By 
KEISUKE TAWARA
Its Director

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

On this 23rd day of December, 1993, before me appeared KEISUKE TAWARA, to me personally known, who, being by me duly sworn, did say that he is the President of F.J. USA, INC., a Hawaii corporation, a general partner of 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership; that said instrument was executed in the name and on behalf of said corporation as a general partner of said general partnership; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation as a general partner of said general partnership by authority of the Board of Directors of said corporation, and the said KEISUKE TAWARA acknowledged said instrument to be the free act and deed of said general partnership.

Joanna K. A. Young
Notary Public, State of Hawaii

My Commission Expires: 10/21/94

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

On this 23rd day of December, 1993, before me appeared KEISUKE TAWARA, to me personally known, who, being by me duly sworn, did say that he is a Director of FUKUOKA JISHO CORPORATION, a Japan corporation, that the corporation has no corporate seal, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said KEISUKE TAWARA acknowledged said instrument to be the free act and deed of said corporation.

Joanna K. A. Young
Notary Public, State of Hawaii

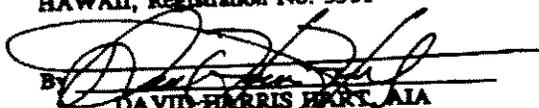
My Commission Expires: 10/21/94

725kap/imp/1axa/10thAmd/Dec1

CERTIFICATION OF ARCHITECT

We hereby certify that the final plans of Condominium Map Nos. 774 and 1312, as amended by the plans being filed simultaneously with the 10th Amendment to Description of Condominium Property Regime of The Imperial Plaza, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments of The Imperial Plaza condominium project as built.

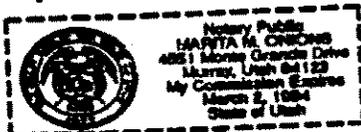
DANIEL, MANN, JOHNSON, & MENDENHALL/
HAWAII, Registration No. 3531

By 
DAVID HARRIS HART, AIA
Division Manager

Subscribed and sworn to before me
this 7 day of December, 1992


Notary Public, State of Utah

My Commission Expires:



PARCEL FIRST:

All of that certain parcel of land (designated as Lot A-1), being a portion of R. P. 5716, L. C. Aw. 10,605, Apana 7 to Kamakee, Piikoi, and being also the unregistered portion of Lot A of the consolidation and resubdivision of (a) Lot 1 of the consolidation-resubdivision of Lots 1, 2, 3 and 4, Block 18 of Cyclomere Tract and portion of Grant 9449 to August Dreier, Ltd., (b) abandoned portion of Dreier Street, (c) Block 20 of Cyclomere Tract, and (d) portion of Grant 9449 to August Dreier, Ltd., Lots 8, 9, 11, 12 and portion of Lot 10, Block 16 of Kewalo Tract, situated at Kewalo, Honolulu, Oahu, Hawaii, and being more particularly described as follows:

Beginning at a "concrete nail" at the Northeast corner of this parcel of land, the east corner of Land Court Application 374 and on the Southwest side of Kapiolani Boulevard, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 3980.24 feet South and 1873.02 feet West, thence running by azimuths measured clockwise from True South:

1. 335° 46' 24.91 feet along the Southwest side of Kapiolani Boulevard to a 1/2" pipe (found);
2. 323° 50' 133.04 feet along the Southwest side of Kapiolani Boulevard to a 1/2" pipe;
3. Thence along the new Dreier Street on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: 7° 51' 27.79 feet to a 1/2" pipe;
4. 51° 52' 170.46 feet along the Northwest side of the new Dreier Street to an "---" cut in concrete sidewalk;
5. Thence along the North corner of the intersection of the new Dreier Street and Waimanu Street on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: 96° 52' 28.28 feet;
6. Thence continuing along the new Northeasterly side of Waimanu Street on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: 186° 52' 28.28 feet;
7. 141° 52' 2.92 feet along the new Northeasterly side of Waimanu Street;
8. Thence along the new Northeasterly side of Waimanu Street on a curve to the left with a radius of 20.00 feet, the chord azimuth and distance being: 96° 52' 28.28 feet;

EXHIBIT "A"

9. 141° 52' 12.08 feet along the new Northeasterly side of Waimanu Street;
10. 51° 52' 50.00 feet along the Northwesterly end of Waimanu Street;
11. 51° 45' 30" 99.04 feet along Lot 1, Block 19 of Kewalo Tract to a concrete nail on top of tile wall;
12. 321° 43' 0.55 feet along Lot 1, Block 19 of Kewalo Tract to a 1/2" pipe;
13. 51° 52' 101.00 feet along Lot 13, Block 16 of Kewalo Tract;
14. 141° 52' 181.00 feet along the Northeast side of Kawaiahae Street;
15. Thence along Lot B, being a portion of Lot 10, Block 16 of Kewalo Tract, with a radius of 20.00 feet, the chord azimuth and distance being: 186° 52' 28.28 feet;
16. 231° 52' 130.76 feet along the Southeast side of Cooke Street;
17. 321° 53' 100.05 feet along Land Court Application 432;
18. 231° 35' 250.90 feet along Land Court Application 432;
19. 231° 52' 69.40 feet along Land Court Application 374 to the point of beginning and containing an area of 77,321 square feet or 1.775 acres, as per survey of Richard K. Kawasaki, Registered Professional Land Surveyor, dated October 23, 1990.

Parcel FIRST being (i) a portion of the land conveyed to 725 Kapiolani Associates, a Hawaii general partnership, by Warranty Deed dated April 12, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23076, Page 4, (ii) a portion of the land conveyed to 725 Kapiolani Associates by Limited Warranty Deed dated July 31, 1989, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1654814 and noted on Transfer Certificate of Title No. 333,091, and also recorded in said Bureau of Conveyances in Liber 23470, Page 37, and (iii) all of the land conveyed to 725 Kapiolani Associates by Warranty Deed dated October 16, 1990, recorded in said Bureau of Conveyances as Document No. 90-170941.

PARCEL SECOND:

Item One: All of that certain parcel of land situated at Kewalo, Honolulu, Oahu, Hawaii, containing an area of 24,927

EXHIBIT "A"

square feet, as shown on Map 1, filed in said Office of the Assistant Registrar with Land Court Application No. 432 of August Dreier, Ltd.

Item Two: All of that certain parcel of land (designated as Lot 2) situated at Kewalo, Honolulu, Oahu, Hawaii, containing an area of 8,030 square feet, as shown on Map ____, filed in said Office of the Assistant Registrar with Land Court Application No. 374 of August Dreier, Ltd.

Parcel SECOND being a portion of the land described in Transfer Certificate of Title No. 333,091 issued to 725 Kapiolani Associates and also being a portion of the land conveyed to 725 Kapiolani Associates by Limited Warranty Deed dated July 31, 1989, filed in said Office of the Assistant Registrar as Document No. 1654814 and also recorded in said Bureau of Conveyances in Liber 23470, Page 37.

SUBJECT, HOWEVER, to the following:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. As to Parcel FIRST only:
 - a. The terms and conditions set forth in and the obligation of the Association described in that certain Grant of Nonexclusive Easement dated October 27, 1992, recorded in said Bureau of Conveyances as Document No. 92-184447.
 - b. Permission dated April 30, 1898, by Li Cheung and others to Frank Hustace, his heirs or assigns, to lay, relay and maintain water pipes or mains through and upon lots at Kewalo, facing Cooke Street, or on Kawaihao Street, as the case may be, etc., as mentioned in that certain instrument recorded in said Bureau of Conveyances in Liber 178, Page 118.
3. As to Parcel SECOND only:
 - a. Walls of the multi-story building located on Land Court Application 374 and portion of Land Court Application 432 extends into Cooke Street, as per survey of Kazutaka Saiki, Registered Professional Land Surveyor, Certificate No. 740-S, dated November 2, 1991, as updated on November 7, 1991.
 - b. The wall at the Southeast corner of the existing building on Land Court Application 374 extends into Kapiolani Boulevard, a public right-of-way, as per survey of Kazutaka Saiki, Registered Professional Surveyor, Certificate No. 740-S, dated November 2, 1991, as updated on November 7, 1991.
4. Mortgage, Assignment of Rents and Security Agreement dated April 17, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, a Japan corporation, recorded in said Bureau of Conveyances in Liber 23076, Page 10.
5. Financing Statement dated April 17, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded in said Bureau of Conveyances in Liber 23076, Page 50.

EXHIBIT "A"

6. Additional Charge Mortgage dated July 31, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded in said Bureau of Conveyances in Liber 23470, Page 116.
7. Mortgage, Assignment of Rents and Security Agreement dated July 31, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, filed in said Office of the Assistant Registrar as Document No. 1654815 and also recorded in said Bureau of Conveyances in Liber 23470, Page 45.
8. Financing Statement dated July 31, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded in said Bureau of Conveyances in Liber 23470, Page 88.
9. Assignment of Leases dated July 31, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded in said Bureau of Conveyances in Liber 23470, Page 100.
10. Mortgage dated November 14, 1991, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, filed in said Office of the Assistant Registrar as Document No. 1864872 and also recorded in said Bureau of Conveyances as Document No. 91-156539.
11. Assignment of Tenant Leases dated February 23, 1989, made by and between 725 Kapiolani Associates, as Assignor, and Fukuoka Jisho Corporation, as Assignee, recorded in said Bureau of Conveyances as Document No. 91-156540.
12. Assignment of Sales Contract and Deposits made by and between 725 Kapiolani Associates, as Assignor, and Fukuoka Jisho Corporation, as Assignee, recorded in said Bureau of Conveyances as Document No. 91-156541.
13. Financing Statement made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded in said Bureau of Conveyances as Document No. 91-156542.
14. Terms and provisions of that certain Agreement dated February 9, 1990, made by and between Hawaii Community Development Authority and Business Investment, Ltd., recorded in said Bureau of Conveyances as Document No. 90-024575.
15. The obligation of the Association of Apartment Owners of The Imperial Plaza (the "Association") to maintain, at its sole expense, the landscaping on the land hereinafter described and the sidewalk area between Dreier Street and said landscaping according to the standards of the City and County of Honolulu for a period of thirty (30) years; and if said landscaping and said sidewalk area are not so maintained, the City and County of Honolulu may, after giving notice to the Association, expend its own funds and assess the costs to maintain said landscaping and said sidewalk area to the Association. Notwithstanding the foregoing, the Association's obligation to maintain said landscaping and said sidewalk area shall automatically terminate if (and as of the date) the City and County of Honolulu shall convey, lease, sell or transfer the land hereinafter described to a third party prior to the expiration

EXHIBIT "A"

of the aforesaid 30-year period. The land subject to the foregoing landscaping obligation of the Association is described as follows:

All of that certain parcel of land, being Lot 3 of the consolidation and resubdivision of Lots 1, 2, 3 and 4, Block 18 of Cyclowere Tract, being also a portion of R. P. 5716, L. C. Aw. 10,605, Apana 7 to Kamahee Piikoi, and portion of Grant 9449 to August Dreier, Ltd., situate at Kewalo, Honolulu, Oahu, Hawaii, and being more particularly described as follows:

Beginning at the East corner of this parcel of land and on the Northwest boundary of Lot 1 as shown on Map 1 of Land Court Application 1398, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 4,178.08 feet South and 1,735.25 feet West, thence running by azimuths measured clockwise from True South:

1. 51° 52' 206.10 feet along Lot 1 as shown on Map 1 of Land Court Application 1398;
2. Thence along Lot 2 of the consolidation and resubdivision of Lots 1, 2, 3 and 4, Block 18 of Cyclowere Tract and portion of Grant 9449 to August Dreier, Ltd., on a curve to the right having a radius of 20.00 feet, the chord azimuth and distance being: 194° 05' 20" 24.49 feet;
3. 231° 52' 167.37 feet along Lot 2 of the consolidation and resubdivision of Lots 1, 2, 3 and 4, Block 18 of Cyclowere Tract and portion of Grant 9449 to August Dreier, Ltd.;
4. Thence along Lot 2 of the consolidation and resubdivision of Lots 1, 2, 3 and 4, Block 18 of Cyclowere Tract and portion of Grant 9449 to August Dreier, Ltd., on a curve to the right having a radius of 20.00 feet, the chord azimuth and distance being: 269° 37' 40" 24.49 feet to the point of beginning and containing an area of 2,940 square feet, as per survey of Richard K. Kawasaki, Registered Professional Land Surveyor, Certificate No. 3844-S.

Being a portion of the land conveyed to 725 Kapiolani Associates by Warranty Deed dated April 12, 1989, recorded in said Bureau of Conveyances in Liber 23076, Page 4, and also being a portion of the land conveyed to the City and County of Honolulu by 725 Kapiolani Associates by Warranty Deed dated September 18, 1990, recorded in said Bureau of Conveyances as Document No. 90-165224.

16. The obligation of the Association to maintain, at its sole expense, the public park constructed on the land hereinafter described according to the standards of the City and

EXHIBIT "A"

County of Honolulu; and if said public park is not so maintained, the City and County of Honolulu may, after giving notice to the Association, expend its own funds and assess the costs to maintain said public park to the Association. The land subject to the foregoing obligation of the Association is described as follows:

All of that certain parcel of land (designated as LOT A), being the consolidation of Lots 1 and 36 of Block 6, Kewalo Tract, and the resubdivision of said consolidation into Lots A and B, and also being a portion of R. P. 5716, L. C. Aw. 10,605, Apena 7 to Kamakee Piikoi, situated at Kewalo, Honolulu, Oahu, Hawaii, and being more particularly described as follows:

Beginning at an "--->" cut in concrete at the West corner of this lot, the North corner of Lot 35, Block 6, Kewalo Tract, and on the Southeast side of Cooke Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 4279.84 feet South and 2414.67 feet West, thence running by azimuths measured clockwise from True South:

1. 231° 52' 70.00 feet along the Southeast side of Cooke Street;
2. Thence along Lot B, Block 6, Kewalo Tract of the consolidation and resubdivision of Lots 1 and 36 of Block 6, Kewalo Tract, on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: 276° 52' 28.28 feet;
3. 321° 52' 80.00 feet along Lot B, Block 6, Kewalo Tract, of the consolidation and resubdivision of Lots 1 and 36 of Block 6 of Kewalo Tract;
4. 51° 52' 90.00 feet along Lot B of Land Court Application 127 to a 1/2" pipe with plug;
5. 141° 52' 100.00 feet along Lot 35 of Block 6, Kewalo Tract, to the point of beginning and containing an area of 8,914 square feet, as per survey of Kazutaka Saiki, Registered Professional Land Surveyor, dated March 25, 1991.

Being a portion of the land conveyed to 725 Kapiolani Associates by Limited Warranty Deed dated July 31, 1989, filed in said Office of the Assistant Registrar as Document No. 1654814 and also recorded in said Bureau of Conveyances in Liber 23470, Page 37, and also being a portion of the land to be conveyed to the City and County of Honolulu by 725 Kapiolani Associates by Dedication Deed.

kkh/725KapAsso/InperP 1020/AnnDecE.sA

EXHIBIT "A"

-6-

DOUBLE SYSTEM

1836022

20

91 095447

Account

17 35 2 51

STATE OF HAWAII
BUREAU OF CONVEYANCES

11 00 17 AM 8 01

333,091

S. PUGHAWA, REGISTRAR
W

LAND COURT SYSTEM

REGULAR SYSTEM

Return By: Mail () Pickup () To: Security Title Corporation

STC 158944

(DOWN)

FIRST AMENDMENT TO DECLARATION OF
CONDOMINIUM PROPERTY REGIME OF THE IMPERIAL PLAZA

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, by Declaration of Condominium Property Regime of The Imperial Plaza (the "Declaration") dated April 4, 1990, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1719508 and noted on Transfer Certificate of Title No. 333,091, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-48554, 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership (therein and herein called the "Owner"), and BUSINESS INVESTMENT, LTD., a Hawaii corporation (therein and herein called the "Developer"), did submit their respective interests in those certain parcels of land and the improvements constructed and to be constructed thereon, all as more particularly described in the Declaration (therein and herein called the "Project"), to the condominium property regime established by Chapter 514A, Hawaii Revised Statutes, as amended, to be known as "The Imperial Plaza" and shown on the plans therefor filed in said Land Court as Condominium Map No. 774 and also



filed in said Bureau of Conveyances as Condominium Map No. 1312; and

WHEREAS, the Owner is the owner of 254 of the 256 apartments of the Project; and

WHEREAS, the Declaration provides that the Declaration may be amended by affirmative vote or written consent of seventy-five percent (75%) of all apartment owners; and

WHEREAS, the Declaration further provides that the Owner and the Developer reserves the right, without the consent or joinder of any person then having an interest in an apartment, to amend the Declaration pursuant to the provisions of paragraph P.4 thereof in order to convert two (2) or more commercial apartments into a single commercial apartment;

NOW, THEREFORE, the Owner and the Developer do hereby amend the Declaration in the following particulars:

1. By amending in its entirety the fifth sentence of paragraph B.2 (appearing on page 2 of the Declaration) to read as follows: "The fourth floor of The Galerie will contain one (1) commercial apartment."

2. By amending paragraph C.1.(b) (appearing on pages 6 and 7 of the Declaration) by substituting the word and numeral "fifty (50)" in place of the word and numeral "fifty-five (55)" appearing on the second, fourth and fifth lines thereof.

3. By amending in its entirety the first paragraph of paragraph A to Exhibit "B" to read as follows: "There will be twenty-seven (27) Commercial Apartments in the four (4) floors of The Galerie."

4. By amending in its entirety the fourth paragraph of paragraph A to Exhibit "B" to read as follows: "Apartment numbered C401 is located on the fourth floor of The Galerie."

5. By amending in its entirety the first paragraph of paragraph C to Exhibit "C" (appearing on page 3 thereof) to read as follows: "There will be twenty-seven (27) Commercial Apartments in The Galerie (seven on each of the ground and second floors, twelve on the third floor and one on the fourth floor) and twenty-three (23) Commercial Apartments on the 5-story platform (eighteen on the ground floor and five on the third floor)."

6. By amending the areas of the Commercial Apartments in The Galerie and the percent common interests of apartments numbered C112 and C305 (appearing on pages 7 and 8 of Exhibit "C") to read as follows:

| <u>Apt. No.</u> | <u>Net Living Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|--------------------|------------------------|-------------------|-------------------------|--------------------------------|
| <u>The Galerie</u> | | | | |
| C106 | 629 | 629 | 654 | .23 |
| C107 | 568 | 568 | 603 | .21 |
| C108 | 1,086 | 1,086 | 1,127 | .38 |
| C109 | 1,152 | 1,152 | 1,195 | .39 |
| C110 | 1,332 | 1,332 | 1,379 | .48 |
| C111 | 840 | 840 | 882 | .29 |
| C112 | 818 | 818 | 866 | .29 |
| C206 | 685 | 685 | 727 | .22 |
| C207 | 924 | 924 | 967 | .29 |
| C208 | 989 | 988 | 1,029 | .33 |
| C209 | 1,362 | 1,362 | 1,428 | .42 |
| C210 | 1,052 | 1,052 | 1,115 | .36 |
| C211 | 574 | 574 | 597 | .20 |
| C212 | 1,886 | 1,886 | 1,967 | .65 |
| C301 | 1,415 | 1,415 | 1,498 | .48 |
| C302 | 1,427 | 1,427 | 1,485 | .46 |
| C303 | 1,394 | 1,394 | 1,460 | .42 |
| C304 | 724 | 724 | 761 | .24 |
| C305 | 897 | 897 | 946 | .29 |
| C306 | 1,568 | 1,568 | 1,636 | .58 |
| C307 | 257 | 257 | 264 | .09 |
| C308 | 126 | 126 | 132 | .04 |
| C309 | 268 | 268 | 284 | .09 |
| C310 | 236 | 236 | 244 | .09 |
| C311 | 126 | 126 | 132 | .04 |
| C312 | 254 | 254 | 264 | .09 |
| C401 | 10,904 | 10,904 | 11,205 | 2.50" |

7. By amending Exhibit "C" to eliminate therefrom the Note in the middle of page 8 thereof which reads as

follows: "NOTE: The Galerie is an existing four (4) story building. The areas of the Commercial Apartments within the Galerie have not been verified. Furthermore, the Galerie will be renovated and a building permit will be required for the renovation work. Therefore, it is likely that the areas of the Commercial Apartments within the Galerie will change upon verification of such areas and/or upon any adjustments which may be made in order to obtain a building permit for the renovation work."

8. By amending the areas and percent common interests of apartments numbered C125 and C126 and the percent common interests of apartments numbered C202 and C204 (appearing on page 8 of Exhibit "C") to read as follows:

| <u>Apt. No.</u> | <u>Net Living Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|-----------------|------------------------|-------------------|-------------------------|--------------------------------|
| C125 | 1,005 | 1,005 | 1,112 | .34 |
| C126 | 1,141 | 1,141 | 1,189 | .36 |
| C202 | 1,491 | 1,491 | 1,525 | .50 |
| C204 | 1,410 | 1,410 | 1,459 | .49" |

9. By amending in its entirety the first sentence of paragraph C.3.(d) (appearing on page 11 of the Declaration) to read as follows: "(d) The separate men's and women's rest-rooms on each of the second and third floors of The Galerie shall be appurtenant to and for the exclusive use of the Commercial Apartments on such respective floors."

10. The parking stall assignment as shown on Exhibit "D" is amended in its entirety and the designation of the parking stalls now appurtenant to the apartments in the Project are as shown on Exhibit "D" attached hereto and made a part hereof.

11. By amending in its entirety paragraph C.3.(b) (appearing on page 10 of the Declaration) to read as follows:

"(b) The recreation deck located on the roof of the platform consisting of a swimming pool, a spa, a sun deck and a clubhouse complex consisting of separate men's and women's rest-rooms and saunas, a storage room, a kitchen and a meeting room shall be appurtenant to and for the exclusive use of the Residential Apartments."

12. By amending in its entirety Section I (appearing on page 24 of the Declaration) to read as follows:

"I. MANAGING AGENT. Operation of the Project may be conducted for the Association by a Managing Agent who shall be appointed by the Board in accordance with the Bylaws; provided, however, that the foregoing shall not be construed or interpreted to limit the powers and duties of the Merchants Committee as set forth in the Bylaws. If the Board chooses to employ a managing agent, the Managing Agent shall be a responsible corporation having its principal office in Honolulu and shall be authorized to do business under Chapter 406, Hawaii Revised Statutes, as amended, or shall be licensed as a real estate broker in compliance with Chapter 467, Hawaii Revised Statutes, as amended, and the rules of the Real Estate Commission, as amended. The Managing Agent shall at all times be in compliance with the fidelity bond and other requirements of Section 514A-95, Hawaii Revised Statutes, as amended, and shall register itself with the Real Estate Commission submitting information which shall include, but not be limited to, proof of fidelity bond coverage and the name, business address, and phone number of the Managing Agent. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in the Act. The Managing Agent of the Project as of the date hereof is General Management Corporation, with its place of business and post office address at Suite 2700, Pacific Tower, 1001 Bishop Street, Honolulu, Hawaii."

13. By amending in its entirety the last sentence of paragraph R.1 (appearing on page 48 of the Declaration) to read as follows: "The Owner and the Developer hereby further except and reserve the right, power and authority, without the consent or joinder of any person then having an interest in an apartment, (a) to amend this Declaration to consolidate the remaining portions of the Land and a portion of Dreier Street

into one or more lots submitted to the condominium property regime following the land exchange and the dedication for public facilities described in paragraphs E.9 and E.10 hereof and/or (b) to amend this Declaration pursuant to the provisions of paragraph P.4 hereof."

The Declaration, as herein amended, is hereby confirmed and ratified.

AND FUKUOKA JISHO CORPORATION, a Japan corporation, the holder of the mortgages, assignments and financing statements covering the Project and all of the unsold apartments therein, does hereby approve and consent to the within and foregoing amendment to the Declaration.

AND JAS. W. GLOVER HOLDING COMPANY, LTD., a Hawaii corporation, the owner of apartments numbered C301 and C306, the only two apartments in the Project not owned by the Owner, does hereby join in and consent to the within and foregoing amendment to the Declaration.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this 18th day of JUNE, 1991.

725 KAPIOLANI ASSOCIATES, a Hawaii
general partnership

By GAMBOW LIMITED PARTNERSHIP,
a Hawaii limited partnership
A General Partner

By GGKB, INC., a Hawaii corporation
Its General Partner

By *Colin de Silva*
COLIN de SILVA
Its President

Owner

BUSINESS INVESTMENT, LTD.

By Colin de Silva
- COLIN de SILVA
Its President
Developer

FUKUOKA JISHO CORPORATION

By Keisuke Tawara
KEISUKE TAWARA
Its Director

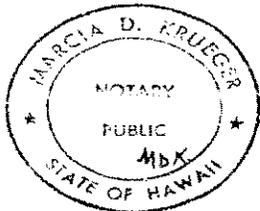
JAS. W. GLOVER HOLDING COMPANY,
LTD.

By Stanley T. Poi
STANLEY T. POI
Its Vice President

By Mabel A. Yokomoto
MABEL A. YOKOMOTO
Its Secretary-Treasurer

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

On this 18TH day of JUNE, 1991, before me appeared COLIN de SILVA, to me personally known, who, being by me duly sworn, did say that he is the President of GGKB, INC., a Hawaii corporation, general partner of GAMBOW LIMITED PARTNERSHIP, a general partner of 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership; that said instrument was executed in the name and on behalf of said limited partnership as general partner of said general partnership by said corporation as its general partner; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed in behalf of said corporation in the name and on behalf of said limited partnership as general partner of said general partnership by authority of the Board of Directors of said corporation, and the said COLIN de SILVA acknowledged said instrument to be the free act and deed of said general partnership.

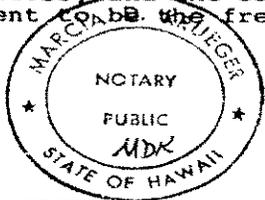


Marcia D. Krueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1995



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

On this 18th day of JUNE, 1991, before me appeared COLIN de SILVA, to me personally known, who, being by me duly sworn, did say that he is the President of BUSINESS INVESTMENT, LTD., a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said COLIN de SILVA acknowledged said instrument to be the free act and deed of said corporation.



Marcia B. Kueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1995

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

On this 9th day of July, 1991, before me appeared KEISUKE TAWARA, to me personally known, who, being by me duly sworn, did say that he is a Director of FUKUOKA JISHO CORPORATION, a Japan corporation, and that said corporation has no corporate seal, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said KEISUKE TAWARA acknowledged said instrument to be the free act and deed of said corporation.

Shun-ichi Sakurai
Notary Public, State of Hawaii
My Commission Expires: 6-29-94

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

On this 24th day of June, 1991, before me appeared STANLEY T. DOI and MABEL A. YOKOMOTO, to me personally known, who, being by me duly sworn, did say that they are the Vice President and Secretary-Treasurer, respectively, of JAS. W. GLOVER HOLDING COMPANY, a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said STANLEY T. DOI and MABEL A. YOKOMOTO acknowledged said instrument to be the free act and deed of said corporation.

Susan J. Fisher
Notary Public, State of Hawaii
My Commission Expires: 9-16-93

PARKING STALL ASSIGNMENT

| <u>Apartment Number</u> | <u>Parking Stall Number</u> | <u>Apartment Number</u> | <u>Parking Stall Number</u> |
|-------------------------|-----------------------------|-------------------------|-----------------------------|
| <u>The Imperial</u> | | | |
| 601 | 5049C, 5050S | 1401 | 4025SM, 4055S |
| 602 | 5133SM, 5144S, 5148S | 1402 | 3048C, 3109S |
| 603 | 5053C, 5138SM | 1403 | 3108HCS |
| 604 | 5056HCS | 1404 | 5115SM, 5166S |
| 605 | 5057C, 5139HCS | 1405 | 5116SM, 5165S |
| 606 | 4033HCS | 1406 | 4122C, 4146S |
| 701 | 5134SM, 5143S | 1501 | 4018SM, 4051S |
| 702 | 5030SM, 5048C | 1502 | 4028SM, 4031S |
| 703 | 5132SM, 5145S | 1503 | 4062S |
| 704 | 5137SM, 5140S | 1504 | 4166S |
| 705 | 5136SM, 5141S | 1505 | 4157C, 4162S |
| 706 | 5135SM, 5142S | 1506 | 4167S |
| 801 | 5058C, 5059S | 1601 | 4013C, 4046S |
| 802 | 5130SM, 5150S | 1602 | 4001HCC, 4161S |
| 803 | 5131SM, 5149S | 1603 | 4019SM, 4168S |
| 804 | 5129SM, 5151S | 1604 | 4169S |
| 805 | 5054S | 1605 | 4155C, 4160S |
| 806 | 5051S | 1606 | 4112SM, 4165S |
| 901 | 5062S, 5063C | 1701 | 4082S |
| 902 | 5001HCC, 5147S | 1702 | 4170S |
| 903 | 5128SM, 5152S | 1703 | 3115S, 3125C |
| 904 | 4137HCS | 1704 | 4124SM, 4152S |
| 905 | 4056HCS | 1705 | 4125SM, 4151S |
| 906 | 5002HCC, 5055HCS | 1706 | 4171S |
| 1001 | 4053C, 4054S | 1801 | 4052C, 4083S |
| 1002 | 5031SM, 5146S | 1802 | 3083SM, 3136S |
| 1003 | 5060S | 1803 | 4172S |
| 1004 | 5127SM, 5153S | 1804 | 5108S |
| 1005 | 5126SM, 5154S | 1805 | 3116S, 3126C |
| 1006 | 5061S | 1806 | 3082SM, 3137S |
| 1101 | 4029SM, 4030S | 1901 | 4017SM, 4050S |
| 1102 | 5160S, 5121SM | 1902 | 4061S, 4063S |
| 1103 | 5169S | 1903 | 3058S |
| 1104 | 5120SM, 5161S | 1904 | 3117S, 3127C |
| 1105 | 5167S | 1905 | 3049C, 3057S |
| 1106 | 5168S | 1906 | 5071S, 5119SM |
| 1201 | 5013C, 5019SM, 5040S | 2001 | 4016SM, 4049S |
| 1202 | 4002HCC, 4014SM | 2002 | 4153S, 4154C |
| 1203 | 3013SM, 3052HCS | 2003 | 3132S |
| 1204 | 4027SM, 4138S | 2004 | 3133S |
| 1205 | 4144S | 2005 | 3138S |
| 1206 | 4145S, 4156C | 2006 | 3139S |

EXHIBIT "D"

| <u>Apartment Number</u> | <u>Parking Stall Number</u> | <u>Apartment Number</u> | <u>Parking Stall Number</u> |
|-------------------------|-----------------------------|-------------------------|-----------------------------|
| 2101 | 4012C, 4045S | 3001 | 4065S, 4123C |
| 2102 | 5069S, 5070C | 3002 | 4066S, 4067C |
| 2103 | 3140S | 3003 | 4068S, 4121C |
| 2104 | 3089SM, 3141S | 3004 | 4069S, 4120SM |
| 2105 | 3142S | 3005 | 4070S, 4071C |
| 2106 | 3143S | | |
| 2201 | 4106S | 3101 | 4158S, 4119SM |
| 2202 | 5067S, 5123C | 3102 | 4159S, 4118SM |
| 2203 | 5107S | 3103 | 4072S, 4117SM |
| 2204 | 5068S, 5122C | 3104 | 4073S, 4116SM |
| 2205 | 3088SM, 3131S | 3105 | 4074S, 4115SM |
| 2206 | 3085SM, 3134S | | |
| 2301 | 4105S | 3201 | 4163S, 4114SM |
| 2302 | 5072S, 5118SM | 3202 | 4164S, 4113SM |
| 2303 | 5066S, 5124C | 3203 | 4078S, 4111SM |
| 2304 | 3084SM, 3135S | 3204 | 4079S, 4110SM |
| 2305 | 5106S | 3205 | 4080S, 4109SM |
| 2306 | 5064C, 5065S | | |
| 2401 | 4015SM, 4048S | 3301 | 4081S, 4108SM |
| 2402 | 5081S | 3302 | 4107C, 4173S |
| 2403 | 5073S, 5117SM | 3303 | 4103C, 4104S |
| 2404 | 5018SM, 5047S | 3304 | 4101C, 4102S |
| 2405 | 5017SM, 5046S | 3305 | 4086S, 4087C |
| 2406 | 5016SM, 5045S | | |
| 2501 | 3071S, 3072C | 3401 | 4084S, 4085SM |
| 2502 | 3070S, 3086SM | 3402 | 4097C, 4098S |
| 2503 | 3069S, 3087SM | 3403 | 4088S, 4096C |
| 2504 | 3067C, 3068S | 3404 | 4089S, 4095C |
| 2505 | 3066S, 3090SM | 3405 | 4093C, 4094S |
| 2601 | 3077S, 3079SM | 3501 | 4006C, 4007SM, |
| 2602 | 3078SM, 3144S | | 4039S |
| 2603 | 3076S, 3080SM | 3502 | 5015SM, 5043C, |
| 2604 | 3075S, 3081SM | | 5044S |
| 2605 | 3073C, 3074S | 3503 | 5014SM, 5041S, |
| | | | 5042C |
| | | 3504 | 5011SM, 5012C, |
| | | | 5039S |
| | | 3602 | 5009SM, 5010C, |
| | | | 5038S |
| | | 3604 | 5008SM, 5036C, |
| | | | 5037S |
| 2701 | 5074S, 5075SM | 3701 | 4075S, 4076SM, |
| 2702 | 5077S, 5114SM | | 4077C |
| 2703 | 5078S, 5113SM | 3702 | 4011SM, 4043S, |
| 2704 | 5079S, 5112SM | | 4044C |
| 2705 | 5109S, 5110SM | 3703 | 5006C, 5007SM, |
| | | | 5035S |
| 2801 | 5080S, 5111SM, | 3704 | 5005SM, 5033C, |
| | 5076C | | 5034S |
| 2802 | 5104S, 5103C | | |
| 2803 | 5082S, 5102C | 3802 | 4009SM, 4010C, |
| 2804 | 5083S, 5084SM | | 4042S |
| 2805 | 5100C, 5101S, | 3804 | 4008SM, 4040C |
| | 5105S | | 4041S |
| 2901 | 5085S, 5086C | | |
| 2902 | 5097C, 5087S | | |
| 2903 | 5088S, 5096C | | |
| 2904 | 5089S, 5094C | | |
| 2905 | 5090S, 5093C | | |

| <u>Apartment Number</u> | <u>Parking Stall Number</u> | <u>Apartment Number</u> | <u>Parking Stall Number</u> |
|-------------------------|--|-------------------------|---|
| C308 | 2080SM | C120 | 1036S |
| C309 | 2081SM | C121 | 1023S |
| C310 | 2107S | C122 | 1024S, 1034S |
| C311 | 2106S | C123 | 1025S, 1026C, 2110C |
| C312 | 2077C, 2105S | C124 | 1032C, 1033S, 1037C |
| C401 | 2038C, 2039S, 2040S, 2041C, 2042S, 2043C, 2044C, 2051S, 2052S, 2053S, 2054C, 2071SM, 2072SM, 2073SM, 2085SM, 2086SM, 2087SM, 2088SM, 2089SM, 2090SM, 2091S, 2114S, 2115S, 2116S, 2117S | C125 | 1027S, 1031C |
| | | C126 | 1029S, 1030S |
| | | C201 | 3004SM |
| | | C202 | 3031S, 3032HCS, 3033S |
| | | C203 | 2011S, 2012S, 2013SM, 2014SM, 2015SM, 2016SM, 2017SM, 2018SM, 2019SM, 2020SM, 2021SM, 2022SM, 2023SM, 2024SM, 2025SM, 2026SM, 2027SM, 2028SM, 2029C, 2030C, 2032C, 2033S, 2034S, 2035S, 2036S, 2037C, 2046S, 2047S, 2092S, 2093S, 2094S, 2095S, 2096S, 2097S, 2098S, 2108S, 2113S, 3001HCS, 3002SM, 3003SM, 3037S, 3038S |
| | | C204 | 2118S, 2119S, 2120S |
| | | C205 | 2048S, 2049S, 2050C, 2076C |
| <u>The Platform</u> | | | |
| C101 | 1041S, 1057C, 2009SM, 2010SM | | |
| C102 | 1040C, 2007C, 2008SM | | |
| C103 | 1039S, 2005S, 2006C | | |
| C104 | 1035S, 1038S, 1042S, 2004S | | |
| C105 | 1043S, 2001S, 2002C, 2003S, 2031S | | |
| C114 | 1051S, 2104S, 2109C | | |
| C115 | 1052S, 2082SM | | |
| C116 | 1053S, 2103S, 2099S | | |
| C117 | 1054S, 2083SM | | |
| C118 | 1055S, 2102S | | |
| C119 | 1056S, 2084SM, 2100S, 2101S | | |

The following twenty-three (23) parking stalls are set aside for the use by guests of the Residential Apartments: 1001HCS, 1002HCS, 1003S, 1004HCS, 1005HCS, 1006HCS, 1007SM through 1018SM, inclusive, 1019C, 1020S, 1021C, 1022S and 1028HCS.

NOTE: The parking stalls are categorized into the following five (5) types:

1. Each parking stall having an "S" after its number is a standard stall with dimensions of approximately 8'6" x 19'.

2. Each parking stall having a "C" after its number is a compact stall with dimensions of approximately 7'6" x 16'.
3. Each parking stall having an "SM" after its number is a standard modified stall with dimensions of approximately 8'6" x 16'.
4. Each parking stall having a "HCS" after its number is a standard stall designed to accommodate the handicapped with dimensions of approximately 8' x 19'.
5. Each parking stall having a "HCC" after its number is a compact stall designed to accommodate the handicapped with dimensions of approximately 8' x 16'.

The parking stalls designed to accommodate the handicapped will be adjacent to an aisle having a width of approximately 5 feet.

There will be no parking stalls numbered 3010 and 3039 on the third floor of the platform.

The twenty-seven (27) parking stalls numbered 5140 through 5166, inclusive, on the fifth floor of the platform will be partially covered.



Oahu Realty

John White (RA)
1357 Kapiolani Blvd., Suite 1145
Honolulu, HI 96814
808-227-8100 direct
808-955-5710 fax
johnwhite@oahu-realty.com
www.oahumyhome.com (website)

In reference to escrow #A6-105-0002, C-64 for the condo documents at Imperial Plaza #1602.

I have received a copy of the condo documents for the Imperial Plaza.

Buyer's Agent or Buyer

Date

I have accepted the condo documents for the Imperial Plaza.

Buyer

Date

DOCUTRIEVE

A Title Guaranty Company

A Title Guaranty Company

235 Queen Street Honolulu, HI 96813 Phone: (808)533-2292 Fax: (808)533-2271

Company Name: TITLE GUARANTY ESCROW SERVICES INC

Point of Contact: JEANETTE LIU

Branch: KAHALA OFFICE

Shipped To: OAHU REALTY
1357 KAPIOLANI BLVD #1145
HONOLULU, HI 96814
(808)227-8100
Attn: JOHN WHITE

Bill To: TITLE GUARANTY ESCROW SERVICES I
4211 WAIALAE AVE #104
HONOLULU, HI 96816
Attn: JEANETTE LIU
(808)733-6020

Client Reference: # 1602 ESCROW # A6-105-0002

Special Billing Instructions:

Order ID: 95124
CondoMapKey: 0774 LC

Order Date: 1/4/06

Disclosure Documents for:

IMPERIAL PLAZA

NOT PAID

TG Kahala

Thank You For Your Patronage

Statement of Responsibility

Title Guaranty of Hawaii, Inc. (doing business as and herein referred to as "Docutrieve") has provided the information in this disclosure packet for use by seller of property referenced in the attached documents. Docutrieve has used reasonable care in collecting and maintaining the information but it has relied upon other sources to provide such information and it makes no representation about completeness, accuracy, or timeliness of the information. If the seller is using this information to comply with the requirements of the Mandatory Seller Disclosures in Real Estate Transactions law (Section 508D-1, Hawaii Revised Statutes), the seller or any other user of this information is responsible for the completeness of information which is required to be provided to the buyer.

Pursuant to C-64 of DROA the seller is responsible for Condominium/Subdivisions/Homeowner Organizations documentation expenses whether or not the transaction is executed.

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Branch: KAHALA OFFICE

Property: IMPERIAL PLAZA

Client Reference: # 1602 ESCROW # A6-105-0002

OrderID: 95124

| <u>Document Status</u> | <u>Document Type</u> | <u>Document Date</u> | <u>Document #</u> | <u>Cost</u> |
|--------------------------|-----------------------------|----------------------|-------------------|-------------|
| Exists | ✓ Approved Annual Minutes | 3/23/05 | 773AAM | \$0.00 |
| Exists | ✓ Approved BOD Minutes | 9/22/05 | 773ABOD | \$20.00 |
| Exists | ✓ Approved BOD Minutes | 10/27/05 | 773ABOD | \$20.00 |
| Exists | ✓ Approved BOD Minutes | 9/7/05 | 773ABOD | \$20.00 |
| ✓ Exists | ✓ Articles of Incorporation | 1/23/97 | 773AINCP | \$20.00 |
| Exists | ✓ Bylaw Amendment | 5/14/97 | 2380973 | \$20.00 |
| Exists | ✓ Bylaw Amendment | 7/9/91 | 1836023 | \$20.00 |
| Exists | ✓ Bylaws | 4/4/90 | 1719509 | \$25.00 |
| Exists | ✓ CPR/HPR Amendments | 9/29/94 | 2183853 | \$25.00 |
| Exists | ✓ CPR/HPR Amendments | 6/18/91 | 1836022 | \$25.00 |
| Exists | ✓ CPR/HPR Declaration | 4/4/90 | 1719508 | \$0.00 |
| Exists | ✓ Financial Statement | 10/31/05 | 773CFS | \$20.00 |
| Exists | ✓ House Rules | 7/1/05 | 773HR | \$15.00 |
| Exists | ✓ Insurance Summary | 10/15/05 | 773INSM | \$0.00 |
| Exists | ✓ Lenders Disclosure | 11/29/05 | 773LEND | \$0.00 |
| Exists | ✓ Operating Budget | 1/1/06 | 773COB | \$20.00 |
| Exists | ✓ Property Information | 11/29/05 | 773PIF | \$0.00 |
| Exists | ✓ Reserve Study | 1/1/06 | 773RS | \$30.00 |
| Subtotal: | | | | \$280.00 |
| Package Price: | | | | \$280.00 |
| Delivery Charges: | | | | \$0.00 |
| Special Handling: | | | | \$8.00 |
| Tax: | | | | \$12.00 |
| Discount %: | | | | 0 |
| Total Cost: | | | | \$300.00 |

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Point of Contact: JEANETTE LIU

Branch: KAHALA OFFICE

Property: IMPERIAL PLAZA

Client Reference: # 1602 ESCROW # A6-105-0002

OrderID: 95124

| <u>Document Status</u> | <u>Document Type</u> | <u>Document Date</u> | <u>Document #</u> | <u>Cost</u> |
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17719508

STATE OF HAWAII
DEPUTY ASSISTANT REGISTRAR
RECORDED

'90 APR 5 PM 2 24

DEPUTY ASSISTANT REGISTRAR
CERTIFICATE 333,091

DOUBLE SYSTEM

90 048554

APR 5 1990 2:24

LAND COURT SYSTEM

REGULAR SYSTEM

Return by: Mail () Pickup () To:

*Business Development Ltd.
871 2700 Pacific Center
1071 Bishop St.
Honolulu Hawaii 96813-2622
1100 15th St. 1003159-158*

DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF
THE IMPERIAL PLAZA



DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF
THE IMPERIAL PLAZA

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EXHIBITS

- EXHIBIT "A": Description of the Land
- EXHIBIT "B": Apartment Number and Location
- EXHIBIT "C": Description of Apartments
- EXHIBIT "D": Parking Stall Assignment

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership, whose principal place of business and post office address is Suite 2700, Pacific Tower, 1001 Bishop Street, Honolulu, Hawaii 96813 (herein the "Owner"), is the owner in fee simple of those certain parcels of land more particularly described in Exhibit "A" attached hereto and made a part hereof (herein the "Land"); and

WHEREAS, BUSINESS INVESTMENT, LTD., a Hawaii corporation, whose principal place of business and post office address is Suite 2700, Pacific Tower, 1001 Bishop Street, Honolulu, Hawaii 96813 (herein the "Developer"), is the developer/manager named in that certain unrecorded agreement evidenced by letter dated July 7, 1989, by and between the Owner and the Developer; and

WHEREAS, the Owner and the Developer desire to create a condominium project consisting of the Land and the improvements hereinafter described and constructed and to be constructed thereon (herein the "Project") by submitting the same to the condominium property regime as provided in the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended (herein the "Act");

NOW, THEREFORE, the Owner and the Developer to the full extent of their respective interests in the Land do hereby submit the Project to the condominium property regime established by the Act, and in furtherance thereof, do hereby make the following declarations as to divisions, limitations, restrictions, covenants and conditions, and do hereby declare that the Project is and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved, subject to these



declarations, which declarations shall constitute covenants running with the Land and shall be binding on and for the benefit of the Owner and the Developer, their respective successors in interest, successors and assigns, and all subsequent owners, lessees, sublessors, sublessees, or occupants of all or any part of the Project and their respective heirs, legal representatives, successors and assigns:

A. NAME OF REGIME. The name of this condominium property regime shall be "THE IMPERIAL PLAZA."

B. PROPERTY IN REGIME.

1. Land. The Land in fee simple is submitted to this condominium property regime. The Land is situated at Kewalo, City and County of Honolulu, State of Hawaii and is more particularly described in Exhibit "A" hereof.

2. Buildings. The Project will consist of an existing four (4) story building without basement, designated "The Galerie," and a five (5) story platform without basement with a thirty-four (34) story building on the mauka side of the platform, designated "The Imperial," and a multi-story building ranging from two (2) to eight (8) stories on the makai side of the platform, designated "The Plaza." The ground floor of The Galerie will contain an arcade fronting Kapiolani Boulevard and Cooke Street, two elevators and seven (7) commercial apartments. The second floor of The Galerie will contain seven (7) commercial apartments and separate men's and women's restrooms. The third floor of The Galerie will contain twelve (12) commercial apartments and separate men's and women's restrooms. The fourth floor of The Galerie will contain six (6) commercial apartments and separate men's and women's restrooms. The Galerie is constructed principally of reinforced concrete and

glass. To the best of the Owner's knowledge, The Galerie was constructed in 1925 and the fourth floor was added thereto in 1942. The Galerie was purchased by the Owner on July 31, 1989. A survey by Richard K. Kawasaki, Registered Professional Surveyor, Certificate No. 3844-S, dated March 5, 1989, disclosed that the walls of The Galerie and the concrete canopy at the top of The Galerie extended into Cooke Street. On July 31, 1989, Security Union Title Insurance Company agreed to insure the Owner against loss by reason of any final judgment that any governmental agency having jurisdiction over Cooke Street shall, for the purpose of exercising the right of use or maintenance of Cooke Street, compel the removal of any portion of The Galerie which may encroach onto Cooke Street. Except for the aforesaid encroachment and to the best of the Owner's knowledge, The Galerie was in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction. To the best of the Owner's knowledge, no variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time of its construction or from any current ordinance, code, rule, regulation or other requirement.

The ground floor of the platform will contain a porte cochere, a resident's lobby, a mail room, an electrical room, a trash room, a control room, a security room and a one-half bathroom for The Imperial, a porte cochere, a resident's lobby, a trash room, a mail room, a manager's office and a one-half bathroom for The Plaza, eighteen (18) commercial apartments and two (2) separate men's and two (2) separate women's restrooms appurtenant thereto, six (6) elevators (one elevator for the commercial apartments fronting Kapiolani Boulevard, three elevators

for The Imperial and two elevators for The Plaza), two (2) loading zones, a generator room, a pump room, an electrical room and fifty-eight (58) covered parking stalls for the commercial apartments and for guests of the residential apartments. The second floor of the platform will contain an electrical room and a storage room for The Imperial and one hundred twenty-eight (128) covered parking stalls for the commercial apartments. The third floor of the platform will contain five (5) commercial apartments and a separate men's and a separate women's restroom appurtenant thereto, an elevator lobby and electrical room for each of The Imperial and The Plaza, storage units for the residential apartments in The Imperial and one hundred forty-two (142) covered parking stalls for the commercial apartments and the residential apartments. The fourth floor of the platform will contain an elevator lobby for each of The Imperial and The Plaza, storage units for the residential apartments in The Imperial, a mechanical room for The Plaza and one hundred seventy-three (173) covered parking stalls for the residential apartments. The fifth floor of the platform will contain an elevator lobby for each of The Imperial and The Plaza, two (2) mechanical rooms and an electrical room for The Imperial, storage units for the residential apartments in The Imperial, an electrical room for The Plaza, storage units for the residential apartments in The Plaza, a mechanical room, a pool equipment room and one hundred sixty-nine (169) parking stalls (142 of which will be covered parking stalls and 27 of which will be partially covered parking stalls) for the residential apartments. The roof of the platform will contain a recreation deck (which will be a limited common element for the residential apartments) consisting of a swimming pool, a spa, a sun deck and a clubhouse complex consisting of separate men's and women's

restrooms and saunas, a storage room, a kitchen and a meeting room. The principal material to be used in the construction of the platform is reinforced concrete.

The sixth (there will be no floors numbered one through five and thirteen) through the twenty-fourth floors of The Imperial will contain one hundred eight (108) residential apartments (six apartments per floor). The twenty-fifth through the thirty-fourth floors of The Imperial will contain fifty (50) residential apartments (five apartments per floor). The thirty-fifth through the fortieth floors of The Imperial will contain fifteen (15) residential apartments (two two-story apartments on the thirty-fifth and thirty-seventh floors and three two-story apartments on the thirty-ninth floor and two single level apartments on the thirty-fifth through the thirty-eighth floors). The principal materials to be used for the construction of The Imperial are curtain wall glass and reinforced concrete.

The Plaza will contain thirty-three (33) two-story residential apartments. The Plaza will be a multi-story building with a two-story section located on the mauka side of the building, a four-story section located makai of the two-story section, a six-story section located makai of the four-story section, and an eight-story section located makai of the six-story section. The principal materials to be used for the construction of The Plaza are glass and reinforced concrete.

3. Other Improvements. The Project will also consist of other improvements including driveways, walkways, landscaping and other ground improvements.

4. Condominium Map. The plans of the Project have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (herein the "Land Court") and in

the Bureau of Conveyances of the State of Hawaii (herein the "Bureau of Conveyances") concurrently with the filing and recording of this Declaration. The plans of the Project filed in the Land Court as Condominium Map No. 774 and in the Bureau of Conveyances as Condominium Map No. 1312 and any amendments thereto or as built plans of the Project hereinafter filed are incorporated herein by reference and hereinafter collectively referred to as the "Condominium Map." Notwithstanding anything to the contrary contained herein, should the descriptions and divisions set forth in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. Further, the Condominium Map is intended only to show the layout, location and dimensions of the apartments hereinafter described and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

C. DIVISION OF PROPERTY. The Project is hereby divided into the following separate freehold estates.

1. Apartments.

(a) Residential Apartments. There will be two hundred six (206) separately designated freehold estates consisting of the residential apartment spaces or areas within the perimeter and party walls, floors and ceilings of each of the two hundred six (206) residential apartments contained in The Imperial and The Plaza (herein the "Residential Apartment or Apartments").

(b) Commercial Apartments. There will be fifty-five (55) separately designated freehold estates consisting of the commercial apartment spaces or areas within the perimeter walls, floors and ceilings of each of the fifty-five

(b) commercial apartments contained in 'The Galerie and the platform (herein the "Commercial Apartment or Apartments"). The Owner and the Developer may convert any of the Commercial Apartments into two or more commercial apartments and/or two or more of the Commercial Apartments into one or more Commercial Apartments, all in the manner described in paragraph P.4 hereof.

The Residential Apartments and the Commercial Apartments, together with appurtenant lanai air spaces, if any, are sometimes collectively referred to herein as "apartment" or "apartments".

The Residential Apartments and the Commercial Apartments are constructed according to different floor plans. A description of each of the apartments, designating the location, number of rooms and approximate area thereof is set forth in Exhibits "B" and "C" attached hereto and made a part hereof.

The layout, location, numbers and dimensions of the apartments are in the manner shown on the Condominium Map, except that the layout for Residential Apartments numbered 3502, 3503, 3504, 3602, 3604, 3702, 3703, 3704, 3802, 3804, 3901 and 3903 are shown for illustrative purposes only. Said Residential Apartments will have unfinished interior spaces with no interior walls except for interior walls for ducts, shafts and any other interior walls as may be required by the Fire Department of the City and County of Honolulu.

The apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same

being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, all doors and door frames which includes the exterior unfinished surfaces thereof, windows (except for curtain wall glass which shall be deemed common elements as hereinafter provided) and window frames, the lanai or patio air space (if any), the interior decorated or finished surfaces of all perimeter, party and load-bearing walls, floors, floor coverings and ceilings, and all fixtures originally installed or contained therein.

Each apartment has immediate and direct access to a passageway or corridor on the floor of which it is located leading to elevators and stairways of the building providing access to other floors and the grounds of the Project.

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

- (a) The Land in fee simple;
- (b) All foundations, floor slabs, slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, floors and ceilings, curtain wall glass, roofs, entries, stairways, walkways, entrances and exits of the buildings;
- (c) All yards, grounds, planters and landscaping;
- (d) All pipes, cables, conduits, ducts, vents, chutes, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment

for services such as power, light, gas, water, sewer, ventilation, refuse, radio, telephone and television signal distribution, if any:

(e) All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Project within or outside of the buildings, which are for common use or which serve more than one apartment, such as electrical rooms, maintenance, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein, surveillance systems and facilities, if any, hallways, lobbies, elevators, walkways and common ways, storage areas, mail rooms, offices, social and recreational areas and facilities, fences, retaining walls, refuse collection areas, trash rooms, driveways, loading zones, parking areas and the parking stalls therein;

(f) All tanks, pumps, heat pumps, motors, blowers, heaters, compressors, fans, air conditioning equipment which will include the packaged water chillers located on the roofs of The Imperial and The Plaza and the packaged air cooler chiller located on the roof of The Galerie, and in general, all apparatus and installations for common use, and all other parts of the Project necessary or convenient to its existence, operation, maintenance or safety and normally in common use;

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

(h) All other parts of the Project or the buildings which are not included in the definition of an apartment.

3. Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements," are hereby designated and set aside for the exclusive use of certain

apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements as follows:

(a) The parking stalls and the apartments to which the same appertain are set forth in Exhibit "D" attached hereto and made a part hereof. The Developer hereby reserves the right to reassign some of the parking stalls assigned to Residential Apartment numbered 1211 and to Commercial Apartment numbered C203 to other apartments in the Project as and when sales of apartments are effected to the intent and purpose that when such reassignment of parking stalls is completed, each Residential Apartment will have one or more parking stalls for the exclusive use of such Residential Apartment and each Commercial Apartment will have one or more parking stalls set aside and reserved for the exclusive use of such Commercial Apartment and/or the business guests and invitees thereof. Subject to the limitation that each apartment shall at all times have at least one parking stall appurtenant to it, apartment owners will have the right to change the assignment (but not the numbering) of parking stalls by amendment to this Declaration and the respective apartment deeds involved, such amendment to this Declaration and apartment deeds to be in writing and executed only by the owners of the apartments seeking such change (and their respective mortgagees, if any) and to be effective only upon filing and recording the same in the Land Court and the Bureau of Conveyances.

(b) The recreation deck located on the roof of the platform consisting of a swimming pool, a spa, a clubhouse with separate men's and women's restrooms, a shower and a sun deck shall be appurtenant to and for the exclusive use of the Residential Apartments.

(c) Portions of the third, fourth and fifth floors of the platform as shown on the Condominium Map will contain storage units which shall be appurtenant to and for the exclusive use of the Residential Apartments in The Imperial. A portion of the fifth floor of the platform as shown on the Condominium Map will contain storage units which shall be appurtenant to and for the exclusive use of the Residential Apartments in The Plaza. Each Residential Apartment in The Imperial and The Plaza shall at all times have at least one (1) storage unit appurtenant to it.

(d) The separate men's and women's restrooms on each floor of The Galerie shall be appurtenant to and for the exclusive use of the Commercial Apartments on such floor. The separate men's and women's restrooms on the ground floor of the platform shall be appurtenant to and for the exclusive use of the Commercial Apartments on the ground floor of the platform. The separate men's and women's restrooms on the third floor of the platform shall be appurtenant to and for the exclusive use of the Commercial Apartments on the third floor of the platform.

(e) The mailbox assigned to an apartment shall be appurtenant to and for the exclusive use of such apartment. Each apartment shall at all times have at least one (1) mailbox appurtenant to it.

(f) All other common elements of the Project which are rationally related to less than all of the apartments shall be limited to the use of such apartment or apartments to which the same are related.

Notwithstanding any provision herein to the contrary, all costs and expenses, including but not limited to, maintenance, installation, restoration, repair, replacement, additions and improvements to any of the aforementioned limited common

elements of the Project shall be charged to and be divided among the owners of apartments to which such limited common element is appurtenant in proportion to the ratio that the common interest appurtenant to their respective apartments bears to the sum of the common interests of all of the apartments to which such limited common element is appurtenant.

D. COMMON INTEREST. Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project (herein the "common interest"), and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting. The common interests of the Residential Apartments and the Commercial Apartments are set forth in Exhibit "C" hereof.

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

1. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utilities for and support of such apartment and 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 herein provided, and in all other apartments of the Project for support and repair.

2. Each apartment shall be subject to easements through such apartment appurtenant to the common elements and other apartments for support and repair of the common elements and other apartments and for entry as may be necessary for the operation of the Project or for making of repairs therein or for

the installation, repair, restoration, maintenance or replacement of any common elements.

3. If any part of the common elements encroaches upon any apartment or limited common element or if any apartment or limited common element encroaches upon the common elements, or if any apartment or limited common element encroaches upon any other apartment or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event the buildings of the Project shall be partially or totally destroyed and then rebuilt or in the event of any shifting, settlement or movement of any portion of the Project, minor encroachments of any parts of the common elements or apartments or limited common elements due to such construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist for so long as such encroachment continues.

4. The Association of Apartment Owners of The Imperial Plaza shall have the right and power, to be exercised by its Board of Directors (herein the "Board") or the Managing Agent, to enter any apartment and/or limited common element from time to time during reasonable hours as may be necessary for the operation of the Project or at any time for making emergency repairs, improvements or to correct defects therein required to prevent damage to any apartments or common elements or for the maintenance, installation, restoration, repair or replacement of any common elements.

5. The Developer, its agents, employees, contractors, licensees, successors and assigns, shall have an easement over and upon the Project as may be reasonably necessary for the construction and/or completion of improvements to and correction of

defects in the Project. Such easement shall terminate twenty-four (24) months after the later of (a) the date of the filing in the Land Court and the recording in the Bureau of Conveyances of the first conveyance of an apartment, or (b) "substantial completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes, as amended) of the improvements to be constructed, completed or corrected.

6. The Developer hereby reserves unto itself the right to conduct extensive sales activities on the Project, including the use of model apartments, sales management offices, parking stalls within the exclusive control of the Developer for parking for prospective purchasers, and extensive sales displays and activities, until the closing of the sale of the last unsold apartment in the Project; provided that such sales activities are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession, and aesthetic enjoyment of the Project by the other apartment owners. Notwithstanding anything to the contrary contained hereinabove in this paragraph, in the event that the Owner's mortgage lender or any successor to or assignee of the Owner's mortgage lender shall acquire any portion of the Project in the course of any foreclosure or other legal proceeding or by an assignment in lieu of foreclosure, such mortgage lender, its successors and assigns, shall have the right to conduct such sales activities on the Project as hereinabove described until all of the apartments have been sold and closed.

7. The Owner hereby reserves unto itself the right to designate, use, enjoy and grant or dedicate to any public utility, service company or governmental authority such rights of way and easements as the Owner in its sole discretion may from time to time determine for transmission facilities and

appurtenances for electricity, gas, telephone, electromagnetic signal distribution, and any other utility or similar distribution system including but not limited to microwave, radio and television antennas, water, sewers, drainage, flowage and any other public utility or public service company purposes, services and substances whatsoever over, across, under and through the Land, including the right to enter to construct, reconstruct, install, operate, maintain, repair and replace such lines, facilities and appurtenances, and the right to designate, use, enjoy and grant or dedicate rights of way for access and egress to others over the Land, these reserved rights to be exercised in such manner that will cause the least practicable interference with the apartment owners' use and occupancy of the Land, together with a right to trim and keep trimmed any tree or trees in the way of utility lines and appurtenances. The foregoing reservation shall automatically terminate and be null and void upon the expiration of two (2) years from the date of filing this Declaration in the Land Court.

8. The Owner hereby reserves unto itself the right to grant to the City and County of Honolulu, its successors and assigns, (a) a nonexclusive easement and right of way for pedestrian travel over and across a portion of the Land and (b) the right in the nature of a nonexclusive easement to construct, install, maintain, replace and remove street lights, traffic signs and other related appurtenances within a portion of the Land.

9. The Owner hereby reserves unto itself the right, power and authority to convey a portion of the Land to the City and County of Honolulu in exchange for a portion of Dreier Street and to consolidate a portion of the Land and a portion of

Dreier Street into a single lot, which will be submitted to the condominium property regime.

10. The Owner hereby reserves unto itself the right, power and authority to dedicate a portion of the Land for public facilities pursuant to the requirements of The Kakaako Community Development District Rules of the Hawaii Community Development Authority.

F. ALTERATION AND TRANSFER OF INTERESTS. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly filed in the Land Court and recorded in the Bureau of Conveyances, which amendment shall contain the consent thereto by the holders of any first mortgage on such apartments as shown in the Association's record of ownership, or who have given the Board notice of their interest through the Secretary of the Association or the Managing Agent, shall not be separated from such apartment to which they appertain and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument. The common elements of the Project shall remain undivided, and no right shall exist to partition or divide any part thereof or the apartments except as provided by the Act; and, without limiting the provisions of Section 514A-21(a), Hawaii Revised Statutes, as amended, any such partition or division shall be subject to the prior written consent thereto by the holders of any first mortgage, filed of record, of any apartment.

G. USE.

i. Hotel Use Prohibited. The Residential Apartments shall be occupied and used only as dwellings by the respective

owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service; provided, however, that the foregoing prohibition against customary hotel services shall not apply to any such services provided to the owners of the Residential Apartments, their families, domestic servants and social guests as long as such services are not being offered in connection with any rental arrangement. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration and the Bylaws of the Project hereinafter described. Any lease or rental agreement must be in writing, and the leasing of less than the whole of a Residential Apartment is prohibited.

2. Time-Sharing Prohibited. The apartments or any interest therein shall not 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", "transient vacation rentals", "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 an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a specific, discernible, 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, membership agreement, partnership or otherwise.

3. Commercial Use. The Commercial Apartments shall be occupied and used only for purposes permitted from time to time by applicable zoning ordinances, rules and regulations, and for no other purpose; provided, however, that the Commercial Apartments shall not be used for a cabaret, a premises in which employees or entertainers are compensated to sit with patrons, a nightclub, a discotheque, a premises in which a person performs burlesque shows, a dance or music studio, or as a radio or television or recording studio, theater or exhibition-hall, or for an establishment such as a dry cleaning plant (except that laundry/dry cleaning pickup and delivery services are permitted) which may emit unseemly or disturbing noises, or for the rental or sale of any live animals, household pets or fish.

H. ADMINISTRATION OF PROJECT. Administration of the Project shall be vested in the Association of Apartment Owners of The Imperial Plaza (herein the "Association"), consisting of all apartment owners of the Project in accordance with the Bylaws of the Association of Apartment Owners of The Imperial Plaza, filed in the Land Court and recorded in the Bureau of Conveyances concurrently herewith (herein the "Bylaws"); provided, however, that the foregoing shall not be construed or interpreted to limit the powers and duties of the Merchants Committee as set forth in the Bylaws. 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 the Act, this Declaration and the Bylaws and specifically but without limitation the Association shall:

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

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

3. Well and substantially repair, maintain, amend and keep all common elements of the Project, including without limitation the buildings thereof, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep the Land and all adjacent land between any street boundary of the Project and the established curb or street line in a neat and attractive condition and all trees, shrubs and grass thereon in good cultivation and replant the same as may be necessary, and repair and make good all defects in the common elements of the Project herein required to be repaired by the Association. If an apartment owner complains of a defect in the common elements of the Project, the Association shall (if the repair is reasonably required in the Board's judgment) commence action to cure the defect within thirty (30) days, if practicable.

4. Before commencing or permitting construction of any improvement on the Project costing in excess of \$25,000.00, obtain or cause to be obtained 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 the State of Hawaii, guaranteeing completion of such construction free and clear of all mechanics' and materialmen's liens, and all claims in lieu of mechanics' and materialmen's liens arising under Section 514A-16, Hawaii Revised Statutes, as amended. The Board may, in its sole discretion, increase the \$25,000.00 limitation from time to time by an amount equal to the percentage increase in the Honolulu Consumer Price Index for all items as published by the Bureau of Labor Statistics of the United States Department of Labor or other successor federal or state agency or department, and adjusted to any new basis and method of computation then applicable. For purposes of this Declaration, the term "percentage increase" shall mean the product of (a) the fraction, the numerator of which is the difference between the Honolulu Consumer Price Index for the first day of the calendar month preceding the calendar month in which the Board shall approve an increase in said dollar limitation and the Honolulu Consumer Price Index for the first day of the calendar month in which this Declaration is filed in the Land Court, and the denominator of which is the Honolulu Consumer Price Index for the first day of the calendar month in which this Declaration is filed in the Land Court, times (b) \$25,000.00.

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

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

posters or bills whatsoever, except in accordance with plans and specifications, including a detailed plot plan, prepared by a licensed, registered architect if so required by the Board, first approved in writing by the Board, 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 as determined by the Board, and complete any such improvements diligently after the commencement thereof.

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

8. Have the right and power, to be exercised by the Board, to enter any apartment and limited common elements, if any, from time to time during reasonable hours as may be necessary for the operation of the Project or for the maintenance, installation, restoration, repair or replacement of any common elements, or at any time for making emergency repairs, improvements or to correct defects therein required to prevent damage to any apartments or common elements.

9. Upon approval of the apartment owners of at least seventy-five percent (75%) of the common interests, the Board may exercise the right to change the use of the common elements.

10. Have the authority, right and power, acting through the Board, to grant, convey, transfer, cancel, relocate or otherwise deal with (to the extent of the interests of the apartment owners in and to the Project) electricity, gas, sewer, water, telephone, drainage, radio and television signal distribution and other utility and service easements on, in, through or affecting the common elements or limited common elements of the Project; provided, that such rights must be exercised in such manner as not to damage the buildings or unreasonably

interfere with the use of the Project by the apartment owners, and in connection with the installation, maintenance or repair of any facilities pursuant to any such easements, the Land and the buildings shall be promptly restored by and at the expense of the person exercising the easement rights to the same condition as prior to the exercise thereof. Each apartment owner, by acquiring an apartment or an interest in an apartment in the Project, agrees if, as and when requested, to join in and execute any and all documents so designating or granting any such easements. Any holder of easement rights under any such document shall be entitled to rely upon a representation made in such document that the Association has properly authorized the execution thereof by the officers of the Association who purport to execute the same.

11. Have the authority, right and power, acting through the Board to grant an easement affecting or to lease or otherwise use for the benefit of the Association, those common elements which are not actually used by any of the apartment owners for an originally intended special purpose, as determined by the Board; provided that unless the approval of the owners of seventy-five (75%) of the common interest is obtained, any such lease shall not exceed a term of five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days written notice.

12. Have the right to be exercised by the Board to lease or otherwise use for the benefit of the Association, those common elements not falling within the provisions of Section 11 immediately preceding, upon obtaining: (a) the approval of the apartment owners of seventy-five percent (75%) of the common elements, including all directly affected apartment owners and

all apartment owners to which such common elements are appurtenant in the case of limited common elements, and (b) approval of all mortgagees of record on apartments with respect to which apartment owner approval is required by (a) next above, if such lease or use would be in derogation of the interest of such mortgagees.

13. Subject to any approval requirements and spending limits contained in this Declaration and the Bylaws, have the right to be exercised by the Board to borrow money to be used by the Association for the repair, replacement, maintenance, operation or administration of the common elements of the Project, or the making of any additions, alterations and improvements thereto. The cost of such borrowing, including without limitation, all principal, interest, commitment fees and other expenses payable with respect to such borrowing shall be a common expense of the Project; provided that apartment owners, representing fifty percent of the common interest of the Project and having been first notified of the purpose and use of the funds, give written consent to such borrowing.

14. At all times cause the landscaped areas of any portion of the Land conveyed to the City and County of Honolulu in exchange for a portion of Dreier Street and the public facilities of any portion of the Land dedicated pursuant to the requirements of The Kakaako Community Development District Rules of the Hawaii Community Development Authority to be improved and maintained in accordance with the requirements of the appropriate governmental agency having jurisdiction over such landscaped areas and public facilities.

15. Maintain the sidewalk area between Dreier Street and the landscaped area of the land owned by the City and County of Honolulu on the Diamond Head side of Dreier Street for a

period of thirty (30) years; provided, however, that this obligation to maintain said sidewalk area shall automatically terminate if (and as of the date) the City and County of Honolulu shall convey, lease, sell or transfer said land prior to the expiration of the aforesaid 30-year period.

16. Maintain the sidewalk area adjacent to Waimanu Street and within a nonexclusive easement area to be granted to the City and County of Honolulu by the Owner.

I. MANAGING AGENT. Operation of the Project shall be conducted for the Association by a Managing Agent who shall be appointed by the Association in accordance with the Bylaws; provided, however, that the foregoing shall not be construed or interpreted to limit the powers and duties of the Merchants Committee as set forth in the Bylaws. The Managing Agent shall be a responsible corporation having its principal office in Honolulu and shall be authorized to do business under Chapter 406, Hawaii Revised Statutes, as amended, or shall be licensed as a real estate broker in compliance with Chapter 467, Hawaii Revised Statutes, as amended, and the rules of the Real Estate Commission, as amended. The Managing Agent shall at all times be in compliance with the fidelity bond and other requirements of Section 514A-95, Hawaii Revised Statutes, as amended, and shall register itself with the Real Estate Commission submitting information which shall include, but not be limited to, proof of fidelity bond coverage and the name, business address, and phone number of the Managing Agent. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in the Act. The Managing Agent of the Project as of the date hereof is General Management Corporation, with its place of business and post office address at Suite 2700, Pacific Tower, 1001 Bishop Street, Honolulu, Hawaii.

J. COMMON EXPENSES.

1. Except as hereinafter provided, all charges, costs and expenses whatsoever incurred by the Association for or in connection with the operation and administration of the Project and all sums designated as common expenses under the Act, this Declaration, or the Bylaws, including without limitation, the operation of the Association, any installation, maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto, any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon, and any premiums for hazard and liability insurance herein required with respect to the Project shall constitute common expenses of the Project for which all apartment owners shall be severally liable in proportion to their respective common interests; provided, however, that the Commercial Apartments shall be separately metered for electricity, water, gas and other utilities or calculations shall be made, or both, to determine the use by the Commercial Apartments of said utilities and the cost of the same shall be paid by the owners of the Commercial Apartments.

2. Real property taxes and special assessments referred to in Section 514A-6, Hawaii Revised Statutes, as amended, and charges, including those for utilities, which are separately metered, shall not be common expenses of the Project and no payments thereof shall be payments of such common expenses.

3. Notwithstanding anything herein to the contrary, (a) the common expenses of the central air conditioning equipment of the Project, (b) the costs of elevator maintenance, repair and replacement, and (c) all charges for utilities which

are not separately metered (including electricity, water, gas, fuel, oil, sewerage, drainage, or any other facility or service) which supply or serve the Residential Apartments and the Commercial Apartments (all of the foregoing expenses are herein called "air conditioning, elevator and utility charges"), may, at the sole discretion of the Board from time to time, be apportioned between said apartments of the Project by the Board in a fair and equitable manner, with the assistance of a mechanical or electrical engineer or other qualified consultant. Said apportionments among said apartments, if any, may be accomplished annually and if so accomplished, shall control for the next year; provided, however, that upon completion of the next annual apportionment, if any, the new annual apportionment so accomplished shall be used to reallocate said air conditioning, elevator and utility charges for the previous year and said air conditioning, elevator and utility charges shall thereupon be adjusted accordingly.

4. In the event of any dispute as to any of said apportionments, the same shall be decided by arbitration. Such arbitration shall be conducted in accordance with the rules of the American Arbitration Association then in effect, except that each side shall be limited to a maximum of one (1) day's presentation of its case, and the arbitrator shall deliver his decision within ten (10) days after the close of arbitration presentation by all sides; the Association, as a common expense, and the party (or parties) filing for arbitration shall each pay one-half (1/2) of the legitimate costs of said arbitration, provided that all attorneys' and witnesses' fees shall be borne by the respective party incurring them. Said arbitration decision shall be final and binding upon all parties and no appeal may be

had therefrom, all as provided in Chapter 658, Hawaii Revised Statutes, as amended.

5. The Board shall from time to time assess the common expenses against all the apartments in proportion to the common interests appurtenant to their respective apartments in accordance with this Declaration and the Bylaws and the unpaid amount of such assessments against any apartment shall constitute a lien against such apartment prior to all other liens, except only (a) liens for taxes and assessments lawfully imposed by governmental authority against such apartment and (b) liens for sums unpaid on any mortgage of record which was recorded prior to the recordation of a notice of a lien by the Association, and costs and expenses including attorneys' fees provided in such mortgages. Such lien may be foreclosed by the Board or the Managing Agent as provided by the Act, provided that thirty (30) days' prior written notice of intention to foreclose shall be mailed, postage prepaid, to all persons having any interest in such apartment as shown in the Association's record of ownership. Without limiting the provisions of Section 514A-90, Hawaii Revised Statutes, as amended, where the holder of a first mortgage of record of an apartment comes into possession of the apartment pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or conveyance in lieu of foreclosure of the mortgage, such mortgagee shall take such possession of the apartment free of any claims for unpaid assessments or charges chargeable to the apartment, which accrue prior to the time such mortgagee comes into possession of the apartment (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all apartments, including such apartment).

6. Notwithstanding any provision herein to the contrary, all costs and expenses, including but not limited to, maintenance, installation, restoration, repair, replacement, additions and improvements to any of the aforementioned limited common elements of the Project shall be charged to and divided among the owners of apartments to which such limited common element is appurtenant in proportion to the ratio that the common interest appurtenant to their respective apartments bears to the sum of the common interests of all of the apartments to which such limited common element is appurtenant.

7. In the event that assessments received during any year are in excess of the actual expenditures for such year by the Association for common expenses of the Project, the Board may determine, subject to approval by the apartment owners at the next annual meeting, that such excess shall be:

(a) Applied in whole or in part to reduce the assessments for the subsequent year unless a majority of the apartment owners vote to return such excess to the apartment owners, in which event the same shall be returned to them in proportion to their respective common interests; or

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

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

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

The interest of each apartment owner in said capital contributions, Custodial Fund or Maintenance Reserve Fund, cannot be withdrawn or separately assigned but shall be deemed

to be transferred with such apartment even though not expressly mentioned or described in the conveyance thereof. In case the condominium property regime hereby created shall be terminated or waived, said capital contributions, Custodial Fund or Maintenance Reserve Fund remaining after full payment of all common expenses of the Association shall be distributed to all apartment owners in proportion to the common interests appurtenant to their respective apartments except for the owners of any apartments then reconstituted as a new condominium property regime, whose share in such distribution shall be turned over to the association of the new condominium property regime.

K. COMPLIANCE WITH DECLARATION AND BYLAWS. All apartment owners, their tenants, mortgagees, lessees, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the provisions of this Declaration, the Bylaws, the House Rules of the Association, and all rules, regulations, agreements, decisions and determinations of the Association as lawfully made or amended from time to time, and failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, maintainable by the Board or the Managing Agent on behalf of the Association or, in a proper case, by any aggrieved apartment owner. In the event of the failure of any apartment owner to comply fully with any of the same within thirty (30) days after written demand therefor by the Association, the Association shall promptly give written notice of such failure to the holder of any mortgage of such apartment as shown in the Association's record of ownership or who has given the Board written notice of its interest through the Secretary or the Managing Agent. In the event that the

Association shall fail or refuse to observe and perform its responsibilities and duties as provided in this Declaration, the Bylaws, the House Rules of the Association, or any rules, regulations, agreements, decisions or determinations of the Association as lawfully made or amended from time to time, any aggrieved apartment owner shall have the right to maintain an action to recover sums due for damages or injunctive relief, or both; provided, that nothing herein contained shall be construed to exclude any remedies available to an aggrieved apartment owner or to limit an aggrieved apartment owner's right to maintain an action for any cause of action which an apartment owner may have against the Association, other apartment owners or third parties to enforce the provisions of this Declaration, the Bylaws, the House Rules of the Association, the Building Rules governing the Commercial Apartments, and all rules, regulations, agreements, decisions or determinations of the Association as lawfully made or amended from time to time.

L. INSURANCE.

1. Fire Insurance. The Association at its common expense shall at all times keep all buildings 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 floor plans and specifications, insured against loss or damage by fire with an insurance company authorized to do business in the State of Hawaii and having a financial rating by Best's Insurance Reports of Class A 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 for the benefit of all apartment owners and their mortgagees according

to the loss or damage to their respective apartments and appurtenant common interest and payable in case of loss to such bank or trust company authorized to do business in the State of Hawaii as the Board shall designate as trustee for the custody and disposition as herein provided of all proceeds of such insurance, and from time to time cause to be deposited promptly with the Secretary of the Association true copies of such insurance policies or current certificates thereof, without prejudice to the right of each apartment owner to insure his apartment for his own benefit. If available at commercially reasonable rates, such insurance shall also include the following endorsements: Inflation Guard Endorsement, Demolition Cost Endorsements, Contingent Liability from Operation of Building Laws Endorsement, Increased Cost of Construction Endorsement and Machinery Coverage Endorsement (with a minimum liability per accident to at least equal the lesser of \$2,000,000.00 or the insurable value of the buildings housing the air conditioning equipment). Flood insurance shall also be provided under the provisions of the federal Flood Disaster Protection Act if the property is located in an identified flood hazard area as designated by the Department of Housing and Urban Development. The members of the Association may by majority vote at any meeting of the Association require that exterior glass of the Project also be insured under such policy. Subject to the provisions of paragraph M hereof, in every case of such loss or damage the insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, restoring, repairing or otherwise reinstating the buildings, in a good and substantial manner according to the original plans and elevations 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. Every such policy of insurance shall:

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

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

(c) Provide that such policy and the coverage thereunder may not be reduced, cancelled or materially or substantially modified (whether or not requested by the Board) except by the insurer giving at least ninety (90) days' prior written notice thereof to the Board, every first mortgagee of an apartment and every other person in interest who shall have requested such notice of the insurer;

(d) 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 any other apartment owner;

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

(f) Contain a waiver by the insurer of any right of the insurer to repair, replace, rebuild or restore the

improvements of the Project, if the apartment owners decide pursuant to paragraph M hereof not to repair, replace, rebuild or restore the damaged or destroyed improvements;

(g) Provide that the insurer, at the inception of the policy and on each anniversary date thereof, shall provide the Board 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 shall provide a copy of the summary to each apartment owner; and

(h) Contain a standard mortgagee clause which shall:

(i) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any apartment 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, or of the apartment owners or any persons under any of them;

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

(iv) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to said bank or trust company designated by the Board as trustee for the apartment owners and their mortgagees as their respective interests may appear.

2. Liability Insurance. The Board on behalf of the Association at its common expense shall also effect and maintain at all times comprehensive general liability insurance, covering all apartment owners with respect to the Project, in an insurance company authorized to do business in the State of Hawaii and having a financial rating by Best's Insurance Reports of Class A or better with minimum limits of not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury to or death of persons with an aggregate of Two Million Dollars (\$2,000,000.00), and Five Hundred Thousand Dollars (\$500,000.00) per occurrence for property damage with an aggregate of One Million Dollars (\$1,000,000.00), without prejudice to the right of any apartment owner to maintain additional liability insurance for his apartment. Any such policy of insurance, unless unobtainable, shall:

(a) Provide that the same shall not be invalidated by any act or neglect of the Board, or of the apartment owners or any persons under any of them;

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

(c) Contain a "severability of interest" endorsement precluding the insurer from denying the claim of an apartment owner because of negligent acts of the Association or any other apartment owner;

(d) Provide that the policy and the coverage thereunder may not be cancelled, modified or reduced (whether or not requested by the Board) except by the insurer giving at least ninety (90) days' prior written notice thereof to the

Board, all apartment owners, every first mortgagee of an apartment and every other person in interest who shall have requested such notice of the insurer; and

(e) Provide that the insurer, at the inception of the policy and on each anniversary date thereof, shall provide the Board 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 shall provide a copy of the summary to each apartment owner.

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

The Association at its common expense may effect and maintain liability insurance covering members of the Board and officers of the Association with minimum coverage in such amounts as shall be determined by the Board. Any such insurance policy shall require the insurance carrier, at the inception of the policy and on each anniversary date thereof, to provide the Board with a written summary of the policy, including the type of policy, a description of the coverage and limits thereof, amount of annual premium, and renewal dates; and the summary shall be in layman's terms and the Board shall provide a copy thereof to each apartment owner.

The Board shall review not less frequently than annually the adequacy of its entire insurance program and shall

adjust its insurance program accordingly; the Board shall then report in writing its conclusions and action taken on such review to the owner of each apartment and to the holder of any mortgage on any apartment who shall have submitted a written request for a copy of such report or copies of all such reports. At such time as any policy provided for hereunder is obtained, the Board shall also obtain, if the same shall be practicable, a certificate of an insurance broker or agent responsible for the issuance thereof, that the policy substantially complies with and satisfies all the requirements set forth in this Declaration, the Bylaws and any deed or other instrument pursuant to which ownership of an apartment is conveyed.

M. INSURED CASUALTY. Notwithstanding the provisions of Paragraph L.1 hereof, if any part of the improvements of the Project shall be damaged or destroyed by an insured casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

1. Partial destruction, which shall be deemed to mean damage or destruction which does not render one-half (1/2) or more of the apartments untenable, then the same shall be reconstructed, restored or repaired unless at a meeting of the Association, which shall be called prior to commencement of such reconstruction, restoration or repair, eighty percent (80%) or more of all the apartment owners affirmatively vote against such reconstruction, restoration or repair, and this Declaration is terminated pursuant to the provisions of Section 514A-21(a)(1), Hawaii Revised Statutes, as amended.

2. Total destruction, which shall be deemed to mean damage or destruction which does render one-half (1/2) or more

of the apartments untenable, then the same shall be reconstructed, restored or repaired unless at a meeting of the Association, which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within thirty (30) days thereafter, eighty percent (80%) or more of all the apartment owners affirmatively vote against such reconstruction, restoration or repair. In the event the property shall not be reconstructed, restored or repaired pursuant to such vote, the provisions of Section 514A-21 (a)(2), Hawaii Revised Statutes, as amended, shall apply.

3. Repair and Reconstruction. If any of the improvements of the Project shall be damaged by fire or other casualty which such improvements are insured against and said fire or other casualty does not render one-half (1/2) or more of the apartments untenable:

(a) The Board, subject to subparagraph M.1 hereof, shall thereupon contract with a licensed contractor to repair or rebuild the damaged or destroyed portions of the improvements, including any apartment 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 such damage or destruction, or if repair or 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 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 (or to the mortgagee of said

apartment, if any) that portion of said insurance proceeds allocable to said apartment (less the share of said apartment in the cost of debris removal, which share is determined by multiplying said cost by the common interest appurtenant to said apartment) 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 provisions of subparagraph M.3(b) immediately following. If the insurance proceeds are insufficient to pay all the costs of repairing or rebuilding such common elements, the Board is expressly authorized to pay such costs in excess of the insurance proceeds from the Maintenance Reserve Fund, and if the Maintenance Reserve Fund is insufficient for such purpose, the Board shall levy a special assessment on the owners of apartments in proportion to their respective common interests. Any costs in excess of the insurance proceeds for the repairing or rebuilding of any apartment shall be specially assessed against the owner of such apartment. All such special assessments shall be secured by lien as provided in Article VI, Section 4 of the Bylaws.

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

(i) The work shall be placed in the charge of a licensed, registered architect or engineer.

(ii) Each request for payment shall be made on not less than ten (10) 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 required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects, or other persons rendering services 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 requested 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 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 lien 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 and the trustee shall be paid by the Association as common expenses, and such fees and expenses may be deducted from any proceeds at any time in the hands of the trustee.

(vi) Such other conditions as are customarily imposed under similar circumstances by prudent businessmen and as the trustee may reasonably request.

(c) 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 or the trustee shall be paid or credited to the owners of the apartments (or to the holder of any mortgage on an apartment if there be a mortgage) in proportion to their respective common interests.

N. UNINSURED CASUALTY. In case at any time or times any improvements of the Project shall be damaged or destroyed by any casualty not herein insured against, such improvements shall be reconstructed, rebuilt, repaired or restored unless eighty percent (80%) or more of all the apartment owners affirmatively vote to the contrary. Any such reconstruction, restoration or repair of the common elements shall be completed diligently by the Association at its common expense and the apartment owners shall be solely responsible for any reconstruction, restoration or repair of their respective apartments so damaged or destroyed, according to the original plans and elevations thereof, or such other plans first approved as provided herein. Unless such reconstruction, restoration or repair is undertaken within a reasonable time after such casualty, the Association at its common expense shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good orderly condition and even grade. In the event the Project shall not be reconstructed, restored or repaired pursuant to such vote, the provisions of Section 514A-21, Hawaii Revised Statutes, as amended, shall apply.

O. CONDEMNATION. In case at any time or times the Project or any part thereof shall be taken or condemned by any authority having the power of eminent domain, or shall be sold to such authority under threat of condemnation, all compensation and damages for or on account of the Land or any part thereof and all compensation and damages payable for or on account of any improvements of the Project shall be payable to such bank or trust company authorized to do business in the State of Hawaii as the Board shall designate as trustee for all apartment owners and mortgagees according to the loss or damage to their respective apartments and appurtenant common interests and shall be used promptly by the Association to the extent necessary for restoring or replacing such improvements on the remainder of the Land according to plans therefor first approved by the Board, unless such restoration or replacement is impractical in the circumstances. Any such restoration or replacement shall be done in accordance with the provisions of paragraph M.3 hereof. In the event that that portion of the compensation and damages allocable to the buildings and improvements is insufficient to pay for the cost of restoring or replacing such improvements, the Association at its common expense shall make up such deficiency. The apartment owners shall be solely responsible to make up for any deficiency between the cost of restoring or replacing their apartment and the compensation and damages allocable to their apartments. In the event of a partial taking in which any apartment is eliminated or not restored, said trustee shall disburse that portion of the compensation and damages for the Land and buildings and improvements allocable to such apartment, less the share of such apartment in the cost of debris removal (which share is determined by multiplying said cost by

the common interest appurtenant to such apartment), to the owner of such apartment (or to the mortgagee of such apartment, if any) in satisfaction of such owner's interest in such apartment. Unless such restoration or replacement is undertaken within a reasonable time after such condemnation, the Association at its common expense shall remove all remains of such improvements so taken or condemned and restore the site thereof to good orderly condition and even grade.

K. ALTERATION OF PROJECT. Reconstruction, restoration, replacement of the Project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map 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 eighty percent (80%) of all the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such reconstruction, restoration, replacement, construction, alteration or addition the Association shall duly record and file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as-built by a licensed, registered architect or professional engineer, with the Land Court and the Bureau of Conveyances.

Subject to the above paragraph, any of the following may be undertaken as hereinafter provided by an amendment to this Declaration, but without the filing of a complete set of floor plans of the Project so altered:

1. "Non-material structural additions to the common elements" as such phrase is defined in Section 514A-89, Hawaii Revised Statutes, as amended, shall be undertaken by the Association or any apartment owner only pursuant to the written approval thereof by the Board and a majority of the apartment owners. Upon completion of such non-material structural additions to the common elements, the Association or the apartment owner shall duly record and file of record an amendment to this Declaration, together with the approved plans showing only such non-material structural addition in the Land Court and the Bureau of Conveyances.

2. Any alterations or additions solely within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment or more than one apartment, shall be undertaken by an apartment owner or owners only pursuant to the written approval thereof, including the plans therefor, by the holders of mortgages affecting such apartment, the Board, and all other apartment owners thereby directly affected (as determined by the Board in its sole discretion). Upon completion of such alterations or additions the apartment owners directly affected shall duly record and file of record an amendment to this Declaration together with the approved plans showing only such alterations or additions within an apartment space or within a limited common element as aforesaid in the Land Court and the Bureau of Conveyances. Such amendment to this Declaration need only be executed by the apartment owners directly affected and their mortgagees.

3. An apartment owner owning two (2) or more apartments, which respective apartments are separated only by common elements which are walls or doors, may alter or remove all or

portions of such intervening walls or doors and make other alterations or additions solely within such apartments and convert such apartments into a single apartment or into two (2) or more apartments with modified floor plans; provided that the structural integrity of the building or the soundness and safety of the Project shall not be thereby affected and such alteration, removal and restoration will not reduce the value of the Project or impair any easement or hereditament thereof, and the finish of the common element then remaining shall be restored to a condition substantially comparable to that of the common element prior to such alteration. All such alterations, removal or additions, including the plans thereof which shall be prepared by a licensed, registered architect, shall be subject only to the approval of the holders of mortgages affecting such apartments, the Board, and all other apartment owners thereby directly affected (as determined by the Board in its sole discretion); and upon completion of such alteration, removal or addition the apartment owners directly affected shall duly record and file of record an amendment to this Declaration, together with the approved plans showing only such alteration, removal or addition, in the Land Court and the Bureau of Conveyances. which amendment need only be executed by the apartment owner or owners directly affected and their mortgagees. If the net living areas of the apartments resulting from such alteration, removal or addition (herein called the "modified apartments") shall not be the same as the net living areas of the original apartments to which such alteration, removal or addition was made (herein called the "original apartments"), then the sum of the common interests appurtenant to the original apartments shall be re-allocated among the modified apartments in proportion to the

ratio that the net living area of a modified apartment bears to the sum of the net living areas of the original apartments, and such reallocation of the common interest shall be included in said amendment to this Declaration. Following the conversion of the original apartments into the modified apartments, the apartment owner or owners of the modified apartments may reconvert the modified apartments into the original apartments. All alterations, removal or additions to convert the modified apartments into the original apartments, including the plans thereof which shall be prepared by a licensed, registered architect, shall be subject only to the approval of the holders of mortgages affecting the modified apartments, the Board, and all other apartment owners thereby directly affected (as determined by the Board in its sole discretion); and upon completion of such reconversion the apartment owners directly affected shall duly record and file of record an amendment to this Declaration, together with the approved plans showing only the reconversion of the modified apartments into the original apartments, in the Land Court and the Bureau of Conveyances, which amendment need only be executed by the apartment owner or owners directly affected and their mortgagees.

4. As long as the Owner shall be the owner of not less than seventy-five percent (75%) of all the apartments of the Project, the Owner and the Developer hereby reserve unto themselves the following:

(a) The right to convert any Commercial Apartment owned by the Owner into two (2) or more Commercial Apartments with modified floor plans; provided that the common interest of such Commercial Apartment shall be reallocated among the Commercial Apartments resulting from such conversion in the manner as

shall be determined by the Owner and the Developer even though the net living areas of the Commercial Apartments resulting from such conversion shall be less than the net living area of such Commercial Apartment. Upon completion of such conversion, the Owner and the Developer shall duly record and file of record an amendment to this Declaration, together with the plans showing only such conversion, in the Land Court and the Bureau of Conveyances, which amendment need only be executed by the Owner and the Developer.

(b) The right to convert two (2) or more Commercial Apartments into a single Commercial Apartment or into two (2) or more Commercial Apartments with modified floor plans; provided that the common interests of such Commercial Apartments shall be the common interest of the single Commercial Apartment, or if such Commercial Apartments are converted into two (2) or more Commercial Apartments, the common interests of such Commercial Apartments shall be reallocated among the Commercial Apartments resulting from such conversion in the manner as shall be determined by the Owner and the Developer even though the net living areas of the Commercial Apartments resulting from such conversion shall not be the same as the net living areas of such Commercial Apartments. Upon completion of such conversion, the Owner and the Developer shall duly record and file of record an amendment to this Declaration, together with the plans showing only such conversion, in the Land Court and the Bureau of Conveyances, which amendment need only be executed by the Owner and the Developer.

Q. MAINTENANCE RESERVE FUND. The Board shall establish and maintain a Maintenance Reserve Fund by the assessment of and payment by each apartment owner in equal monthly installments of such owner's share of such reasonable annual amount

(which share is determined by multiplying such annual amount by the common interest appurtenant to such owner's apartment) as the Board may determine in its sole discretion as adequate to cover each apartment owner's obligations to provide for utilities, insurance, maintenance, repair and replacement of the common elements and those limited common elements which it is obligated to maintain, and other expenses of administration of the Project, which shall be deemed conclusively to be a common expense of the Project. The Board may include reserves for contingencies in such assessment, and such assessment may from time to time be increased or reduced in the discretion of the Board. Disbursement from the Maintenance Reserve Fund shall be made only upon authorization of the Board. The interest of each apartment owner in the Maintenance Reserve Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such apartment even though not expressly mentioned or described in the conveyance thereof. In case the condominium property regime hereby created shall be terminated or waived, the Maintenance Reserve Fund remaining after full payment of all common expenses of the Association shall be distributed to all apartment owners in proportion to the common interests appurtenant to their respective apartments except for the owners of any apartments then reconstituted as a new condominium property regime, whose share in such distribution shall be paid into a Maintenance Reserve Fund for the new condominium property regime.

R. AMENDMENT OF DECLARATION.

1. Required Percentage of Vote. Except as otherwise provided herein or in the Act and subject to and conditioned upon the prior written approval of not less than fifty-one percent (51%) of the eligible mortgage holders as hereinafter provided or of not less than two-thirds of the holders of first

mortgages as hereinafter provided, this Declaration may be amended by affirmative vote or written consent of 75% of all apartment owners and shall be effective only upon the filing in the Land Court and the recording in the Bureau of Conveyances of an instrument setting forth such amendment duly executed by such officer or officers of the Association as provided in the Bylaws; provided, however, that any amendment which shall affect either the purposes for which the Commercial Apartments may be occupied and used or the governance of the Commercial Apartment owners' activities shall be subject to and conditioned upon the affirmative vote or written consent of 75% of all Commercial Apartment owners. Notwithstanding the foregoing, the Owner and the Developer hereby except and reserve the right, power and authority, without the consent or joinder of any person then having an interest in an apartment, to amend this Declaration by filing and recording an amendment to which shall be attached a verified statement of a licensed registered architect or professional engineer certifying that the final plans theretofore filed and recorded or being filed and recorded simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built. The Owner and the Developer hereby further except and reserve the right, power and authority, without the consent or joinder of any person then having an interest in an apartment, to amend this Declaration pursuant to the provisions of paragraph P.4 hereof.

2. Consent of Eligible Mortgage Holders. Amendments of a material nature to this Declaration shall require the prior written approval of not less than fifty-one percent (51%) of the eligible mortgage holders. The term "amendments of a material

nature" shall mean and refer to changes to this Declaration relating to:

- (a) voting rights of apartment owners;
- (b) assessments, assessment liens, or subordination of assessment liens;
- (c) the Maintenance Reserve Fund;
- (d) responsibility for maintenance and repair of the apartments, common elements and/or limited common elements;
- (e) the common elements and limited common elements appurtenant to the apartments, or the rights to the use of the common elements and limited common elements;
- (f) the boundaries of any apartment space;
- (g) conversion of apartment spaces into common elements or limited common elements or conversion of common elements or limited common elements into apartment spaces;
- (h) expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;
- (i) insurance or fidelity bonds;
- (j) an apartment owner's right to sell, lease or otherwise transfer his or her apartment;
- (k) the qualification for the Managing Agent of the Project;
- (l) restoration or repair of the Project after damage or destruction or partial condemnation;
- (m) termination of the legal status of the Project as a condominium after substantial destruction or condemnation;
or
- (n) Any provision that expressly benefits, holders, insurers, or guarantors of first mortgages on apartments of the Project.

Any other changes to this Declaration shall not be considered as amendments of a material nature. The term "eligible mortgage holders" as used herein shall mean and refer to those holders, insurers, or guarantors of first mortgages on apartments of the Project who have filed with the Association written requests that they be given written notice, of all or those meetings of the Association at which any proposed amendment to this Declaration or the Bylaws will be considered by the apartment owners. The term "fifty-one percent (51%) of the eligible mortgage holders" or any other specified percentage of eligible mortgage holders shall mean and refer to those eligible mortgage holders representing at least fifty-one percent (51%) or such other specified percentage of the votes of the apartments that are subject to mortgages held by the eligible mortgage holders. In the event that an eligible mortgage holder fails to appear at a meeting of the Association at which amendments to this Declaration not considered material are proposed and considered, or fails to file a written response with the Association within thirty (30) days after the holding of such meeting of the Association and adoption of such amendments, then and in any such event such amendments shall conclusively be deemed approved by such eligible mortgage holder.

In addition to the foregoing, no amendment to this Declaration which would allow any action to terminate the condominium property regime created hereby for reasons other than substantial destruction or condemnation shall be made without the prior written approval of sixty-seven percent (67%) of the eligible mortgage holders.

3. Consent of Holders of First Mortgages. Except as otherwise provided in the Act, any amendment to this paragraph

shall require the prior written approval of not less than two-thirds of the holders of first mortgages on apartments of the Project (based on one vote for each first mortgage on an apartment of the Project). Notwithstanding anything to the contrary contained in this Declaration and/or the Bylaws with respect to actions which may be taken by the Association and except as otherwise provided in the Act, in case of condemnation or substantial loss to the apartments and/or the common elements of the Project, unless at least two-thirds of the holders of first mortgages on apartments of the Project (based on one vote for each first mortgage on an apartment of the Project) or the apartment owners of the Project (other than the Owner) have given their prior written approval, the Association may not perform any of the following acts:

(a) by act or omission seek to abandon or terminate the Project;

(b) change the pro rata interest or obligations of any apartment in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each apartment in the common elements;

(c) partition or subdivide any apartment (the provisions in paragraph P of this Declaration with respect to alteration of the Project are not a partition or subdivision within the meaning of this clause);

(d) seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements by act or omission (the granting of easements for public or private utilities or for public purposes consistent with the intended use of the

common elements of the Project and the relocation of any easements appurtenant to the Project over other lands pursuant to the exercise of any right to relocate such easements by the owner of such other lands shall not be deemed a transfer within the meaning of this clause, and the exchange of easements with owners of lands adjoining the Project pursuant to and in accordance with written agreements heretofore made with such owners of adjoining lands shall not be deemed a transfer within the meaning of this clause): or

(e) use hazard insurance proceeds for losses to any property of the Project (whether apartments or common elements) for other than the repair, replacement, or reconstruction of the property of the Project.

S. ARBITRATION. In the event any dispute shall arise involving the Owner, the Developer or the Developer's agents, architects, consultants, engineers or representatives and one or more apartment owners or the Association relating to or in any way connected with the design, development, construction, sales, marketing, financing, delivery of the apartments, warranties, or any other activity with respect to the Project, or in the event any dispute shall arise concerning or involving one or more apartment owners and the Association, the Board, or the Managing Agent, or one or more other apartment owners relating to the interpretation, application or enforcement of any of the terms, conditions or provisions of this Declaration, the Bylaws (except that the provisions under Article VI, Section 4 of the Bylaws shall not be arbitrated) or rules and regulations or House Rules adopted by the Board in accordance with the Bylaws, then in any such event such claim or cause of action or dispute shall be submitted for determination, in the City and County of Honolulu,

State of Hawaii, by a single arbitrator. If the parties to the arbitration cannot agree upon a single arbitrator, said arbitrator shall be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The costs of the arbitration shall be borne equally by the parties thereto, except that each party shall be responsible to pay for its own attorneys' or witnesses' fees. The arbitration of disputes involving the Owner, the Developer or the Developer's agents, architects, consultants, engineers or representatives and one or more apartment owners or the Association as aforesaid shall be in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration of disputes involving one or more apartment owners and the Association, the Board, the Managing Agent, or one or more other apartment owners as aforesaid shall be in accordance with Condominium Property Regime Rules on Arbitration of Disputes of the American Arbitration Association. No punitive damages shall be awarded in any of the aforesaid arbitration of disputes.

T. DEFINITIONS. The term "majority of apartment owners" herein means the owners of apartments to which are appurtenant more than 50% of the common interest of the Project, and any specified percentage of the apartment owners means the owners of apartments to which are appurtenant such percentage of the common interest.

U. CAPTIONS. The head notes or captions of each paragraph are for convenience only and shall not be construed as enlarging, restricting, modifying or otherwise affecting the meaning or context thereof.

V. INVALIDITY. The invalidity or partial 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.

W. CHANGES IN LAW. In the event any change in the Act shall result in a conflict or inconsistency between the provisions of this Declaration and the Act, the provisions of the Act shall prevail.

IN WITNESS WHEREOF, the Owner and the Developer have executed this Declaration as of the 4TH day of APRIL, 1990.

725 KAPIOLANI ASSOCIATES, a Hawaii
general partnership

By GAMBOW LIMITED PARTNERSHIP,
a Hawaii limited partnership
A General Partner

By GGKB, INC., a Hawaii
corporation,
Its General Partner

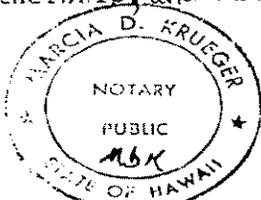
By Richard L. Guffett
Its partner
Owner

BUSINESS INVESTMENT, LTD.

By Colin de Silva
COLIN de SILVA
Its President
Developer

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

On this 4TH day of APRIL, 1990, before me appeared RICHARD L. GRIFITH, to me personally known, who, being by me duly sworn, did say that he is the Partner of GGKB, INC., a Hawaii corporation, general partner of GAMBOW LIMITED PARTNERSHIP, a general partner of 725 KAPIOLANI ASSOCIATES, a Hawaii general partnership; that said instrument was executed in the name and on behalf of said GAMBOW LIMITED PARTNERSHIP as a general partner of said general partnership by said corporation as its general partner; ~~that the seal affixed to the foregoing instrument is the corporate seal of said corporation;~~ that said instrument was signed and sealed in behalf of said corporation in the name and on behalf of said GAMBOW LIMITED PARTNERSHIP as a general partner of said general partnership by authority of the Board of Directors of said corporation, and the said RICHARD L. GRIFITH acknowledged said instrument to be the free act and deed of said general partnership, and that the said corporation has no corporate seal.



Marcia D. Krueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1991

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

On this 4TH day of APRIL, 1990, before me appeared COLIN de SILVA, to me personally known, who, being by me duly sworn, did say that he is the President of BUSINESS INVESTMENT, LTD., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said COLIN de SILVA acknowledged said instrument to be the free act and deed of said corporation.



Marcia D. Krueger
Notary Public, State of Hawaii
My Commission Expires: April 15, 1991

1719H

FARCEL FIRST:

All of that certain parcel of land (being portions of the lands described in and covered by R. P. 5716, L. C. Aw. 10605, Ap. 7 to Kamakee Piikoi, and Land Patent Grant 9449 to August Dreier, Ltd.), being LOTS 1, 2, 3, and 4, BLOCK 18, of the "CYCLOMERE TRACT," situate, lying and being at Kewalo, Honolulu, City and County of Honolulu, State of Hawaii, and being more particularly described as follows:

Beginning at the Northeast corner of this piece of land, being also the Northwest corner of Lot 1 (Map 1) of Land Court Application 1398 and on the Southwesterly side of Kapiolani Boulevard, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL," being 4,178.29 feet South and 1,735.10 feet West, thence running by azimuths measured clockwise from True South:

1. 51° 52' 217.55 feet along Lot 1 (Map 1) of Land Court Application 1398;
2. 141° 52' 100.00 feet along the Northeasterly side of Waimanu Street;
3. 231° 52' 221.00 feet along the Southeasterly side of Dreier Street;
4. 325° 50' 100.06 feet along the Southwesterly side of Kapiolani Boulevard to the point of beginning and containing an area of 21,928 square feet, more or less, as per survey of Kataichi Ninomiya, Registered Professional Land Surveyor, dated April 4, 1988.

PARCEL SECOND:

All of that certain parcel of land (being portions of the lands described in and covered by R. P. 5716, L. C. Aw. 10605, Ap. 7 to Kamakee Piikoi, and Land Patent Grant 9449 to August Dreier, Ltd.), being all of BLOCK 20, of the "CYCLOMERE TRACT," situate, lying and being at Kewalo, Honolulu, City and County of Honolulu, State of Hawaii, and being more particularly described as follows:

Beginning at the Northwest corner of this piece of land, being also the Northeast corner of Land Court Application 374 and on the Southwesterly side of Kapiolani Boulevard, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL," being 3,980.24 feet South and 1,873.02 feet West, thence running by azimuths measured clockwise from True South:

1. 336° 53' 24.51 feet along the Southwesterly side of Kapiolani Boulevard;
2. 323° 50' 77.32 feet along the Southwesterly side of Kapiolani Boulevard;

EXHIBIT "A"

3. 51° 48' 262.28 feet along the Northwesterly side of Dreier Street;
4. 51° 45' 30" 99.04 feet along Lot 1, Block 19 of Cyclomere Tract, along the remainder of R. P. 5716, L. C. Aw. 10605, Ap. 7 to Kamakee Piikoi;
5. 141° 53' 100.00 feet along Lots 12 and 11, Block 16 of Kewalo Tract, along the remainder of R. P. 5716, L. C. Aw. 10605, Ap. 7 to Kamakee Piikoi;
6. 231° 38' 50.00 feet along Lot 8, Block 16 of Kewalo Tract, along the remainder of R. P. 5716, L. C. Aw. 10605, Ap. 7 to Kamakee Piikoi;
7. 231° 35' 250.90 feet along Land Court Application 432;
8. 231° 52' 69.40 feet along Land Court Application 374 to the point of beginning and containing an area of 36,572 square feet, more or less, as per survey of Kataichi Ninomiya, Registered Professional Land Surveyor, dated April 4, 1988.

Parcels FIRST and SECOND being all of the land conveyed to 725 Kapiolani Associates, a Hawaii general partnership, by Warranty Deed dated April 12, 1969, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23076, Page 4.

PARCEL THIRD:

Item One: All of that certain parcel of land situate at Kewalo, Honolulu, City and County of Honolulu, State of Hawaii, containing an area of 24,927 square feet, as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 432 of August Drier, Limited.

Item Two: All of that certain parcel of land situate at Kewalo, Honolulu, City and County of Honolulu, State of Hawaii, containing an area of 8,185 square feet, as shown on Map 1, filed in said Office of the Assistant Registrar with Land Court Application No. 374 of August Drier, Limited.

Parcel THIRD being all of the land described in Transfer Certificate of Title No. 333,091 issued to 725 Kapiolani Associates, a Hawaii general partnership.

PARCEL FOURTH:

All of that certain parcel of land (portion of the land described in and covered by Royal Patent Number 5716, Land Commission Award Number 10,605, Apana 7 to Kamakee Piikoi, and

portion of the land conveyed to American Factors, Limited, by Deed dated August 20, 1918, recorded as aforesaid in Liber 505, Page 169) situate, lying and being at Kewalo, Honolulu, City and County of Honolulu, State of Hawaii, comprising Lots Numbers Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12), in Block Number Sixteen (16), of the tract of land known as the "Kewalo Tract," and thus bounded and described:

Beginning at a "+" on concrete column at the North corner of this parcel of land on the Southeast side of Cooke Street, being also the initial point of Land Court Application 432, the true azimuth and distance from a City and County Street Monument in Cooke Street being 238° 57' 30" 162.00 feet (said Monument is on an offset of 10 feet to the Northeast side of Kawaiahao Street and on an offset of 20 feet to the Southeast side of Cooke Street), and running by azimuths measured clockwise from True South:

1. 321° 53' 100.05 feet along Land Court Application 432;
2. 51° 38' 50.00 feet along land owned by August Drier, Limited;
3. 321° 43' 100.75 feet along land owned by August Drier, Limited, to a nail in top of fence post;
4. 51° 52' 101.00 feet along Lot 13, Block 16, of the Kewalo Tract to a pipe;
5. 141° 52' 201.00 feet along the Northeast side of Kawaiahao Street to a pipe;
6. 231° 52' 150.76 feet along the Southeast side of Cooke Street to the point of beginning and containing an area of 25,269 square feet, more or less.

PARCEL FIFTH:

All of those certain parcels of land situate at the South corner of Cooke and Kawaiahao Streets, at Kewalo, Honolulu, City and County of Honolulu, State of Hawaii, being Lots Numbered 1 and 36 of the "Kewalo Tract," as shown on the map thereof recorded in said Bureau of Conveyances in Liber 162, Page 224, and each of said Lots containing an area of 5,000 square feet, more or less, the total being 10,000 square feet.

Parcels THIRD, FOURTH and FIFTH being all of the land conveyed to 725 Kapiolani Associates, a Hawaii general partnership by Limited Warranty Deed dated July 31, 1989, filed in said Office of the Assistant Registrar as Document No. 1654814 and also recorded in said Bureau of Conveyances in Liber 23470, Page 37.

EXCEPTING AND RESERVING, HOWEVER, unto 725 Kapiolani Associates the right, power and authority to convey a portion of Parcel First to the City and County of Honolulu in exchange for

a portion of Dreier Street and to consolidate Parcel Second, a portion of Dreier Street and a portion of Parcel First into a single lot, which will be submitted to the condominium property regime.

EXCEPTING AND RESERVING FURTHER, HOWEVER, unto 725 Kapiolani Associates the right to designate, use, enjoy, and grant or dedicate to any public utility, service company, or governmental authority such rights of way and easements as the Grantor in its sole discretion may from time to time determine for transmission facilities and appurtenances for electricity, gas, telephone, electromagnetic signal distribution, and any other utility or similar distribution system including but not limited to, microwave, radio and television antennas, water, sewers, drainage, flowage and any other public utility or public service company purposes, services, and substances whatsoever over, across, under, and through the premises hereinbefore described, including the right to enter to construct, reconstruct, install, operate, maintain, repair, and replace such lines, facilities, and appurtenances, and the right to designate, use, enjoy, and grant or dedicate rights of way for access and egress to others over the demised premises, these reserved rights to be exercised in such manner that will cause the least practicable interference with the apartment owners' use and occupancy of the premises together with a right to trim and keep trimmed any tree or trees in the way of utility lines and appurtenances. The exception and reservation herein shall automatically terminate and be null and void upon the expiration of two (2) years from the date of filing of the declaration in said Office of the Assistant Registrar of the Land Court.

SUBJECT, HOWEVER, to the following:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. As to Parcels FIRST and SECOND only:

a. Mortgage, Assignment of Rents and Security Agreement dated April 17, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, a Japan corporation, recorded as aforesaid in Liber 23076, Page 10.

b. Financing Statement dated April 17, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded as aforesaid in Liber 23076, Page 50.

c. Additional Charge Mortgage dated July 31, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded as aforesaid in Liber 23470, Page 116.

3. As to Parcel FOURTH only, the possible encroachment of the existing structure on the lot adjoining Lot 8, Block 16, as mentioned in that certain Deed dated June 28, 1968, recorded as aforesaid in Liber 6130, Page 51.

4. As to Parcels THIRD, FOURTH and FIFTH only:

a. Permission dated April 30, 1898, by Li Cheung and others to Frank Hustace, his heirs or assigns, to lay, relay and maintain water pipes or mains through and upon lots at Kewalo,

facing Cooke Street, or on Kawaiiahao Street, as the case may be, etc., as mentioned in that certain instrument recorded as aforesaid in Liber 178. Page 118.

b. Mortgage, Assignment of Rents and Security Agreement dated July 31, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, filed as aforesaid as Document No. 165481S and also recorded as aforesaid in Liber 23470, Page 45.

c. Financing Statement dated July 31, 1989, made by 725 Kapiolani Associates in favor of Fukuoka Jisho Corporation, recorded as aforesaid in Liber 23470, Page 88.

1708R

APARTMENT NUMBER AND LOCATION

A. THE GALERIE

There will be thirty-two (32) Commercial Apartments in the four (4) floors of The Galerie.

There will be seven (7) apartments on the ground and second floors. Each apartment will be numbered serially 06 to 12, inclusive, preceded by the letter "C" and a number indicating the floor in which the apartment is located.

Apartments numbered C301, C302, C303, C304, C305, C306, C307, C308, C309, C310, C311 and C312 are located on the third floor of The Galerie.

Apartments numbered C401, C402, C403, C404, C405 and C406 are located on the fourth floor of The Galerie.

The location of each of the Commercial Apartments in The Galerie are in the manner shown on the Condominium Map.

B. THE PLATFORM

There will be twenty-three (23) Commercial Apartments in the 5-story platform (eighteen on the ground floor and five on the third floor).

Apartments numbered C101, C102, C103, C104 and C105 are located on the ground floor of the 5-story platform fronting Kapiolani Boulevard.

Apartments numbered C114, C115, C116, C117, C118, C119, C120, C121, C122, C123, C124, C125 and C126 are located on the ground floor of the 5-story platform fronting Cooke Street.

Apartments numbered C201, C202, C203, C204 and C205 are located on the third floor of the 5-story platform fronting Kapiolani Boulevard. Due to the height of the ground floor of The Galerie, the second floor of The Galerie and the third floor of the 5-story platform are approximately on the same level.

EXHIBIT "B"



The location of each of the Commercial Apartments in the 5-story platform are in the manner shown on the Condominium Map.

C. THE IMPERIAL.

There will be one hundred seventy-three (173) Residential Apartments in the thirty-four (34) floors of The Imperial. There will be no floors numbered one through five and thirteen.

There will be six (6) apartments on each of the eighteen (18) floors from the sixth through the twenty-fourth floors. Each apartment will be numbered serially 01 to 06, inclusive, preceded by a number indicating the floor in which the apartment is located.

There will be five (5) apartments on each of the ten (10) floors from the twenty-fifth through the thirty-fourth floors. Each apartment will be numbered serially 01 to 05, inclusive, preceded by a number indicating the floor in which the apartment is located.

Apartments numbered 3502 and 3504 are located on the thirty-fifth floor of The Imperial.

Apartments numbered 3501 and 3503 are located on the thirty-fifth and thirty-sixth floors of The Imperial.

Apartments numbered 3602 and 3604 are located on the thirty-sixth floor of The Imperial.

Apartments numbered 3702 and 3704 are located on the thirty-seventh floor of The Imperial.

Apartments numbered 3701 and 3703 are located on the thirty-seventh and thirty-eighth floors of The Imperial.

Apartments numbered 3802 and 3804 are located on the thirty-eighth floor of The Imperial.

Apartments numbered 3901, 3902 and 3903 are located on the thirty-ninth and fortieth floors of The Imperial.

The location of each of the Residential Apartments in The Imperial are in the manner shown on the Condominium Map.

D. THE PLAZA

There will be thirty-three (33) Residential Apartments in the eight (8) floors of The Plaza. There will be no floors numbered one through five and thirteen.

Apartments numbered 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621 and 622 are located on the sixth and seventh floors of The Plaza.

Apartments numbered 811, 812, 813, 814, 815, 816, 817, 818 and 819 are located on the eighth and ninth floors of The Plaza.

Apartments numbered 1011, 1012, 1013, 1014, 1015, 1016 and 1017 are located on the tenth and eleventh floors of The Plaza.

Apartments numbered 1211, 1212, 1213, 1214 and 1215 are located on the twelfth and fourteenth floors of The Plaza.

The location of each of the Residential Apartments in The Plaza are in the manner shown on the Condominium Map.

1761R

DESCRIPTION OF APARTMENTS

A. THE IMPERIAL

The Residential Apartments in The Imperial are categorized into twenty-seven (27) different types. The list of rooms or areas set forth below under each apartment type identifies the rooms or areas contained in each apartment type.

| | | | |
|--|--|---|---|
| TYPE "A" | TYPE "B, BR" | TYPE "BR-M" | TYPE "C, CR" |
| 3 Bedrooms 2 Bathrooms 2 Lanais Living room Dining room Kitchen Foyer | 2 Bedrooms 2 Bathrooms 1 Lanai Living room Dining room Kitchen Foyer | 2 Bedrooms 2 Bathrooms 1 Lanai Living room Dining room Kitchen Foyer | 2 Bedrooms 2 Bathrooms 1 Lanai Living room Dining room Kitchen Foyer |
| TYPE "D" | TYPE "A2" | TYPE "E, ER" | TYPE "E-M, ER-M" |
| 2 Bedrooms 2 Bathrooms 1 Lanai Living room Dining room Kitchen Walk-in closet Foyer | 3 Bedrooms 2 Bathrooms 2 Lanais Living room Dining room Kitchen Foyer | 2 Bedrooms 2 1/2 Bathrooms 1 Lanai Living room Dining room Kitchen Walk-in closet Foyer | 2 Bedrooms 2 1/2 Bathrooms Living room Dining room Kitchen Walk-in closet |
| TYPE "Z-M, PR-M" | TYPE "F, FR" | TYPE "G" | TYPE "H, HR" |
| 2 Bedrooms 2 1/2 Bathrooms 1 Lanai Living room Dining room Kitchen Walk-in closet Foyer | 2 Bedrooms 2 1/2 Bathrooms 2 Lanais Living room Dining room Kitchen Walk-in closet Foyer | 2 Bedrooms 3 Bathrooms Library Living room Dining room Kitchen Wet bar Family room Sauna Foyer Walk-in closet | 2 Bedrooms 2 1/2 Bathrooms Living room Dining room Kitchen Sauna Walk-in closet Foyer Laundry |
| TYPE "J" | TYPE "K" | TYPE "L, LR" | NOTE: The list of rooms or areas for apartment types H, HR, J, L, LR, M and N are for illustrative purposes only. The Residential Apartments categorized under these apartment types will have unfinished interior spaces with no interior walls except for interior walls for ducts, shafts and any other interior walls as may be required by the Fire Department of the City and County of Honolulu. |
| 2 Bedrooms 3 Bathrooms Library Living room Dining room Kitchen Foyer Sitting room Laundry Sauna 2 Walk-in closets | 2 Bedrooms 3 Bathrooms Library Living room Dining room Kitchen Wet bar Family room Lanai Sauna Foyer Walk-in closet | 2 Bedrooms 2 1/2 Bathrooms Living room Dining room Kitchen Sauna Foyer Laundry | |
| TYPE "M" | TYPE "N, NR" | TYPE "P" | |
| 3 Bedrooms 3 Bathrooms Library Living room Dining room Kitchen Wet bar Family room Pantry 2 Lanais Study 2 Walk-in closets Sauna Laundry Storage | 3 Bedrooms 3 1/2 Bathrooms Library Living room Dining room Kitchen Wet bar Foyer Sauna 2 Walk-in closets Laundry | 2 Bedrooms 2 Bathrooms Living room Dining room Kitchen 1 Lanai Foyer | |

EXHIBIT "C"

B. THE PLAZA

The Residential Apartments in the Plaza are categorized into twelve (12) different types. The list of rooms or areas set forth below under each apartment type identifies the rooms or areas contained in each apartment type.

TYPE "AA, AAR"

2 Bedrooms
2½ Bathrooms
2 Lanais
Living room
Dining room
Kitchen
Walk-in closet
Foyer

TYPE "BB, BBR"

2 Bedrooms
2½ Bathrooms
2 Lanais
Living room
Dining room
Kitchen
Walk-in closet
Foyer

TYPE "CC"

3 Bedrooms
3½ Bathrooms
4 Lanais
Living room
Dining room
Kitchen
Walk-in closet
Foyer

TYPE "CC-H"

3 Bedrooms
3½ Bathrooms
4 Lanais
Living room
Dining room
Kitchen
Walk-in closet
Foyer

TYPE "DD"

2 Bedrooms
2½ Bathrooms
4 Lanais
Living room
Dining room
Kitchen
Walk-in closet
Foyer
Study

TYPE "ER"

2 Bedrooms
2½ Bathrooms
2 Lanais
Living room
Dining room
Kitchen
Walk-in closet
Foyer
Study

TYPE "FF"

3 Bedrooms
2½ Bathrooms
2 Lanais
Living room
Dining room
Kitchen
Foyer

TYPE "GG"

3 Bedrooms
2½ Bathrooms
4 Lanais
Living room
Dining room
Kitchen
Walk-in closet
Foyer

TYPE "HH"

2 Bedrooms
2½ Bathrooms
3 Lanais
Living room
Dining room
Kitchen
2 Walk-in closets
Foyer

TYPE "JJ"

3 Bedrooms
2½ Bathrooms
3 Lanais
Living room
Dining room
Kitchen
2 Walk-in closets
Foyer

C. THE GALERIE AND THE PLATFORM

There will be thirty-two (32) Commercial Apartments in The Galerie (seven on each of the ground and second floors, twelve on the third floor and six on the fourth floor), and twenty-three (23) Commercial Apartments in the 5-story platform (eighteen on the ground floor and five on the third floor).

The apartment number, apartment type, approximate net living area, lanai and/or patio area, if any, and gross floor area, and the percent common interest of each of the apartments are set forth hereinafter. The term "net living area" represents the approximate area of the space within the interior finished surfaces of the perimeter nonparty walls and party walls of the apartment, including all partitions and walls (load-bearing and nonload-bearing), all air shafts, and all plumbing, mechanical and electrical chases within such perimeter and party walls. The net living area is the enclosed portion of the apartment (exclusive of the lanai and/or patio) measured in accordance with the regulations of the Real Estate Commission of the State of Hawaii. The term "gross floor area" represents the approximate area of the apartment measured not in accordance with the above-mentioned regulations of the Real Estate Commission but in accordance with local architectural practice and represents the space within the interior half of the party walls and the exterior of perimeter nonparty walls or perimeter glass, and all partitions and walls (load-bearing and nonload-bearing), all air shafts, and all plumbing, mechanical and electrical chases within such perimeter walls and party walls. The gross floor area also includes the lanai and/or patio. The gross floor areas of the apartments are set forth for comparison purposes only.

ALL AREAS SET FORTH HEREINAFTER ARE APPROXIMATE ONLY.
THE AREAS OF THE APARTMENTS UPON COMPLETION ARE LIKELY TO VARY SOMEWHAT.

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Net Living Area</u> | <u>Lanai Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|---------------------|------------------|------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| <u>The Imperial</u> | | | | | | |
| 601 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 602 | BR-M | 911 | 197 | 1,108 | 1,217 | .30 |
| 603 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 604 | P | 901 | 110 | 1,011 | 1,108 | .30 |
| 605 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 606 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 701 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 702 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 703 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 704 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 705 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 706 | B | 911 | 94 | 1,005 | 1,124 | .30 |

NOTE: Apartment numbered 602 will contain a lanai of 94 square feet and a patio of 103 square feet. Apartments numbered 603, 604, 605 and 606 will contain a patio instead of a lanai. Apartment numbered 606 is designed to accommodate the handicapped.

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Net Living Area</u> | <u>Lanai Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|-----------------|------------------|------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| 801 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 802 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 803 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 804 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 805 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 806 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 901 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 902 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 903 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 904 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 905 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 906 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1001 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1002 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1003 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1004 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1005 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1006 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1101 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1102 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1103 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1104 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1105 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1106 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1201 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1202 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1203 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1204 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1205 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1206 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1401 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1402 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1403 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1404 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1405 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1406 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1501 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1502 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1503 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1504 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1505 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1506 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1601 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1602 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1603 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1604 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1605 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1606 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1701 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1702 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1703 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1704 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1705 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1706 | B | 911 | 94 | 1,005 | 1,124 | .30 |

NOTE: Apartments numbered 902, 906, 1202 and 1602 are designed to accommodate the handicapped.

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Net Living Area</u> | <u>Lanai Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|-----------------|------------------|------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| 1801 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1802 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1803 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1804 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1805 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1806 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 1901 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 1902 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 1903 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 1904 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 1905 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 1906 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 2001 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 2002 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 2003 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 2004 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 2005 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 2006 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 2101 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 2102 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 2103 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 2104 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 2105 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 2106 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 2201 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 2202 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 2203 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 2204 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 2205 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 2206 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 2301 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 2302 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 2303 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 2304 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 2305 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 2306 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 2401 | A | 1,239 | 188 | 1,427 | 1,546 | .30 |
| 2402 | BR | 911 | 94 | 1,005 | 1,124 | .30 |
| 2403 | CR | 979 | 94 | 1,073 | 1,152 | .30 |
| 2404 | D | 947 | 81 | 1,028 | 1,120 | .30 |
| 2405 | C | 979 | 94 | 1,073 | 1,152 | .30 |
| 2406 | B | 911 | 94 | 1,005 | 1,124 | .30 |
| 2501 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 2502 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2503 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2504 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2505 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2601 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 2602 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2603 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2604 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2605 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2701 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 2702 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2703 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2704 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2705 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Net Living Area</u> | <u>Lanai Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|-----------------|------------------|------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| 2801 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 2802 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2803 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2804 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2805 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2901 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 2902 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 2903 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2904 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 2905 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3001 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 3002 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3003 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3004 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3005 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3101 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 3102 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3103 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3104 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3105 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3201 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 3202 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3203 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3204 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3205 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3301 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 3302 | ER | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3303 | FR | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3304 | F | 1,308 | 212 | 1,520 | 1,637 | .40 |
| 3305 | E | 1,086 | 94 | 1,180 | 1,313 | .40 |
| 3401 | A2 | 1,239 | 188 | 1,427 | 1,546 | .40 |
| 3402 | ER-M | 1,180 | --- | 1,180 | 1,313 | .40 |
| 3403 | FR-M | 1,402 | 118 | 1,520 | 1,637 | .40 |
| 3404 | F-M | 1,402 | 118 | 1,520 | 1,637 | .40 |
| 3405 | E-M | 1,180 | --- | 1,180 | 1,313 | .40 |
| 3501 | G | 2,473 | --- | 2,473 | 2,711 | .80 |
| 3502 | HR | 2,008 | --- | 2,008 | 2,231 | .80 |
| 3503 | J | 2,133 | --- | 2,133 | 2,317 | .80 |
| 3504 | H | 2,008 | --- | 2,008 | 2,231 | .80 |
| 3602 | HR | 2,008 | --- | 2,008 | 2,231 | .80 |
| 3604 | H | 2,008 | --- | 2,008 | 2,231 | .80 |
| 3701 | K | 2,489 | 256 | 2,745 | 2,955 | .80 |
| 3702 | HR | 2,008 | --- | 2,008 | 2,231 | .80 |
| 3703 | J | 2,133 | --- | 2,133 | 2,317 | .80 |
| 3704 | H | 2,008 | --- | 2,008 | 2,231 | .80 |
| 3802 | LR | 1,957 | --- | 1,957 | 2,183 | .80 |
| 3804 | L | 1,957 | --- | 1,957 | 2,183 | .80 |
| 3901 | M | 3,853 | 225 | 4,078 | 4,361 | 1.09 |
| 3902 | NR | 3,293 | --- | 3,293 | 3,509 | 1.06 |
| 3903 | N | 3,293 | --- | 3,293 | 3,509 | 1.06 |

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Net Living Area</u> | <u>Lanai Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|------------------|------------------|------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| <u>The Plaza</u> | | | | | | |
| 611 | DD | 1,492 | 478 | 1,970 | 2,042 | .43 |
| 612 | AAR | 1,291 | 246 | 1,537 | 1,601 | .43 |
| 613 | AAR | 1,291 | 246 | 1,537 | 1,601 | .43 |
| 614 | AAR | 1,291 | 246 | 1,537 | 1,601 | .43 |
| 615 | BB | 1,175 | 268 | 1,443 | 1,535 | .43 |
| 616 | CC | 1,964 | 522 | 2,486 | 2,643 | .43 |
| 617 | CC-M | 1,986 | 522 | 2,508 | 2,666 | .43 |
| 618 | BBR | 1,175 | 268 | 1,443 | 1,535 | .43 |
| 619 | AA | 1,291 | 246 | 1,537 | 1,601 | .43 |
| 620 | AA | 1,291 | 246 | 1,537 | 1,601 | .43 |
| 621 | AA | 1,291 | 246 | 1,537 | 1,601 | .43 |
| 622 | EE | 1,492 | 336 | 1,828 | 1,900 | .43 |
| 811 | DD | 1,492 | 288 | 1,780 | 1,852 | .43 |
| 812 | AAR | 1,291 | 144 | 1,435 | 1,499 | .43 |
| 813 | AAR | 1,291 | 144 | 1,435 | 1,499 | .43 |
| 814 | BB | 1,175 | 144 | 1,319 | 1,411 | .43 |
| 815 | CC | 1,964 | 356 | 2,320 | 2,477 | .43 |
| 816 | CC-M | 1,986 | 356 | 2,342 | 2,500 | .43 |
| 817 | BBR | 1,175 | 144 | 1,319 | 1,411 | .43 |
| 818 | AA | 1,291 | 144 | 1,435 | 1,499 | .43 |
| 819 | EE | 1,492 | 144 | 1,636 | 1,708 | .43 |
| 1011 | DD | 1,492 | 288 | 1,780 | 1,852 | .43 |
| 1012 | AAR | 1,291 | 144 | 1,435 | 1,499 | .43 |
| 1013 | BB | 1,175 | 144 | 1,319 | 1,411 | .43 |
| 1014 | CC | 1,964 | 356 | 2,320 | 2,477 | .43 |
| 1015 | CC-M | 1,986 | 356 | 2,342 | 2,500 | .43 |
| 1016 | BBR | 1,175 | 144 | 1,319 | 1,411 | .43 |
| 1017 | EE | 1,492 | 144 | 1,636 | 1,708 | .43 |
| 1211 | GG | 1,698 | 288 | 1,986 | 2,099 | .43 |
| 1212 | BB | 1,171 | 144 | 1,315 | 1,411 | .43 |
| 1213 | HH | 1,730 | 279 | 2,009 | 2,139 | .43 |
| 1214 | JJ | 1,925 | 279 | 2,204 | 2,361 | .43 |
| 1215 | FF | 1,693 | 144 | 1,837 | 1,968 | .43 |

NOTE: Each of the apartments on the sixth floor of The Plaza will also contain a patio. The approximate area of the patio is included in the lanai area.

The Galerie

| | | | | | | |
|------|-----|-------|-----|-------|-------|-----|
| C106 | --- | 622 | --- | 622 | 643 | .23 |
| C107 | --- | 555 | --- | 555 | 565 | .21 |
| C108 | --- | 1,024 | --- | 1,024 | 1,040 | .38 |
| C109 | --- | 1,068 | --- | 1,068 | 1,088 | .39 |
| C110 | --- | 1,293 | --- | 1,293 | 1,344 | .48 |
| C111 | --- | 785 | --- | 785 | 847 | .29 |
| C112 | --- | 884 | --- | 884 | 913 | .33 |
| C206 | --- | 641 | --- | 641 | 670 | .22 |
| C207 | --- | 828 | --- | 828 | 865 | .29 |
| C208 | --- | 960 | --- | 960 | 993 | .33 |
| C209 | --- | 1,205 | --- | 1,205 | 1,305 | .42 |
| C210 | --- | 1,031 | --- | 1,031 | 1,062 | .36 |

| <u>Apt. No.</u> | <u>Apt. Type</u> | <u>Net Living Area</u> | <u>Lanai Area</u> | <u>Total Area</u> | <u>Gross Floor Area</u> | <u>Percent Common Interest</u> |
|-----------------|------------------|------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| C211 | --- | 572 | --- | 572 | 608 | .20 |
| C212 | --- | 1,853 | --- | 1,853 | 1,884 | .65 |
| C301 | --- | 1,383 | --- | 1,383 | 1,465 | .48 |
| C302 | --- | 1,330 | --- | 1,330 | 1,398 | .46 |
| C303 | --- | 1,205 | --- | 1,205 | 1,305 | .42 |
| C304 | --- | 684 | --- | 684 | 732 | .24 |
| C305 | --- | 920 | --- | 920 | 938 | .32 |
| C306 | --- | 1,665 | --- | 1,665 | 1,680 | .58 |
| C307 | --- | 256 | --- | 256 | 264 | .09 |
| C308 | --- | 128 | --- | 128 | 132 | .04 |
| C309 | --- | 256 | --- | 256 | 264 | .09 |
| C310 | --- | 256 | --- | 256 | 264 | .09 |
| C311 | --- | 128 | --- | 128 | 132 | .04 |
| C312 | --- | 256 | --- | 256 | 264 | .09 |
| C401 | --- | 1,383 | --- | 1,383 | 1,465 | .48 |
| C402 | --- | 1,330 | --- | 1,330 | 1,398 | .46 |
| C403 | --- | 1,205 | --- | 1,205 | 1,305 | .42 |
| C404 | --- | 684 | --- | 684 | 732 | .24 |
| C405 | --- | 920 | --- | 920 | 938 | .32 |
| C406 | --- | 1,665 | --- | 1,665 | 1,680 | .58 |

NOTE: The Galerie is an existing four (4) story building. The areas of the Commercial Apartments within the Galerie have not been verified. Furthermore, the Galerie will be renovated and a building permit will be required for the renovation work. Therefore, it is likely that the areas of the Commercial Apartments within the Galerie will change upon verification of such areas and/or upon any adjustments which may be made in order to obtain a building permit for the renovation work.

The Platform

| | | | | | | |
|------|-----|-------|-----|-------|-------|-----|
| C101 | --- | 1,582 | --- | 1,585 | 1,611 | .57 |
| C102 | --- | 1,486 | --- | 1,486 | 1,536 | .56 |
| C103 | --- | 1,534 | --- | 1,534 | 1,639 | .57 |
| C104 | --- | 1,738 | --- | 1,738 | 1,981 | .65 |
| C105 | --- | 2,014 | --- | 2,014 | 2,356 | .75 |
| C114 | --- | 1,279 | --- | 1,279 | 1,510 | .45 |
| C115 | --- | 1,187 | --- | 1,187 | 1,395 | .43 |
| C116 | --- | 1,239 | --- | 1,239 | 1,388 | .45 |
| C117 | --- | 1,023 | --- | 1,023 | 1,226 | .37 |
| C118 | --- | 975 | --- | 975 | 1,178 | .36 |
| C119 | --- | 1,027 | --- | 1,027 | 1,230 | .37 |
| C120 | --- | 552 | --- | 552 | 586 | .20 |
| C121 | --- | 938 | --- | 938 | 1,086 | .36 |
| C122 | --- | 1,239 | --- | 1,239 | 1,388 | .45 |
| C123 | --- | 1,006 | --- | 1,006 | 1,212 | .36 |
| C124 | --- | 958 | --- | 958 | 1,164 | .35 |
| C125 | --- | 1,149 | --- | 1,149 | 1,272 | .42 |
| C126 | --- | 997 | --- | 997 | 1,029 | .38 |
| C201 | --- | 804 | --- | 804 | 837 | .28 |
| C202 | --- | 1,491 | --- | 1,491 | 1,525 | .32 |
| C203 | --- | 1,294 | --- | 1,294 | 1,341 | .48 |
| C204 | --- | 1,410 | --- | 1,410 | 1,459 | .50 |
| C205 | --- | 2,113 | --- | 2,113 | 2,170 | .75 |

PARKING STALL ASSIGNMENT

| <u>Apartment Number</u> | <u>Parking Stall Number</u> | <u>Apartment Number</u> | <u>Parking Stall Number</u> |
|-------------------------|-----------------------------|-------------------------|-----------------------------|
| <u>The Imperial</u> | | | |
| 601 | 5049C, 5050S | 1401 | 4025SM, 4055S |
| 602 | 5133SM, 5144S | 1402 | 3109S |
| 603 | 5053C, 5138SM | 1403 | 3108HCS |
| 604 | 5056HCS | 1404 | 5115SM, 5166S |
| 605 | 5139HCS | 1405 | 5116SM, 5165S |
| 606 | 4033HCS | 1406 | 4122C, 4146S |
| 701 | 5134SM, 5143S | 1501 | 4018SM, 4051S |
| 702 | 5030SM | 1502 | 4028SM, 4031S |
| 703 | 5132SM, 5145S | 1503 | 4062S |
| 704 | 5137SM, 5140S | 1504 | 4166S |
| 705 | 5136SM, 5141S | 1505 | 4157C, 4162S |
| 706 | 5135SM, 5142S | 1506 | 4167S |
| 801 | 5058C, 5059S | 1601 | 4013C, 4046S |
| 802 | 5130SM, 5150S | 1602 | 4001HCC, 4161S |
| 803 | 5131SM, 5149S | 1603 | 4168S |
| 804 | 5129SM, 5151S | 1604 | 4169S |
| 805 | 5054S | 1605 | 4155C, 4160S |
| 806 | 5051S | 1606 | 4112SM, 4165S |
| 901 | 5062S, 5063C | 1701 | 4082S |
| 902 | 5001HCC, 5147S | 1702 | 4170S |
| 903 | 5129SM, 5152S | 1703 | 3115S, 3125C |
| 904 | 4137HCS | 1704 | 4124SM, 4152S |
| 905 | 4056HCS | 1705 | 4125SM, 4151S |
| 906 | 5002HCC, 5055HCS | 1706 | 4171S |
| 1001 | 4053C, 4054S | 1801 | 4083S |
| 1002 | 5031SM, 5146S | 1802 | 3083SM, 3136S |
| 1003 | 5060S | 1803 | 4172S |
| 1004 | 5127SM, 5153S | 1804 | 5108S |
| 1005 | 5126SM, 5154S | 1805 | 3116S, 3126C |
| 1006 | 5061S | 1806 | 3087SM, 3137S |
| 1101 | 4029SM, 4030S | 1901 | 4017SM, 4050S |
| 1102 | 5160S, 5121SM | 1902 | 4061S |
| 1103 | 5169S | 1903 | 3058S |
| 1104 | 5120SM, 5161S | 1904 | 3117S, 3127C |
| 1105 | 5167S | 1905 | 3057S |
| 1106 | 5168S | 1906 | 5071S, 5119SM |
| 1201 | 5013C, 5040S | 2001 | 4016SM, 4049S |
| 1202 | 4002HCC, 4014SM | 2002 | 4153S, 4154C |
| 1203 | 3052HCS | 2003 | 3132S |
| 1204 | 4138S | 2004 | 3133S |
| 1205 | 4144S | 2005 | 3138S |
| 1206 | 4145S, 4156C | 2006 | 3139S |

EXHIBIT "D"

| <u>Apartment Number</u> | <u>Parking Stall Number</u> | <u>Apartment Number</u> | <u>Parking Stall Number</u> |
|-------------------------|-----------------------------|-------------------------|-----------------------------|
| 2101 | 4012C, 4045S | 3001 | 4065S, 4123C |
| 2102 | 5069S, 5070C | 3002 | 4066S, 4067C |
| 2103 | 3140S | 3003 | 4068S, 4121C |
| 2104 | 3141S | 3004 | 4069S, 4120SM |
| 2105 | 3142S | 3005 | 4070S, 4071C |
| 2106 | 3143S | | |
| | | 3101 | 4158S, 4119SM |
| 2201 | 4106S | 3102 | 4159S, 4118SM |
| 2202 | 5067S, 5123C | 3103 | 4072S, 4117SM |
| 2203 | 5107S | 3104 | 4073S, 4116SM |
| 2204 | 5068S, 5122C | 3105 | 4074S, 4115SM |
| 2205 | 3088SM, 3131S | | |
| 2206 | 3085SM, 3134S | 3201 | 4163S, 4114SM |
| | | 3202 | 4164S, 4113SM |
| 2301 | 4105S | 3203 | 4078S, 4111SM |
| 2302 | 5018SM, 5072S | 3204 | 4079S, 4110SM |
| 2303 | 5066S, 5124C | 3205 | 4080S, 4109SM |
| 2304 | 3084SM, 3135S | | |
| 2305 | 5106S | 3301 | 4081S, 4108SM |
| 2306 | 5064C, 5065S | 3302 | 4107C, 4173S |
| | | 3303 | 4103C, 4104S |
| 2401 | 40153M, 4048S | 3304 | 4101C, 4102S |
| 2402 | 5081S | 3305 | 4086S, 4087C |
| 2403 | 5073S, 5117SM | | |
| 2404 | 5018SM, 5047S | 3401 | 4084S, 4085SM |
| 2405 | 5017SM, 5046S | 3402 | 4097C, 4098S |
| 2406 | 5016SM, 5045S | 3403 | 4088S, 4096C |
| | | 3404 | 4089S, 4095C |
| 2501 | 3071S, 3072C | 3405 | 4093C, 4094S |
| 2502 | 3070S, 3086SM | | |
| 2503 | 3069S, 3087SM | 3501 | 4006C, 4007SM, |
| 2504 | 3067C, 3068S | | 4039S |
| 2505 | 3066S, 3090SM | 3502 | 5015SM, 5043C, |
| | | | 5044S |
| 2601 | 3077S, 3079SM | 3503 | 5014SM, 5041S, |
| 2602 | 3078SM, 3144S | | 5042C |
| 2603 | 3076S, 3080SM | 3504 | 5011SM, 5012C, |
| 2604 | 3075S, 3081SM | | 5039S |
| 2605 | 3073C, 3074S | 3602 | 5009SM, 5010C, |
| | | | 5038S |
| 2701 | 5074S, 5075SM | 3604 | 5008SM, 5036C, |
| 2702 | 5077S, 5114SM | | 5037S |
| 2703 | 5078S, 5113SM | | |
| 2704 | 5079S, 5112SM | 3701 | 4075S, 4076SM, |
| 2705 | 5109S, 5110SM | | 4077C |
| | | 3702 | 4011SM, 4043S, |
| 2801 | 5080S, 5111SM | | 4044C |
| 2802 | 5104S, 5103C | 3703 | 5006C, 5007SM, |
| 2803 | 5082S, 5102C | | 5035S |
| 2804 | 5083S, 5084SM | 3704 | 5005SM, 5033C, |
| 2805 | 5100C, 5101S, | | 5034S |
| | 5105S | | |
| 2901 | 5085S, 5086C | 3802 | 4009SM, 4010C, |
| 2902 | 5097C, 5087S | | 4042S |
| 2903 | 5088S, 5096C | 3804 | 4008SM, 4040C |
| 2904 | 5089S, 5094C | | 4041S |
| 2905 | 5090S, 5093C | | |

| <u>Apartment Number</u> | <u>Parking Stall Number</u> | <u>Apartment Number</u> | <u>Parking Stall Number</u> |
|-------------------------|---|-------------------------|--|
| <u>The Platform</u> | | | |
| C101 | 1041S, 1057C, 2009SM, 2010SM | C203 | 1038S, 1058C, 2011S, 2012S, 2013SM to 2028SM, 2029C, 2030C, 2031S, 2032C, 2033S to 2036S, 2037C, 2038C, 2039S, 2040S, 2041C, 2042S, 2043C to 2045C, 2046S to 2049S, 2050C, 2074SM, 2075C, 2076C, 2077C, 2078C, 2085S to 2101S, 2106S, 2109C, 2110C, 2111C, 2112C, 2113S, 3009C |
| C102 | 1040C, 2007C, 2008SM | | |
| C103 | 1039S, 2005S, 2006C | | |
| C104 | 1042S, 2004S | | |
| C105 | 1043S, 2001S, 2002C, 2003S | | |
| C114 | 1051S, 2104S | | |
| C115 | 1052S, 2082SM | | |
| C116 | 1053S, 2103S | | |
| C117 | 1054S, 2083SM | | |
| C118 | 1055S, 2102S | | |
| C119 | 1056S, 2084SM | | |
| C120 | 1036S | | |
| C121 | 1023S, 1035S | | |
| C122 | 1024S, 1034S | | |
| C123 | 1025S, 1033S | | |
| C124 | 1026C, 1032C 1037C | C204 | 3005SM, 3006SM, 3007SM |
| C125 | 1027S, 1031C | C205 | 3008C, 3034C, 3035S, 3036S |
| C126 | 1029S, 1030S | | |
| C201 | 3001HCS, 3002SM, 3003SM, 3004SM | | |
| C202 | 3031S, 3032HCS, 3033S, 3037S, 3038S | | |

The following twenty-three (23) parking stalls are set aside for the use by guests of the Residential Apartments: 1001HCS, 1002HCS, 1003S, 1004HCS, 1005HCS, 1006HCS, 1007SM through 1018SM, inclusive, 1019C, 1020S, 1021C, 1022S and 1028HCS.

NOTE: The parking stalls are categorized into the following five (5) types:

1. Each parking stall having an "S" after its number is a standard stall with dimensions of approximately 8'6" x 19'.
2. Each parking stall having a "C" after its number is a compact stall with dimensions of approximately 7'6" x 16'.
3. Each parking stall having an "SM" after its number is a standard modified stall with dimensions of approximately 8'6" x 16'.
4. Each parking stall having a "HCS" after its number is a standard stall designed to accommodate the handicapped with dimensions of approximately 8' x 19'.

5. Each parking stall having a "HCC" after its number is a compact stall designed to accommodate the handicapped with dimensions of approximately 8' x 16'.

The parking stalls designed to accommodate the handicapped will be adjacent to an aisle having a width of approximately 5 feet.

There will be no parking stalls numbered 3010 and 3039 on the third floor of the platform.

The twenty-seven (27) parking stalls numbered 5140 through 5166, inclusive, on the fifth floor of the platform will be partially covered.

IMPERIAL PLAZA
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR PERIOD ENDED 10/31/2005

BLD ACCT: 244 CORP.NO:00
 ACTUAL BUDGET YEAR TO DATE BUDGET BUD % ACTUAL BUD % FISCAL BEG: 1
 BUD %

| | ACTUAL | BUDGET | YEAR TO DATE | BUDGET | BUD % | ACTUAL | BUDGET | BUD % | FISCAL BEG: 1 |
|--------------------------------|------------|---------|--------------|-----------|-------|--------------|-----------|-------|---------------|
| CASH RECEIPTS: | | | | | | | | | |
| 5100 MAINTENANCE FEES | 211,033.75 | 212,762 | 2,129,784.13 | 2,127,620 | 99.2 | 2,129,784.13 | 2,127,620 | 100.1 | 2,164 |
| 5132 REC DECK/RESTROOMS/VENT | 875.58 | 900 | 8,762.15 | 9,000 | | 8,762.15 | 9,000 | | -238 |
| 5180 ELECTRIC -UNIT | 26,737.50 | 20,549 | 240,272.11 | 205,490 | | 240,272.11 | 205,490 | | 34,782 |
| 5190 LEGAL FEE REIMBURSEMENT | 79.74 | 0 | 1,285.24 | 0 | | 1,285.24 | 0 | | 1,285 |
| 5210 OTHER NON-TAXABLE RECEIPT | .00 | 0 | -1,674.82 | 0 | | -1,674.82 | 0 | | -1,675 |
| 5240 INTEREST FROM TREAS. BILL | .00 | 0 | 693.60 | 0 | | 693.60 | 0 | | 694 |
| 5270 INTEREST FROM INVESTMENTS | 10,646.98 | 3,000 | 70,635.10 | 30,000 | | 70,635.10 | 30,000 | | 40,635 |
| 5290 INTEREST FROM CHECKING | 2.24 | 4 | 46.96 | 40 | | 46.96 | 40 | | 7 |
| 5310 VENDING MACHINE INCOME | .00 | 0 | 260.39 | 0 | | 260.39 | 0 | | 260 |
| 5350 PARKING FEES | .00 | 0 | 542.00 | 0 | | 542.00 | 0 | | 542 |
| 5360 LATE CHARGES | 107.79 | 0 | 1,823.46 | 0 | | 1,823.46 | 0 | | 1,823 |
| 5378 SECURITY CARDS/OTHERS | .00 | 70 | 800.00 | 700 | | 800.00 | 700 | | 100 |
| TOTAL CASH RECEIPTS | 249,485.58 | 237,285 | 2,453,230.32 | 2,372,850 | 105.1 | 2,453,230.32 | 2,372,850 | 103.4 | 80,380 |

| | ACTUAL | BUDGET | YEAR TO DATE | BUDGET | BUD % | ACTUAL | BUDGET | BUD % | FISCAL BEG: 1 |
|--------------------------|-----------|--------|--------------|---------|-------|------------|---------|-------|---------------|
| CASH DISBURSEMENTS: | | | | | | | | | |
| UTILITIES: | | | | | | | | | |
| 6010 ELECTRICITY | 84,778.90 | 64,893 | 722,985.29 | 648,930 | | 722,985.29 | 648,930 | | 74,055 |
| 6030 WATER | 3,651.04 | 3,834 | 31,720.99 | 38,340 | | 31,720.99 | 38,340 | | -6,619 |
| 6040 SEWER | .00 | 5,462 | 44,719.84 | 51,141 | | 44,719.84 | 51,141 | | -6,421 |
| 6060 TELEPHONE | 708.06 | 785 | 7,084.65 | 7,850 | | 7,084.65 | 7,850 | | -765 |
| TOTAL UTILITIES | 89,138.00 | 74,974 | 806,510.77 | 746,261 | 118.9 | 806,510.77 | 746,261 | 108.1 | 60,250 |
| BUILDING MAINTENANCE: | | | | | | | | | |
| 6510 AIR CONDITIONING | 1,490.93 | 2,050 | 22,263.11 | 20,500 | | 22,263.11 | 20,500 | | 1,763 |
| 6520 WINDOW CLEANING | 9,322.86 | 2,250 | 35,260.20 | 22,500 | | 35,260.20 | 22,500 | | 12,760 |
| 6540 ELEVATOR | 7,150.04 | 9,920 | 89,702.83 | 99,200 | | 89,702.83 | 99,200 | | -9,497 |
| 6550 GROUNDS | 429.68 | 500 | 6,980.75 | 5,000 | | 6,980.75 | 5,000 | | 1,981 |
| 6560 ELECTRICAL/LIGHTING | 1,840.94 | 1,000 | 11,051.44 | 10,000 | | 11,051.44 | 10,000 | | 1,051 |

IMPERIAL PLAZA
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR PERIOD ENDED 10/31/2005

| BLD ACCT: 244 CORP. NO:00 | CURRENT MONTH | | YEAR TO DATE | | FISCAL BEG: 1 | |
|------------------------------------|------------------|---------------|-------------------|----------------|----------------|-------------|
| | ACTUAL | BUDGET | ACTUAL | BUDGET | VAR | BUD % |
| 6570 PLUMBING | .00 | 650 | 7,451.42 | 6,500 | 951 | |
| 6590 PAINT | .00 | 200 | 1,801.03 | 2,000 | -199 | |
| 6600 PEST CONTROL | 354.16 | 1,000 | 4,498.33 | 10,000 | -5,502 | |
| 6620 REFUSE | 2,966.05 | 3,099 | 31,283.78 | 30,990 | 294 | |
| 6630 SECURITY EQUIPMENT | 1,022.73 | 500 | 6,695.23 | 5,000 | 1,695 | |
| 6660 FIRE SYSTEMS | 1,810.93 | 400 | 7,272.20 | 4,000 | 3,272 | |
| 6670 BUILDING REPAIRS | 3,005.55 | 4,800 | 8,496.35 | 48,000 | -39,504 | |
| 6690 MISCL REPAIRS & PURCHASES | 4,877.94 | 1,500 | 16,097.34 | 15,000 | 1,097 | |
| 6693 BLDG. MAINT SUPPLIES-LIST | 1,599.75 | 2,001 | 35,244.29 | 20,010 | 15,234 | |
| TOTAL BUILDING MAINTENANCE | 35,871.56 | 29,870 | 284,098.30 | 298,700 | -14,602 | 95.1 |
| PROFESSIONAL SERVICES: | | | | | | |
| 6811 ADMIN SUPPLIES & SERVICES | 1,306.90 | 2,000 | 18,023.83 | 20,000 | -1,976 | |
| 6812 ASSOCIATION ADMIN EXPENSE | 1,104.50 | 800 | 11,849.12 | 8,000 | 3,849 | |
| 6840 EDUCATION EXPENSE | .00 | 250 | 475.00 | 2,500 | -2,025 | |
| 6850 MANAGEMENT SERVICES | 3,129.00 | 3,129 | 31,290.00 | 31,290 | 0 | |
| 6870 AUDIT/PUBLIC ACCOUNTING | 416.00 | 0 | 3,854.14 | 3,708 | 146 | |
| 6880 LEGAL FEES | 203.63 | 1,500 | 18,451.99 | 15,000 | 3,452 | |
| 6890 CONSULTING FEES | .00 | 1,500 | 12,411.87 | 15,000 | -2,588 | |
| 6893 CONSULTING FEES-DESIGN CO | .00 | 0 | 2,521.10 | 0 | 2,521 | |
| 6900 SECURITY SERVICES | 32,453.16 | 31,000 | 315,991.74 | 310,000 | 5,992 | |
| 6922 BLDG MAINT SVC | 45,603.97 | 40,000 | 332,303.41 | 400,000 | -67,697 | |
| 6925 PROF & ADMIN SVCS-OTHER | 1,083.32 | 0 | 1,083.32 | 0 | 1,083 | |
| 6926 PARKING SERVICE | .00 | 0 | 12,152.74 | 0 | 12,153 | |
| TOTAL PROFESSIONAL SERVICES | 85,300.48 | 80,179 | 760,408.26 | 805,498 | -45,090 | 94.4 |
| PAYROLL & BENEFITS: | | | | | | |
| 7010 PAYROLL-MANAGER | .00 | 5,700 | 32,756.72 | 57,000 | -24,243 | |
| 7020 PAYROLL-ASSISTANT MANAGER | .00 | 3,500 | 15,678.45 | 35,000 | -19,322 | |
| 7070 WORKERS COMPENSATION | .00 | 600 | -6,464.00 | 6,000 | -12,464 | |
| 7080 TDI | .00 | 1,800 | 221.58 | 7,200 | -6,978 | |
| 7090 HEALTH CARE | .00 | 600 | 3,416.06 | 6,000 | -2,584 | |

IMPERIAL PLAZA
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR PERIOD ENDED 10/31/2005

| BLD ACCT: 244 CORP. NO:00 | CURRENT MONTH | | YEAR TO DATE | | FISCAL BEG: 1 | |
|----------------------------------|-------------------|-----------------|---------------------|------------------|-----------------|--------------|
| | ACTUAL | BUDGET | ACTUAL | BUDGET | VAR | BUD % |
| 7100 PAYROLL TAXES | .00 | 1,090 | 3,476.33 | 10,900 | -7,424 | |
| 7140 PAYROLL PREPARATION | .00 | 120 | 600.00 | 1,200 | -600 | |
| 7190 RENT-APARTMENT | .00 | 1,900 | .00 | 19,000 | -19,000 | |
| 7240 PAYROLL-BONUS | .00 | 500 | .00 | 5,000 | -5,000 | |
| 7241 CHRISTMAS BONUS | .00 | 208 | .00 | 2,080 | -2,080 | |
| TOTAL PAYROLL | .00 | 16,018 | 49,685.14 | 149,360 | -99,675 | 33.3 |
| OTHER EXPENSES: | | | | | | |
| 7310 INSURANCE-PROPERTY | .00 | 234,996 | 8,053.00 | 234,996 | -226,943 | |
| 7325 INSURANCE-D & O | .00 | 391 | 1,811.00 | 3,910 | -2,099 | |
| 7326 INSURANCE-D&O-GENERAL | .00 | 0 | 650.34 | 0 | 650 | |
| 7370 UNINSURED EXPENSES | 884.06 | 0 | 2,199.90 | 0 | 2,200 | |
| 7371 UNINSURED EXPENSES | -100.00 | 0 | .00 | 0 | 0 | |
| 7550 MISCELLANEOUS EXPENSE | .00 | 720 | 1,571.19 | 7,200 | -5,629 | |
| 7556 RECREATION DECK | 2,012.71 | 650 | 8,979.01 | 6,500 | 2,479 | |
| 7558 GALERIA 2 | .00 | 50 | .00 | 500 | -500 | |
| 7559 GALERIA 3 | .00 | 50 | .00 | 500 | -500 | |
| 7560 GALERIA 4 | .00 | 50 | .00 | 500 | -500 | |
| 7561 GALERIA G | .00 | 50 | .00 | 500 | -500 | |
| 7562 PLATFORM 3 | .00 | 50 | .00 | 500 | -500 | |
| 7720 STATE GENERAL EXCISE TAX | 862.68 | 1,050 | 3,632.58 | 4,200 | -567 | |
| 7740 FEDERAL INCOME TAXES | .00 | 3,000 | 1,836.00 | 12,000 | -10,164 | |
| 7901 OTHER EXPENSES-GENERAL | .00 | 500 | .00 | 5,000 | -5,000 | |
| TOTAL OTHER EXPENSES | 3,659.45 | 241,557 | 28,733.02 | 276,306 | -247,573 | 10.4 |
| TOTAL OPERATING EXPENSES | 213,969.49 | 442,598 | 1,929,435.14 | 2,276,145 | -346,710 | 84.8 |
| OPERATING SURPLUS/DEFICIT | 35,516.09 | -205,313 | 523,794.83 | 96,705 | 427,090 | 541.6 |

PREPARED FOR
725 KAPOLANUI BLVD
HONOLULU, HI

HI 96813

PAGE: A- 4

IMPERIAL PLAZA
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR PERIOD ENDED 10/31/2005

PREPARED BY
HAWAIIANA MANAGEMENT CO., LTD.

| | ACTUAL | CURRENT MONTH BUDGET | VAR | BUD % | ACTUAL | YEAR TO DATE BUDGET | VAR | BUD % | FISCAL BEG: 1 |
|---------------------------------------|-------------|-------------------------|---------|-------|--------------|------------------------|----------|-------|---------------|
| 8500 CAPITAL IMPR & MAJOR REP & REPL: | | | | | | | | | |
| 8510 MAJOR REPAIRS & REPLACENE | 120,026.37 | 0 | 120,026 | | 450,546.27 | 0 | 450,546 | | |
| 8620 CONSTRUCTION DEFECTS | 5,595.55 | 0 | 5,596 | | 11,717.05 | 0 | 11,717 | | |
| CHILL WATER PIPE REPAIRS | 11,991.02 | 0 | 11,991 | | 86,818.56 | 0 | 86,819 | | |
| TOTAL CAP IMPR & MAJOR REP & RE | 137,612.94 | 0 | 137,613 | .0 | 549,081.88 | 0 | 549,082 | .0 | |
| TOTAL CASH DISBURSMENTS | 351,582.43 | 442,598 | -91,016 | 79.4 | 2,478,517.37 | 2,276,145 | 202,372 | 108.9 | |
| CHANGE IN SECURITY DEPOSITS | .00 | 0 | 0 | | 4,700.00 | 0 | 4,700 | | |
| CHANGE TO TOTAL CASH & RESERVE | -102,096.85 | -205,313 | 103,216 | | -20,587.05 | 96,705 | -117,292 | | |

THE IMPERIAL PLAZA

HOUSE RULES

REVISED 2005

**THE IMPERIAL PLAZA
HOUSE RULES
Revised - July 2005**

PURPOSE

The purpose of these House Rules is to promote a harmonious environment that results in the maximum enjoyment for the residents living in The Imperial Plaza complex. The enforcement of these rules is the responsibility of the Board of Directors and/or Agents or employees of the Board of Directors. All apartment owners, occupants, tenants and/or their guests or customers shall be bound by these rules. Where these rules are silent, the governing documents should be consulted. Where not covered by the governing documents or House Rules, a standard of reasonable conduct should apply.

GENERAL

1. Each owner is responsible to ensure that all occupants of an apartment, their guests, and invitees observe these House Rules, and shall provide a copy of these rules to the tenant of the apartment.
2. All occupants must be registered with the Management to ensure that they are permitted access to the building. Building access will be terminated for occupants and/or unit owners who have not registered within 5 days after taking possession of the unit. Electronic building access devices are non-transferable.
3. No commercial or business activities shall be carried on in any residential apartment.
4. No soliciting of goods or services shall be permitted on the premises of The Imperial Plaza except as approved by the Board of Directors.
5. Occupants or owners shall not request maintenance/housekeeping employees to perform private or personal errands for them.
6. Occupants or owners shall not request maintenance personnel to do work in any apartment unless there is an emergency endangering other apartments or the common areas.
7. Occupants of The Imperial Plaza should inform the Security Desk in advance of an expected delivery or visit by a service technician. (See parking, loading, move-in/out and dock usage rules)
8. The General Manager does not retain a key to any unit. It is the responsibility of the unit owner to give the General Manager a telephone or contact number which can be called in the event of an emergency.
9. Occupants, owners and/or agents for the owners (excluding the Developer) will notify the General Manager's office when their apartments are unoccupied for more than thirty (30) days.
10. Movement of large items requiring the use of an elevator in The Imperial Plaza Tower or Townhouse shall be scheduled in advance with the General Manager's office and moving shall be done between the hours of 8:00 AM and 5:00 PM, Monday through Saturday. No moves are permitted on Sundays or State and Federal holidays.
11. Occupants of The Imperial Plaza will not make or allow noises to be made that may cause a disturbance to occupants of other apartments or units. Quiet hours are from 10:00 p.m. to 7:00 a.m.

12. Excessive noise or any violations of these House Rules should be immediately reported to the General Manager/Security staff. Except for emergencies that require corrective action and which are approved by the General Manager, no maintenance personnel, private contractors or other workers shall be allowed to commence work in the residential apartments in The Imperial Plaza before 7:30 AM and all such work must cease before 5:00 PM. No work will be allowed on Sundays and holidays.

13. Every owner of a residential apartment is responsible to maintain the appearance and serviceability of his/her storage unit. If, after written notice, an owner fails to do so, the Association will make the necessary repairs and bill the owner's account for all costs. Any goods or materials left outside of an individual storage locker will be considered abandoned and will be disposed of without notice.

14. The General Manager and employees of The Imperial Plaza perform at the direction of the Board of Directors. Abusive, threatening, or hostile actions toward any employee, unit owner, unit tenant or guest will be dealt with as a criminal matter.

15. The City and County Ordinance prohibits smoking in "all enclosed or partially enclosed areas within multi-family dwellings that are open to the common use of all unit owners or residents including but not limited to lobbies, hallways, corridors, stairways, waiting areas and recreation areas." No cigarettes, cigars or other smoking material shall be discarded in the parking areas, corridors, elevators, stairwells, sidewalks, yard or other common areas, nor from apartment lanais.

PETS

1. No more than one (1) pet may be kept in any apartment, except that such limitation will not apply to fishes. Only dogs, cats, fish and small birds may be kept as pets in the apartments.

2. Pets shall not be kept, bred, or used for any commercial purpose.

3. Pet owners are responsible for promptly cleaning up any waste or mess created by their pet. Pet trash must be securely wrapped in a plastic bag and taken to the containers in the trash collection area.

4. Pets shall not be allowed in the recreation areas, nor on any other common areas, except in transit and when hand carried or held on a short leash.

5. All pets must be registered with the General Manager and are subject to approval by the Board of Directors.

6. Pets belonging to visitors are not permitted on the premises.

7. Any personal injury, liability and/or any damage to any apartment, building, grounds, flooring, or walls, caused by a resident's pet will be the full responsibility of the owner of the apartment in which the pet's owner resides.

8. Any pet which is a nuisance or causes unreasonable disturbance to any occupant or causes damage to any building and/or grounds, including depositing waste, shall be removed by the owner promptly upon written request by the Board of Directors or the Managing Agent.

APARTMENT USE

1. No sign, signals or lettering shall be inscribed or exposed on or at any parking stall or any window, wall or door of a residential apartment. Nor shall anything be projected out of any window of a residential apartment.
2. No antennas or other objects shall be attached to outside walls of The Imperial Plaza or to the exterior of any door or window of a residential apartment.
3. Furniture and potted plants suitable to the balconies, the lanais and the patios may be used thereon; however, articles which are unsightly shall be removed upon the written request of the Board of Directors or the Managing Agent. Holiday lighting may be displayed from December 10th to January 10th of the following year.
4. Watering plants, sweeping and mopping of balconies, lanais or patios will be done in a way that will not create a nuisance to persons residing in adjacent or lower apartments or to persons on the grounds of the premises. Articles, including cigarette ash or butts, may not be thrown from lanais or patios.
5. Plumbing equipment such as toilets and garbage disposals shall be used only for the purposes for which they were constructed. Sweepings, diapers, rubbish, rags, and paper will be disposed of in the trash and not through the plumbing system. Damage resulting to the building or other apartments from such misuse of the plumbing system shall be paid for by the owner of the apartment whose occupant engaged in such misuse.
6. Personal Barbecue grills are not allowed on patios or lanais.

COMMON AREAS

1. The common areas in The Imperial Plaza, such as hallways, walkways, and passageways, shall not be obstructed under any circumstances.
2. Items of personal property, including baby carriages, shopping carts, bicycles, tricycles, shoes, plants, and other movable personal property shall not be left or allowed to stand in any part of the hallways, stairs, lobbies, elevators, parking areas, or any other common area.
3. Fire doors must remain closed at all times pursuant to fire regulations.
4. Owners of an apartment whose residents or guests are found tampering with the fire fighting equipment, fire alarms, fire doors, or the fire sprinkler system will be subject to criminal charges and liable for all repair costs, replacement, or damage caused to the building or personal property.
5. Occupants shall not use or bring onto the premises hazardous, highly inflammable, or explosive substances.
6. Common element entry doors shall remain locked at all times. No resident shall aid any person to enter the building whom you personally cannot identify as a unit owner, resident or building staff employee. Refer such persons to Security or notify Security immediately at 592-3305.
7. Eating, drinking or smoking is not permitted in elevators or lobby areas.
8. The use of fireworks and/or firecrackers on the premises is prohibited at all times.

9. The metal gates on the 6th floor recreation deck, outside the Townhouse building on either side of the water feature shall remain closed at all times.

10. Riding of bicycles, scooters, skateboards, roller skates and roller blades and ball playing are not allowed in any common area at any time.

11. Townhouse apartments are exposed to the elements and not in an enclosed area, so a small door mat may be placed at the entry to these units. All door mats are subject to Board and management approval.

PARKING

1. All vehicles parked on this project will be at the owner's sole risk. Parking is permitted for occupants only within assigned or designated parking stalls.

2. Vehicles illegally parked in stalls assigned to another, in guest parking or the commercial parking spaces, may be booted and/or towed from the premises at the vehicle owner's expense. Vehicles may not protrude beyond parking stalls or block the driveways.

3. Owners are responsible for the cleanliness of their parking stalls, including the removal of any grease buildup. .

4. Repairs to vehicles will not be permitted in the parking areas with the exception of minor emergency repairs. Racing of engines or tire-squealing will not be permitted.

5. There will be no loitering or playing in the parking areas.

6. Items of personal property, other than motor vehicles, may not be kept in any parking stall.

7. Guest parking, which may not be used by occupants, shall be under the supervision of the General Manager. Guests, including delivery persons and contractors, shall park only in authorized areas designated as "Guest Parking", and must register at the Security Desk. Unregistered vehicles will be towed away at the owner's expense. Delivery persons may also use the loading dock and must register at the security desk. Sign in sheets are available at the Security Desk.

8. Vehicles are required to park between the yellow lines. Double parking is not permitted.

9. Vehicles must not exceed 5 MPH and headlights must be used at all times within the parking structure.

RENTALS

1. The owner shall identify to the General Manager the agent responsible for rental of the apartment.

2. The General Manager shall be notified by the owner or agent of the name of any tenant. Failure to comply within 5 days of occupancy will result in loss of access privileges.

3. Owner-occupants, nonresident owners, or agents who rent, loan, or otherwise permit occupancy of their apartments shall furnish a copy of these House Rules to their occupants. Owner-occupants, nonresident owners, or agents who rent, loan, or otherwise permit occupancy of their apartments, shall furnish a copy of the rental agreement and/or lease to the General Manager. The owner shall assume responsibility for the actions or omissions of his agent or the occupant of the apartment.

4. Signs, including "For Sale", "For Rent", or "Open House", will be strictly regulated, on policy approved by the Board of Directors and administered by the General Manager.
5. All residents must personally register with the Management office. All personal and emergency notification information must be kept current at all times.

REFUSE

1. All garbage must be securely wrapped and plastic bagged before depositing into the trash chute or the containers in the trash collection area.
2. No wet garbage or folded cardboard containers or any other objects that would tend to hinder the easy fall of trash in the trash chute may be inserted in any trash chute.
3. Cardboard boxes, large bottles, and items that may clog or damage a trash chute must be taken to the containers in the trash collection area. All boxes must be broken down before depositing in the "Boxes Only" container in the trash collection area. Do not place trash, boxes, or refuse of any type in any common area, including the trash chute rooms, lobbies, garages, etc.
4. Pet trash (sand, litter, paper, etc.) must be wrapped with extra care in plastic bags and taken to the containers in the trash collection area. Pet trash may not be disposed of through any trash chute.
5. Hazardous materials, such as paint thinners, solvents or any highly flammable substance will not be put into any trash chute and trash collection area nor stored in any apartment.
6. Cigarettes, cigars, or other smoking material shall not be discarded in common areas, nor thrown from any apartment.
7. The trash chute shall not be used between the hours of 11:00 PM to 7:00 AM.

RECREATION AREA

Located on the 6th floor, the Recreation Area consists of a clubhouse with kitchen, barbecue grills, 2 restrooms, 2 pools, 2 Jacuzzis and 2 saunas. The use of all facilities shall be at the sole risk of the owners, residents, and guests. The Imperial Plaza Association of Apartment Owners and its Board of Directors assumes no responsibility for any loss or injury that may occur while using the Recreation Area. Parents and/or their guardians are expected to utilize reasonable judgment in determining that their children are adequately and safely supervised whenever they are present on the recreation deck. All facilities are available between the hours from 8:00 am to 10:00 pm.

Reservations of areas for private parties will not be accepted on the following major holidays:

| | | |
|----------------|------------------|---------------|
| New Years Day | Independence Day | |
| Presidents Day | Labor Day | |
| Memorial Day | Thanksgiving Day | Christmas Day |

Each residential household will be limited to 4 guests at any time. More than 4 guests shall be considered a party and pre-arrangements must be made with the Security Desk. Guests must be accompanied by a resident at all times. The use of the Recreation Area for profit or commercial use is prohibited. Boisterous and loud conduct, the loud playing of radios, or the use of karaoke or other sound amplifying devices is prohibited.

Earphones or headsets must be used at all times with any radio, tape recorder, or disc player.

Pets are not permitted on the Recreation Deck.

Bicycles, skateboards, roller skates, roller blades, scooters, ball playing, and running are not allowed at any time on the Recreation Deck.

SWIMMING POOL

1. The Imperial Plaza does not employ the services of a life guard; therefore, swimmers will use the pool at their own risk at all times. Swimming is permitted during the hours of 8:00 AM to 10:00 PM daily.
2. Parents and/or guardians are responsible for the safety and conduct of their children. Children under the age of 14 years must be accompanied by a responsible resident adult at all times.
3. Pool users must be competent swimmers or must be accompanied by a competent swimmer.
4. Guests must be accompanied by a resident at all times.
5. Swimming is not allowed in other than proper swimming apparel. Bathers with shoulder length hair must wear bathing caps. Hair pins, bobby pins, and hair rollers can damage the pool or Jacuzzi and must be removed before entering the water.
6. No bather may enter the water without first having showered. All suntan oil, ointment, and lotion must be removed from the body and attire before entering the pool. Bubbly lotions or soaps may not be put into the water.
7. After using the swimming pool or Jacuzzi, bathers shall dry themselves thoroughly before entering the building. Any personal item left at the pool or dressing area will be considered abandoned and will be subject to disposal.
8. Running, pushing, shoving, and boisterous and loud conduct is not permitted in the pool area. Earphones or headsets must be used at all times with any radio, tape recorder, or disc player.
9. Rafts, swimming gear, large toys, surfboards or other equipment are not permitted in the pool or pool area.
10. The use of glassware, bottles, ceramics, chinaware, or other breakables in the pool area is prohibited. Used paper cups and plates should be deposited in the trash bin provided for the purpose.
11. Pool furniture may not be reserved nor removed from the pool area, nor should other furniture be placed in the pool area.
12. Board of Health regulations require the following:
 - a. All persons known to have or suspected of having infectious disease, suffering from a cough, cold, or open sores, or wearing band aids or bandages are not allowed to enter the swimming pool or Jacuzzi.
 - b. Spitting, spouting of water, urinating or blowing of the nose in the swimming pool or Jacuzzi are strictly prohibited.

13. No person may use the Jacuzzis without proper supervision, if use of the Jacuzzis would pose a risk to the person's health, safety, and/or welfare without such supervision.

14. Elderly persons, pregnant women, infants, persons on medication and those with health conditions requiring medical care should consult a physician before using the spa to thoroughly understand any risks involved.

CLUBHOUSE

1. Use of the clubhouse by occupants of The Imperial Plaza for private entertainment will be by reservations made in advance with the Security Desk. Reservations shall be approved on a first come, first served basis. A \$50.00 refundable deposit is required for such use.

2. No furniture, appliance, equipment, or furnishing belonging to the clubhouse may be removed therefrom.

3. The clubhouse and all appliances and cooking utensils which were used must be cleaned. All garbage and trash must be wrapped and bagged and removed. Any resident failing to do so will be subject to a \$50.00 cleaning charge and the deposit will be forfeited.

4. Parties are not to exceed a maximum of 25 guests. In these instances, the clubhouse and both grills will also be reserved and the appropriate deposits assessed. Reservations may be placed no more than 60 days in advance.

BARBECUE GRILLS

Barbecue grills are available on the Recreation Deck for use by residents. Advance reservations must be made through the Security Desk on a first come, first served basis. A \$25.00 refundable deposit is required. Failure to clean the grill will result in a \$25.00 cleaning charge. Use of personal barbecues anywhere on the property is prohibited.

SAUNAS

1. All residents and guests are required to shower before entering the sauna.

2. Pushing, shoving, boisterous and loud conduct in the sauna area is prohibited.

3. Any personal items left at the sauna will be considered abandoned and will be subject to disposal.

VIOLATIONS OF HOUSE RULES

1. An apartment owner shall be responsible for the conduct of his lessees, tenants, and guests and shall, upon request of the Board of Directors or the Managing Agent, immediately abate and remove, at his expense, any structure, thing or condition that may exist with respect to the occupancy of his apartment by his lessees, tenants or guests contrary to the interest and meaning of the provisions hereof; or, if the apartment owner is unable to control the conduct of the lessees, tenants or guests within the interest and meaning of the provisions hereof, he shall, upon request of the Board of Directors, **immediately remove such lessees, tenants, or guests from the premises** without compensation for lost rentals or any other damage resulting therefrom.

2. All corrective actions regarding violations of these House Rules and damages to the common elements or common areas will be enforced by the Board of Directors or the Managing Agent and all such violations and damages should be reported promptly to the Board of Directors, the Managing Agent, or the General Manager.

3. Damages to common elements or common areas shall be surveyed by the Board of Directors or the Managing Agent and the cost of repair or replacement and any legal fees incurred shall be assessed by the Board of Directors or the Managing Agent against the owner of the apartment in which the responsible individual(s) were living or visiting.

NOTIFICATION AND PROCEDURES FOLLOWING VIOLATIONS OF HOUSE RULES

1. Upon observation or awareness of a House Rule violation, it is the responsibility of the Manager to:
 - a. First offense - Issue written warning to the violator and, if different, to the owner.
 - b. Second or subsequent offense - Issue written violations to both owner and tenant and keep a copy on file.
2. The owner may protest the notice of violation to the Board of Directors in writing or at a meeting thereof. Fines will be held in abeyance until the day after the next scheduled Board Meeting. Owners may contact the Management office to learn the date of the next meeting.
3. The nominal fine established by the Board for a second violation of any House Rule, or Bylaw, is \$200.00. Gross violations or willful disregard of the rules may merit higher penalties.
4. Repeated violations by the residents of the same apartment will result in higher penalties and/or legal proceedings to persuade the owner of said apartment to modify the behavior of or remove the residents.
5. Unpaid fines will be included in the monthly maintenance fees.

BUILDING RULES

Attached hereto as Exhibit A and made a part hereof are the Rules for Residential Remodeling and Upgrading, which shall govern the conduct and use of the residential apartments and the common elements and the limited common elements within The Tower and Townhouse and the limited common elements appurtenant thereto. Should any provision in the House Rules conflict with any provision in the House Rules Related To Residential Remodeling And Upgrading, the provision in the Rules for Residential Remodeling And Upgrading shall control.

Exhibit A:

THE IMPERIAL PLAZA RULES FOR RESIDENTIAL REMODELING AND UPGRADING

1. Owners must adhere to the following procedures prior to undertaking any remodeling or upgrading of their unit:

a. All remodeling proposals should be submitted to the Management Office for review and forwarding to the Board of Directors for approval. Authority to approve projects will be granted to a committee of at least four members of the board, hereinafter called the Architectural Committee. In the absence of an Architectural Committee, or other successor standing committee, the Board of Directors will approve projects.

Proposals should be submitted as early as possible to allow for proper review by the Architectural Committee, but at least 30 days in advance of the start of the project.

- i. A description of the scope of the project, estimated start date, duration, location, contractor(s), and contact information for all contractors, and the owner.
- ii. If alteration to the common elements or limited common elements is required, a separate review by a licensed architect will be required. The owner is responsible for all fees assessed by the review architect. The architectural review process should be considered as additive to the 30 day review process of the Building and Grounds committee.
- iii. Any requirements for utility outages or connection to the common element utility system(s).
- iv. A detailed description of any demolition.
- v. A description of any demolition or construction that will produce audible noise outside the project site and an estimate of what days the noise will be produced. The actual construction schedule will be coordinated with the Management Office to insure neighboring apartments are notified of noise making activities.

b. The Architectural Committee will provide written approval or disapproval of the project. If a City and County building permit is required, the Committee may tentatively approve the project subject to the granting of a City and County building permit.

c. Any decision by the Architectural Committee to deny a project in whole or in part may be appealed to the Board of Directors.

2. House rules allow for contract work to begin at 7:30 a.m. and cease by 5:00 p.m. Please note that the elevator is available for the movement of large items between the hours of 8:00 a.m. to 5:00 p.m. Monday through Saturday, and must be scheduled at the Security Desk. Large items will not be moved outside of these hours or without the approval and prior coordination with the Security Desk. Any items using mechanical assistance, such as hand trucks, dollies, etc., or that cannot be hand carried should be considered a large item.

3. Activities generating noise heard outside the project will be limited to the hours of 8:00 a.m. to 5:00 p.m.

4. Utility (electric, water, sewer or air conditioning) shut downs in the building must be done with one week advanced notice to the Management Office. Such shut downs are permitted, with advanced approval, for up to three hours only.
5. Owners, their employees and agents are responsible for disposing of all construction debris. Use of the trash chutes or dumpsters in the building for disposal of such debris is prohibited. Owners will be charged for the removal of any trash left in common areas.
6. Owners, their employees and agents are responsible for cleaning or repair of any damage to the common elements (i.e.: hallways, elevators) which were utilized to accomplish their work in the building. Protective mats should be used at all times to cover the carpeting in the halls, elevators and other areas which must be used for entry and exit to the building. Do not slide items across carpeting. *Wall pads must be used in elevators when moving volume and/or large items.*
7. Owners, their employees and agents are liable for all repairs for damage to the building and for any cleaning expenses incurred. Cleaning expenses will be charged at a rate of \$25 per hour or any fraction thereof, and repairs will be charged at a rate of \$40 per hour or any fraction thereof for in-house repairs or at the regular contractors' rate if we hire a contractor to make the repairs.
8. Public stairways, walks and passageways shall not be obstructed or used for purposes other than ingress and egress.
9. *Smoking is only permitted outside the building, away from areas open to the common use by residents.* No cigarette butts shall be put out or thrown in the parking lot, corridors, stairways, plants and planters or other common areas.
10. Parking in the loading zone (Waimanu Street) or guest parking area (ground floor) is limited and is on a first come, first served basis. All contractors, vendors must register with the Security Desk. Parking in customer/reserved/resident stalls is not permitted. All vehicles not registered or illegally parked will be towed away at the owner's expense.
11. *A copy of the application form for the remodeling or upgrading of residential apartments is attached. The completed form must be submitted to the Management Office.*

RESIDENTIAL REMODELING APPLICATION
The Imperial Plaza
725 Kapi'olani Blvd
Honolulu, Hawaii
96813-6017

Unit # _____

Owner/Agent: _____ Phone: _____

Contractor: _____ Phone: _____

Brief Description of Work: _____

Describe Utility Outage/Connection: _____

Describe Demolition: _____

Approximate Start Work Date: _____ Finish Date: _____

All owners, tenants, agents and employees of owners including contractors, design professionals and vendors are required to comply strictly with the provisions of the project documents for the Imperial Plaza (Declaration, Bylaws and House Rules) and the provisions of Chapter 514A, Hawaii Revised Statutes, which prohibit certain alterations or additions within an apartment without the prior written approval of the Board of Directors. Owners or other occupants who are contemplating remodeling should first consult with the Board of Directors or its authorized representative. Commencement of any remodeling without approval may result in an owner having to remove alterations.

I acknowledge receipt of a copy of The Imperial Plaza House Rules as it relates to remodeling, and further acknowledge that I, as owner, and/or as contractor will comply with all these rules.

Owner/Agent Signature: _____ Date: _____

Contractor Signature: _____ Date: _____

Approved: _____ Date: _____

**BUILDING RULES OF THE
COMMERCIAL APARTMENTS
OF
THE IMPERIAL PLAZA**

**BUILDING RULES OF THE COMMERCIAL APARTMENTS
OF
THE IMPERIAL PLAZA**

The purpose of these Building Rules is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of The Galerie and to provide for the maximum enjoyment of the premises. The responsibility for enforcement of these Building Rules is delegated by the Merchants Committee to the Board of Directors and/or the Managing Agent. All owners and occupants, their agents, employees and invitees shall be bound by these Building Rules and by standards of reasonable conduct, whether or not covered by these Building Rules.

1. Definitions. As used herein, the following terms shall have the meaning hereinafter set forth:

(a) "Occupants" shall mean owners of commercial apartments in The Galerie and the five-story platform and their respective lessees or tenants, and their respective employees, agents and invitees.

(b) "Premises" shall mean and refer to The Galerie and the five-story platform, and their respective buildings and grounds.

(c) "Apartments" shall mean and refer to the commercial apartments in The Galerie and the five-story platform.

2. Closing Premises. Occupants shall securely lock the apartments and the premises when not in use and shall exercise caution to insure that all water faucets and powered equipment are shut off before leaving the premises.

3. Common Rooms and Areas. Rooms and areas used in common by occupants may be subject to additional regulations posted therein.

4. Deliveries. Only hand trucks equipped with rubber tires and side guards will be permitted on the premises. All deliveries will be made through the loading areas or other areas designated by the Merchants Committee. All carrying in or out of freight, packages or bulky matter of any description must take place only during the hours selected by the Merchants Committee and then only with prior notice and approval by the Merchants Committee. Objects beyond the rated capacity of the elevator shall not be carried in the elevator. Any damages to the premises caused directly or indirectly by the movement of article(s) to or from an apartment shall be repaired by the Association at the expense of the owner of the applicable apartment.

5. Directory. The size, location and utilization of any building directory will be regulated by the Merchants Committee.

6. Enforcement. The Board of Directors and/or the Managing Agent, and/or the General Manager shall have the right to enforce these Building Rules.

7. Elevators. Elevators shall be used primarily for the transporting of occupants and their invitees, employees and agents. In transporting packages, merchandise or other objects which

may affect the comfort or well being of passengers of the elevator, employees shall utilize the elevator at such time and in such manner as will cause the least inconvenience and discomfort to others.

8. Janitorial Service. Occupants are responsible for their own janitorial service. Anyone performing this service on behalf of any occupant must first be approved by the Merchants Committee upon reasonable notice first given to the Merchants Committee.

9. Obstruction of Common Areas. Common areas are not to be blocked or misused. Only authorized employees or agents of the Association will be permitted in areas housing mechanical or electrical equipment or machinery of any kind.

10. Parking. The parking stalls set aside and reserved for the exclusive use of the business guests and invitees of the apartments shall be under the supervision of The Merchants Committee and will not be used by occupants. Business guests and invitees shall park only within said parking stalls. The Merchants Committee shall have the right to establish and alter from time to time the parking rates, rules and regulations pertaining to said parking stalls.

11. Repairs. Occupants shall make reasonable efforts to inform the Merchants Committee, prior to the performance of the repair work, of such undertaking.

12. Service Area. No rubbish or debris will be deposited in the corridors or areas which the public would likely use as access to the premises. Trash and garbage shall be stored within the interior of the apartments until disposition is made of such trash and garbage. No material shall be placed in trash boxes or receptacles if such material is of such a nature as to emit an offensive odor or to be in violation of any law or ordinance governing disposal of same.

13. Signs, Displays and Other Activities. Upon its appointment by the Board of Directors and except as otherwise previously approved in writing by the Developer, the Merchants Committee shall have the sole authority and discretion to approve the placement, construction or maintenance of any sign, or other use on the exterior of the apartment, including, but not limited to, the common areas. In exercising its discretion to approve or disapprove the placement, construction or maintenance of any such sign, advertisement, awning, banner, display or other decoration, the Merchants Committee may take into consideration its effect on the character and nature of The Imperial Plaza. The determination made by the Merchants Committee shall be conclusive and binding upon occupants.

14. Solicitors. The Merchants Committee reserves the right to regulate solicitors, canvassers or peddlers or any other class of persons and their activities in the premises.

15. Use. Occupants shall not use the apartments or any portion thereof for any purpose or purposes other than as stated in the Disclosure Statements signed by the original purchasers of the apartments. If any occupant desires to change the use of the apartment and if prior written permission for the change in use is not obtained from the Developer, then the Merchants Committee shall, upon its appointment by the Board of Directors, have the sole authority and discretion to approve any change in use. In exercising its discretion to approve or disapprove any change in use, the Merchants Committee may take into consideration the nature of the proposed use and its effect on the commercial mix of all apartments and the impact on the common areas or utility systems of the premises. The determination made by the Merchants Committee shall be conclusive and binding upon occupants.

Occupants will not permit the apartments or the premises to be used in a manner offensive or objectionable to the other occupants. Inflammable, combustible or explosive fluids, chemicals or substances in such quantities as may endanger or imperil the other occupants or the premises shall not be kept in the apartments. Use of heavy equipment and machinery that emits loud sounds or vibrations shall be such as to minimize discomfort to occupants, and whenever their use creates an unreasonable number of complaints, such determination of reasonableness to be made by the Merchants Committee. The Merchants Committee shall be authorized to issue directives relative to the remedial measures that must be taken by the offending party, and such measures are to be undertaken at the sole cost and expense of said offending party. Should an occupant's use of utilities and/or other commonly used services be such as to be considered excessive in the judgment of the Merchants Committee, the occupant shall be responsible for the payment of such excessive utilization upon reasonable determination of such excessive utilization and notice to the occupant of the method of computation of same.

In the event the loading and service areas are not cleaned and maintained properly, and occupants have been given notice to do so, the Merchants Committee is authorized to cause said areas to be cleaned and maintained at the sole cost and expense of those occupants who have failed to keep their loading and service areas properly cleaned and maintained.

VIOLATIONS OF BUILDING RULES

1. An apartment owner shall be responsible for the conduct of his lessees, tenants, and guests and shall, upon request of the Board of Directors or the Managing Agent, immediately abate and remove, at his expense, any structure, thing or condition that may exist with respect to the occupancy of his apartment by his lessees, tenants or guests contrary to the interest and meaning of the provisions hereof; or, if the apartment owner is unable to control the conduct of the lessees, tenants or guests within the interest and meaning of the provisions hereof, he shall, upon request of the Board of Directors, **immediately remove such lessees, tenants, or guests from the premises** without compensation for lost rentals or any other damage resulting therefrom.
2. All corrective actions regarding violations of these Building Rules and damages to the common elements or common areas will be enforced by the Board of Directors or the Managing Agent and all such violations and damages should be reported promptly to the Board of Directors, the Managing Agent, or the General Manager.
3. Damages to common elements or common areas shall be surveyed by the Board of Directors or the Managing Agent and the cost of repair or replacement and any legal fees incurred shall be assessed by the Board of Directors or the Managing Agent against the owner of the apartment in which the responsible individual(s) were living or visiting.

**NOTIFICATION AND PROCEDURES FOLLOWING
VIOLATIONS OF BUILDING RULES**

1. Upon observation or awareness of a Building Rule violation, it is the responsibility of the Manager to:
 - a. First offense - Issue written warning to the violator and, if different, to the owner.
 - b. Second or subsequent offense - Issue written violations to both owner and tenant and keep a copy on file.
2. The owner may protest the notice of violation to the Board of Directors in writing or at a meeting thereof. Fines will be held in abeyance until the day after the next scheduled Board Meeting. Owners may contact the Management office to learn the date of the next meeting.
3. The nominal fine established by the Board for a second violation of any Building Rule, or Bylaw, is \$200.00. Gross violations or willful disregard of the rules may merit higher penalties.
4. Repeated violations by the residents of the same apartment will result in higher penalties and/or legal proceedings to persuade the owner of said apartment to modify the behavior of or remove the residents.
5. Unpaid fines will be included in the monthly maintenance fees.

Attached hereto as Exhibit A and made a part hereof are Construction and Building Standards, which shall govern the conduct and use of the commercial apartments and the common elements and the limited common elements within The Galerie and the commercial apartments and the limited common - elements appurtenant thereto within the five-story platform. Should any provision in these Construction and Building Standards conflict with any provision in the Building Rules, the provision in the Building Rules shall control.

Exhibit A:

THE IMPERIAL PLAZA - COMMERCIAL UNITS CONSTRUCTION AND BUILDING STANDARDS

The following minimum specifications and standards outline the Commercial Owner's ("Owner") responsibilities relative to construction in The Imperial Plaza, and are made to insure that a pleasant and harmonious atmosphere is maintained in the entire property.

I. APPROVALS/PERMITS

- A. **PLANS** - Owner shall submit a space plan, signage drawings and working drawings of its improvements to the AOA The Imperial Plaza, c/o The Management Office for review and approval.
- B. **CHANGE ORDERS** - All change orders must be submitted to the AOA for review and approval.
- C. **BUILDING PERMITS** - Upon receipt of the AOA's written approval, the Owner shall proceed to obtain the necessary building permits, a copy of which shall be forwarded to the AOA.
- D. **CONSTRUCTION BOND** - The Owner shall obtain a construction bond from its general contractor and premises insurance, both of which shall be forwarded to the AOA.

II. LIMITATIONS TO OWNER'S IMPROVEMENT WORK

The AOA, in its sole discretion, may withhold its approval of any Owner's space plan, working drawings, or change orders that require work which:

- A. exceeds or affects the structural integrity of the property, or the operational functions of the ventilating, air conditioning, plumbing, mechanical, electrical, communication or other systems of the Building;
 - B. would not be approved by a prudent owner of property similar to the subject property;
 - C. violates any governing documents or other covenants which affect the property or Association;
 - D. AOA reasonably believes will increase the cost of operation or maintenance of any of the systems of the property;
 - E. AOA reasonably believes will reduce the market value of the premises or the property;
 - F. does not conform to applicable building code or is not approved by any governmental authority with jurisdiction over the property.
-

III. MINIMUM SPECIFICATIONS

A. General

1. Plans, specifications and all construction work shall:
 - (a) Comply with applicable laws and codes. This includes the American Disabilities Act (ADA).
 - (b) Possess pleasing, attractive features, complying with the general character of The Imperial Plaza.
 - (c) Comply with applicable standards of the National Board of Fire Underwriters (NBFU); the National Electric Code (NEC); the American Gas Association (AGA); the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE); City and County of Honolulu Building and Electrical Codes; City and County of Honolulu Sign Ordinance and all other applicable government regulations in effect at the time of construction. If any of the specifications are in conflict with the foregoing regulations, such regulations shall control.
 - (d) Be constructed according to a reasonable time schedule.
2. Quality of workmanship and materials shall be first class and consistent with the plans and specifications of the property.
3. On completion, all improvements shall be in full use without defects.
4. AOAO reserves the right to require warranties from persons performing the work and supplying equipment.
5. Contractors shall be required to work in harmony with the property's operation. Also, such other contractors shall show evidence of good labor relations, and in the event labor disputes disrupt their work, the AOAO reserves the right to require that the Owner terminate his contract with said contractors.
6. AOAO shall have the right to order any Owner's contractor who violates any of the AOAO's requirements or standards of work to cease work, and to remove himself, his equipment and his employees from the property.

B. Structure

1. Owner's improvement work shall not damage the structural integrity of the property. Owner shall be responsible for and shall repair any damage caused by his work.
2. Cutting and patching shall match existing work.

3. Any special loads, file compactors, etc. required by Owner are to be reviewed and approved by the AOA prior to installation.

C. Sprinklers

In the event Owner's work alters the protection afforded by any existing sprinkler systems and/or results in increased insurance rates, Owner shall make necessary alterations to the sprinkler system to afford the same protection and insurance rates and meet all codes as the property would have enjoyed prior to Owner's work.

D. Electrical Work and Fixtures

1. Electrical work and materials shall comply with the City and County of Honolulu Electrical Code, and shall be consistent with the plans and specifications of the property.
2. The empty power conduit installed at each Owner's space is routed to a power source rated at 480V, 3 phase, 4 wire, 60 Hertz. Each Owner shall be responsible for providing and installing their own transformer to meet their specific electrical requirements. Transformers and panel boards shall be located in the Owner's space, and not in any public spaces.
3. Each Owner shall limit their electrical consumption to 10 watts (demand) per square foot of Owner's space. Owner's spaces designated for food service or spaces requiring large cooking or heating loads should take advantage of the building's city gas system for cooking and water heating.
4. Conductors shall be copper and shall be insulated for 600 volts minimum, solid conductors for No. 10 and smaller, stranded conductors for NO.8 or larger. Minimum conductor size shall be No. 12 except for signal and communication systems.
5. Receptacles shall be 15 ampere and of the type used in the project or equal.
6. Floor receptacles shall be of the type used in the project or equal.
7. Wall switches shall be single-pole and of the type used in the project or equal.
8. All equipment (panel boards, distribution equipment, time switches, etc.) shall be identified with permanent nameplates securely attached to equipment.
9. All conductors shall be copper.
10. Lighting branch circuit panel boards shall be circuit-breaker type. Power panels may be circuit-breaker type or finged fusible unit type.

11. All wiring in finished areas, including lighting, power, telephone, communication and signal systems shall be concealed.
12. All fluorescent lighting fixtures shall have a minimum power factor of 90 percent and shall match the building standard fixture.
13. Furnishing and installation of electrical service conductors shall be the Owner's responsibility.
14. Each Owner's space is provided with an empty conduit for connection to the building's telephone service. Owner shall be responsible for the service request and the coordination of the connection to the existing building's system with a Hawaiian Telephone Company representative. Owner shall be responsible for all wiring and device installation and any cost associated with it.
15. Each Owner's space is provided with an empty conduit for connection to the building's cable television service. Owner shall be responsible for coordinating and activating service with the cable television company. Owner shall be responsible for all wiring and device installation and any cost associated with it.
16. Each Owner's space is provided with an empty conduit for connection to the building's fire alarm system. Owner shall be responsible for insuring that all wiring and devices installed is compatible with the building's existing fire alarm system. Owner shall be responsible for coordinating with the systems technical representative.

E. Interior

1. Finished ceilings shall be suspended on a metal system with sufficient room above for utilities, and provided with adequate means of access. The termination of the finished ceiling shall be at, or above, the horizontal mullion above the highest window of vision glass. The ceiling may be lower than the height of the prescribed mullion provided that the ceiling steps up to the minimum height which is at, or above, the horizontal mullion, above the highest window of vision glass, before termination at the storefront.
2. Such areas in the Owner's space which may be described as a workroom/kitchen shall be shielded by a wall or partition so as not to be visible from the exterior of the property.
3. The AOA reserves the right to require that the interior areas visible from the exterior of the property including interior finish and color of walls, floors, ceilings, sales fixtures, partitions, paneling, and interior signs shall be reasonably harmonious with the general character of the property.

F. Signage and Display Windows

1. General Design Criteria

- a. All exterior sign requests must be submitted to the AOA for the Merchants Committee's review and written approval prior to installation by Owner.
- b. Displays and signs shall comply with the Land Use Ordinance of the City and County of Honolulu and any other governmental rules and regulations.
- c. Displays and signs shall possess pleasing, attractive features, complying with the general character of The Imperial Plaza.
- d. Should the sign or display not conform to the design criteria, the AOA reserves the right to require the removal or adjustment of the sign or display to meet the design criteria.

2. Exterior Signage - Ground Floor

- a. Each ground floor space comes with an existing light box located directly above the exterior entrance to each space. The Owner shall provide signage to fit the existing light box per the attached diagram, Example A.
- b. Wording of the sign shall be limited to a business name. Miscellaneous advertising such as discount rates, miscellaneous brand names, etc. are not allowed.
- c. Typeface shall be at the discretion of the Owner in order to project the character of his business and the general character of the property.

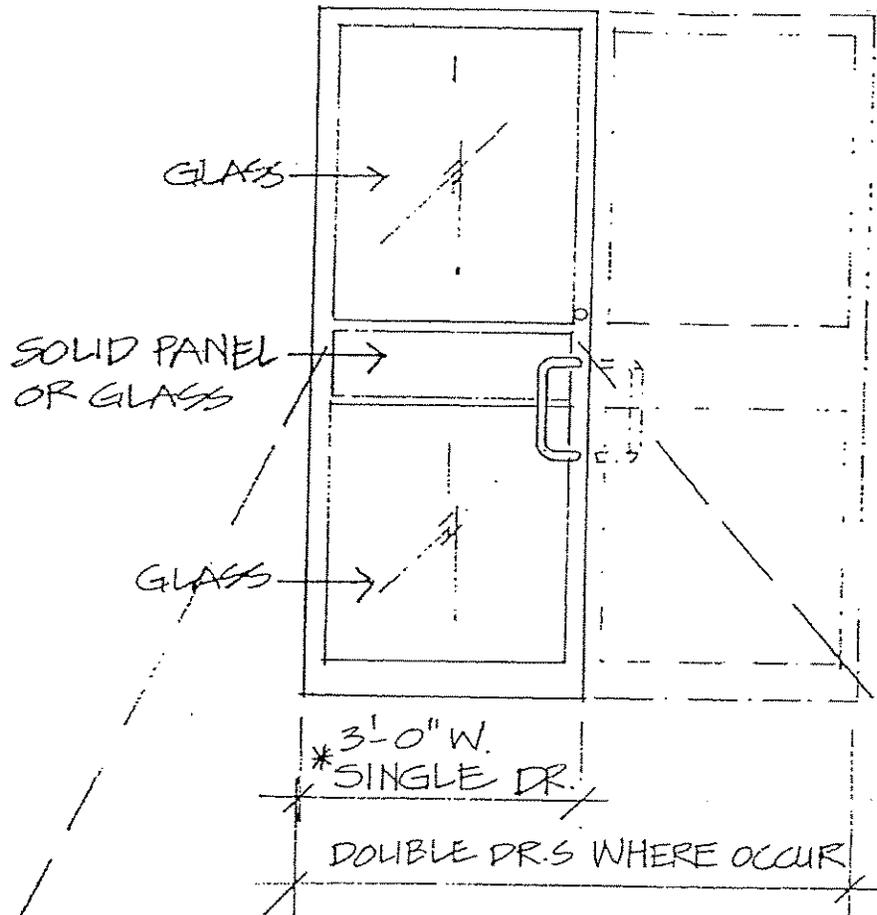
3. Second and Third Floor Signage

- a. Second and third floor door panel signs shall be a custom screen printing decal per attached diagram, Example B. Background shall match the door frame color and the lettering shall match Sinclair #CM-8462.

4. Display Windows

- a. Drapery, curtains, signage and other materials hung against the exterior window glass shall be subject to the review and approval of the AOA.
- b. Posters or other advertising brochures may not be taped to the windows unless otherwise approved by the AOA.
- c. Displays should be tastefully designed and in keeping with the image of the property.

TYPICAL DOOR CONDITION



*NOTE:
UNIT 301 SINGLE
DR. IS 3'-8" W.

ELEVATION

SC: 1/2" = 1'-0"

2
0
4

Dr. Leonard K.K. Fong
Dr. Rodney S.O. Fong
Dr. Dale S.N. Fong
OPTOMETRISTS

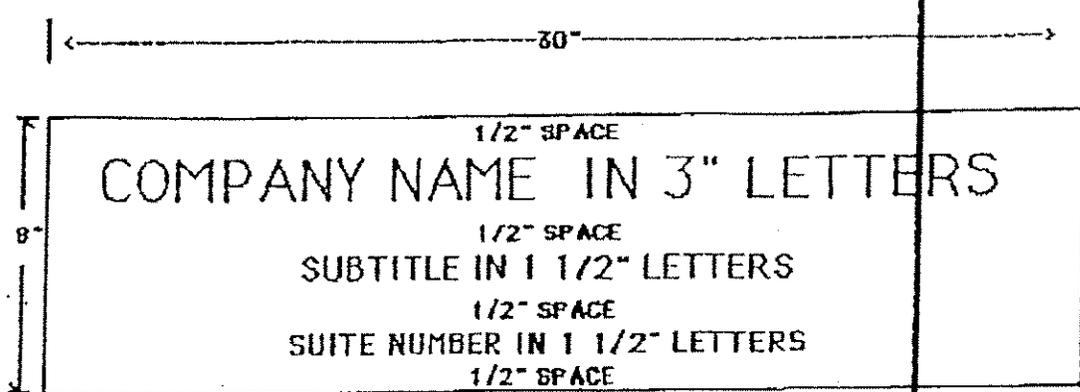
2'-6"

PANEL
SC: 3" = 1'-0"

8"

SIGN SPECIFICATIONS

EXAMPLE A



Imperial Plaza, AOA
 Insurance Summary
 Date Prepared: November 2, 2005

Insurance Associates, Inc.
 800 Bethel Street, Suite #200
 Honolulu, HI 96813

Agent: Sue Savio
 Direct Line: 808-526-9271
 Direct Fax: 808-792-5371
 E-mail: sue@ia-hawaii.com

| Coverage | Limits | Term | Policy Period | Annual Premium | Insurance Company | Comments |
|---|---|--------|------------------------|----------------|-------------------------------------|---|
| Property Building Replacement Cost Business Personal Property Earthquake (5% per occurrence deductible) Deductible (all other perils excluding hurricane) Hurricane Deductible (2% of the building value) | \$ 116,503,456 Included \$ 10,000,000 \$ 5,000 \$ 2,330,069 | Annual | 10/15/05 – 10/15/06 | \$ 131,640 | Fireman's Fund Insurance Company | |
| Comprehensive General Liability General Aggregate Products and Completed Operations Aggregate Personal & Advertising Injury Each Occurrence Fire Damage (any one fire) Medical Expense (any one person) Hired/Non-Owned Automobile (occurrence) | \$ 2,000,000 \$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 50,000 \$ 5,000 \$ 1,000,000 | Annual | 10/15/05 – 10/15/06 | \$ 19,155 | Fireman's Fund Insurance Company | |
| Commercial Umbrella Each Occurrence Liability Aggregate Limit Retained Limit | \$ 5,000,000 \$ 5,000,000 \$ 0 | Annual | 05/15/05 – 05/15/06 | \$ 7,047 | Chubb Insurance Company | Provides coverage above the Directors' & Officers' Policy |
| Boiler and Machinery Covered Amount Deductible | \$ 116,503,456 \$ 25,000 | Annual | 10/15/05 – 10/15/06 | \$ 7,284 | Fireman's Fund Insurance Company | |
| Directors' and Officers' Liability Each Occurrence General Aggregate Deductible | \$ 5,000,000 \$ 5,000,000 \$ 2,500 | Annual | 05/15/05 – 05/15/06 | \$ 4,689 | Great American Insurance Company | Includes coverage for the Management Company |
| Fidelity Bond Deductible | \$ 100,000 \$ 1,000 | Annual | 10/15/05 – 10/15/06 | \$ 459 | Great American Insurance Company | |
| Workers' Compensation | | | | | No employees-contract labor | |

This summary is a brief outline of your insurance policies and is a matter of information only. It does not amend, extend or alter the coverage's afforded by the companies. You must refer to the provisions found in your coverage's, terms, conditions and exclusions that apply.



HAWAIIANA

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

CONDOMINIUM, CO-OP AND PUD
DISCLOSURE CHECK-LIST
(FOR LENDERS)

The following information contained in this disclosure statement is current as of this date. Certain elements of information contained in this disclosure are subject to change at any time in the future.

PROJECT NAME: IMPERIAL PLAZA

APARTMENT NO: TMK: 2-1-49-27

ADDRESS: 725 KAPIOLANI BLVD., HONOLULU, HI 96813

1. MANAGEMENT OF THE ASSOCIATION

- A. Has the Homeowner's Association been in control of the operations of the project for more than two (2) years?
YES
- B. The property is managed by: HAWAIIANA MANAGEMENT CO, LTD
711 Kapiolani Blvd., Suite 700, Honolulu, Hawaii 96813

*NOTE: This Property/Association is managed by a professional management company. If a lender desires evidence of the relationship between the property and the Management Company, a Certificate or Affidavit signed by an officer will be provided as proof attesting to this relationship. A copy of the Management agreement will not be provided.

2. FINANCIAL

- A. Percentage of apartment owners more than one (1) month delinquent in maintenance fees: 0.78 (2 owners)
- B. Number of foreclosures in the project during the past twelve (12) months: NONE
- C. Any special assessments being currently charged to each unit: NO

CONDOMINIUM, CO-OP AND PUD
DISCLOSURE CHECK-LIST FOR LENDERS

Page Two

3. OCCUPANCY

- A. Total number of units in the complex: 256
- B. Owner Occupancy percentage: 62 %
- C. To the best of our knowledge, the following number of units have been sold to bonafide purchasers other than the developer(s). 243
- D. Does any single entity, individual or group own more than 10% of the total units in the project: NO
- E. Is any part of the building used for commercial purposes? YES, APPROXIMATELY 18% OF THE TOTAL FLOOR SPACE IS USED BY COMMERCIAL APARTMENTS. THE USE OF THESE APARTMENTS IS RESTRICTED BY THE DECLARATION, BY LAWS, DEED AND MERCHANTS COMMITTEE.
- F. Is a majority of the units in this complex operated on time share basis? NO
- G. Does the project operate a hotel or rental pool? NO
- H. Are units in the project owned fee simple rather than leasehold? YES

4. LEGAL

- A. Is there any existing litigation? NO (SEE ATTACHED)
- B. Is the project subject to phasing or add-ons not yet completed? NO
- C. Is the Board of Directors' approval required of purchasers? NO

5. INSURANCE

- A. Insurance Carrier: INSURANCE FACTORS
Name of Agent: Patrick Wong Phone: 546-7403

FOR THE BOARD OF DIRECTORS
IMPERIAL PLAZA

Dated: November 29, 2005



KEN WHITTEN
Management Executive
HAWAIIANA MANAGEMENT COMPANY, LTD.

(4)*Comments on lawsuits, arbitration or mediation actions are as follows:

Background on Proceedings: In September 29, 1995, the Association of Apartment Owners of The Imperial Plaza ("Association") brought an action in State Circuit Court against companies involved in the development, construction and design of the condominium project. By court order, that case was divided into two parts. The construction defect claims were required to be arbitrated and the design defect claims remained in Circuit Court.

Status of Claims —

The Arbitrated Claims: The arbitrators awarded the Association \$6,256,454.32 for the construction defect claims. That was offset by a judgement against the Association for \$939,248.00 for developer claims. The awards were turned into judgments, all of which have been paid in full.

October 22, 2001 received \$5,254.00 from WE Painting, transmitted to AOAO c/o Walkey November 8, 2001

October 30, 2001 \$11,882.62 check from Group Builders transmitted directly to AOAO c/o John Haynes

October 29, 2001 received \$21,095.32 from Windward Tile, transmitted to AOAO c/o Walkey November 8, 2001

October 29, 2001 received \$48,299.71 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 8, 2001

November 2, 2001 received \$24,149.86 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 9, 2001

November 7, 2001 received \$12,067.68 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 8, 2001

November 7, 2001 received \$12,067.68 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 8, 2001

November 13, 2001 received \$48,285.22 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 13, 2001

January 3, 2002 received \$1,261,516.70 check from HDCC, transmitted to Prudential Jan 3, 2002

January 4, 2002 received \$125,390.30 check from HDCC, transmitted to Prudential

January 7, 2002

January 7, 2002 received \$2,127,545.30 from HDCC transmitted to Prudential January 7, 2002

January 7, 2002 received \$288,327.50 from Group Builders, transmitted to Prudential January 7, 2002

January 7, 2002, received \$361,672.50 from First Insurance Company, transmitted to Prudential January 7, 2002

January 7, 2002, received \$361,672.50 from Group Builders, transmitted to Prudential 01.07.02

January 8, 2002 \$1,197,195.92 from HD/SC, HDCC, Group wired directly to Prudential.

A copy of the arbitration award is available for inspection at the offices of Hawaiiana Management, 711 Kapiolani Boulevard, 7th Floor, Honolulu, Hawaii. (BY APPOINTMENT ONLY!)

Claims Settled During the Arbitration: Prior to the litigation of the design defect claims, the Association entered into partial settlements that resulted in defendants repairing certain defects at no costs to the Association. The aggregate settlement value was estimated by the Association's consultants to be \$547,474.30. Those settlements involved:

- (1) the complete installation of specified automatic sprinklers in penthouse units [\$49,100.00(est.)] General Contractor to perform scope of work;
- (2) the repair of post-tension anchor grout pockets for units 1602, 1603, 1803, 1901, 2303 & 2403 and the repair of spalling on one lanai corner [\$3,000.00(est.)]; Defendants to perform repair work;
- (3) the replacement of 34 exterior door trim packages in the townhouse units [\$32,000.00(est.)] This was a repair fix performed by Baldwin Hardware Corporation, the value of products that they provided and estimated cost for their labor;
- (4) the removal and replacement of the anchor grout for 680 steel guardrails and handrails throughout the project [\$447,200.50(est.)] May 7, 1999 received \$25,000.00 from Q&R, Inc., transmitted to AOA June 22, 1999; May 14, 1999 received \$5,912.50 check from HDCC, transmitted to AOA June 2, 1999; May 17, 1999 received \$5,000.00 check from Fosroc, transmitted to AOA June 2, 1999; May 24, 1999 received \$8,000.00 check from EE Manke, transmitted to AOA June 2, 1999; May 27, 1999 received \$10,000.00 from R&B Wagner, transmitted to AOA June 22, 1999. The remedial work was performed by Industrial Welding, Inc.
- (5) the repair of leaks in various windows and sliding glass doors (\$3,000.00);
- (6) the cash settlement for replacing corroded screws on the sliding glass door handles

(\$13,175.00); and

(7) the supply and installation of replacement bathroom fixtures at reduced cost (value not quantified). Kohler to provide new fixtures at 50% off Kohler list price. Kohler to provide \$20.00 per hour of installation cost. DMJM to provide \$10.00 per hour for installation cost up to \$13,000.00. Developer entities to provide \$10.00 per hour for installation costs up to \$13,000.00. A copy of each settlement agreement is available for inspection at the offices of Hawaiiiana Management, 711 Kapiolani Boulevard, 7th Floor, Honolulu, Hawaii.

(BY APPOINTMENT ONLY)

The Litigated Claims: The Association began a jury trial of the design defect claims. During the trial, the parties entered into a settlement in the amount of \$1,157,587.50.

December 15, 2003 received \$937,500.00 check from DMJM transmitted to Ken Whitten on December 16, 2003.

December 18, 2003 received \$100,000 check from Hawaiiiana Management, delivered to counsel for 725 Developer entities January 5, 2004.

January 5, 2004 received \$150,000.00 check from Lincoln Scott & Kohloss, transmitted to Hawaiiiana Management, Inc. on January 6, 2004.

A copy of the settlement agreement is available for inspection at the offices of Hawaiiiana Management, 711 Kapiolani Boulevard, 7th Floor, Honolulu, Hawaii. (BY APPOINTMENT ONLY)

Abandoned Claims: The Association abandoned certain claims during the course of proceedings based on case developments and in consultation with its experts.

PLEASE NOTE:

The above information is provided as an accommodation only. The Association, its Managing Agent, and their respective officers, directors, employees and agents shall have no liability whatsoever for any errors or omissions with respect thereto; are not required to make any special investigations as to any matters for which information is requested, shall report only facts readily available; and have no duties or responsibilities to anyone you may chose to provide this information to, including prospective buyers.

Hawaiiana Management Company, Ltd

2006 Monthly Operating Budget For

The Imperial Plaza

Approved by Board of Directors on October 27, 2005

| DESCRIPTION | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | ANNUAL |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| REVENUE | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | TOTAL |
| MAINTENANCE FEES | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 212,762 | 2,553,144 |
| RES LIM COM EL MF | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 5,748 |
| ELECTRICITY-UNIT | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 300,000 |
| COM LIM COM EL MF | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 1,354 | 16,248 |
| INVESTMENT INTEREST | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 60,000 |
| LATE CHARGES | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1,200 |
| TOTAL REVENUE | 244,695 | 2,936,340 |

| UTILITIES | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| ELECTRICITY | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 81,167 | 974,004 |
| WATER | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 3,833 | 45,996 |
| SEWER | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 84,000 |
| TELEPHONE | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9,000 |
| TOTAL UTILITIES | 92,750 | 1,113,000 |

| CONTRACT SVCS | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| CONTRACT-A/C | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 1,288 | 15,456 |
| CLEANING-MATS | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 2,220 |
| CONTRACT-ELEVATOR | | | | | | | | | | | | 95,004 | 95,004 |
| CONTRACT-PEST CONTR | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 7,020 |
| REFUSE | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 3,417 | 41,004 |
| CONTRACT-SECURITY E | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 |
| CLEANING SVC-WINDOW | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 3,108 | 37,296 |
| GROUNDS-TREE TRIMMI | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 10,800 |
| TOTAL CNTRCT SVCS | 9,733 | 104,737 | 211,800 |

| MAINTENANCE | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| AIR CONDITIONING | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 1,208 | 14,496 |
| ELEVATOR | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| GROUNDS | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 4,500 |
| ELECTRICAL/LIGHTING | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| PLUMBING | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 833 | 9,996 |
| PAINT | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,400 |
| SECURITY EQUIPMENT | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,400 |
| FIRE SYSTEMS | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 4,800 |
| MISC RFRS & PURCHS | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 7,812 |
| BUILDING MTNC SUPPLI | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| BLDG CUSTODIAL SUPPL | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 2,505 | 30,060 |
| BUILDING MECHANICAL | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| TOTAL MAINTENANCE | 8,972 | 107,664 |

2006 Monthly Operating Budget For The Imperial Plaza

Approved by Board of Directors on October 27, 2005

| DESCRIPTION | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | ANNUAL |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| PROFESSIONAL SVCS | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | 2006 | TOTAL |
| M.A. ADMIN SUPS & SRVC | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| AOAO ADMIN EXPS | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 13,992 |
| EDUCATION | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| MANAGEMENT SRVCS | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 3,198 | 38,374 |
| AUDIT | | | | 4,000 | | | | | | | | | 4,000 |
| LEGAL FEES | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 20,004 |
| CONSULTING FEES | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| CONSULTING FEE-DESIG | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 12 |
| SECURITY SERVICES | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 360,000 |
| BUILDING MAINTENANC | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 39,583 | 474,996 |
| PARKING SERVICE | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 54,000 |
| TOTAL PROF. SERVICES | 83,615 | 83,615 | 83,615 | 87,615 | 83,615 | 83,615 | 83,615 | 83,615 | 83,615 | 83,615 | 83,615 | 83,615 | 1,007,378 |

| PAYROLL & BENEFITS | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|----------------------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|--------|
| EMPLOYEE BONUS | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 11,004 |
| TOTAL P/R & BENEFITS | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 11,004 |

| OTHER EXPENSES | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| INSURANCE | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 14,403 | 172,836 |
| UNINSURED EXP | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3,600 |
| RECREATION DECK | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 479 | 5,748 |
| GALERIA 2 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 367 | 4,404 |
| GALERIA 3 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 217 | 2,604 |
| GALERIA 4 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 1,248 |
| PLATFORM G | 383 | 383 | 383 | 383 | 383 | 383 | 383 | 383 | 383 | 383 | 383 | 383 | 4,596 |
| PLATFORM 3 | 283 | 283 | 283 | 283 | 283 | 283 | 283 | 283 | 283 | 283 | 283 | 283 | 3,396 |
| STATE GENERAL EXCISE | 1,050 | | | 1,050 | | | 1,050 | | | 1,050 | | | 4,200 |
| FEDERAL INCOME TAX | 3,000 | | | 3,000 | | | 3,000 | | | 3,000 | | | 12,000 |
| TOTAL OTHER EXP. | 20,586 | 16,536 | 16,536 | 20,586 | 16,536 | 16,536 | 20,586 | 16,536 | 16,536 | 20,586 | 16,536 | 16,536 | 214,632 |

| | | | | | | | | | | | | | |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| TOTAL OP EXPENSE | 216,573 | 212,523 | 212,523 | 220,573 | 212,523 | 212,523 | 216,573 | 212,523 | 212,523 | 216,573 | 212,523 | 307,527 | 2,665,478 |
| SURPLUS (-DEFICIT) | 28,122 | 32,172 | 32,172 | 24,122 | 32,172 | 32,172 | 28,122 | 32,172 | 32,172 | 28,122 | 32,172 | -62,832 | 270,862 |

The Imperial Plaza

Calendar Year 2006 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: Ken Whitten and Hawaiiana Management Company, Ltd on September 22, 2005

Approved by Board of Directors on October 27, 2005

PRESENT RESERVE LEVELS

| | |
|--|-------------|
| Projected 2005 Ending Reserve Balance | \$3,000,000 |
| Required End of 2005 Balance to be 100% Funded | \$3,352,759 |
| Projected End of Year 2005 Percent Funding | 89.5% |

2006 FULLY FUNDED MAINTENANCE FEES

| | |
|---|-------------------|
| Required End of Year 2006 Balance to be 100% Funded | \$2,105,099 |
| Year 2006 Reserve Outlays | \$1,698,683 |
| Year 2006 Reserve Contribution Required to be 100% Funded | \$803,782 |
| Plus Projected Operating Expense | \$2,665,478 |
| Less Other Income | \$383,196 |
| Fully Funded Maintenance Fee Change/Amount | 20.9% \$3,086,064 |

BOARD APPROVED YEAR 2006 MAINTENANCE FEES

| | |
|---|--------------------|
| Operating Expenses | \$2,665,478 |
| Less Other Income | \$383,196 |
| Maintenance Fee Change/Amount | 0.0% \$2,553,144 |
| Reserve Contribution | \$270,862 |
| Projected Funding Level/Balance at the End of Year 2006 | 74.68% \$1,572,179 |

THE IMPERIAL PLAZA YEAR 2006 RESERVE PROJECTS AS OF NOVEMBER 16, 2005

Management Executive: Ken Whitten of Hawaiiana Management Company, Ltd

| | | RESERVE FUND STATUS - POOLING METHOD | | | | | M. FEE | RES. | MAINT. |
|--------------------------------------|-----------|--------------------------------------|-------------|------------------------------------|--------|------------------------|--------|-------------------------|-----------|
| First Plan Year - Calendar | 2006 | Reference Year | 2005 | THE MODEL'S FINDINGS FOR % FUNDING | | 2005 Deficit | CHANGE | CONTRIB | FEE\$ |
| Final Plan Year | 2025 | | | Recommended Reserve Funding | 100% | 352,759 | 20.9% | 803,782 | 3,086,064 |
| 2005 Maintenance Fees | 2,553,144 | 2006 Maint Fees | 2,553,144 | Approved Reserve Funding Level | 50% | -1,323,620 | -29.4% | -248,767 | 2,033,515 |
| 2005 Other Income | | 2006 Othr Inc | 383,196 | Minimum Reserve Funding Level | 50% | -1,323,620 | -29.4% | -248,767 | 2,033,515 |
| 2005 Operating Expenses | | 2006 Exp | 2,665,478 | EOY 2006 Funding % @ Approved Lev | 74.68% | | 0.0% | 270,362 | 2,553,144 |
| 2005 Reserve Contribution | 2,553,144 | 2006 Contribution | 270,362 | Condition Codes | | Source Codes | | Source Codes | |
| Projected Reserves At Start of 2006 | 3,000,000 | Target Funding L | 50% | EXCELNT | E | Contractor Proposal | 1 | Cost at Similar Project | 5 |
| Projected Reserve % at Start of 2006 | 89.5% | Tgt Ann Contrib | 188,803 | GOOD | G | Contractor Estimate | 2 | Statistical Guideline | 6 |
| Minimum Inflation | 2.5% | Req Contrib-Tgt | (1,134,517) | FAIR | F | Engineer/Arch Estimate | 3 | | |
| Projected Savings Interest | 3.3% | App. % Change | 0% | POOR | P | Cost When Last Done | 4 | | |

| CAPITAL INVENTORY | | NORM | DONE | LAST | CO | NEXT | COST | COST | FUNDING | EOY | |
|--------------------------------|------------|------|------|------|----|----------|-----------|------|---------|---------|---------|
| ITEM | TYPE | LIFE | LAST | COST | ND | DOE DATE | NOW | SRC | ROMNT | RES | DEFICIT |
| CA BUILDING EXTERIOR | REPAINT | 10 | 1996 | | | 2006 | 350,000 | | 315,000 | 315,000 | |
| CA FIRE ALARM SYSTEM | REPLACE | 15 | 1991 | | | 2006 | 337,000 | | 314,533 | 314,533 | |
| CA ACCESS/CCTV SYSTEMS | UPGRADE | 15 | 1991 | | | 2006 | 225,000 | | 210,000 | 210,000 | |
| CA PLAZA DECK ROOF-SEAL | REPAIR/REF | 5 | 2001 | | | 2006 | 179,500 | | 143,600 | 143,600 | |
| CA WATERSCAPE BEDS | RESURFACE | 15 | 1991 | | | 2006 | 125,000 | | 116,667 | 116,667 | |
| CA INTERIOR SURFACES | REPAINT | 10 | 1996 | | | 2006 | 100,000 | | 90,000 | 90,000 | |
| CA WATER BOOSTER PUMPS | REPLACE | 20 | 1986 | | | 2006 | 50,000 | | 47,500 | 47,500 | |
| CA WATER VALVES | REPLACE | 15 | 1991 | | | 2006 | 50,000 | | 46,667 | 46,667 | |
| G EXHAUST FAN | REPLACE | 15 | 1991 | | | 2006 | 42,500 | | 39,667 | 39,667 | |
| HR LOBBY | REMODEL | 12 | 1994 | | | 2006 | 42,500 | | 38,958 | 38,958 | |
| CA LANDSCAPE - UPGRADE | UPGRADE | 10 | 1996 | | | 2006 | 40,000 | | 36,000 | 36,000 | |
| COOLING TOWER OVERHAUL | REPAIR/REF | 20 | 1986 | | | 2006 | 30,000 | | 28,500 | 28,500 | |
| CA DECK/WALL-X JOINT B | REPAIR/REF | 15 | 1991 | | | 2006 | 30,000 | | 28,000 | 28,000 | |
| CA MECHANICAL/ELECTRIC SPARES | REPLACE | 1 | 2005 | | | 2006 | 20,000 | | 19,361 | 19,361 | |
| CA KITCHEN | REFURBISH | 15 | 1991 | | | 2006 | 15,000 | | 14,000 | 14,000 | |
| G ELVATOR CAB | REMODEL | 15 | 1991 | | | 2006 | 12,000 | | 11,200 | 11,200 | |
| CA OFFICE REMODEL | REMODEL | 10 | 1996 | | | 2006 | 8,750 | | 7,875 | 7,875 | |
| HR 50 TON AIR HANDLER | REPLACE | 10 | 1997 | | | 2007 | 150,000 | | 120,000 | 120,000 | |
| CA TRASH COMPACTOR | REPAIR/REF | 7 | 2000 | | | 2007 | 25,000 | | 17,857 | 17,857 | |
| CA CIRC PUMPS | REPLACE | 5 | 2002 | | | 2007 | 4,000 | | 2,400 | 2,400 | |
| G ELEVATOR CAB | REMODEL | 15 | 1993 | | | 2008 | 24,000 | | 19,200 | 19,200 | |
| TH ELEVATOR CABS | REMODEL | 15 | 1993 | | | 2008 | 24,000 | | 19,200 | 19,200 | |
| TH LOBBY REMODEL | REPLACE | 12 | 1996 | | | 2008 | 20,000 | | 15,000 | 15,000 | |
| TH HVAC UNIT-LOBBY | REPLACE | 10 | 1998 | | | 2008 | 20,000 | | 14,000 | 14,000 | |
| G HVAC UNITS | REPLACE | 15 | 1993 | | | 2008 | 6,000 | | 4,800 | 4,800 | |
| CA SIGNAGE/LETTERS | REPLACE | 10 | 1998 | | | 2008 | 4,500 | | 3,150 | 3,150 | |
| TH HVAC-MAILRM/BTRM | REPLACE | 10 | 1998 | | | 2008 | 4,000 | | 2,800 | 2,800 | |
| HR STAIRWELL FAN | REPLACE | 15 | 1993 | | | 2008 | 3,000 | | 2,400 | 2,400 | |
| TH STAIRWELL FAN | REPLACE | 10 | 1998 | | | 2008 | 3,000 | | 2,100 | 2,100 | |
| G STAIRWELL FAN | REPLACE | 15 | 1993 | | | 2008 | 1,500 | | 1,200 | 1,200 | |
| CA GATE ROLL-UP MECH | REPOLACE | 15 | 1994 | | | 2009 | 50,000 | | 36,667 | 36,667 | |
| HR TOWER CARPET | REPLACE | 8 | 2002 | | | 2010 | 120,000 | | 45,000 | 45,000 | |
| CA IRON FENCE/RAIL | REPAINT | 5 | 2005 | | | 2010 | 20,125 | | | | |
| CA OFFICE EQUIPMENT | REPLACE | 5 | 2005 | | | 2010 | 8,000 | | | | |
| CA POT WATER CIRC PUMPS | REPLACE | 5 | 2005 | | | 2010 | 7,500 | | | | |
| CA BATHROOM FIXTURES | REPLACE | 15 | 1996 | | | 2011 | 32,500 | | 19,500 | 19,500 | |
| CA PATIO FURNITURE | REPLACE | 7 | 2005 | | | 2012 | 15,000 | | | | |
| CA HEAT PUMPS | REPLACE | 20 | 1993 | | | 2013 | 180,000 | | 108,000 | 108,000 | |
| CA CARPET | REPLACE | 8 | 2005 | | | 2013 | 30,000 | | | | |
| G CARPET | REPLACE | 8 | 2005 | | | 2013 | 6,588 | | | | |
| CA SAUNA | REFURBISH | 15 | 1998 | | | 2013 | 6,250 | | 2,917 | 2,917 | |
| CA WATER PUMPS PARTIAL REPLACE | PARTIAL R | 20 | 1994 | | | 2014 | 30,000 | | 16,500 | 16,500 | |
| HR FAN COILS | REPLACE | 16 | 1998 | | | 2014 | 10,000 | | 4,375 | 4,375 | |
| CA VEHICLE GATE ARM MECH | REPLACE | 10 | 2005 | | | 2015 | 22,000 | | | | |
| CA COOLING TOWER | REPLACE | 20 | 1996 | | | 2016 | 375,000 | | 168,750 | 168,750 | |
| TH ROOF | REPLACE | 20 | 1996 | | | 2016 | 100,000 | | 45,000 | 45,000 | |
| CA POOL/SPA FILTER | REPLACE | 15 | 2001 | | | 2016 | 15,000 | | 4,000 | 4,000 | |
| CA CHILLER | REPLACE | 25 | 1993 | | | 2018 | 1,000,000 | | 480,000 | 480,000 | |
| HR ELEVATOR | MODERIZE | 25 | 1993 | | | 2018 | 640,000 | | 307,200 | 307,200 | |

| CAPITAL INVENTORY | | | | | | | | | | | |
|------------------------|------------|--------------|--------------|--------------|----------|------------------|-------------|-------------|-------------------|------------|---------|
| ITEM | TYPE | NORM LIFE | DONE LAST | LAST COST | CO NO | NEXT DUE DATE | COST NOW | COST SRC | FUNDING AMOUNT | EOY RES | DEFICIT |
| TH ELEVATOR | MODERNIZI | 25 | 1993 | | | 2018 | 300,000 | | 144,000 | 30,457 | 113,543 |
| CA GENERATOR | REPLACE | 25 | 1993 | | | 2018 | 200,000 | | 96,000 | | 96,000 |
| G ELEVATOR | MODERNIZI | 25 | 1993 | | | 2018 | 160,000 | | 76,800 | | 76,800 |
| CA FLOWER BOXES REPAIR | REPAIR/REF | 25 | 1993 | | | 2018 | 50,000 | | 24,000 | | 24,000 |
| G ELEVATOR | MODERNIZI | 25 | 1993 | | | 2018 | 45,000 | | 21,600 | | 21,600 |
| HR TOWER ELEVATOR CAB | REMODEL | 15 | 2003 | | | 2018 | 36,000 | | 4,800 | | 4,800 |
| HR MAILBOXES | REPLACE | 25 | 1993 | | | 2018 | 11,550 | | 5,544 | | 5,544 |
| G MAILBOXES | REPLACE | 25 | 1993 | | | 2018 | 3,400 | | 1,632 | | 1,632 |
| TH MAILBOXES | REPLACE | 25 | 1993 | | | 2018 | 1,750 | | 840 | | 840 |
| CA POOL RESURFACE | RESURFACE | 15 | 2005 | | | 2020 | 26,000 | | | | |
| CA DECK JOINT A | REPAIR/REF | 15 | 2005 | | | 2020 | 15,000 | | | | |
| CA DECK JOINT B | REPAIR/REF | 15 | 2005 | | | 2020 | 15,000 | | | | |
| CA DECK-WALL X JOINT A | REPAIR/REF | 15 | 2005 | | | 2020 | 15,000 | | | | |
| G ROOF | REPLACE | 20 | 2003 | | | 2023 | 80,000 | | 8,000 | | 8,000 |

2005 End Yr Totals

5,572,913

3,352,759

3,000,000

352,759

The Imperial Plaza

Board Approved 2006 Cash Flow Plan

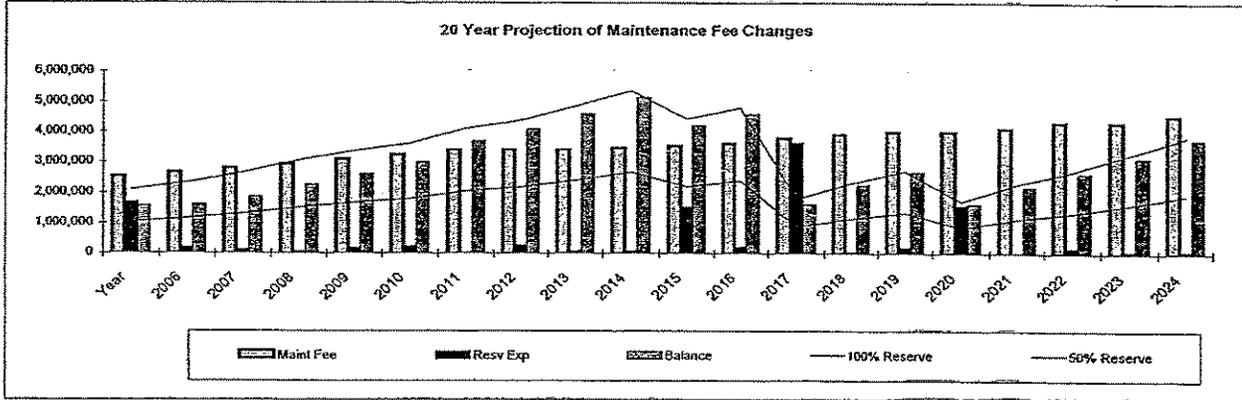
Prepared By: Ken Whitten and Hawaiiana Management Company, Ltd

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

At the Beginning of Calendar Year 2006, The Imperial Plaza Will Be 89.5 Percent Funded.

Assumed Rate of Inflation: 2.5%

Assumed Savings Interest Rate: 3.3%



Contingency Reserve Ft \$0

| CY | Starting Balance | -Reserve Expense | -Loan Payments | -Operating Expenses | +Maint. Fees | +Other Income | +Interest Income | =Ending Balance | % Maint. Fee Change | Net Reserve Contrib. | Percent Funded |
|------|------------------|------------------|----------------|---------------------|--------------|---------------|------------------|-----------------|---------------------|----------------------|----------------|
| 2006 | 3,000,000 | 1,698,683 | 0 | 2,665,478 | 2,553,144 | 383,196 | Included | 1,572,179 | 0.00% | (1,427,821) | 75% |
| 2007 | 1,572,179 | 209,076 | 0 | 2,732,115 | 2,680,801 | 323,196 | 52,918 | 1,687,904 | 5.0% | 62,806 | 72% |
| 2008 | 1,687,904 | 139,996 | 0 | 2,800,418 | 2,814,841 | 323,196 | 58,962 | 1,944,489 | 5.0% | 197,624 | 73% |
| 2009 | 1,944,489 | 77,267 | 0 | 2,870,428 | 2,955,583 | 323,196 | 69,631 | 2,345,204 | 5.0% | 331,084 | 76% |
| 2010 | 2,345,204 | 198,704 | 0 | 2,942,189 | 3,103,362 | 323,196 | 82,105 | 2,712,975 | 5.0% | 285,666 | 80% |
| 2011 | 2,712,975 | 269,050 | 0 | 3,015,744 | 3,258,531 | 323,196 | 94,428 | 3,104,335 | 5.0% | 296,933 | 85% |
| 2012 | 3,104,335 | 46,359 | 0 | 3,091,137 | 3,421,457 | 323,196 | 112,461 | 3,823,953 | 5.0% | 607,157 | 93% |
| 2013 | 3,823,953 | 295,875 | 0 | 3,168,416 | 3,421,457 | 323,196 | 130,816 | 4,235,132 | 0.0% | 280,363 | 96% |
| 2014 | 4,235,132 | 106,154 | 0 | 3,247,626 | 3,421,457 | 323,196 | 146,209 | 4,772,214 | 0.0% | 390,873 | 98% |
| 2015 | 4,772,214 | 99,366 | 0 | 3,328,817 | 3,489,886 | 323,196 | 163,834 | 5,320,948 | 2.0% | 384,900 | 99% |
| 2016 | 5,320,948 | 1,559,087 | 0 | 3,412,037 | 3,559,684 | 323,196 | 157,635 | 4,390,339 | 2.0% | (1,088,244) | 99% |
| 2017 | 4,390,339 | 234,011 | 0 | 3,497,338 | 3,630,878 | 323,196 | 148,556 | 4,761,620 | 2.0% | 227,725 | 99% |
| 2018 | 4,761,620 | 3,669,182 | 0 | 3,584,771 | 3,812,422 | 323,196 | 105,681 | 1,748,965 | 5.0% | (3,118,336) | 97% |
| 2019 | 1,748,965 | 49,452 | 0 | 3,674,391 | 3,926,794 | 323,196 | 66,397 | 2,341,510 | 3.0% | 526,147 | 100% |
| 2020 | 2,341,510 | 212,354 | 0 | 3,766,251 | 4,005,330 | 323,196 | 83,044 | 2,774,475 | 2.0% | 349,922 | 102% |
| 2021 | 2,774,475 | 1,599,687 | 0 | 3,860,407 | 4,005,330 | 323,196 | 72,887 | 1,715,794 | 0.0% | (1,131,568) | 99% |
| 2022 | 1,715,794 | 6,087 | 0 | 3,956,917 | 4,125,490 | 323,196 | 64,635 | 2,266,111 | 3.0% | 488,682 | 98% |
| 2023 | 2,266,111 | 216,010 | 0 | 4,055,840 | 4,331,765 | 323,196 | 81,103 | 2,730,324 | 5.0% | 388,111 | 101% |
| 2024 | 2,730,324 | 79,933 | 0 | 4,157,236 | 4,331,765 | 323,196 | 96,994 | 3,245,110 | 0.0% | 417,792 | 99% |
| 2025 | 3,245,110 | 94,425 | 0 | 4,261,167 | 4,548,353 | 323,196 | 115,602 | 3,876,669 | 5.0% | 515,957 | 101% |



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

PROPERTY INFORMATION FORM

(To be used in conjunction with RR105a Sellers' Real Property Disclosure Statement-
Condominium/Co-op/PUD/and other Homeowner Organization)

Disclaimer: The use of this form is not intended to identify the real estate license as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

Completion Date: September 1991

Name of Property: IMPERIAL PLAZA

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

Property Address: 725 Kapiolani Blvd., Honolulu, Hi 96813

Property Tax Map Key: 2-1-49-27

This property is managed by a licensed real estate broker. Yes No. If a licensed real estate broker, is managing agent registered with the Real Estate Commission as a Condominium Managing Agent? Yes No.

Name of Managing Agent: Hawaiiana Management Company, Ltd.

Managed by this Managing Agent since: January 1, 1995

Managing Agent provides (Check those services that apply):

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

A. GENERAL & LEGAL

Total number of apartments: 256(206 Residential, 50 Commercial) Number of guest parking stalls available: 23 If applicable, what percentage of Condominium Apartments has been sold and conveyed (excluding to the Developer)? 94 %.

If applicable, what approximate percentage of Condominium Apartments is owner-occupied? 62 %.

Approximately how many foreclosures have been filed by the Board of Directors during the past twelve (12) months? None.

What approximate percentage of owners is more than one month delinquent in maintenance fees? 0.78 % (2 owners)

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

- | Yes | No | NTMK (Not to my knowledge) | | |
|-------------------------------------|-------------------------------------|----------------------------|--------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (1) | Within the past year, has the Board of Directors had discussions with the lessor regarding the purchase of the leased fee interest in the land? <input checked="" type="checkbox"/> The property is Fee Simple. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (2) | Is this Property subject to phasing or development of additional increments? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (3) | Has the Owners Association or Corporation been in control of the operations of the Property for less than two (2) years? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | ** (4) | Are there any lawsuits, arbitration or mediation actions affecting this Property and/or Association other than delinquent owner maintenance fees? Attorney for Association of Apartment Owners: <u>Milton Motooka</u> ** (Elisha, Ekimoto & Harada were attorneys for previous lawsuit). |
| | | | | a <u>NOTE</u> : Any attorney fees or other costs incurred for further answering this inquiry shall not be at the expense of the Association of Apartment Owners, nor of the Managing Agent. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (5) | If property is a Condominium, does any single entity, individual or partnership own more than 10 percent of the common interest of this property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (6) | Are any Association or Corporation approvals required for transfer of Ownership? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (7) | Is a resident manager's apartment a part of the common elements, or is one owned by the Association or Corporation (does not apply to Planned Unit Developments)? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (8) | Is a time share operation existing at this Property? Name of operator: |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (9) | Is there a hotel, transient vacation rental operation, or other organized rental program at the Property? Name of operator? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (10) | Are there commercial apartments, lots or commercial use of the common areas or common elements at the Property? |

Number of Questions answered "YES

** (4) SEE ATTACHED INSERT.

(10) Approximately 18 % of the total floor space is used by Commerical Apartments .
The use of these apartments is restricted by the Declaration, By-laws, Deed, and
Merchant's Committee.

B. INSURANCE

Name of Insurance Company or Agency/Broker: Insurance Factors

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

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

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

Yes No NTMKNote: In case of Planned Unit Development, questions #13 to #15 apply to common areas only.

- (11) Is the Property located in a designated Flood Hazard Zone?
- (12) Is this Property covered by Flood Insurance?
- (13) Is this Property located in a tsunami inundation area?

Number of Questions answered "YES" and Explain:

C. FINANCIAL

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

Apartment maintenance fees include:

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

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

- | Yes | No | NTMK | |
|-------------------------------------|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (14) Has the Association or Corporation Board of Directors approved a maintenance fee increase, special assessment, or loan? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (15) Are any special assessments or loans in effect at this time? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (16) Are any assessments required to be paid in full at the time of conveyance of ownership? |

Number of Questions answered "YES" and Explain:

(16) self explanatory

D. PROPERTY CONDITION

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

E. DISCLAIMER

While not guaranteed, the information contained in this Property Information Form is based on information reasonably available to the Managing Agent at the time this form was completed. It has been provided by the Managing Agent at Owner/Seller's request and is believed to be current and correct to the best of the Managing Agent's knowledge at the time this form was completed. All persons relying upon the information contained herein are advised that the information provided cannot be considered a substitute for a careful inspection of the Property and the Property's governing documents, meeting minutes, financial documents and other documentation; and that they should refer to qualified experts in the various professional fields, including but not limited to attorneys, Certified Public Accountants, architects, engineers, contractors and other appropriate professionals for a detailed evaluation of areas where additional clarification or information is desired. The person or entity completing the form is doing so only as an accommodation to the parties and shall not be held liable for any errors or omissions whatsoever. The person or entity completing this form is not required to and has not completed any special investigation, and is only reporting facts already known to that person or entity or readily available. Specifically and without limitation, the person or entity completing the form has not reviewed any records except official records of meetings in the possession of that person

or entity and only for the current year. Where the answer to a question is not applicable, unknown or is otherwise unanswerable, it has been marked "NTMK". Where the Managing Agent has marked "NTMK" or "NO" in response to a question concerning property condition, it must be recognized that this does not mean there may not be a defect which an expert could discover or the passage of time would reveal. Likewise, a problem could be more serious than the Managing Agent, the Association, the Corporation or its Board of Directors knows. All such persons having access to this Property Information Form understand and acknowledge that this Property Information Form is not a warranty or guaranty of any kind by the Managing Agent, the Association or its Board of Directors.

*General Manager's Name Pat Suenaga
Phone No. :592-3306
Address :725 Kapiolani Blvd.
Honolulu, Hi 96813

FOR THE BOARD OF DIRECTORS
IMPERIAL PLAZA

Date November 29, 2005

A handwritten signature in cursive script, appearing to read "Ken Whitten", is written over a horizontal line.

Ken Whitten
Management Executive
HAWAIIANA MANAGEMENT COMPANY, LTD.

(4)*Comments on lawsuits, arbitration or mediation actions are as follows:

Background on Proceedings: In September 29, 1995, the Association of Apartment Owners of The Imperial Plaza ("Association") brought an action in State Circuit Court against companies involved in the development, construction and design of the condominium project. By court order, that case was divided into two parts. The construction defect claims were required to be arbitrated and the design defect claims remained in Circuit Court.

Status of Claims —

The Arbitrated Claims: The arbitrators awarded the Association \$6,256,454.32 for the construction defect claims. That was offset by a judgement against the Association for \$939,248.00 for developer claims. The awards were turned into judgments, all of which have been paid in full.

October 22, 2001 received \$5,254.00 from WE Painting, transmitted to AOAO c/o Walkey November 8, 2001

October 30, 2001 \$11,882.62 check from Group Builders transmitted directly to AOAO c/o John Haynes

October 29, 2001 received \$21,095.32 from Windward Tile, transmitted to AOAO c/o Walkey November 8, 2001

October 29, 2001 received \$48,299.71 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 8, 2001

November 2, 2001 received \$24,149.86 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 9, 2001

November 7, 2001 received \$12,067.68 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 8, 2001

November 7, 2001 received \$12,067.68 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 8, 2001

November 13, 2001 received \$48,285.22 from Oahu Plumbing, transmitted to AOAO c/o Walkey November 13, 2001

January 3, 2002 received \$1,261,516.70 check from HDCC, transmitted to Prudential Jan 3, 2002

January 4, 2002 received \$125,390.30 check from HDCC, transmitted to Prudential

January 7, 2002

January 7, 2002 received \$2,127,545.30 from HDCC transmitted to Prudential January 7, 2002

January 7, 2002 received \$288,327.50 from Group Builders, transmitted to Prudential January 7, 2002

January 7, 2002, received \$361,672.50 from First Insurance Company, transmitted to Prudential January 7, 2002

January 7, 2002, received \$361,672.50 from Group Builders, transmitted to Prudential 01.07.02

January 8, 2002 \$1,197,195.92 from HD/SC, HDCC, Group wired directly to Prudential.

A copy of the arbitration award is available for inspection at the offices of Hawaiiana Management, 711 Kapiolani Boulevard, 7th Floor, Honolulu, Hawaii. (BY APPOINTMENT ONLY!)

Claims Settled During the Arbitration: Prior to the litigation of the design defect claims, the Association entered into partial settlements that resulted in defendants repairing certain defects at no costs to the Association. The aggregate settlement value was estimated by the Association's consultants to be \$547,474.30. Those settlements involved:

- (1) the complete installation of specified automatic sprinklers in penthouse units [\$49,100.00(est.)] General Contractor to perform scope of work;
- (2) the repair of post-tension anchor grout pockets for units 1602, 1603, 1803, 1901, 2303 & 2403 and the repair of spalling on one lanai corner [\$3,000.00(est.)]; Defendants to perform repair work;
- (3) the replacement of 34 exterior door trim packages in the townhouse units [\$32,000.00(est.)] This was a repair fix performed by Baldwin Hardware Corporation, the value of products that they provided and estimated cost for their labor;
- (4) the removal and replacement of the anchor grout for 680 steel guardrails and handrails throughout the project [\$447,200.50(est.)] May 7, 1999 received \$25,000.00 from Q&R, Inc., transmitted to AOA June 22, 1999; May 14, 1999 received \$5,912.50 check from HDCC, transmitted to AOA June 2, 1999; May 17, 1999 received \$5,000.00 check from Fosroc, transmitted to AOA June 2, 1999; May 24, 1999 received \$8,000.00 check from EE Manke, transmitted to AOA June 2, 1999; May 27, 1999 received \$10,000.00 from R&B Wagner, transmitted to AOA June 22, 1999. The remedial work was performed by Industrial Welding, Inc.
- (5) the repair of leaks in various windows and sliding glass doors (\$3,000.00);
- (6) the cash settlement for replacing corroded screws on the sliding glass door handles

(\$13,175.00); and

(7) the supply and installation of replacement bathroom fixtures at reduced cost (value not quantified). Kohler to provide new fixtures at 50% off Kohler list price. Kohler to provide \$20.00 per hour of installation cost. DMJM to provide \$10.00 per hour for installation cost up to \$13,000.00. Developer entities to provide \$10.00 per hour for installation costs up to \$13,000.00. A copy of each settlement agreement is available for inspection at the offices of Hawaiiana Management, 711 Kapiolani Boulevard, 7th Floor, Honolulu, Hawaii.

(BY APPOINTMENT ONLY)

The Litigated Claims: The Association began a jury trial of the design defect claims. During the trial, the parties entered into a settlement in the amount of \$1,157,587.50.

December 15, 2003 received \$937,500.00 check from DMJM transmitted to Ken Whitten on December 16, 2003.

December 18, 2003 received \$100,000 check from Hawaiiana Management, delivered to counsel for 725 Developer entities January 5, 2004.

January 5, 2004 received \$150,000.00 check from Lincoln Scott & Kohloss, transmitted to Hawaiiana Management, Inc. on January 6, 2004.

A copy of the settlement agreement is available for inspection at the offices of Hawaiiana Management, 711 Kapiolani Boulevard, 7th Floor, Honolulu, Hawaii. (BY APPOINTMENT ONLY)

Abandoned Claims: The Association abandoned certain claims during the course of proceedings based on case developments and in consultation with its experts.

PLEASE NOTE:

The above information is provided as an accommodation only. The Association, its Managing Agent, and their respective officers, directors, employees and agents shall have no liability whatsoever for any errors or omissions with respect thereto; are not required to make any special investigations as to any matters for which information is requested, shall report only facts readily available; and have no duties or responsibilities to anyone you may chose to provide this information to, including prospective buyers.

--- PREPARED FOR ---
 725 KAPOLANI BLVD
 HONOLULU, HI 96813
 PAGE: A- 5

**IMPERIAL PLAZA
 RESERVE STATEMENT
 AS OF 10/31/2005**

--- PREPARED BY ---
 HAWAIIANA MANAGEMENT CO., LTD.

BLD NUM: 244 CORP. NO: 00

FISCAL BEG: 1 PAGE: A- 5

| INDIVIDUAL RESERVES BY ACCOUNT | TERM | MATURES | RATE | BEGINNING BALANCE | TRANSFERS TO/(FROM) | ENDING BALANCE |
|--------------------------------|------|---------|--------|----------------------|------------------------|---------------------|
| MS RECONSTRUCTION ACCT | | | .0000% | 2,232,148.75 | -72,066.40 | 2,160,082.35 |
| MS CAPITAL RESERVE | | | .0000% | 3,073,190.57 | -67,284.62 | 3,005,905.95 |
| TOTAL RESERVES | | | | <u>5,305,339.32</u> | <u>-139,351.02</u> | <u>5,165,988.30</u> |

--- PREPARED FOR ---
 725 KAPOLANI BLVD
 HONOLULU, HI
 PAGE: A- 6

IMPERIAL PLAZA
 RESERVE STATEMENT
 AS OF 10/31/2005

--- PREPARED BY ---
 HAWAIIANA MANAGEMENT CO., LTD.

BLD. NUM: 244 CORP. NO:00

FISCAL BEG: 1 PAGE: A- 6

| | BEGINNING BALANCE | TRANSFERS TO/(FROM) | ENDING BALANCE |
|------------------------------|----------------------|------------------------|-------------------|
| RESERVES BY INSTITUTION | 5,305,339.32 | -139,351.02 | 5,165,988.30 |
| WACHOVIA SECURITIES | 281.36 | .00 | 281.36 |
| TOTAL RESERVES | 5,305,339.32 | -139,351.02 | 5,165,988.30 |
| PETTY CASH | 68,059.29 | 37,254.17 | 105,313.46 |
| OPERATING ACCOUNT | 5,373,679.97 | -102,096.85 | 5,271,583.12 |
| TOTAL CASH & RESERVES | 11,280.00 | .00 | 11,280.00 |
| LESS: SECURITY DEPOSITS | 5,362,399.97 | -102,096.85 | 5,260,303.12 |
| TOTAL ASSOC. CASH & RESERVES | | | |

MEMO:
 BEGINNING CASH BAL.-B.O.Y. 5,292,170.17



RECEIPT OF PROPERTY INFORMATION - RR105c
Hawaii Association of Realtors® Standard Form
Revised 9/03 (NC) For Release 11/05



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Property Reference or Address: 725 Kapiolani Blvd # 1602, Honolulu, HI 96813

Tax Map Key: Division 1 /Zone 2 /Sec. 1 /Plat 49 /Parcel 27 /CPR 56 (if applicable).

By signing below, I acknowledge and agree that:

1. I received a copy of the Property Information Form dated January 4, 2006.
2. The information contained in this Form is being provided by the Managing Agent at the Seller's request and is based only upon the knowledge and information available to the Managing Agent;
3. The information provided on the Form cannot be considered to be a substitute for a careful inspection of the Property and the Property's governing documents, minutes of meetings, financial documents, and the like;
4. I am advised that I should refer to qualified experts in the various fields, including but not limited to attorneys, Certified Public Accountants, engineers and contractors for detailed evaluation of areas where additional information is desired;
5. If the Managing Agent has marked "NTMK" in response to any questions, I recognize that this does not mean there may not be a defect which an expert could discover or the passage of time would reveal. Likewise, I recognize that a problem may be more serious than the Managing Agent knows;
6. That this Form is not a warranty of any kind by Seller, the Managing Agent, or by any agent representing Seller.

| | | | |
|-----------|------|-------|------|
| Buyer | Date | Buyer | Date |
| Ken Kindt | | | |

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