

**AMENDMENT 1 TO
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

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| CONDOMINIUM PROJECT NAME | PLANTATION TOWN APARTMENTS |
| Address | 94-979 Kau'olu Place and 94-302 Paiwa Street, Waipahu, Hawaii 96797 |
| Registration Number | 6103 |
| Effective Date of Report | October 11, 2006 |
| <i>Must Be Read Together With</i> | Developer's Public Report dated: August 29, 2006 |
| Developer | Plantation Town Apartments LLC, a Hawaii limited liability company |

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; or (3) is not the Commission's judgment of the value or merits of the project.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice before signing or continuing with a sales contract for the purchase of a unit in the project.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. The following Project documents are hereby included as exhibits to the Developer's Public Report:
 - Exhibit M: Declaration of Condominium Property Regime dated August 4, 2006, filed as Land Court Document No. 3464554
 - Exhibit N: Bylaws of the Association of Unit Owners dated August 4, 2006, filed as Land Court Document No. 3464555
 - Exhibit O: Condominium Map No. 1841
 - Exhibit P: House Rules dated August 3, 2006
2. The list of exhibits on page (ii) of the Public Report is hereby amended to include the above Project documents.
3. Section 21(f)(ii) and Exhibit C of the specimen Sales Contract on file with the Real Estate Commission were revised to clarify that specific values and percentages for the Shared Appreciation Equity Program with the Hawaii Housing Finance and Development Corporation will not be determined until each purchaser's final closing.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

060928.FinalAmendedPublicRep.doc

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report as amended and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report as amended to report any pertinent or material change or both in any information contained in this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

PLANTATION TOWN APARTMENTS LLC, a Hawaii limited liability company
Printed Name of Developer

By: M & M Investments, Inc.,
a Hawaii corporation
Its Managing Member

By: Michael Kimura 10/5/06
Duly Authorized Signatory* Date

Michael Kimura, President, M & M Investments, Inc.
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

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

The original of this document was
recorded as follows:

DOCUMENT Doc 3464554
CTN 172,557 & 172,558
DATE _____ AUG 08, 2006 08:02 AM _____

AFTER RECORDATION () MAIL TO () PICKUP BY:
Chun, Kerr Dodd, Beaman & Wong (KSM)
745 Fort Street, Suite 900
Honolulu, HI 96813
Tel: 808-528-8200

Total No. of Pages: _____

Tax Map Key No.: (1) 9-4-017-por. 058

DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF PLANTATION TOWN APARTMENTS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, PLANTATION TOWN APARTMENTS LLC, a Hawaii limited liability company, whose principal place of business and post office address is 1133 Waimanu Street, #2800, Honolulu, Hawaii 96814 (hereinafter referred to as "Developer"), is the developer of (a) that certain parcel of land known as Lot 65-B-3, containing an area of approximately 0.659 acre, described in Transfer Certificate of Title ("TCT") No. 172,557 ("Lot 65-B-3"), and (b) that certain parcel of land known as Lot 219-B-1-A-6, containing an area of approximately 6.751 acres, described in TCT No. 172,558 ("Lot 219-B-1-A-6"), both of which are collectively identified as Tax Map Key (1) 9-4-017-por. 058 and described in **Exhibit A** attached hereto and made a part hereof (Lots 65-B-3 and 219-B-1-A-6 are sometimes referred to as "the Land"), pursuant to the terms and conditions of that certain unrecorded Development Agreement dated June 27, 2006 (the "Development Agreement"), by and between Developer and the Housing and Community Development Corporation of Hawaii, predecessor to the HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION (pursuant to Act 196, 2005 Session Laws of Hawaii and Act 180, 2006 Session Laws of Hawaii), a public body and body corporate and politic of the State of Hawaii, whose principal place of business and post office address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813 (hereinafter referred to as "HHFDC");

WHEREAS, HHFDC is the fee simple owner of the Land and desires to submit the Land to a condominium property regime known as "Plantation Town Apartments" as described in this Declaration below ("the Project");

WHEREAS, the Project was approved by the City Council of the City and County of Honolulu, in Resolution No. 06-230, CD1, on July 19, 2006, as a project developed pursuant to Chapter 201H, Hawaii Revised Statutes ("HRS"), as amended ("the 201H Approval");

WHEREAS, pursuant to the Development Agreement and in furtherance of developing the Project, Developer is subdividing Lot 65-B-3 into Lots 65-B-3-A and 65-B-3-B, and Lot 219-B-1-A-6 into Lots A, B, C and D substantially in accordance with and as shown on those certain subdivision maps pending approval by the Department of Planning and Permitting of the City and County of Honolulu ("DPP");

WHEREAS, pursuant to the Development Agreement, following the issuance of a Land Court Order effecting the subdivision of the Land as described above, HHFDC shall convey to Developer (a) fee simple title to Lot A (Lot A is hereinafter referred to as "the Residential Parcel"), whereupon Developer intends to develop and improve the Residential Parcel by constructing certain improvements more specifically described herein, and (b) leasehold title to Lot B and Lot 65-B-3-A (Lot B and Lot 65-B-3-A are hereinafter collectively referred to as "the Parking Parcel"), by way of a Ground Lease, for the purpose of constructing, operating and maintaining a parking lot for the use and benefit of the Project (hereinafter referred to as "the Parking Parcel Lease"); provided, however, that following subdivision of the Land, Developer or its attorney-in-fact shall withdraw Lots C, D and 65-B-3-B ("the HHFDC Lots") from the Project by an amendment to this Declaration and to the Condominium Map described below, such that the Project is thereafter comprised only of Lots A, B and 65-B-3-A, as described in **Exhibit B** attached hereto;

WHEREAS, the Project, its surrounding grounds and the parking area located on the Parking Parcel shall be constructed in accordance with plans incorporated herein by reference filed concurrently herewith in the Land Court as Condominium Map No. 184 (hereinafter called "the Condominium Map");

WHEREAS, pursuant to the Development Agreement, Developer and HHFDC shall enter into a Declaration of Land Use Restrictive Covenants (Kau'olu Properties Development), to be recorded in the Bureau of Conveyances of the State of Hawaii (the "HHFDC Restrictive Covenants"), for the development of the Project as an affordable multi-family residential housing complex as part of HHFDC's Kau'olu (Crown) Properties Development;

WHEREAS, following conveyance of the Residential Parcel and the Parking Parcel to Developer, both parcels shall be subject to a Joint Development Agreement to be made by and between Developer, as fee simple owner of the Residential Parcel, and HHFDC, as fee simple owner of the Parking Parcel, and filed as aforesaid (the "Joint Development Agreement").

NOW, THEREFORE, in order to create a condominium project consisting of the Land and improvements to be constructed thereon to be known as "PLANTATION TOWN APARTMENTS," HHFDC hereby submits the Land to a condominium property regime in accordance with Chapter 514B, Hawaii Revised Statutes, as the same may be amended from time to time (hereinafter Chapter 514B is referred to as "the Act"), and does hereby establish a condominium property regime with respect to the Land and the improvements to be constructed thereon (collectively referred to as "the Property") and in furtherance thereof makes the following declaration as to divisions, limitations, restrictions, covenants and conditions, and hereby declares and agrees that the Property is held and shall be held, conveyed, mortgaged, encumbered, used, occupied and improved subject to the Act and the declarations, restrictions and conditions set forth herein and in the Bylaws of the Association of Unit Owners of Plantation Town Apartments (hereinafter referred to as "the Bylaws"), filed in the Land Court as Land Court Document No. 344555 and made a part hereof, as the same may from time to time be amended in accordance with law and with this declaration (hereinafter referred to as "the Declaration") and the Bylaws, which declarations, restrictions and conditions shall constitute covenants running with the Land and equitable servitudes and shall be binding on and for the benefit of the parties hereto, their respective successors and assigns and all subsequent owners of all or any part of the Project and their respective heirs, personal representatives, successors, successors in trust and assigns.

1. **Name.** The condominium property regime established hereby shall be known as "PLANTATION TOWN APARTMENTS."

2. **Land Description.** The Land submitted to the condominium property regime is described in **Exhibit A** attached hereto and made a part hereof.

3. **Description of Project.**

a. **Generally.** The Project consists of two (2) twelve-story residential buildings each containing one hundred sixty-five (165) residential units, one (1) recreation building containing a recreation and meeting room ("the Recreation Building"), and surrounding grounds which shall include a portion of the parking area, loading areas, a driveway leading to the 94-302 Paiwa building, a portion of a driveway leading to the 94-979 Kau'olu building and a park area with picnic areas and a children's playground. The residential buildings and the Recreation Building will be located on the Land and constructed primarily of reinforced concrete, masonry, steel, aluminum and appropriate trim.

b. **Project Buildings.** The apartment buildings shall be located at 94-979 Kau'olu Place (hereinafter called "94-979 Kau'olu") and 94-302 Paiwa Street (hereinafter called "94-302 Paiwa") (sometimes collectively referred to herein as "the residential buildings"). The residential buildings shall each contain twelve (12) floors and one hundred sixty-five (165) units for a total of three hundred thirty (330) units in the Project. Forty-four (44) of the units shall have three bedrooms and one bathroom, one hundred forty-six (146) of the units shall have two bedrooms and one bathroom, and one hundred forty (140) of the units shall have one bedroom and one bathroom. All of the units each have one (1) lanai.

94-979 Kau'olu shall be located nearest Kau'olu Place as shown on Sheet 1 of the Condominium Map. The first floor of 94-979 Kau'olu, designated as the Ground Floor on Sheet 2 of the Condominium Map, shall have a total of eleven (11) units, seven (7) of which are accessible units (four (4) accessible two bedroom and one bathroom units; three (3) two bedroom and one bathroom units; and three (3) accessible one bedroom and one bathroom units), and one (1) one bedroom and one bathroom unit, a lobby, a mailroom, a fire control room, a restroom, a corridor, an elevator lobby, two (2) elevator stops, two (2) electrical rooms, a trash collection room, a janitorial room, a storage room, a mechanical room, an office, and two (2) stairways. The Second Floor shall have a total of fourteen (14) units, one of which is an accessible unit (one (1) accessible three bedroom and one bathroom units; one (1) three bedroom and one bathroom unit; six (6) two bedroom and one bathroom units; and six (6) one bedroom and one bathroom units), a corridor, an elevator lobby, two (2) elevator stops, an electrical room, a trash chute room, and two (2) stairways. Floors 3 through 12 of 94-979 Kau'olu shall each have a total of fourteen (14) units (two (2) three bedroom and one bathroom units, six (6) two bedroom and one bathroom units, and six (6) one bedroom and one bathroom units), a corridor, an elevator lobby, two (2) elevator stops, an electrical room, a trash chute room, and two (2) stairways.

94-302 Paiwa shall be located nearest Paiwa Street as shown on Sheet 1 of the Condominium Map. The first floor of 94-302 Paiwa, designated as the Ground Floor on Sheet 3 of the Condominium Map, shall have a total of eleven (11) units, seven (7) of which are accessible units (four (4) accessible two bedroom and one bathroom units; three (3) two bedroom and one bathroom units; and three (3) accessible one bedroom and one bathroom units), and one (1) one bedroom and one bathroom unit, a lobby, a mailroom, a fire control room, a restroom, a corridor, an elevator lobby, two (2) elevator stops, two (2) electrical rooms, a trash collection room, a janitorial room, a storage room, a mechanical room, an office, and two (2) stairways. The Second Floor shall have a total of fourteen (14) units, one of which is an accessible unit (one (1) accessible three bedroom and one bathroom units; one (1) three bedroom and one bathroom unit; six (6) two bedroom and one bathroom units; and six (6) one bedroom and one bathroom units), a corridor, an elevator lobby, two (2) elevator stops, an electrical room, a trash chute room, and two (2) stairways. Floors 3 through 12 of 94-302 Paiwa shall each have a total of fourteen (14) units (two (2) three bedroom and one bathroom units, six (6) two bedroom and one bathroom units, and six (6) one bedroom and one bathroom units), a corridor, an elevator lobby, two (2) elevator stops, an electrical room, a trash chute room, and two (2) stairways.

The Recreation Building shall be located between 94-979 Kau'olu and 94-302 Paiwa, as shown on Sheet 1 of the Condominium Map. The Recreation Building is a one-story building containing a hall which may be partitioned into two separate rooms, a kitchen, storage room, three restrooms, and a janitorial room, all as shown on Sheet 12 of the Condominium Map.

c. Parking Areas. A majority of the parking stalls serving the Project shall be located on the Parking Parcel adjacent to the Project. There shall be a total of four hundred nineteen (419) uncovered at-grade parking stalls located on the Parking Parcel and the Land as

shown on Sheet 1 of the Condominium Map ("the Parking Area"), and configured as follows: there shall be three hundred forty seven (347) regular stalls, six (6) compact stalls, sixteen (16) tandem stalls and three (3) handicap accessible stalls, all of which shall be reserved for use by the unit owners pursuant to such parking stall assignments and rules governing use as shall be determined from time to time by the Board of Directors of the Association of Unit Owners of Plantation Town Apartments ("the Board"). In addition there shall be thirty three (33) visitor stalls (including two (2) handicap accessible stalls), four (4) loading stalls, seven (7) regular unassigned stalls and five (5) handicap accessible unassigned stalls reserved for use and/or assignment by Developer.

d. Project Grounds. As shown on Sheet 1 of the Condominium Map, each residential building shall be served by a driveway with a cul-de-sac leading to the front entrance and a driveway leading to visitor parking and loading areas adjacent to each residential building. Each driveway connects to Kau'olu Place and Paiwa Street, respectively, both of which lead to public streets. The on-site park area shall be located in the open space between the residential buildings and shall include four (4) picnic areas and children's playground area.

4. Description of Units. There is hereby established in the Project a total of three hundred thirty (330) residential units, as shown on the Condominium Map. Each unit is designated as a separate freehold estate. Each unit consists of the spaces within the perimeter walls, floors and ceilings of the respective units as shown on the Condominium Map.

Each unit is designated on the Condominium Map by a unit number consisting of either a three or four digit number. Each unit as so designated and identified by a unit number is located in the Project as shown on the Condominium Map and is configured by unit type as follows:

Each Ground Floor Type 101, 102 and 107 unit shall have two bedrooms, one bathroom, a living/dining room, a kitchen and a lanai.

Ground Floor Types 105, 109, 113 and 114 shall be accessible units and have two bedrooms, one bathroom, a living/dining room, a kitchen and a lanai.

Unit No. 103 shall have one bedroom, one bathroom, a living/dining room, a kitchen and a lanai.

Ground Floor Types 104, 111 and 112 shall be accessible units and have one bedroom, one bathroom, a living/dining room, a kitchen and a lanai.

Except for Unit No. 213, each Upper Floor Type 01 and 13 unit shall have three bedrooms, one bathroom, a living/dining room, a kitchen and a lanai.

Unit No. 213 on the Second Floor shall be an accessible unit and have three bedrooms, one bathroom, a living/dining room, a kitchen and a lanai.

Each Upper Floor Type 02, 05, 07, 08, 09 and 14 unit shall have two bedrooms, one bathroom, a living/dining room, a kitchen and a lanai.

Each Upper Floor Type 03, 04, 06, 10, 11 and 12 unit shall have one bedroom, one bathroom, a living/dining room, a kitchen and a lanai.

Each unit will have the number of rooms (exclusive of lanais), approximate net living floor area in square feet (exclusive of lanais), and approximate net lanai floor area in square feet, as set forth in Exhibit C attached hereto and hereby made a part hereof.

The approximate net living floor areas set forth in Exhibit C are based on measurements taken from the undercoated or unfinished interior surface of all perimeter walls as shown on the Condominium Map, except that no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls. All approximate net lanai floor areas set forth in Exhibit C are based on measurements taken from the inner surfaces of all perimeter walls and boundaries of the lanai areas. All floor areas set forth in Exhibit C are not exact but are approximations based on the floor plans of each type of unit. All floor areas set forth in Exhibit C have also been rounded to the lowest full square foot where the approximation of such floor areas exceed a square foot by any fraction of a square foot. For these reasons, the measurements of the floor areas set forth in Exhibit C may not follow the designation of the limits of the units (the legally designated areas of the units) set forth below, and the floor areas set forth in Exhibit C may be different from the actual floor areas of the units as constructed.

Each unit will have immediate access to the walkways, corridors, stairways and/or elevators of the residential buildings which lead to the lobby areas and other common areas of the Project.

a. Notwithstanding the floor areas set forth in Exhibit C and the manner in which such floor areas have been measured, the respective units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, roofs, and ceilings located within or at the perimeter of or surrounding such unit, any pipes, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust or air conditioning running through or otherwise within such unit which are utilized for or serve more than one unit, all of which are deemed common elements as hereinafter provided. Each unit shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, and ceilings; all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of each unit; all spaces, interior non-loadbearing partitions, and other fixtures and improvements within the boundaries of a unit; all glass windows, window frames, louvers (if any), shutters (if any), panels, doors and door frames along its perimeter, the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and to the exterior edge of the exterior railings or other boundaries of such lanais; and all of the fixtures and appliances (if any) originally installed therein.

5. **Common Elements.** One freehold estate is hereby designated in all common elements of the Project, which include all portions of the Project other than the units (except as herein specifically included), and all other common elements mentioned in the Act which are actually included in the Project, including specifically, without limitation:

- a. The Land in fee simple.
- b. All structured components such as foundations, columns, girders, beams, floor slabs, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon within a unit as specified in Section 6 below), and roofs of the Project.
- c. All lobby areas, stairways, walkways, corridors, ramps, loading areas and platforms, fences, elevator lobby areas, entrances, entryways and exits of the Project, all maintenance rooms, storage rooms, elevator machine rooms, mechanical rooms, electrical rooms, trash rooms, recreation rooms, mail rooms, management rooms, security rooms and common toilet facilities in the Project.
- d. All yards, grounds paths, walkways, walkway railings, landscaping, refuse facilities and gardens.
- e. The existing open body of water approximately 10 feet wide and 200 feet long located in an east to west direction along the northwest end of the Land (the "Pond"), and all fencing, gates, signs, vegetation and landscaping, if any, located in the area surrounding the Pond.
- f. All driveways and driveway ramps, loading and service areas, parking stalls and parking areas.
- g. All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical transformers, emergency generators, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one unit for services such as power, light, water, gas (if any), cable television (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution.
- h. Any and all apparatus and installations existing for common use, such as elevators, tanks, pumps, motors, fans, compressors and, in general, all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- i. All mechanical, electrical and air conditioning equipment originally installed and located within any pump room, mechanical room, fire control room, transformer room or electrical room or located elsewhere in the Project (whether or not utilized for or serving only one unit).

j. The limited common elements described below.

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

a. The lanai immediately adjacent to each unit shall be appurtenant to and for the exclusive use and enjoyment of the adjacent unit as shown on the Condominium Map.

b. The mailbox corresponding to the unit number of each unit, such mailbox being located in the mailroom of each residential building, as shown on the Condominium Map.

c. Any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a unit serving only that unit is a limited common element appurtenant solely to that unit.

d. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios, and all exterior doors and windows or other fixtures designed to serve a single unit, but are located outside the unit's boundaries, are limited common elements appurtenant exclusively to that unit.

e. The common elements of the Project which are rationally related to less than all of said units shall be limited to the use of such units.

7. **Percentage of Undivided Interest.** Each unit shall have appurtenant thereto an undivided interest in the common elements of the Project as shown in **Exhibit C** hereto (hereinafter referred to as the "common interest") and the same percentage share in all common profits and expenses of the common elements of the Project and, except as herein expressly provided for, the same percentage interest for all other purposes, including, without limitation, voting.

8. **Easements.** In addition to any easements of record, the units and common elements shall have and be subject to the following easements:

a. **Appurtenant Non-Exclusive Easements.** Each unit shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes as ingress to, egress from, drainage (whether natural or man-made), utility services for and support, maintenance and repair of such unit; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; and in all other units for the purposes of utility services for such unit, and the maintenance and repair of said utility services, including, without limitation, electricity, gas, water, sewage, telephone, radio, television and cable television.

b. Encroachments. If any part of the common elements or limited common elements now or hereafter encroaches upon any unit, or if any unit now or hereafter encroaches upon any other unit or upon any portion of the common elements or limited common elements, or if any part of the common elements now or hereafter encroaches upon any part of the limited common elements, or if any part of the limited common elements now or hereafter encroaches upon any part of the common elements or other limited common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any improvements of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments by any common element or limited common element upon any unit, by any unit on any common element or limited common element, by any unit upon any other unit, by any common element upon any limited common element, or by any limited common element upon any common element or other limited common element due to such construction shall be permitted, and valid easements for such encroachments and maintenance thereof shall exist.

c. Upkeep of Project; Association Rights of Access to Units. The Association is responsible for the operation of the Project and each unit owner is responsible for maintenance, repair and replacement of the owner's unit. Each unit owner shall afford to the Association and to other unit owners, and to employees, independent contractors or agents of the Association or other unit owners, during reasonable hours, access through the owner's unit reasonably necessary for these purposes. Unless entry is made in case of emergency as described below, if damage is inflicted on the common elements or on any unit through which access is taken, the unit owner responsible for the damage, or the Association, if it is responsible, is liable for the prompt repair thereof; provided that the Association shall not be responsible to pay the costs of removing or replacing any finished surfaces or other barriers that impede its ability to maintain and repair the common elements. The Association shall have the irrevocable right, exercisable by the Board, or the Managing Agent, to have access to and enter each unit and the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project, or for the installation, repair, maintenance of any common elements, or at any time for making emergency repairs that may be necessary to prevent damage to any units or the common elements.

d. Utilities. Each unit owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in, under or over any of the other units and serving such owner's unit. Each unit shall be subject to an easement for necessary and reasonable access to any common elements located in the unit in favor of the owners of all other units served by such common elements.

e. Repair and Maintenance Easements. Developer and the Association shall have the right, exercisable by the Board, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under across or through the common elements for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any unit or the common elements or any easements for utilities or for any public purpose; provided, however, that such right of the Association is subject to, and may not be exercised in any manner which is

inconsistent with, in derogation of or which would materially limit, abrogate or materially interfere with, the exclusive use of any limited common elements or any rights or easements reserved in favor of Developer or any owner.

f. Sales Activities. Developer, its agents, employees, contractors, licensees, successors and assigns shall have the right and an easement to conduct extensive sales activities on the Project, including, without limitation, the use of any unit owned by Developer (and any other unit, with the express permission of the owner of such unit) and the common elements (excluding limited common elements appurtenant to other units) for model units, sales and management offices, parking, and extensive sales displays and activities, the posting and maintenance of signs and other advertisements relating to such sales activities, and to install, maintain, locate, relocate, and reconfigure such structures, displays, advertising signs, billboards, flags, sales desks, kiosks, sales offices, construction offices, interior design and decorator centers, and parking areas for employees, agents, and prospective buyers as may be necessary or convenient for the proper development and disposition of units by sale, resale, lease, or otherwise, and the right, but not the obligation, to provide ongoing maintenance, operation, service, construction and repairs to individual units. Without limiting the foregoing, Developer reserves the right to use any unit owned by Developer in the Project as a sales office, model home, construction office, and/or real estate sales or leasing office. Developer and its prospective buyers shall be entitled to the non-exclusive use of the common elements, without further cost for access, ingress, egress, use, or enjoyment, in order to show the Property to its prospective purchasers to dispose of the Property as provided herein. The rights reserved in this paragraph 8.f shall continue until the earlier of seven (7) years from the date of recordation of this Declaration or the closing of the sale of the last unsold unit in the Project.

g. Construction Activities. Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over, under and upon the Project or any portion thereof, including the common elements, limited common elements, and any unit, for access purposes and the right to make repairs, alterations and improvements to the Project as may be reasonably necessary for the completion of the development of the Project and to correct any defects and other "punchlist" items in the Project for a period of ten (10) years after the later of: (1) the recording of the "as built" certification required by Section 514B-34(a) of the Act; (2) the "date of completion" of the improvements as defined in HRS Section 507-43(f), as amended, of the last unit constructed in the Project; (3) the date of the sale of the last unit owned by Developer in the Project; or (4) the expiration of the applicable limited warranty period for any portion or portions of the common elements.

h. Noise, Dust, Vibration and Other Inconveniences. Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over, under and upon any portion of the Project to create and cause noise, dust, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of any unit or other improvements in the Project, and each unit owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

i. Easements for Utilities and Access. For a period of ten (10) years from the date of recordation of this Declaration, Developer shall have, incidental to the development and construction of the Project, the right to designate and grant easements, exclusive or nonexclusive, for electrical, gas, telephone, cable, television, communications and other utility purposes, and easements for sanitary sewer, drainage and drainline, waterline, and flowage purposes over, under, across, along, upon and through the Property, and together also with the rights of reasonable access thereto in connection with the exercise of said easement rights; provided however, that such easement rights must be exercised in such manner as to not reasonably interfere with the use of the Property by the unit owners and those claiming by, through or under the unit owners, in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements of the Property shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the same condition as was the Property immediately prior to the exercise thereof. Each and every party acquiring an interest in the Project, by such acquisition, consents to such granting and/or realignment of easements and/or rights of way as provided in this paragraph and to the recordation of any and all documents necessary to effect the same, including any amendment or amendments of this Declaration; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Developer, its successors and assigns as such party's attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

j. Non-Exclusive Easements Over the Property for Access to Parking Stalls; Exclusive Right to Unassigned Parking Stalls. Parking stalls that are assigned to any unit owned or controlled by Developer, specifically including any parking stalls designated as reserved stalls on the Condominium Map, are hereby denominated as "Developer Reserved Stalls." Developer hereby reserves for its benefit the right and easement for access, ingress and egress through the parking area to any parking stalls, including, without limitation, Developer Reserved Stalls. Developer further reserves for its benefit the exclusive right to use and/or assign and/or sell Developer Reserved Stalls to any third party. Developer may waive this right with respect to any one or more unassigned parking stalls, in which case, the Board shall have the authority to regulate the use of those stalls over which Developer has waived its control.

k. This Declaration shall not be amended to modify or eliminate the easements reserved to Developer by this or any other paragraph without the prior written consent of Developer and any attempt to do so shall have no effect.

9. Alteration and Transfer of Interest. Except as otherwise expressly set forth and reserved in this Declaration or in the Act, (a) the common interest and easements appurtenant to each unit shall have a permanent character, shall not be altered without the prior written consent of all owners of units affected thereby, as expressed in an amendment to this Declaration duly recorded, which amendment shall contain the consent thereto by the holders of any first mortgage on such units as shown in the Association's record of ownership, or who shall have given the

Board notice of their interest through the Secretary of the Association or the Managing Agent, and shall not be separated from the unit to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such unit even though not expressly mentioned or described in the conveyance or other instrument, and (b) the limited common elements and the common elements shall remain undivided and no right shall exist to partition or divide any part thereof except as provided herein and by the Act.

10. **Purposes and Restrictions as to Use.**

a. **Permitted Uses.** Subject to the provisions of this Declaration, the units shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purpose, and no unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. Each unit in the Project, excluding Unit No. 107 in 94-979 Kau'olu, shall be subject to an initial owner-occupancy requirement by applicable provisions of the Act and pursuant to the terms of the Development Agreement. The units shall not be rented for transient or hotel purposes, which are defined as (i) rental for any period less than thirty (30) days or (ii) any rental in which the occupants of a unit are provided customary hotel services such as room service for food and beverages, daily maid service, laundry and linen or bellboy service. The units in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-share purpose or under any time-sharing plan, arrangement or program, including, without limitation, any so-called "vacation license," "travel club membership" or "time interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, without limitation, any plan, program or arrangement under which the right to use, occupy, own or possess a unit or units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, Association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

b. **General Restrictions.** The owner of a unit shall not use the same for any purpose which will injure the reputation of the Project. Except as provided in this Declaration, such owner shall not do or suffer anything to be done or be kept in, on, or around said unit or elsewhere which will jeopardize the safety or soundness of the Property, or interfere with or unreasonably disturb the rights of other owners, or increase the premiums for fire insurance or any other form of insurance paid by the Association or any other unit owner, which will reduce the value of any unit, common element or limited common element appurtenant to the unit of any other owner, or impair any easement or hereditament or alter the appearance of the exterior of such owner's unit or limited common element without conforming to the provisions of the Act and this Declaration.

c. **Structural Alterations.** Except as otherwise specifically provided in this Declaration or in the Bylaws, a unit owner shall not, without the prior written consent of the Board, make any structural alterations in or additions to the unit, make any interior alterations in

or additions to the unit visible from the exterior of the unit, or make any alterations or additions to the exterior of the unit or to any other portion or portions of the common elements.

d. Owners' Right to Sell, Lease and Transfer. Subject to paragraph 10.a, the unit owners shall have the absolute right to sell, lease, rent or otherwise transfer their respective units subject to all provisions of the Act, this Declaration, the unit owner's Deed, the Bylaws and the House Rules promulgated thereunder and applicable law. No unit may be leased or rented for an initial term of less than one hundred eighty (180) days (or such longer period as may be required by ordinance of the City and County of Honolulu to avoid classification of the unit as a "transient vacation unit"). Any lease or rental agreement of a unit shall provide that it shall be subject in all respects to the Act, this Declaration, the unit owner's Deed, the Bylaws and the House Rules promulgated thereunder, and that the failure of either the lessor or the lessee to comply with the terms of such documents shall be default under the lease or rental agreement. All leases shall be in writing and a copy of each lease shall be filed with the Association.

e. Pond. There shall be no interference with the Pond located along the northwest side of the Project, including, without limitation, the placement of any discharge or fill in the Pond or in the adjacent Wailani Stream. No unit owner shall enter the fenced area surrounding the Pond or dispose of or place any debris or other material in such Pond.

11. Administration of the Project. Administration of the Project shall be vested in the Association, consisting of all unit owners of the Project, in accordance with 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. Specifically, but without limitation, the Association shall:

a. Common Elements. Well and substantially repair, maintain, amend and keep all common elements of the Project, including without limitation all driveways, guest parking areas, any sign, monument, landscape areas and any similar features, with all necessary repairs 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, of which notice shall be given by any unit owner or unit owner's agent, within thirty (30) days after the giving of such notice; provided that the Association shall not be deemed to be in default of its obligations hereunder with regard to any defect not made good or repair not effected within thirty (30) days of receiving notice thereof so long as it has undertaken a good faith effort to make good such defect or effect such repair within such time. If the Association shall fail to perform its obligations as herein set forth, any unit owner may enforce such obligations of the Association;

b. Project Improvements. Before commencing or permitting construction of any improvements on the Project where the cost thereof exceeds \$25,000.00, obtain a bond or

certificate thereof naming as obligees collectively, the Association, the Board, and all unit owners and their respective mortgagees as their interests may appear, in a penal sum of not less than one hundred percent (100%) of the cost of such construction, with a corporate surety authorized to do business in Hawaii, guaranteeing completion of such construction free and clear of all mechanics' and materialmen's liens, provided, however, that any structural alterations shall not be made unless performed by a licensed structural engineer and in conformance with the provisions of paragraph 19 hereof. 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 paragraph, the term "percentage increase" shall mean the product of (i) 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 such dollar limitation and the Honolulu Consumer Price Index for the first day of the calendar month in which this Declaration is recorded, and the denominator of which is the Honolulu Consumer Price Index for the first day of the calendar month in which this Declaration is recorded, multiplied by (ii) \$25,000.00;

c. Setbacks. Observe any setback line affecting the Project as may be shown in said Condominium Map or required to be observed by any law, ordinance or rule of governmental authority, and not erect, place or maintain any building or other structure whatsoever except approved fences or walls between any street boundary of the Project and the setback line along such boundary;

d. Emergency Repairs. Have the right, to be exercised by the Board or its managing agent, to enter any units and limited common elements from time to time during reasonable hours for periodic inspections as may be necessary or appropriate in connection with the operation of the Project or for emergency repairs therein required to prevent damage to any units, common elements or limited common elements or for the installation, repair or replacement of common elements;

e. Alterations to Common Elements. Except as otherwise specifically provided herein, 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 or limited common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications, including a detailed plot plan prepared by a licensed architect first approved in writing by the Board, and the Association shall complete or cause any such improvements to be completed diligently after commencement thereof;

f. No Waste. Not make or suffer any strip or waste or unlawful, improper or offensive use of the Project;

g. Right to Borrow Money. Have the right to borrow money for the purpose of repair, replacement and maintenance, operation or administration of the common elements of the Project or the making of any additions, alterations or improvements thereto, upon terms and conditions acceptable to the Board in the exercise of its sole discretion, subject, however, to the provisions of this subparagraph 11.g. 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, however, that unit owners representing fifty percent (50%) of the common interest shall first give written consent to such borrowing, having been first notified of the purpose and use of the funds.

h. Maintenance of Kau'olu Place. Pursuant to Section 14 of the Development Agreement, the Association shall be responsible for the maintenance of Kau'olu Place, from Mokuola Street to the end of the cul-de-sac adjacent to the Project. Such maintenance shall include the following:

- (1) Establishing "no parking" zones and signages, or other restrictions as determined by HHFDC, along both sides of Kau'olu Place, and maintenance and enforcement of such zones and restrictions;
- (2) Maintenance of the streetlights along Kau'olu Place;
- (3) General repair and maintenance of Kau'olu Place (for purposes of this requirement, except for the west side of Kau'olu Place abutting the rear of the single family houselots, "Kau'olu Place" means only the roadway portion thereof); and
- (4) Maintenance fee assessments for an allocable share of the maintenance costs of Kau'olu Place, as determined by HHFDC.

i. Inspection Obligations.

(1) In addition to the Association's general maintenance obligations set forth in this Declaration, the Association shall, at all times, contract with (subject to the limitations set forth in any restrictions contained in the Bylaws) or otherwise retain the services of independent, qualified, licensed individuals or entities to provide the Association with inspection services relative to the maintenance, repair and physical condition of the Project.

(2) The inspectors shall inspect component parts of the Project, including, but not limited to, structural components and structural supports, parking areas, driveways, life safety systems and walkways and landscaping. If any of the contractors or subcontractors responsible for constructing any component part of the Project provide the Association with maintenance criteria, maintenance manuals or warranty requirements, such inspectors shall additionally assist the Association with compliance of the same. The Association shall update such manuals on a regular basis. The Association shall be responsible for meeting all requirements under such maintenance manuals, maintenance criteria or warranty requirements.

(3) The inspections described in this subparagraph 10.i shall be undertaken initially within ninety (90) days following the first meeting of the members of the Association and shall take place thereafter at least annually or as recommended in the Maintenance Manual. The inspectors shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair which either require current action by the Association or will need further review and analysis. The Board shall report the contents of such written reports to the members of the Association at the next meeting of the members following receipt of such written reports or as soon thereafter as reasonably practicable and shall include such written reports in the minutes of the Association. Subject to the provisions below, the Board shall promptly cause all matters identified as requiring attention to be maintained, repaired or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors.

(4) For a period of ten (10) years after the conveyance of the last unit in the Project by Developer to an owner, the Association shall deliver to Developer ten (10) days advance written notice of all such inspections (and an opportunity to be present during such inspection, personally or through an agent) and shall provide Developer (or its designee) with a copy of all written reports prepared by the inspectors.

j. Pond Maintenance. The Association shall maintain a protective barrier around the perimeter of the Pond's delineated area and shall be responsible for the maintenance of the Pond in a safe and sanitary condition in accordance with all governmental rules and regulations. The Association shall take such action necessary to prevent any entry into the Pond at all times, excepting access from time to time as may be necessary for the maintenance of the Pond, or at any time in case of emergency or for monitoring or testing that may be necessary to prevent damage to the Project, any units or common elements.

k. Maintenance of Capped Springs. As described in paragraph 30 hereinbelow, three (3) natural springs exist on the Project and have been capped in the locations shown on Exhibit F attached hereto (collectively, "the Capped Springs"). One of the Capped Springs is presently leaking and underlies and is a source of water for the Pond area described in subparagraph 11.j above. In addition to the Association's obligation to maintain the Pond, the Association shall, with respect to each of the Capped Springs, substantially repair, maintain, amend and keep such Capped Springs, with all necessary reparations and amendments whatsoever, in good order and condition, and, in the event that a leak occurs within either of the two (2) remaining Capped Springs, repair and make good all defects therein in a safe and sanitary condition in accordance with all governmental rules and regulations, at its common expense. The Association shall have the irrevocable right, exercisable by the Board, or the Managing Agent, to have access to and enter the area surrounding any Capped Spring which may be leaking as may be necessary for the repair or maintenance of any Capped Spring, or at any time for making emergency repairs, or for monitoring or testing therein that may be necessary to prevent damage to the Project, any units or common elements.

1. Duty to Accept Parking Parcel Lease. The Association shall accept and Developer reserves the absolute right, without approval or consent of HHFDC, any person, the Board, or any unit owners or their mortgagees, to assign to the Association all of Developer's right, title and interest in and to the Parking Parcel Lease described hereinabove, and any contracts or other agreements applicable thereto, together with all of Developer's right, title and interest in any improvements and personal property thereon, together also with the responsibility to perform any and all duties associated therewith. Upon such transfer, the Association agrees to assume the obligations of Developer under such Parking Parcel Lease, contracts, and other agreements, the cost of which shall be a common expense of the Association, and, except as otherwise provided herein or in the House Rules, the Board shall have the right to designate parking stalls from time to time for use by the unit owners or for visitor and handicap parking purposes. Each unit owner, by accepting title to a unit in the Project and becoming a unit owner, is deemed to approve and accept the assignment of the Parking Parcel Lease as provided herein, and any common expenses which may relate thereto.

12. Managing Agent and Service of Process. The operation of the Project shall be conducted for the Association by a responsible corporate managing agent (hereinafter referred to as the "Managing Agent"), which shall be appointed by the Board in accordance with the Bylaws. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in the Act. The initial Managing Agent shall be Hawaiian Properties, Ltd., whose principal place of business and post office address is 1165 Bethel Street, Second Floor, Honolulu, Hawaii 96813.

13. Common Expenses.

a. General. All charges, costs and expenses whatsoever incurred by the Association for or in connection with the administration of the Project, including without limitation of the generality of the foregoing, all charges for taxes (except real property taxes and such other taxes which are or may hereafter be assessed separately on each unit and the common interest in the common elements appertaining thereto or the personal property or any other interest of the unit owner), assessments, insurance, including fire and other casualty and liability insurance required to be maintained by the Association pursuant to paragraph 15 of this Declaration, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon, costs of repair, reinstatement, rebuilding, replacement, and restoration of the common elements of the Project and any additions and alterations thereto, yard, janitorial and other similar services, wages, accounting and legal fees, management fees and other expenses of upkeep, maintenance, management and operation incurred on or for the common elements of the Project, and the cost of all utility services, including water, electricity, gas, garbage disposal, and other similar services, unless separately metered or assessed to the unit owners individually, the wages of the resident manager, if any, the cost of leasing the resident manager's unit, if any, and all other sums designed as common expenses under the Act, this Declaration and Bylaws, shall constitute common expenses of the Project for which all unit owners shall be severally liable in proportion to the common interests appurtenant to their respective units; provided, however, that all charges, costs and expenses incurred by the Association only for or in connection with any of the limited common elements,

including without limitation of the generality of the foregoing, all costs of maintenance, repair, replacement, additions and improvements to the limited common elements, shall constitute limited common expenses of the Project for which only the owners of the units to which such limited common elements are appurtenant shall be severally liable in proportion to the ratio that their respective common interests bear to the sum of the common interests of the units to which such limited common elements are appurtenant (such charges, costs and expenses incurred only for or in connection with any of the limited common elements are hereinafter called "limited common expenses"); and provided, further, however, that all charges, costs and expenses incurred by the Association which are necessitated by the negligence, misuse or neglect of a unit owner or occupant or any person under either of them shall be charged to such unit owner or the unit owner of the unit occupied by such occupant, as a special assessment secured by the lien created under this paragraph 13.

b. No Exemption from Liability. No unit owner may exempt himself from liability for his contribution toward the common expenses or limited common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit.

c. Assessments. The Board shall from time to time assess the common and limited common expenses against all the units in their respective proportionate shares as set forth in this paragraph 13. All sums chargeable as common expenses or limited common expenses to any unit but unpaid shall constitute a lien on such unit prior to all other liens, except only (i) liens for taxes and assessments lawfully imposed by governmental authority against such unit, and (ii) liens for sums unpaid and costs and expenses, including attorneys' fees, on any mortgage of record which was recorded prior to the recordation of a notice of a lien by the Association. Such lien for an unpaid assessment may be foreclosed by suit by the Board or the Managing Agent on behalf of the Association, in like manner as the foreclosure of a mortgage of real property, provided that thirty (30) days' prior written notice of intention to foreclose shall be mailed by certified or registered mail to all persons having any interest in such unit as shown by the Association's record of ownership, including mortgagees of record. Upon receipt of such notice, any mortgagee of record shall be entitled to pay all unpaid amounts of any such assessment and the Board, acting on behalf of the Association, shall accept such payment in satisfaction thereof and thereupon release and discharge the lien securing the payment thereof. The Managing Agent, acting on behalf of the Association and as directed by the Board, shall be entitled to bid on such unit at foreclosure sale and to acquire, hold, lease, mortgage and convey such unit. Action to recover a money judgment for unpaid common expenses or limited common expenses shall be maintainable without foreclosing or waiving the lien securing such expenses.

d. Involuntary Conveyances. When the mortgagee of a mortgage of record or other purchaser of any unit acquires title to such unit as a result of a forfeiture or as a result of foreclosure of the mortgage or a conveyance in lieu of foreclosure, such mortgagee or purchaser and their respective heirs, devisees, personal representatives, successors and assigns shall not be liable for the share of the common expenses, limited common expenses or assessments chargeable to such unit which became due prior to such acquisition of title, except as set forth in Section 514B-146 of the Act. Such unpaid share shall be deemed a common expense collectible

from all unit owners, including such mortgagee or such other purchaser and their respective heirs, devisees, personal representatives, successors and assigns.

e. Voluntary Conveyances. In a voluntary conveyance, the grantee of a unit shall be jointly and severally liable with the grantor for all unpaid common expenses, limited common expenses or assessments chargeable to such unit up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee shall be entitled to a statement from the Managing Agent or the Board setting forth the amount of the unpaid common expenses, limited common expenses or assessments chargeable to such unit, and except as to the amount of subsequently dishonored checks mentioned in such statement as having been received within the 30-day period immediately preceding the date of such statement, the grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth in the statement.

f. Establishment of Working Capital Fund. Developer shall establish and maintain a working capital fund to meet unforeseen expenditures or to purchase any additional services or equipment required for the Project. The fund shall be not less than an amount that is equal to two (2) months of estimated common charges for each unit in the Project. Developer may recover the cost of establishing the working capital fund by assessing each unit owner such unit owner's proportionate share of the fund at the closing of the sale of that unit owner's unit. Amounts paid into the working capital fund shall not be considered as advance payments of regular common expenses assessments. Developer shall not be permitted to use the working capital fund to defray any of Developer's expenses, reserve contributions or construction costs or to make up any budget deficits. The working capital fund shall be transferred to the Association for deposit into a segregated fund when management of the Project is transferred to the Association.

14. Compliance with Declaration, Bylaws and the Act. All unit owners, their tenants, families, employees, 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 Act, and all agreements, decisions and determinations of the Association as are 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, and any other remedies available in law or in equity, maintainable by the Board or Managing Agent on behalf of the Association or, in a proper case, by any aggrieved unit owner. All costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the Association for (a) collecting any delinquent assessments against any owner's unit, (b) foreclosing any lien thereon, or (c) enforcing any provision of the Declaration, Bylaws, House Rules, the Act or the rules of the Real Estate Commission of the State of Hawaii, against a unit owner, occupant, tenant, employee of an owner or any other person who may be in any manner use the Property shall be promptly paid by such person or persons on demand to the Association; provided that if the claims upon which the Association takes any action are not substantiated, all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by such person or persons as a result of the action of the Association, shall be promptly paid on demand to such person or persons by the

Association. In the event that any provision of this Declaration conflicts with the provisions of the Act, the terms of the Act shall govern.

15. **Insurance.**

a. **Casualty Insurance.** The Association, at its common expense, shall at all times keep the buildings and all improvements, fixtures, common elements and whether or not part of the common elements, all exterior and interior walls, fences, gates, exterior doors, exterior glass, floors, roofs, ceilings, fixtures, and mechanical and electrical equipment of the Project, in accordance with the as-built plans and specifications thereof, insured against loss or damage by fire and other damages under the Insurance Services Office, Inc. (ISO) condominium association coverage special form or equivalent, or such broader forms of protection as the Board shall determine, by a responsible insurance company authorized to operate in the State of Hawaii having a financial rating by Best's Insurance Reports of Class A-VI or better, in the name of the Association. Such insurance shall be in an amount equal to the sum of (i) an amount as near as practicable to the full replacement costs of all common elements and, whether or not part of the common elements, all exterior and interior walls, floors and ceilings (but exclusive of land, foundation, excavation and other items normally excluded from coverage); and (ii) an amount sufficient (as determined by the Board) to adequately protect all other portions of the buildings and all other fixtures, improvements and equipment covered by such insurance, without deduction for depreciation, and with an Inflation Guard Endorsement, an Agreed Amount Endorsement and a water damage endorsement. Such insurance shall be payable in case of loss to such bank or trust company authorized to do business in the State of Hawaii as the Board of Directors of the Association shall designate (herein sometimes called the "Trustee") for the custody and disposition as hereinafter provided of all proceeds of such insurance, and the Association shall from time to time cause to be deposited with each mortgagee of record of any interest in a unit, at least fifteen (15) days prior to the effective date or renewal date of such policies, true copies of such insurance policies or current certificates thereof, all without prejudice to the right of each unit owner to insure such unit owner's unit for such unit owner's own benefit.

In every case of such loss or damage all insurance proceeds shall be used with all reasonable speed by the Board on behalf of the Association for rebuilding, repairing or otherwise reinstating the affected common elements and, whether or not part of the common elements, all affected exterior and interior walls, floors and ceilings, in a good and substantial manner according to the original plan and elevation thereof or such modified plans as shall conform as nearly as practicable to the original plans and elevations consistent with laws and ordinances then in effect, as first approved by all parties in interest thereby directly affected (including any mortgagees) and the Association at its common expense shall make up any deficiency in such insurance proceeds.

b. **Flood Insurance.** The Association, at its common expense, shall at all times keep the buildings and all improvements, fixtures, common elements and, whether or not part of the common elements, all exterior and interior walls, fences, gates, exterior doors, exterior glass, floors, roofs, ceilings, fixtures, and mechanical and electrical equipment of the

Project, in accordance with the as-built plans and specifications thereof, insured against loss or damage by flood under the Federal Flood Disaster Protection Act if the Land is located in an identified flood hazard area as designated by the United States Department of Housing and Urban Development, such flood insurance to meet all applicable Federal National Mortgage Association ("FNMA") requirements as they exist from time to time, in an amount which shall be the lesser of (i) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property within the Project to the extent that such buildings and insurable property are within the flood hazard area, and if such Program is discontinued, an amount that is commonly required by prudent institutional mortgage investors, or (ii) one hundred percent (100%) of the current "replacement cost" of all such buildings and insurable property within such area, by blanket policy or policies with an Agreed Amount Endorsement or its equivalent, if available, and if required by FNMA, Demolition and Contingent Liability from Operation of Building Laws Endorsements, an Increased Cost of Construction Endorsement and such other endorsements as are necessary, in the name of the Association and payable in case of loss to the Trustee, and shall pay all premiums on such insurance when due and all fees and expenses of the Trustee in connection with such services.

c. Liability Insurance. The Association, at its common expense, shall also effect and maintain at all times a commercial general liability insurance policy written on an occurrence form to include coverage for premises and operations, independent contractors, products and completed operations, personal and advertising injury, blanket contractual liability, fire legal liability, water liability, liability for non-owned and hired automobiles, and fire legal liability with the following minimum limits:

Bodily Injury and Property Damage

\$2,000,000 per occurrence

\$4,000,000 general aggregate

\$1,000,000 products and completed operations

Personal and Advertising Injury

\$2,000,000 per person/organization

\$2,000,000 general aggregate

Fire Legal Liability

\$500,000 any one fire

\$500,000 general aggregate

The policy shall cover the Board, the Association, all unit owners, the Managing Agent and its employees, and the employees of the Association with respect to the Project, and, with respect to the Parking Parcel, the policy shall cover HHFDC and the State of Hawaii as additional insureds, and shall be issued by a responsible insurance company authorized to operate in the State of Hawaii having a financial rating by Best's Insurance Reports of Class A-VI or better. The Board may from time to time increase the limits of insurance with due regard to then prevailing prudent business practice in the State of Hawaii as reasonably adequate for the Board's, the Association's, all unit owners', the Managing Agent's and its employees', and the employees of

the Association's protection, and shall from time to time cause to be deposited with each mortgagee of record of any interest in any unit, at least fifteen (15) days prior to the effective date or renewal date of such policies, true copies of such insurance policies or current certificates thereof, all without prejudice to the right of the unit owners to maintain additional liability insurance for their respective units.

d. Fidelity Coverage. Procure and maintain at all times fidelity coverage in an amount not less than that specified by the applicable provisions of the Act to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association, and all others who handle or are responsible for handling funds of the Association, which fidelity bonds shall be a common expense to the Association and meet the following requirements:

(1) All such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody of the Association or the Managing Agent, as the case may be, at any given time during the term of each bond; provided, however, that in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds;

(2) Such fidelity bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; and

(3) Such fidelity bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association or Trustee and the holders of all mortgages of units in the Project.

e. Policy Standards and Requirements. Every policy of insurance required under subparagraphs 15.a, 15.b, 15.c or any other provision of this Declaration shall, when applicable:

(1) 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 to set-off, counterclaim, apportionment, proration or contribution by reason of any other insurance obtained by or for any unit owner;

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

(3) Provide that such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium), except by the insurer giving at

least thirty (30) days' prior written notice thereof to the Board, any mortgagee of record of any interest in any unit, and every other person in interest who shall have requested such notice of the insurer;

(4) Contain a waiver by the insurer of any right of subrogation to any right of the Board, the Association or unit owners against any of them or any other persons claiming under either of them and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insureds;

(5) Contain a waiver by the insurer of any right to deny liability because of vacancy of any unit or units;

(6) Contain a provision requiring the insurer, at the inception of the policy and on each anniversary date thereof, to provide the Board with a written summary, in layman's terms, of the policy, which summary shall include the type of policy, a description of the coverage and the limits thereof, amount of annual premiums, and renewal dates, which information shall be provided by the Board to each unit owner;

(7) Contain a "severability of interest" endorsement precluding the insurer from denying the claim of the Board of Directors of the Association, the Association, the Managing Agent or any unit owner because of negligent acts of any of the others;

(8) Provide that, notwithstanding any provisions in any policy of property insurance which give the insurer the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written consent of the Board or when in conduct with any insurance trust agreement to which the Association may be a party or any requirement of law;

(9) Contain a standard mortgagee clause which shall:

(A) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any unit of the Project in their respective order and preference, whether or not named therein, and the holders of mortgages affecting the fee simple interest in the land;

(B) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board, Developer, the Association, the Managing Agent or unit owners or any persons under any of them;

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

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

(10) Not prejudice the right of each unit owner to insure such unit owner's own unit and appurtenant limited common elements for such unit owner's own benefit; provided, however, that the Association's policies shall be primary in the event that the insurance covers the same loss;

(11) Satisfy all other requirements for insurance under the Act or other applicable federal, state or local law including all applicable provisions of FNMA mortgage requirements as may exist from time to time.

(12) If obtainable, shall be accompanied by the certificate of a licensed insurance broker or agent certifying that the policy complies with and satisfies all of the requirements hereinabove set forth; and

(13) Name as the insured under such policies either the Association for the use and benefit of the individual owners, or an insurance trustee with whom the Association has entered into an insurance trust agreement, for the use and benefit of the individual owners.

f. Additional Insurance. The Board may also procure as a common expense insurance against such additional risks, such as worker's compensation, auto liability and boiler and machinery, as the Board may deem advisable for the protection of the Association, the Board or unit owners of a character normally carried with respect to properties of comparable character and use in the State of Hawaii.

g. Insurance Obtained by Individual Unit Owner. Any insurance coverage procured by the Board of Directors shall be without prejudice to the right of any unit owner to insure such unit owner's unit and the contents thereof and the limited common elements appurtenant thereto for his own benefit and at his own expense.

h. Alternative Coverage. Any insurance coverage required under this paragraph 15 shall be subject to availability with responsible insurance companies authorized to do business in the State of Hawaii as herein provided. Where such coverage is not available, or is not available at a reasonable cost, the Board may substitute such other insurance coverage as is acceptable to institutional lenders for projects similar in construction, location and use.

16. Insured Casualty.

a. Collection of Insurance Proceeds. In the event of any damage to all or any portion of the Project by fire or other casualty which is insured against, the Board shall take all reasonable steps necessary to collect the insurance proceeds and deposit the same with the Trustee at the earliest practicable date and, except as otherwise provided herein, to cause all

rebuilding or repairing work to be undertaken and completed as hereinafter provided as promptly as may be reasonably possible in the circumstances.

b. Repair of Insured Casualty Damage to Single Unit and Limited Common Elements. If any portion of the Project is damaged by fire or other casualty which is insured against and such damage is limited to a single unit and/or the limited common elements appurtenant thereto, all of the insurance proceeds shall be used by the Trustee for payment of the contractor employed by the Board of Directors to rebuild or repair such unit and/or limited common elements (including paint, floor covering, fixtures, and mechanical, electrical and air conditioning equipment therein whether or not deemed to be common elements as provided herein) in accordance with the original plans and specifications therefor, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board of Directors and any mortgagee of record of any interest in the unit or limited common elements so damaged.

c. Repair of Other Insured Casualty. If any insured-against damage to the Project should occur other than the damage described in paragraph 16.b, the Board shall thereupon contract to repair or rebuild the damaged portions of the Project (including paint, floor covering, fixtures, and any mechanical, electrical and air conditioning equipment therein whether or not deemed to be common elements as provided herein), in accordance with the original plans and specifications therefor, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board, and the mortgagee of record of any interest in a unit directly affected thereby. In the event said modified plans and specifications eliminate any unit or its appurtenant limited common elements and such unit or limited common elements are not reconstructed, the Trustee shall pay the owner of said unit and any mortgagee of record of any interest in said unit, as their interests may appear, the portion of said insurance proceeds allocable to said unit and limited common elements (less the proportionate share of said unit and limited common elements in the cost of debris removal) and shall disburse the balance of the insurance proceeds as required to repair or rebuild the Project as aforesaid.

d. Insufficient Insurance Proceeds. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding, then the Board of Directors shall levy, as soon as reasonably possible following the determination for the amount of such insufficiency, a special assessment (i) with respect to the repairing and/or rebuilding of the common elements, exclusive of limited common elements, against the owners of all units, except for units being eliminated from the Project, in proportion to their common interests, and (ii) with respect to the repairing and/or rebuilding of a unit or limited common elements appurtenant thereto, against the owner of such unit. All of the foregoing special assessments shall be secured by the lien created under paragraph 13 of this Declaration.

e. Excess Insurance Proceeds. Upon completion of the work and payment in full therefor, any remaining proceeds of insurance then or thereafter in the hands of the Board or of the Trustee shall be paid or credited (i) for proceeds attributable to the common elements

exclusive of the limited common elements, to the owners of all the units and the holders of any mortgage on the units, as their interests may appear, in proportion to their common interests, or (ii) for proceeds attributable to a unit and the limited common elements appurtenant to such unit, to the owner of such unit and the holder of each mortgage on such unit, as their interests may appear.

17. **Uninsured Casualty.** In case at any time or times any improvements of the Project shall be damaged or destroyed by any casualty not insured against, such improvements shall be promptly and diligently rebuilt, repaired or restored unless the unit owners owning eighty percent (80%) or more of the units in number and owning units to which are appurtenant eighty percent (80%) of the common interests vote to the contrary. Any such approved rebuilding, repair or restoration shall be completed diligently by the Association as (a) a common expense with respect to the cost of rebuilding, repairing or restoring the common elements exclusive of limited common elements, and (b) a limited common expense with respect to the cost of rebuilding, repairing or restoring the limited common elements; and the unit owners shall be solely responsible for any restoration of their respective units so damaged or destroyed. Such rebuilding, repair or restoration shall be performed in accordance with the original plans and specifications therefore or such other plans and specifications first approved by the Board of Directors, and the mortgagees of record of any interest in a unit directly affected thereby. Unless such restoration is undertaken within a reasonable time after such casualty, the Association as a common expense or limited common expense, as applicable, shall remove all remains of improvements so damaged or destroyed and restore the site thereof to orderly, safe and sanitary condition and even grade.

18. **Condemnation.**

a. **Condemnation of Units.** In case at any time or times the Project or any part thereof shall be required, taken or condemned by any authority having the power of eminent domain, each unit owner whose unit has been so taken shall be paid out of the proceeds of the condemnation award the amount shown in such award for the value of such owner's unit so taken, provided that such unit owner shall use said proceeds promptly and to the extent necessary for restoring or replacing said unit unless such restoration or replacement is impractical for the use to which the unit is restricted in the circumstances; provided further that in the event of such impracticality the condominium property regime hereby created shall be terminated and the remaining units and/or land which are not so required, taken or condemned shall immediately upon such termination be inclusively reconstituted as a new condominium property regime under the same terms and conditions (except for those units and/or land which are taken or required) as the previous condominium property regime hereby created. Provided further that in the event of such impracticality, termination and reconstitution of the Association, the newly reconstituted Association shall remove all debris upon the Property and restore the Property to good, orderly condition and even grade at the expense of the newly reconstituted Association.

b. **Condemnation of Common Element.** In case at any time or times any common element or any part thereof shall be required, taken or condemned by any authority having the power of eminent domain, all compensation and damages from such taking shall be

payable to the Association and shall be held in trust for the unit owners and their first mortgage holders as their interests appear. The Board shall promptly use such compensation and damages to the extent necessary for restoring or replacing such common elements to substantially the same condition prior to such condemnation on the remaining land unless such restoration or replacement is impractical under the circumstances; provided that in the event the amount of such proceeds is insufficient to cover the cost of such common elements' restoration or replacement, then the Association, or the newly reconstituted Association (in the event of termination of this condominium property regime and the immediate reconstitution of a new condominium property regime in accordance with subparagraph 18.a above) shall at its common expense make up any deficiency in the condemnation proceeds for said restoration or replacement of the condemned common element.

19. **Alteration of the Project.**

a. **General.** Except as otherwise provided in this Declaration or the Act or as otherwise required by law, neither the Association nor any unit owner shall perform any of the following acts except pursuant to plans and specifications therefor approved in writing by the Board:

- (1) repairing, replacing or rebuilding any unit or any of the common and limited common elements in a manner different in any material respect from the Condominium Map;
- (2) engaging in any alterations which will affect the structural integrity of any unit or the common and limited common elements;
- (3) constructing on the common and limited common elements any new building or structure; or
- (4) enclosing any lanai, balcony, patio or parking stall.

Upon the completion of any such work, there shall be filed with the Board a final "as built" set of the plans and specifications for such work, and if any such work should constitute a material alteration to the Project as shown on the Condominium Map (as determined by the Board), the Association or unit owner, as the case may be, shall file an amendment to this Declaration describing such alteration and amending the Condominium Map to show such alteration, together with a certificate signed by a licensed architect and structural engineer, certifying that the plans showing such alterations accurately reflect such alterations, as built. Such amendment shall be signed by the Association or the unit owner, as the case may be, and approved by the Board or Developer, and no consent or joinder of any other unit owner or person shall be required. Except as otherwise provided in this Declaration, the Bylaws and the House Rules, each unit owner shall be free, with the consent of all mortgagees of record of any interest in such unit owner's unit, to make such alterations and improvements within such unit owner's unit or within or on the limited common elements appurtenant thereto, without the consent or joinder of the Board, the Association, any unit owner, Developer or any other person.

b. Certain Work Prohibited. Notwithstanding anything to the contrary in this Declaration, no unit owner (i) shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement, (ii) shall make or allow any material addition or alteration, or excavate an additional basement or cellar, (iii) shall enclose any lanai, balcony or patio, or (iv) shall rebuild, repair or restore the Project in the event of substantial or total destruction of the Project, without in every such case obtaining the prior consent of sixty-seven percent (67%) of the unit owners, together with the prior written consent of all unit owners whose units or limited common elements appurtenant thereto are directly affected, and the approval of the board, which shall not be unreasonably withheld; provided that nonmaterial additions to or alterations of the common elements or units made within such unit or within a limited common element appurtenant to and for the exclusive use of the unit, shall require approval only by the Board, which shall not unreasonably withhold its approval, and such percentage, number or group of unit owners or other parties as may be required by this Declaration or the Bylaws. As used in this subparagraph, "nonmaterial additions and alterations" means an addition to or alteration of the common elements or a unit that does not jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement, detract from the appearance of the Project, interfere with or deprive any nonconsenting unit owner of the use or enjoyment of any part of the Project or directly affect any nonconsenting unit owner. Notwithstanding anything in this Declaration to the contrary, no alterations or changes of any nature under any circumstances shall be made to the structural elements of the residential buildings, including, without limitation, roofs, floors, supporting walls, foundations, columns, girders, floor slabs, supports, perimeter, party or load bearing walls and partitions without first obtaining the certification from a licensed structural engineer reasonably acceptable to the Association that the plans for such alterations or changes will not in any way diminish the present structural integrity of the residential buildings and the elements therein. The aforementioned structural engineer shall be licensed in the State of Hawaii, in good standing, and shall have a policy of professional liability insurance with appropriate coverage from a responsible insurance company authorized to operate in the State of Hawaii, having a financial rating by Best's Insurance Reports of Class A, VI, or better. Notwithstanding anything in this Declaration to the contrary, no storage or alterations or changes of any nature under any circumstances, including any lanai enclosures, shall be made that would violate the fire sprinkler requirements of the Building Code.

c. Connection between Units.

(1) The owner of any two or more adjacent units separated by a common element which is a wall may, with the consent of all mortgagees of record of any interest in such owner's units, alter any portion of the intervening wall if the structural integrity of the common elements or any other unit in the Project will not thereby be adversely affected and if the finish of the common element then remaining is placed in a condition substantially comparable to that of the common element prior to such alterations. As used above, "adjacent units" does not include units which are located above and beneath one another on different floors.

(2) Prior to commencing any such alteration or removal, the unit owner shall provide to the Board (a) a certification in form and content reasonably satisfactory to the Board signed by an architect or engineer duly registered in the State of Hawaii, that such alteration or removal will not adversely affect the structural integrity of the common elements or any other unit in the Project, (b) satisfactory evidence that all governmental approvals required for such alteration or removal have been duly obtained, and (c) if the cost of such alteration or removal, as reasonably determined by the Board, shall exceed the sum of \$25,000.00, the Board may require that the owner provide evidence satisfactory to the Board of sufficient financing to complete such alteration or removal or, in lieu thereof, require that the owner obtain a performance and lien payment bond, naming as obligees Developer and the Board and the Association and collectively all unit owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such alteration or removal. Such alteration or removal may be undertaken without the necessity of an amendment to this Declaration or the Condominium Map and, except as otherwise provided in this paragraph 19, without the consent or joinder of the Association, the Board, Developer or any other person.

(3) If any intervening wall between adjacent units shall have been altered pursuant to the foregoing provisions, then prior to the termination of the common ownership of such adjacent units, the owner of such units shall restore such intervening wall to substantially the same condition in which the same existed prior to such alteration or removal unless the purchaser of such units shall agree in writing to forego such restoration.

(4) Notwithstanding any alteration or additions permitted under this subparagraph 19.c, such shall not affect the common interest or limited common interest allocable to any unit.

d. Floor Covering and Sound Transmission. All unit owners must minimize the transmission of footsteps and other floor sounds into neighboring units below. Any owner or occupant of a unit (except the units on the Ground Floor) who wishes to change the floor covering on any floor areas that customarily have carpeting with cushion padding, must first: (1) provide written evidence that the new floor covering shall have sound absorbent material and will not exceed the maximum decibel level to be established as described in the House Rules, and (2) obtain the Board's prior written approval of such floor covering change.

20. Dispute Resolution.

a. Mediation. At the request of any party to a dispute concerning or involving one or more unit owners and the Association, the Board, the Managing Agent, or one or more other unit owners relating to the interpretation, application or enforcement of the Act, this Declaration, the Bylaws, or the House Rules, the parties to the dispute shall be required to participate in mediation. Each party shall be wholly responsible for its own costs of participating in mediation unless both parties agree that one party shall pay all or a specified portion of the mediation costs. If a party refuses to participate in the mediation of a particular dispute, a court may take this refusal into consideration when awarding expenses, costs, and attorneys' fees in

accordance with Section 514B-161 of the Act. Nothing in this subparagraph 20.a shall be interpreted to mandate the mediation of any dispute which is exempt from mediation pursuant to Section 514B-161 of the Act. If any mediation under this subparagraph 20.a is not completed within two (2) months from commencement, no further mediation shall be required unless agreed to by the parties.

b. Arbitration. At the request of any party, any dispute concerning or involving one or more unit owners and the Association, the Board, the Managing Agent or one or more other unit owners relating to the interpretation, application or enforcement of the Act, this Declaration, the Bylaws or any of the House Rules, shall be submitted to arbitration as provided by Section 514B-162 of the Act. Nothing in this subparagraph 20.b. shall be interpreted to mandate the arbitration of any dispute which is either exempt from arbitration or determined to be unsuitable for arbitration pursuant to Section 514B-162 of the Act.

21. Amendment of Declaration. Except as otherwise provided herein or in the Act, this Declaration may be amended by a vote or written consent of the unit owners of sixty-seven percent (67%) of the interests in the common elements, effective only upon the recording of an instrument as aforesaid in the Land Court setting forth such amendment and vote, duly executed by such owners or by the proper officers of the Association; provided, however, that at any time prior to the issuance of an effective date for the Public Report by the Real Estate Commission of the State of Hawaii, Developer may amend this Declaration and the Bylaws in any manner and provided, further, that no amendment of the Declaration, the Bylaws, the House Rules or Condominium Map shall, without Developer's prior written consent, limit, affect or impair the reserved rights of Developer under this Declaration; provided further, however, that the written consent of eligible holders of first mortgages (as defined below) on units to which at least fifty-one percent (51%) of the common interests appurtenant to units subject to mortgages held by such eligible holders shall be required to materially amend any provision herein, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following in a manner materially different than provided herein: (a) voting; (b) assessments, assessment liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the common elements; (d) insurance or fidelity bonds; (e) reallocation of interests in or the right to use of the common elements and limited common elements; (f) responsibility for maintenance and repair of the several portions of the Project; (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project not otherwise provided for herein; (h) boundaries of any unit; (i) the interests in the common elements or limited common elements; (j) convertibility of units into common elements or of common elements into units; (k) leasing of units; (l) imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer or otherwise convey such unit owner's unit not otherwise provided for herein; (m) a decision to end professional management and adopt self-management; (n) restoration or repair of the Project in a manner other than that specified herein; and (o) any provisions that expressly benefit mortgage holders, insurers or guarantors. An "eligible holder of first mortgage" is defined in this paragraph 21 as a first mortgagee which has made a written request to the Association for timely written notice of proposed amendments to the condominium documents. Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the units, this Declaration (including the Bylaws and, when applicable, the Condominium

Map) may be amended by Developer (a) by filing the certification of a licensed architect, engineer or surveyor (with plans, if applicable) required by Section 514B-34 of the Act, certifying that the Condominium Map theretofore recorded, or being recorded simultaneously with such statement, fully and accurately depicts the layout, location, boundaries, dimensions and numbers of the units substantially as built; or (b) to effect any change or amendment required by an agency of any county, state or federal government or by any territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition to governmental approvals, marketing the Project or making a loan to finance the construction and/or the sales of the Project.

22. **Termination of Condominium Property Regime.** Except as otherwise provided by the Act or in this Declaration, the legal status of the Project as a Condominium Property Regime may be terminated in the following manner:

a. If (i) owners of units to which are appurtenant at least eighty percent (80%) of the common interests execute and record an instrument in the Land Court to the effect that they desire to remove the Property from the Act, and the holders of all liens affecting any of such units consent thereto by duly recorded instruments; or (ii) the common elements suffer substantial damage or destruction and the damage or destruction has not been rebuilt, repaired, or restored within a reasonable time after the occurrence thereof, or the unit owners have earlier determined as provided in this Declaration that the damage or destruction shall not be rebuilt, repaired, or restored, then the Property shall be subject to an action for partition in the First Circuit Court of the State of Hawaii by any unit owner or lienor as if owned in common, in which event the sale of the property shall be ordered by the court and the net proceeds of such sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the unit owners in proportion to their respective common interests, provided that no payment shall be made to a unit owner until all liens on the owner's unit have been satisfied first out of the owner's share of such net proceeds. Upon such sale, the Property shall cease to be the subject of a condominium property regime, or subject to the Act.

b. Upon the unanimous consent of all the unit owners in the Project, the Property, or part of the Property, may be removed from this Condominium Property Regime by filing in the Land Court an instrument of termination, duly executed by all owners in the Project. Upon the filing of such instrument, the Property shall cease to be the subject of a condominium property regime or the Act and shall be deemed to be owned in common by all such unit owners in proportion to their respective common interests.

23. **Withdrawal of HHFDC Lots from the Project Lands.** HHFDC and Developer hereby reserve the development right, for themselves and their respective successors and assigns, to unilaterally withdraw the HHFDC Lots (Lots C, D and 65-B-3-B) from the Project. Withdrawal of the HHFDC Lots shall occur no later than one-hundred eighty (180) days after issuance of a Land Court Order ordering the subdivision of the Land. Withdrawal of the HHFDC Lots shall be effected by the recordation of an amendment to this Declaration and to the Condominium Map, such that the Project shall thereafter be comprised only of the land described

in **Exhibit B** attached hereto. Each and every party acquiring an interest in the Project, by such acquisition, consents to such withdrawal of the HHFDC Lots as provided in this paragraph and to the recordation of any and all documents necessary to effect the same, including any amendment or amendments of this Declaration; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Developer, HHFDC and their respective successors and assigns as such party's attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

24. **Developer's Right to Retain or Unit Ownership.** Subject to HHFDC approval, Developer reserves the right to retain or acquire the ownership of any number of units in the Project, including, without limitation, Unit No. 107 for its own use or any use not inconsistent with this Declaration. Developer further reserves the right to convey Unit No. 107 to the Association free from the HHFDC Buy-Back Restrictions described in paragraph 25 below, as more particularly set forth in the HHFDC Restrictive Covenants. Developer shall be entitled to make such use of the units retained or acquired as Developer, in its sole discretion, sees fit; provided that Developer shall comply with all rules and regulations established for the governance of the Project.

25. **HHFDC Restrictions.**

a. **HRS Chapter 201H Buy-Back Restrictions.** All of the units in the Project are affordable units (except for Unit No. 107, which is designated as the resident manager's unit). The affordable units shall be subject to the provisions of Chapter 201H, HRS, as amended (the "HHFDC Buy-Back Restrictions"). The HHFDC Buy-Back Restrictions provide, among other things, for a first option in favor of HHFDC to purchase any unit in the Project for a period of ten (10) years from the date of purchase in the event any unit owner desires to sell or transfer the owner's unit or in the event the unit owner violates a covenant which requires the unit owner to occupy the unit. After the first conveyance of an affordable unit in the Project by Developer to a qualified purchaser (pursuant to the HHFDC Buy-Back Restrictions) ("Developer's Conveyance"), and continuing thereafter until (i) such HHFDC Buy-Back Restrictions are released by HHFDC, or (ii) until the tenth (10th) year from the date of purchase (i.e., the date of recordation of the deed of Developer's Conveyance), whichever shall first occur, all conveyances of the affordable units in the Project shall be subject to the HHFDC Buy-Back Restrictions, and each such subsequent conveyance of the affordable units in the Project shall incorporate the HHFDC Buy-Back Restrictions and shall contain the covenant of the grantee thereunder to observe and perform the HHFDC Buy-Back Restrictions. The HHFDC Buy-Back Restrictions are attached as **Exhibit D** hereto and made a part hereof and will also be incorporated into the unit deed as an exhibit thereto. By acceptance of a unit deed, all unit owners will be deemed to have acknowledged and agreed that they have read and reviewed, and approved and accepted all of the terms and conditions of the HHFDC Buy-Back Restrictions, and shall further agree to accept title to their respective unit subject to the HHFDC Buy-Back Restrictions.

b. **Shared Appreciation Equity Program.** After Developer's Conveyance and

continuing thereafter until HHFDC's Shared Appreciation Equity Program restrictions ("SAE Program") are released by HHFDC or until such restrictions expire by the terms of the SAE Program, all conveyances of the affordable units in the Project shall be subject to the restrictions of the SAE Program, and upon such subsequent conveyance of the affordable units by the Unit owner, HHFDC shall be entitled to its share of appreciation in value of said units. The terms and conditions of the SAE Program, pursuant to Chapter 201H, HRS, as amended, and Hawaii Administrative Rules, Title 15, Subtitle 14, Chapter 174, Subchapter 9, are described in **Exhibit E** attached hereto and made a part hereof, and will be incorporated into the unit deed as an exhibit thereto. A Memorandum Agreement of the SAE Program will also be recorded at the Bureau of Conveyances of the State of Hawaii against title to each unit. By acceptance of a unit deed, all unit owners will be deemed to have acknowledged and agreed that they have read and reviewed, and approved and accepted all of the terms and conditions of the SAE Program and that they accept title to their respective unit subject to the SAE Program.

c. Liability for HHFDC Buy-Back Restrictions and SAE Program. By acceptance of a unit deed, each unit owner acknowledges and agrees that such owner is obligated to comply with the terms and conditions of the HHFDC Buy-Back Restrictions and the SAE Program. Developer shall not be responsible or liable for the administration of the HHFDC Buy-Back Restrictions and the SAE Program, or for any representations or promises made by HHFDC in connection with the HHFDC Buy-Back Restrictions or the SAE Program, or for the observance or performance by HHFDC of its obligations or for the enforcement by HHFDC of its rights under the HHFDC Buy-Back Restrictions and the SAE Program, or for any actions taken or failure to take action by HHFDC in connection with the HHFDC Buy-Back Restrictions and the SAE Program, or for obligations or to otherwise comply with the provisions of the HHFDC Buy-Back Restrictions or the SAE Program.

26. Developer's Repurchase Option. Developer shall have the right to repurchase a unit from a unit owner for a period of ten (10) years from the date this of recordation of the unit deed conveying the unit to the unit owner, provided, however, that Developer may exercise this right if and only if a unit owner shall have made a complaint to Developer about a material defect in the physical condition and/or design of such unit owner's unit or a material defect in the Project or any matter in connection with the unit or the Project and Developer, after a good faith and diligent effort, shall be unable to rectify the complaint to such unit owner's satisfaction within a reasonable period of time, as determined by Developer in the exercise of its sole discretion. The exercise of Developer's repurchase rights shall be subject to the following terms and conditions:

a. HHFDC Waives its Right of First Refusal. Developer's repurchase option shall arise only in the event that HHFDC declines to exercise its right of first refusal pursuant to the HHFDC Buy-Back Restrictions, provided, however, that the property will be resold by Developer as an affordable for-sale property with new buyback and SAE restrictions.

b. Option Notice. Upon receipt of written notice from HHFDC that HHFDC has declined to exercise its right of first refusal, Developer shall give such unit owner and such

unit owner's mortgagee (if any) written notice of Developer's exercise of its option to repurchase such unit owner's unit.

c. Option Closing. The closing of the purchase shall be no earlier than six (6) months nor later than nine (9) months from the date of delivery of Developer's written notice of its exercise of the option. Closing costs shall be apportioned between such unit owner and Developer in accordance with customary practice in the State of Hawaii.

d. Option Purchase Price. The purchase price for the unit shall be a price equal to the aggregate of (i) the price (the "Price") at which the unit owner purchased the unit which is proposed to be transferred, (ii) the cost of any improvements added by the unit owner to the unit proposed to be transferred, and (iii) five percent (5%) per annum simple interest on the portion of the Price the unit owner paid in cash from time to time for the unit proposed to be transferred, computed from the date so paid until the date that title to such unit is transferred to Developer. The purchase price shall be paid in cash at the closing.

e. Purchase of Appliances. All appliances originally sold with the unit (or their replacements) shall remain in the unit at the date of closing and shall be a part of the property purchased by Developer as evidenced by the standard conditions of the form of residential deposit receipt, offer and acceptance used by the Honolulu Board of Realtors or similar group at the time of exercise of the option.

f. Option Binding on Successors and Assigns. This right to repurchase given by each unit owner shall be binding upon each and every unit owner, such unit owner's heirs, personal representatives, successors and assigns (including, without limitation, any subsequent owners of the unit), and shall be an encumbrance upon the unit.

g. Assignment of Option. Developer's right to repurchase may be assigned by Developer without the prior written consent of any unit owner or any other person; provided, however, that upon the exercise of the right of repurchase granted hereunder, the person exercising such right shall provide to the unit owner and unit owner's mortgagee a copy of the assignment instrument by which such person acquired the right to repurchase hereunder.

h. Mortgagee Protection. Developer's right to repurchase a unit granted by this paragraph 26 shall be subordinate to the interest of any mortgagee of record. Developer shall not exercise its right to purchase a unit under any option granted under this paragraph 26 if prior to or within sixty (60) days of giving notice to a unit owner and such owner's mortgage lender of Developer's intent to exercise such option, the mortgage lender has commenced a foreclosure action against the unit. Notwithstanding the formula for calculation of the purchase price set forth in subparagraph 26.d above, the purchase price shall, at a minimum, be sufficient to satisfy the affected unit owner's purchase money mortgage or mortgages. The restrictions prescribed in this paragraph 26 shall be automatically extinguished upon any transfers of title to a mortgage holder or other party pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced, or when a mortgage is assigned to a federal housing agency. Any provision herein to the contrary notwithstanding, a

mortgagee under a mortgage covering any interest in the unit prior to commencing mortgage foreclosure proceedings, may notify Developer in writing of (i) any default of the mortgage under the mortgage within ninety (90) days after the occurrence of the default and (ii) any intention of the mortgagee to foreclose the mortgage; provided that the mortgagee's failure to provide such written notice to Developer shall not affect such holder's rights under the mortgage.

27. **Transfer of Control to the Association of Unit Owners.** Without limitation to the reservations set forth in paragraph 8 hereof, after the first meeting of the Association, Developer retains no special rights, expressed or implied, through which Developer may directly or indirectly control, direct, modify or veto any action of the Association, its Board or a majority of unit owners other than those specifically enumerated in this Declaration.

28. **General Rights of Unit Mortgage Holders, Insurers or Guarantors.** Holders, insurers or guarantors of the mortgage on any unit in the Project shall have the right to timely written notice of (a) any condemnation or casualty loss that affects either a material portion of the Project or the unit covered by its mortgage; (b) any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds a mortgage; (c) a lapse, cancellation or material modification of any insurance policy maintained by the Association; and (d) any proposed action that requires the consent of a specified percentage of eligible mortgage holders; provided, however, that such notice shall only be required if the mortgage holder, insurer or guarantor sends a written request for this information to the Association, stating both its name and address and the unit number or address of the unit on which it has (or insures or guarantees) a mortgage.

29. **County Zoning and Permitting Requirements.** Developer hereby declares, subject to the penalties set forth in Section 514B-69(b) of the Act, that to the best of Developer's knowledge, the Project is in compliance with all building ordinances and codes, the existing underlying county zoning for the Property and all applicable county permitting requirements adopted by the City and County of Honolulu, including any supplemental rules adopted by the City and County of Honolulu, as of the date hereof.

30. **Disclosures Regarding the Pond and Capped Springs.** As set forth in Section 11.j and in Section 11.k above, upon Developer's transfer of control to the Association, the Association shall thereafter be responsible for maintenance, upkeep and nondisturbance of the Pond and its surrounding area, and the three (3) Capped Springs. Upon such transfer, the Association agrees to assume the responsibility of maintaining the Pond and its surrounding area, and the Capped Springs, the cost of which shall be a common expense of the Association. Each unit owner, by accepting title to a unit in the Project and becoming a unit owner, is deemed to approve and accept the Association's obligation to oversee the upkeep of the Pond, the Capped Springs, and any common expenses which may relate thereto.

In furtherance of establishing and clarifying the Association's obligation to maintain the Pond and the Capped Springs, the following are excerpts of additional information obtained by Developer regarding the same. Excerpts from Developer's Phase I Environmental Site Assessment dated January 2006, describes the Project's surface hydrology in part as follows:

Directly beneath the Property is a basal, unconfined, flank aquifer. This basal aquifer contains fresh water and is currently used as drinking water source. The aquifer has been determined to be irreplaceable and has a high vulnerability to contamination (Mink and Lau, 1990). The depth to groundwater is estimated to be approximately 8 feet below ground surface based upon available well data from the surrounding area (EDR, 2005). Artesian conditions do exist on the Property as evidenced by a natural spring that exists on the northern boundary. Direction of regional groundwater flow is south-southeast towards Pearl Harbor (EDR, 2005).

The primary source of recharge to this volcanic basal aquifer is from infiltration of rainfall and stream runoff that occurs in the inland portions of the Ko'olau range. The hydraulic head levels measured in these volcanic basal aquifers result from the alluvial material in the caprock retarding the seaward flow of freshwater. In the inland portions of Pearl Harbor around the vicinity of the project area, basal groundwater can be observed discharging directly to the ocean via a series of springs through localized breaches in the caprock. . . .

. . . Surface runoff on the Property follows the site topography and flows to the south. The Property is bordered to the south by the Wailani Stream. The stream is confined by a rectangular concrete channel in the vicinity of the Property. Construction of the concrete channel between Paiwa Street and Farrington Highway was completed in 1995 (EPS, 2001).

Three natural springs existed on the Property. As part of the State of Hawaii's ground surcharge program, the three springs were capped and drained by a subdrain system. Presently, one of the capped springs at the northern end of the Property is leaking. Water from the leaking spring forms a pond that is approximately 200 feet by 10 feet in area. Several federal wetlands lie within 1 mile of the Property along West Loch and Middle Loch of Pearl Harbor to the south-southwest, and southeast (EDR, 2005).

Phase I Env. Site Assessment, Jan. 2006, pp. 3-5, 3-6.

With respect to the Pond, a letter from the U.S. Army Corp of Engineers ("ACE") to HHFDC dated March 27, 2006 regarding HHFDC's request to determine the status of the Pond, states in part:

At present an open body of water approximately 10 feet wide and 200 feet long exists along the northwest side of the development parcel. Excess groundwater from this body of water follows an engineered drainageway which directs surface and subsurface flows to the Wailani Stream Channel, which is a perennial tributary to Middle Loch and the Pearl Harbor estuary. This spring is therefore considered adjacent to a tributary water to the Pacific Ocean (e.g., Wailani Stream) and its existing course and capacity shall be considered a water of the United States subject to the jurisdiction of Section 404 of the Clean Water Act. Any contemplated activities [sic] involving the discharge of dredged or fill material into these waters will likely require a Department of the Army permit. In the future, if you propose activities in, near or having the potential to effect this jurisdictional water (i.e., the unnamed spring), consultation should take place with [our Regulatory Branch] to determine if a DA permit may be required.

As a result of the analysis provided in the ACE letter and an April 5, 2006 meeting between Developer's agents and ACE personnel, Developer decided to keep the Pond as an open body of water and incorporate it into the Project's site plan based on representations by ACE personnel that: (i) a Department of the Army permit is not required if there is no discharge or fill placed in the open body of water (i.e., the Pond) and Wailani Stream, (ii) the open body of water is adjacent to Wailani Stream and historic episodes of surcharging fills have covered the normal surface connection from this open body of water to Wailani Stream, and (iii) a Department of the Army permit is not required for discharge of dredged or fill material to Project areas other than the open body of water and Wailani Stream. As of June 28, 2006, HHFDC has requested ACE certification of the delineation of the open body of water based on individual survey point coordinates and azimuth/georeference points provided by HHFDC and confirmation that a Department of the Army permit is not required for development of the Project. Developer hereby reserves the right to amend the Condominium Map to reflect the delineated Pond area as certified by ACE, and, once certified, the Association shall be obligated to maintain the delineated Pond area as provided in Section 11.j hereinabove.

31. Parking Area.

a. Use of Stalls. To the extent allowed by law, the assignment and use of the parking stalls which are located on the Parking Parcel or the Project will be governed by the provisions of the House Rules. Developer has established a common parking plan in the House Rules for the benefit of the Association and the unit owners, which plan may be amended from time to time at the discretion of the Board. The visitor parking stalls may be used by the visitors of the unit owners, subject to the provisions of the House Rules. The areas designated for bicycle and moped parking on the Condominium Map, if any, shall be controlled by the Managing Agent, subject to the provisions of the House Rules.

b. Accessible Stalls.

(1) The parking stalls, including the Accessible Stalls described below, in the Project shall not initially be limited common elements, but common elements subject to the right of the Board to assign, re-assign and manage such stalls. Except for Developer Reserved Stalls described below, the Board shall have the authority and be responsible for coordinating the assignment of all parking stalls pursuant to this paragraph 31 and shall adopt rules and regulations in the House Rules with respect thereto. The Board shall maintain appropriate records of such assignment.

(2) Certain parking stalls may be designated for use by handicapped persons ("Accessible Stalls") and will be designated as such on the Condominium Map. Such Accessible Stalls may be assigned by Developer to the owners of particular units upon the initial sale of such units. Developer shall, upon assigning an Accessible Stall to an owner, designate such assignment in the records of the Association. If any Accessible Stalls remain unassigned after the sale of all the units in the Project, the Board shall have the right to assign and manage such spaces. Owners who are assigned Accessible Stalls shall be subject to the right of the Board to re-assign such parking stalls. Evidence of disabled status shall be by distinguishing license plate or placard issued by the Hawaii Department of Motor Vehicles. In no event shall Developer or the Association be held liable if Developer or the Association is unable to assign an Accessible Stall to a disabled owner because all designated Accessible Stalls have previously been assigned to other disabled owners.

32. **Air Conditioners.** Air conditioners for the units are subject to the provisions of the House Rules and the following conditions:

a. A window air conditioner will be installed by Developer within the living room of each unit. All replacements of such window air conditioner must be in the same window location.

b. The Board shall have the right, in the Board's sole and absolute discretion, to require the removal of any window air conditioner that is more than 10 years old because of the adverse effect of such air conditioner on the exterior appearance of the residential buildings.

c. For water drainage from the window air conditioners, the Board shall have the right to install PVC drain lines on the exterior of the residential buildings for any "vertical run" (as defined below) of the residential buildings. As used herein, a "vertical run" shall mean all units in the residential buildings at the same location on each floor and having a unit number containing the same last two digits. For example, one vertical run shall consist of the twelve (12) units having the last two digits 02, being Units 102, 202, 302, etc. through 1202. Such drain lines and fasteners are to be painted to match the exterior of the residential buildings.

33. **Waiver of Certain Construction and Design Claims.** Each unit owner, lessee, mortgagee, lien holder or other person with an interest in the Project, on their own behalf and on behalf of the Association, hereby waives any liabilities, obligations, right, claim or action, of every kind or nature, character or description, known or unknown, suspected, or unsuspected

(collectively, a "Claim"), which such person may have or acquire against Developer and its agents, employees, architects, contractors, licensees, successors and assigns (individually and/or collectively, "Developer Parties") for:

a. any loss, injury or damage to person or property, including court costs and attorneys' fees (singularly and/or collectively, "Damages") relating to or resulting from the construction of the Project in excess of \$5,000,000, in the aggregate with all other Claims or Damages of any other unit owner, association or other person; and

b. any Damages in excess of the greater of the applicable Single Maximum Design Damages or Total Maximum Design Damages, in the aggregate with all other Claims or Damages of any other unit owner, association or other person, relating to or resulting from the work of any architect and/or other design consultant of the Project. As used herein "Single Maximum Design Damages" shall mean Damages equal to the fees of the architect(s) and/or other design consultant(s) whose work is the subject of the Claim and "Total Maximum Design Damages" shall mean Damages equal to \$600,000.

Furthermore, without limiting in any way, the foregoing provision, each unit owner, lessee, mortgagee, lien holder or other person with an interest in the Project: (a) hereby understands, acknowledges and agrees that the Project buildings will be constructed primarily of reinforced concrete and masonry on underground concrete piles, and that, due to concrete shrinkage and building movement, such buildings will experience non-structural, cosmetic concrete cracks on all concrete surfaces that may be visible to owners and require cosmetic repairs; and (b) hereby waives any liabilities, obligations, right, claim or action, of every kind or nature, character or description, known or unknown, suspected, or unsuspected, which such person may have or acquire against Developer Parties for any Damages relating to or resulting from such concrete cracks to the extent such concrete cracks do not pose structural concerns. However, this waiver shall not extend to any Damages on account of Developer Parties' conduct which is determined by a final judgment or other final adjudication by a court having jurisdiction in the matter to have been knowingly fraudulent, deliberately dishonest or a result of willful misconduct.

34. **Other Environmental Issues.** Mold and mold spores are present throughout the environment, and unit construction is not, and cannot be, designed to exclude mold spores. All mold is not necessarily harmful, but certain strains of mold have been shown to have adverse health effects in susceptible persons. The most common effects are allergic reactions, including skin irritations, watery eyes, runny nose, coughing, sneezing, congestion, sore throat and headache. Individuals with suppressed immune systems may risk infections. Moisture is the only mold growth factor that can be controlled in a residential setting. By minimizing moisture, an owner can reduce or eliminate mold growth. Although the Center for Disease Control states that a causal link between the presence of toxic mold and serious health conditions has not been proven, unit owners should take positive steps to reduce or eliminate the occurrence of mold growth and thereby minimize any possible adverse effects that may be caused by mold by, without limitation, doing the following:

a. Check Items. Before bringing items into the unit, check for signs of mold. Potted plants (roots and soil), furnishings or stored clothing and bedding material, as well as many other household goods, could already contain mold growth. Avoid storing organic material on lanais or in damp areas.

b. Vacuuming and Cleaning. Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth.

c. Humidity. Keep humidity in the unit low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening windows, using exhaust fans, or running air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces. Maintain and properly service your air conditioning system, furnaces, heat pumps and humidifiers attached to furnaces to keep them in full working condition.

d. Clean Spills. Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Do not let water pool or stand in the unit. Promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation.

e. Leaks. Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors and any visible signs of mold.

f. Water Intrusion. Seek to prevent water intrusion into the unit by regular caulking and painting and keeping lanais and windows closed during inclement weather.

g. Clean Affected Areas. Should mold develop, thoroughly clean the affected area with a mild solution of bleach. First, test to see if the affected material or surface is color safe. Porous materials, such as fabric, upholstery or carpet should be discarded. Should the mold growth be severe, call on the services of a qualified professional cleaning service.

35. Developer Not Liable. Each unit owner acknowledges and agrees that Developer will not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence, or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the sole negligence or willful misconduct of Developer. Each unit owner, on behalf of itself and its family members, tenants, invitees and licensees, hereby releases Developer and its members, managers, and their respective officers, directors, partners, affiliates, subsidiaries, parent, successors and assigns from and against any and all claims, actions, damages, causes of action, liabilities and expenses (including without limitation, attorneys' fees and costs of enforcing this indemnity) for property damage, injury or death resulting from the exposure to microscopic spores, mold and/or mildew and from any loss of resale value due to the presence and/or existence of mold, mildew and/or microscopic spores.

36. **Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of this Declaration or the intent of any provision hereof.

37. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way to define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

38. **Definitions.** All terms used herein and in the Bylaws which are identical to terms used in the Act shall, except where clearly repugnant to the context, have the same meanings as are attributed to them in said Act. The terms "owner" and "unit owner" as referred to herein shall mean the owner of a unit, whether singly or jointly, partnerships, corporations or other legal entities or their heirs, personal representatives, successors and assigns, or the heirs and assigns of the survivor as the case may be. The term "majority" or "majority of owners" herein means the owners of units to which are appurtenant more than fifty percent (50%) of the common interests, and any specified percentage of unit owners means the owners of units to which are appurtenant such percentage of the common interests as established by this Declaration.

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

40. **Non-Liability of HHFDC.** HHFDC, by signing the joinder to this Declaration below, is doing so only because it has an ownership interest in the Property and is required to do so for purposes of submitting all ownership interest in the Land to a condominium property regime. HHFDC is not the developer of the Project and HHFDC's joinder shall not, in any way or for any purpose, be construed to mean that HHFDC is the developer of the Project or a partner with Developer in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with Developer. The statements set forth in this Declaration are solely those of Developer and are not and should not be construed as statements made by or representations of HHFDC, the State of Hawaii or its representatives. HHFDC shall not be liable for the statements or the conduct of Developer relating to the purchase of the Land and the development of the Project and is not assuming any such liability in any way by its execution of this document.

this 4th day of August, 2006. IN WITNESS WHEREOF, Developer has caused this instrument to be executed

PLANTATION TOWN APARTMENTS LLC,
a Hawaii limited liability company

By: M & M Investments, Inc.,
a Hawaii corporation
Its Managing Member

By: Michael Kimura
Michael Kimura
Its President

“Developer”

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

On this 4th day of August, 2006, before me personally appeared **Michael Kimura**, to me satisfactorily proven to be the person described in and who, being by me duly sworn or affirmed, did say that he executed the foregoing instrument as his free act and deed, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Carolyn P. Okano
Print Name: CAROLYN P. OKANO
Notary Public for the above-noted State and County
My Commission Expires: MAY - 9 2008

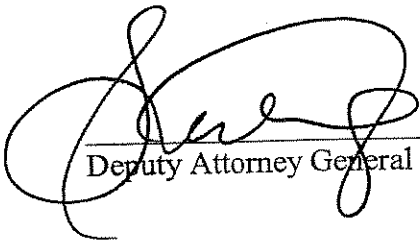
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JOINDER

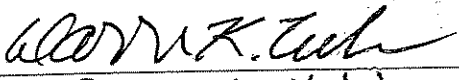
The undersigned, HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and body corporate and politic of the State of Hawaii ("HHFDC"), as owner of legal title to the land described in Exhibit A of the Declaration, and pursuant to the terms and conditions of that certain Development Agreement dated June 27, 2006, by and between Developer and the Housing and Community Development Corporation of Hawaii, predecessor agency to HHFDC (pursuant to Act 196, 2005 Session Laws of Hawaii and Act 180, 2006 Session Laws of Hawaii), hereby joins in and submits all of its right, title and interest in the Land to the condominium property regime established by the foregoing Declaration, upon the conditions set forth in Section 40 thereof.

APPROVED AS TO FORM:

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION



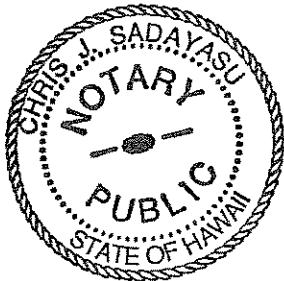
Deputy Attorney General

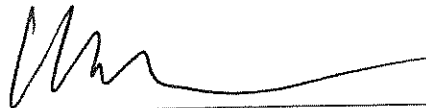
By 
Name: Darren K. Ueki
Its Executive Director
Acting

"HHFDC"

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

On this 4th day of August, 2006, before me personally appeared Darren K. Ueki, to me satisfactorily proven to be the person described in and who, being by me duly sworn or affirmed, did say that he executed the foregoing instrument as his free act and deed, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.





Print Name: Chris J. Sadayasu
Notary Public for the above-noted State and County
My Commission Expires: MAR 30 2007

EXHIBIT A
(the Land)

-PARCEL FIRST:-

All of that certain parcel of land situate at Waipio, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT 65-B-3, area 0.659 acre, more or less, as shown on Map 137, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1000 of John Ii Estate, Limited;

Being the land(s) described in Transfer Certificate of Title No. 172,557 issued to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII, a public body and body corporate and politic of the State of Hawaii.

BEING THE PREMISES ACQUIRED BY WARRANTY DEED

GRANTOR : CROWN LAND CORPORATION, a Hawaii corporation
GRANTEE : HAWAII HOUSING AUTHORITY, a public body and corporate and politic of the State of Hawaii
DATED : November 25, 1974
FILED : Land Court Document No. 706371
RECORDED : Liber 10335 Page 271

-PARCEL SECOND:-

All of that certain parcel of land situate at Waipio, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT 219-B-1-A-6, area 6.751 acres, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 58 of Hung Wai Ching, Richard Kwan Wai Tom and Kenneth Kenjiro Nishikawa;

Together with access to a public road known as Mokuola Street, over Lot 219-B-1-A-8 (which has been designated as an easement for road and utility purposes and is shown on Map 54 as Easement 6), over Lot D, Exclusion 10, Royal Patent Number 829, Land Commission Award Number 8241-NN, Apana 2, and then Lot 219-B-1-A-7 (which has been designated as an easement for road and utility purposes and is shown on Map 54 as Easement 5), as set forth by Land Court Order No. 110848, filed March 8, 1993.

Being the land(s) described in Transfer Certificate of Title No. 172,558 issued to HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and a body corporate and politic of the State of Hawaii.

SUBJECT, HOWEVER, to the following:

1. -AS TO PARCEL SECOND:-

(A) DESIGNATION OF EASEMENT "6" (10 feet wide)

SHOWN : on Map 7, as set forth by Land Court Order No. 17433, filed August 19, 1959

(B) GRANT

TO : CITY AND COUNTY OF HONOLULU
DATED : August 7, 1959
FILED : Land Court Document No. 247980
GRANTING : an easement over said Easement "6"

(C) GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC.
DATED : March 13, 1962
FILED : Land Court Document No. 287536
GRANTING : an easement for utility purposes

-Note:- The above Grant does not affect the land under search pursuant to map attached to said Grant, however, said document is noted on the Transfer Certificate of Title.

(D) DESIGNATION OF EASEMENT "38" (15 feet wide)

PURPOSE : drain
SHOWN : on Map 36, as set forth by Land Court Order No. 45176, filed August 13, 1976

(E) GRANT

TO : CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii
DATED : June 22, 1976
FILED : Land Court Document No. 777165
GRANTING : an easement over said Easement "38"

(F) DESIGNATION OF EASEMENT

PURPOSE : storm drain
SHOWN : on Map 38, as set forth by Land Court Order No.
50199, filed May 26, 1978

(G) GRANT

TO : CITY AND COUNTY OF HONOLULU, a
municipal corporation of the State of Hawaii
DATED : March 22, 1978
FILED : and Court Document No. 877562
GRANTING : an easement to construct, reconstruct, install,
maintain, operate, repair and remove a drainage
structure or structures, etc., as part of a drainage
system, through, under and across the easement
area, being more particularly described therein

(H) DESIGNATION OF EASEMENT "48"

PURPOSE : screening
SHOWN : on Map 41, as set forth by Land Court
Order No.76953, filed February 4, 1986

(I) DESIGNATION OF EASEMENT "51"

PURPOSE : underground drainage
SHOWN : on Map 44, as set forth by Land Court Order No.
90835, filed ---, 1989

(J) DESIGNATION OF EASEMENT "54" (10 feet wide)

PURPOSE : sanitary sewer line
SHOWN : on Map 54, as set forth by Land Court Order No.
110848, filed March 8, 1993

(K) DESIGNATION OF EASEMENT "55" (10 feet wide)

PURPOSE : storm drain
SHOWN : on Map 54, as set forth by Land Court Order No.
110848, filed March 8, 1993

(L) GRANT

TO : CITY AND COUNTY OF HONOLULU, a
municipal corporation of the State of Hawaii
DATED : December 21, 1994
FILED : Land Court Document No. 2365754
GRANTING : an easement over said Easement "54"

2. GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC.
DATED : April 22, 1996
FILED : Land Court Document No. 2315906
GRANTING : a perpetual right and easement for utility purposes

3. Discrepancies, conflicts in boundary lines, shortage in area,
encroachments or any other matters which a correct survey or archaeological study
would disclose.

EXHIBIT B

-RESIDENTIAL PARCEL:-

All of that certain parcel of land situate at Waipio, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT A, area 3.030 acres, more or less, as shown on Map ____, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 58 of Plantation Town Apartments LLC;

Together with an easement for access to Paiwa Street (a public road) over Lot B, and easements for road and utility purposes over Lots B, C and 4, all as shown on Map ____, as set forth by Land Court Order No. _____, filed _____.

Being the land(s) described in Transfer Certificate of Title No. _____ issued to PLANTATION TOWN APARTMENTS LLC, a Hawaii limited liability company.

BEING THE PREMISES ACQUIRED BY QUITCLAIM DEED

GRANTOR : HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and body corporate and politic of the State of Hawaii
GRANTEE : PLANTATION TOWN APARTMENTS LLC, a Hawaii limited liability company
DATED : _____
FILED : Land Court Document No. _____

-PARKING PARCEL:-

GROUND LEASE

LESSOR : HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and a body corporate and politic of the State of Hawaii
LESSEE : PLANTATION TOWN APARTMENTS LLC, a Hawaii limited liability company
DATED : _____
FILED : Land Court Document No. _____
TERM : 58 years from _____

Said Ground Lease demises the following described premises:

-ITEM I:-

All of that certain parcel of land situate at Waipio, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT 65-B-3-A, area 28,713 square feet, more or less, as shown on Map ____, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1000 of John Ii Estate, Limited;

Being the land(s) described in Transfer Certificate of Title No. 172,557 issued to HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII, a public body and body corporate and politic of the State of Hawaii.

BEING THE PREMISES ACQUIRED BY WARRANTY DEED

GRANTOR : CROWN LAND CORPORATION, a Hawaii corporation
GRANTEE : HAWAII HOUSING AUTHORITY, a public body and corporate and politic of the State of Hawaii
DATED : November 25, 1974
FILED : Land Court Document No. 706371
RECORDED : Liber 10335 Page 271

-ITEM II:-

LOT B, area 2.379 acres, more or less, as shown on Map ____, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 58 of Plantation Town Apartments LLC;

Together with access to a public road known as Mokuola Street, over Lot 219-B-1-A-8 (which has been designated as an easement for road and utility purposes and is shown on Map 54 as Easement 6), over Lot D, Exclusion 10, Royal Patent Number 829, Land Commission Award Number 8241-NN, Apana 2, and then Lot 219-B-1-A-7 (which has been designated as an easement for road and utility purposes and is shown on Map 54 as Easement 5), as set forth by Land Court Order No. 110848, filed March 8, 1993.

Together also with an easement for access to Paiwa Street (a public road) over Lot A, and easements for road and utility purposes over Lots A, C and 4, all as shown on Map ____, as set forth by Land Court Order No. _____, filed _____.

Being the land(s) described in Transfer Certificate of Title No. 172,558 issued to

HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and a body corporate and politic of the State of Hawaii.

AS TO THE RESIDENTIAL PARCEL AND ITEMS I AND II, SUBJECT, HOWEVER, to the following:

1. -AS TO THE RESIDENTIAL PARCEL:-

(A) DESIGNATION OF EASEMENT "6" (10 feet wide)

SHOWN : on Map 7, as set forth by Land Court Order No. 17433, filed August 19, 1959

(B) GRANT

TO : CITY AND COUNTY OF HONOLULU
DATED : August 7, 1959
FILED : Land Court Document No. 247980
GRANTING : an easement over said Easement "6"

(C) GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC.
DATED : March 13, 1962
FILED : Land Court Document No. 287536
GRANTING : an easement for utility purposes

-Note:- The above Grant does not affect the land under search pursuant to map attached to said Grant, however, said document is noted on the Transfer Certificate of Title.

(D) DESIGNATION OF EASEMENT "38" (15 feet wide)

PURPOSE : drain
SHOWN : on Map 36, as set forth by Land Court Order No. 45176, filed August 13, 1976

(E) GRANT

TO : CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii
DATED : June 22, 1976
FILED : Land Court Document No. 777165
GRANTING : an easement over said Easement "38"

(F) DESIGNATION OF EASEMENT

PURPOSE : storm drain
SHOWN : on Map 38, as set forth by Land Court Order No.
50199, filed May 26, 1978

(G) GRANT

TO : CITY AND COUNTY OF HONOLULU, a
municipal corporation of the State of Hawaii
DATED : March 22, 1978
FILED : and Court Document No. 877562
GRANTING : an easement to construct, reconstruct, install,
maintain, operate, repair and remove a drainage
structure or structures, etc., as part of a drainage
system, through, under and across the easement
area, being more particularly described therein

(H) DESIGNATION OF EASEMENT "48"

PURPOSE : screening
SHOWN : on Map 41, as set forth by Land Court
Order No.76953, filed February 4, 1986

(I) DESIGNATION OF EASEMENT "51"

PURPOSE : underground drainage
SHOWN : on Map 44, as set forth by Land Court Order No.
90835, filed ---, 1989

(J) DESIGNATION OF EASEMENT "54" (10 feet wide)

PURPOSE : sanitary sewer line
SHOWN : on Map 54, as set forth by Land Court Order No.
110848, filed March 8, 1993

(K) DESIGNATION OF EASEMENT "55" (10 feet wide)

PURPOSE : storm drain
SHOWN : on Map 54, as set forth by Land Court Order No.
110848, filed March 8, 1993

(L) GRANT

TO : CITY AND COUNTY OF HONOLULU, a
municipal corporation of the State of Hawaii
DATED : December 21, 1994
FILED : Land Court Document No. 2365754
GRANTING : an easement over said Easement "54"

2. GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC.
DATED : April 22, 1996
FILED : Land Court Document No. 2315906
GRANTING : a perpetual right and easement for utility purposes

3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

EXHIBIT C

PLANTATION TOWN APARTMENTS
94-979 KAU'OLU
 Description of Units Floor Areas and Common Interests

| 94-979 KAU'OLU | | | | | |
|----------------|------------|------------------|-----------------------------------|-----------------------------------|-------------------|
| UNIT NO. | FLOOR TYPE | BEDROOMS / BATHS | SQ. FT. NET LIVING AREA (sq. ft.) | APPROX. NET COMMON AREA (sq. ft.) | % COMMON INTEREST |
| 101 | GF 01 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 102 | GF 02 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 103 | GF 03 | JR 1 BR / 1 BA | 362 | 27 | 0.2204% |
| 104 | GF HC 04 | 1 BR / 1 BA | 444 | 33 | 0.2684% |
| 105 | GF HC 05 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 107 | GF 07 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 109 | GF HC 09 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 111 | GF HC 11 | JR 1 BR / 1 BA | 362 | 27 | 0.2204% |
| 112 | GF HC 12 | 1 BR / 1 BA | 444 | 33 | 0.2699% |
| 113 | GF HC 13 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 114 | GF HC 14 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 201 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 202 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 203 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 204 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 205 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 206 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 207 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 208 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 209 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 210 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 211 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 212 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 213 | UF HC 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |

| UNIT NO | UNIT TYPE | BEDROOMS | APPROX. NET GROSS AREA (SQ. FT.) | APPROX. NET GROSS AREA (SQ. FT.) | % TOTAL UNIT INTEREST |
|---------|-----------|----------------|----------------------------------|----------------------------------|-----------------------|
| 214 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 301 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 302 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 303 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 304 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 305 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 306 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 307 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 308 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 309 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 310 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 311 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 312 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 313 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 314 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 401 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 402 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 403 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 404 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 405 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 406 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 407 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 408 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 409 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 410 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 411 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 412 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 413 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 414 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 501 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |

| UNIT NO. | UNIT TYPE | DESCRIPTION | AREA (SQ. FT.) | NO. OF UNITS | PERCENTAGE |
|----------|-----------|----------------|----------------|--------------|------------|
| 502 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 503 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 504 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 505 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 506 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 507 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 508 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 509 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 510 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 511 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 512 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 513 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 514 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 601 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 602 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 603 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 604 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 605 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 606 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 607 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 608 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 609 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 610 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 611 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 612 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 613 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 614 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 701 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 702 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 703 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |

| UNIT NO. | UNIT TYPE | RESIDENTIAL TYPE | APPROX. CARPET AREA (sq. ft) | APPROX. NET UNIT AREA (sq. ft) | SALE PRICE PER SQ. FT. |
|----------|-----------|------------------|------------------------------|--------------------------------|------------------------|
| 704 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 705 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 706 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 707 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 708 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 709 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 710 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 711 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 712 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 713 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 714 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 801 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 802 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 803 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 804 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 805 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 806 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 807 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 808 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 809 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 810 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 811 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 812 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 813 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 814 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 901 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 902 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 903 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 904 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 905 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |

| UNIT NO. | UNIT TYPE | BEDROOM / BATH | SQ. FT. AREA | STAIRS / BALCONY | % OF TOTAL AREA |
|----------|-----------|----------------|--------------|------------------|-----------------|
| 906 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 907 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 908 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 909 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 910 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 911 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 912 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 913 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 914 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1001 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1002 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1003 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1004 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1005 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1006 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1007 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1008 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1009 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1010 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1011 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1012 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1013 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1014 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1101 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1102 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1103 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1104 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1105 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1106 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1107 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |

| UNIT NO. | UNIT TYPE | BEDROOM / BATH | APPROX. NET BUILDING AREA (SQ. FT.) | APPROX. NET FINISHED AREA (SQ. FT.) | PERCENTAGE OF COVERED AREA |
|----------|-----------|----------------|-------------------------------------|-------------------------------------|----------------------------|
| 1108 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1109 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1110 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1111 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1112 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1113 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1114 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1201 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1202 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1203 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1204 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1205 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1206 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1207 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1208 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1209 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1210 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1211 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1212 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1213 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1214 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |

PLANTATION TOWN APARTMENTS
94-302 PAIWA
Description of Units, Floor Areas and Common Interests

| UNIT NO. | FLOOR | BEDROOM BATH | APPROX. NET FLOORING AREA (SQ. FT.) | APPROX. NET COMMON AREA (SQ. FT.) | PERCENTAGE INTEREST |
|----------|----------|----------------|-------------------------------------|-----------------------------------|---------------------|
| 101 | GF 01 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 102 | GF 02 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 103 | GF 03 | JR 1 BR / 1 BA | 362 | 27 | 0.2204% |
| 104 | GF HC 04 | 1 BR / 1 BA | 444 | 33 | 0.2684% |
| 105 | GF HC 05 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 107 | GF 07 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 109 | GF HC 09 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 111 | GF HC 11 | JR 1 BR / 1 BA | 362 | 27 | 0.2204% |
| 112 | GF HC 12 | 1 BR / 1 BA | 444 | 33 | 0.2699% |
| 113 | GF HC 13 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 114 | GF HC 14 | 2 BR / 1 BA | 555 | 33 | 0.3285% |
| 201 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 202 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 203 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 204 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 205 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 206 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 207 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 208 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 209 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 210 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 211 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 212 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 213 | UF HC 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 214 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 301 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |

| UNIT NO. | UNIT TYPE | BEDROOMS | APPROX. SQUARE FEET | APPROX. UNIT EXPOSURE | PERCENTAGE |
|----------|-----------|----------------|---------------------|-----------------------|------------|
| 302 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 303 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 304 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 305 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 306 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 307 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 308 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 309 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 310 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 311 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 312 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 313 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 314 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 401 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 402 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 403 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 404 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 405 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 406 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 407 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 408 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 409 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 410 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 411 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 412 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 413 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 414 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 501 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 502 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 503 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |

| UNIT NO | UNIT TYPE | DESCRIPTION | AREA (SQ. FT.) | PERCENTAGE OF TOTAL AREA | PERCENTAGE OF TOTAL VOLUME |
|---------|-----------|----------------|----------------|--------------------------|----------------------------|
| 504 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 505 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 506 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 507 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 508 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 509 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 510 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 511 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 512 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 513 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 514 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 601 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 602 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 603 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 604 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 605 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 606 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 607 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 608 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 609 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 610 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 611 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 612 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 613 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 614 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 701 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 702 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 703 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 704 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 705 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |

| UNIT NO | UNIT TYPE | NUMBER OF BARS | NUMBER OF REINFORCING BARS (sq. ft) | NUMBER OF REINFORCING BARS (sq. ft) | PERCENTAGE OF REINFORCEMENT |
|---------|-----------|----------------|-------------------------------------|-------------------------------------|-----------------------------|
| 706 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 707 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 708 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 709 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 710 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 711 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 712 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 713 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 714 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 801 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 802 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 803 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 804 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 805 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 806 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 807 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 808 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 809 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 810 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 811 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 812 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 813 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 814 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 901 | UF 01 | 3 BR / 1BA | 643 | 27 | 0.3810% |
| 902 | UF 02 | 2 BR / 1BA | 555 | 27 | 0.3285% |
| 903 | UF 03 | JR 1 BR/1BA | 362 | 23 | 0.2204% |
| 904 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 905 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 906 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 907 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |

| UNIT NO. | UNIT TYPE | RESIDUAL UNIT | BR/BA | APPROX. UNIT COST (\$) | APPROX. UNIT PRICE (\$) | APPROX. UNIT PRICE (\$) |
|----------|-----------|----------------|-------|------------------------|-------------------------|-------------------------|
| 908 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 909 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 910 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 911 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% | |
| 912 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 913 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% | |
| 914 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1001 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% | |
| 1002 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1003 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% | |
| 1004 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 1005 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1006 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 1007 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1008 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1009 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1010 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 1011 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% | |
| 1012 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 1013 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% | |
| 1014 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1101 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3810% | |
| 1102 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1103 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% | |
| 1104 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 1105 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1106 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% | |
| 1107 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1108 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |
| 1109 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% | |

| UNIT NO. | UNIT TYPE | BEDROOM BATH | APPROX. NET SQUARE FEET (sq. ft.) | APPROX. NET SQUARE FEET (sq. ft.) | % ESTIMATED INTEREST |
|----------|-----------|----------------|-----------------------------------|-----------------------------------|----------------------|
| 1110 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1111 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1112 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1113 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1114 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1201 | UF 01 | 3 BR / 1 BA | 643 | 27 | 0.3285% |
| 1202 | UF 02 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1203 | UF 03 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1204 | UF 04 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1205 | UF 05 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1206 | UF 06 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1207 | UF 07 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1208 | UF 08 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1209 | UF 09 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| 1210 | UF 10 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1211 | UF 11 | JR 1 BR / 1 BA | 362 | 23 | 0.2204% |
| 1212 | UF 12 | 1 BR / 1 BA | 444 | 27 | 0.2684% |
| 1213 | UF 13 | 3 BR / 1 BA | 643 | 27 | 0.3810% |
| 1214 | UF 14 | 2 BR / 1 BA | 555 | 27 | 0.3285% |
| TOTAL: | | | | | 100.0000% |

Legend:

BR = Bedroom
 BA = Bathroom
 GF = Ground Floor unit
 UF = Upper Floor unit
 HC = Handicap-accessible unit
 JR = Junior 1-bedroom unit

END OF EXHIBIT C

EXHIBIT D

*Applicable section numbers of 201H have not yet been identified. Pursuant to Act 196, Session Laws of Hawaii 2005, as amended by Act 180, Session Laws of Hawaii 2006, 201H is effective on July 1, 2006.

Section 201H-*, Hawaii Revised Statutes - Real Property; restrictions on transfer; waiver of restrictions.

- (a) The following restrictions shall apply to the transfer of real property developed and sold under this chapter, whether in fee simple or leasehold:
- (1) For a period of ten years after the purchase, whether by lease, assignment of lease, deed, or agreement of sale, if the purchaser wishes to transfer title to the real property, the Hawaii Housing Finance and Development Corporation ("corporation") shall have the first option to purchase the real property at a price that shall not exceed the sum of:
 - (A) The original cost to the purchaser, as defined in rules adopted by the corporation;
 - (B) The cost of any improvements added by the purchaser, as defined in rules adopted by the corporation; and
 - (C) Simple interest on the original cost and capital improvements to the purchaser at the rate of one percent a year.
 - (2) The corporation may purchase the real property either:
 - (A) By conveyance free and clear of all mortgages and liens; or
 - (B) By conveyance subject to existing mortgages and liens.If the real property is conveyed in the manner provided in subparagraph (A), it shall be conveyed to the corporation only after all mortgages and liens are released. If the real property is conveyed in the manner provided in subparagraph (B), the corporation shall acquire the property subject to any first mortgage created for the purpose of securing the payment of a loan of funds expended solely for the purchase of the real property by the seller; and any mortgage or lien created for any other purpose provided that the corporation has previously consented to it in writing.

The corporation's interest created by this subsection shall constitute a statutory lien on the real property and shall be superior to any other mortgage or lien except for:

 - (i) Any first mortgage created for the purpose of securing the payment of a loan of funds expended solely for the purchase of the real property by the seller;
 - (ii) Any mortgage insured or held by a federal housing agency; and
 - (iii) Any mortgage or lien created for any other purpose, provided that the corporation has previously consented to it in writing.The amount paid by the corporation to the seller shall be the difference, if any, between the purchase price determined by paragraph (1)(A) to (C), and the total of the outstanding principal balances of the mortgages and liens assumed by the corporation.
 - (3) A purchaser may refinance real property developed and sold under this chapter provided that the purchaser shall not refinance the real property, within ten years from the date of purchase, for an amount in excess of the purchase price as determined by paragraph (1)(A) to (C).
 - (4) After the end of the tenth year from the date of purchase, or execution of an agreement of sale, the purchaser may sell the real property and sell or assign the property free from any price restrictions; provided that the purchaser shall be required to pay to the corporation the sum of:
 - (A) The balance of any mortgage note, agreement of sale, or other amount owing to the corporation;
 - (B) Any subsidy or deferred sales price made by the corporation in the acquisition, development, construction, and sale of the real property, and any other amount

- expended by the corporation not counted as cost under Section 201H-* but charged to the real property by good accounting practice as determined by the corporation whose books shall be prima facie evidence of the correctness of the costs;
- (C) Interest on the subsidy or deferred sales price, if applicable, and any other amount expended at the rate of seven per cent a year computed as to the subsidy or deferred sales price, if applicable, from the date of purchase, or execution of the agreement of sale, and as to any amount expended, from the date of expenditure; provided that the computed interest shall not extend beyond thirty years from the date of purchase, or execution of the agreement of sale, of the real property; and provided further that if any proposed sale or transfer will generate an amount sufficient to pay the corporation the sum as computed under this paragraph, the corporation shall have the first option to purchase the real property at a price which shall not exceed the sum as computed under paragraph (1) and (2); and
 - (D) The corporation's share of appreciation in the real property as determined under rules adopted pursuant to chapter 91 when applicable; and
- (5) Notwithstanding any provision above to the contrary, pursuant to rules adopted by the corporation, the subsidy or deferred sales price described in paragraph (4)(B) and any interest accrued pursuant to subsection (4)(C) may be paid, in part or in full, at any time.
- (b) For a period of ten years after the purchase, whether by lease, assignment of lease, deed, or agreement of sale, if the purchaser wishes to transfer title to the real property, and if the corporation does not exercise the option to purchase the real property as provided in subsection (a), then the corporation shall require the purchaser to sell the real property to a "qualified resident" as defined in section 201H-*, and upon the terms that preserve the intent of this section and sections 201H-* and 201H-*, and in accordance with rules adopted by the corporation.
 - (c) The corporation may waive the restrictions prescribed in subsection (a) or (b) if:
 - (1) The purchaser wishes to transfer title to the real property by devise or through the laws of descent to a family member who would otherwise qualify under rules established by the corporation; or
 - (2) The sale or transfer of the real property would be at a price and upon terms that preserve the intent of this section without the necessity of the State repurchasing the real property; provided that, in this case, the purchaser shall sell the unit or lot and sell or assign the property to a person who is a "qualified resident" as defined in Section 201H-*; and provided further that the purchaser shall pay to the corporation its share of appreciation in the unit as determined in rules adopted pursuant to chapter 91 when applicable.
 - (d) The corporation may release the restrictions prescribed in subsection (a) or (b) if the real property is financed under a federally subsidized mortgage program and the restrictions would jeopardize the federal government's ability to recapture any interest credit subsidies provided to the homeowner.
 - (e) The restrictions prescribed in this section and sections 201H-* to 201H-* shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder or other party becomes the owner of the real property pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced; or when a mortgage is assigned to a federal housing agency. Any law to the contrary notwithstanding, a mortgagee under a mortgage covering real property or leasehold interest encumbered by the first option to purchase in favor of the corporation, prior to commencing mortgage foreclosure proceedings, shall notify the corporation in writing of:
 - (1) Any default of the mortgagor under the mortgage within ninety days after the occurrence of the default, and
 - (2) Any intention of the mortgagee to foreclose the mortgage under chapter 667; provided that the mortgagee's failure to provide written notice to the corporation shall not affect

the holder's rights under the mortgage. The corporation shall be a party to any foreclosure action, and shall be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record; provided that the person in default shall be entitled to an amount which shall not exceed the sum of amounts determined pursuant to subsection (a)(1)(B) and (C).

- (f) The provisions of this section shall be incorporated in any deed, lease, agreement of sale, or any other instrument of conveyance issued by the corporation. In any sale by the corporation of real property for which a subsidy or deferred sales price was made by the corporation, the amount of the subsidy or deferred sales price described in subsection (a)(4)(B), a description of the cost items that constitute the subsidy or deferred sales price, and the conditions of the subsidy or deferred sales price shall be clearly stated at the beginning of the contract document issued by the corporation.
- (g) This section need not apply to market-priced units in an economically integrated housing project, except as otherwise determined by the developer of the units; provided that preference shall be given to qualified residents in the initial sale of market-priced units.
- (h) The corporation is authorized to waive any of the restrictions set forth in this section in order to comply with or conform to requirements set forth in federal laws or regulations governing mortgage insurance or guarantee programs or requirements set forth by federally chartered secondary mortgage market participants.

Section 201H-*, Hawaii Revised Statutes - Exception of current owners in corporation projects.

The corporation may allow a person who is a current owner of a multi-family dwelling unit in a project sponsored by the corporation to apply for the purchase of a larger dwelling unit in a project sponsored by the corporation if the applicant's current family size exceeds the permissible family size for the applicant's current dwelling unit, as determined by prevailing county building or housing codes. The applicant shall be required to sell the applicant's current dwelling unit back to the corporation. Notwithstanding any law to the contrary, any applicant, as it pertains to for-sale housing, shall be a "qualified resident" who:

- (1) Is a citizen of the United States or a resident alien;
- (2) Is at least eighteen years of age;
- (3) Is domiciled in the State and shall physically reside in the dwelling unit purchased under this chapter;
- (4) In the case of purchase of real property in fee simple or leasehold, has a gross income sufficient to qualify for the loan to finance the purchase; and
- (5) Except for the applicant's current residence, meets the following qualifications:
 - (A) Is a person who either oneself or together with the person's spouse or a household member, does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes, or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to the land; and
 - (B) Is a person whose spouse or a household member does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes, or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such land, except when husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to section 580-71.

Section 201H-*, Hawaii Revised Statutes - Real Property; restrictions on use.

- (a) Real property purchased under this chapter shall be occupied by the purchaser at all times during the ten-year restriction period set forth in section 201H-*, except in hardship circumstances where the inability to reside on the property arises out of unforeseeable job or military transfer, a temporary educational sabbatical, serious illness of the person, or in other hardship circumstances as determined by the corporation on a case-by-case basis.

The corporation may waive the owner-occupancy requirement for a total of not more than ten years after the purchase of the dwelling, during which time the dwelling unit may be rented or leased. Waivers may be granted only to qualified residents who have paid resident state income taxes during all years in which they occupied the dwelling, who continue to pay resident state income taxes during the waiver period, and whose inability to reside on the property does not stem from a natural disaster. The ten year owner-occupancy requirement shall be extended by one month for every month or fraction thereof that the owner-occupancy requirement is waived.

The corporation shall adopt rules under chapter 91 to implement the letter and spirit of this subsection and to prescribe necessary terms and conditions. The rules shall include:

- (1) Application and approval procedures for the waivers;
- (2) Exceptions authorized by this subsection;
- (3) The amounts of rents that may be charged by persons allowed to rent or lease a dwelling unit; and
- (4) Schedules of fees needed to cover administrative expenses and attorney's fees.

No qualified resident who fails to reoccupy a dwelling unit after any waiver period shall receive more than the maximum to which the person would be entitled under section 201H-*. Any person who disagrees with the corporation's determination under this section shall be entitled to a contested case proceeding under chapter 91.

- (b) From time to time the corporation may submit a verification of owner-occupancy form to the purchaser. Failure to respond to the verification in a timely manner or violation of subsection (a) shall be sufficient reason for the corporation, at its option, to purchase the unit as provided in subsection 201H-*(a)(1), (2), or (4), as applicable.
- (c) Any deed, lease, agreement of sale, or other instrument of conveyance issued by the corporation shall expressly contain the restrictions on use prescribed in this section.
- (d) The restrictions prescribed in subsection (a) shall terminate and shall not attach in subsequent transfers of title if the corporation releases the restrictions when the real property is financed under a federally subsidized mortgage program.
- (e) Subsections (a) to (c) need not apply to market-priced units in an economically integrated housing project, except as otherwise determined by the developer of the units; provided that preference shall be given to qualified residents in the initial sale of market-priced units.
- (f) The corporation shall be authorized to waive any of the restrictions set forth in this section in order to comply with or conform to requirements set forth in federal laws or regulations governing mortgage insurance or guarantee programs or requirements set forth by federally chartered secondary mortgage market participants.

Section 201H-*, Hawaii Revised Statutes - Restrictions on use, sale, and transfer of real property; effect of amendment or repeal.

- (a) Restrictions on the use, sale, and transfer of real property shall be made as uniform as possible in application to purchasers of all real property, and restrictions shall be conformed with agreement of the purchaser to reflect change or repeal made by any subsequent legislative act, ordinance, rule, or regulation. Purchasers shall be permitted at their election to sell or transfer real property subject to restrictions in effect at the time of their sale or transfer.
- (b) The corporation, any department of the State, or any county housing agency maintaining restrictions, through contract, deed, other instrument, or by rule, shall notify purchasers of any substantial change in restrictions made by law, ordinance, rule, or regulation not more than one hundred eighty days after a change in restrictions, and the notice shall clearly state the enacted or proposed new provisions, the date or dates upon which they are to be effective, and offer to each purchaser of real property constructed and sold prior to the effective date an opportunity to modify the existing contract or other instrument to incorporate the most recent provisions. The public notice shall be given at least three times, in a newspaper of general circulation, in the State for state agencies and at least three times in a county newspaper for county agencies.

- (c) For all purchasers of real property prior to June 25, 1990, where the restrictions on use and transfer of property apply for a period of time, the period of time shall not be increased beyond the date calculated from the date of original purchase.
- (d) No purchaser shall be entitled to modify the restrictions on use, transfer, or sale of the real property, without the written permission of the holder of a duly-recorded first mortgage on the dwelling unit and the owner of the fee simple or leasehold interest in the land underlying the unit, unless the holder of the first mortgage or the owner is an agency of the State or its political subdivisions.
- (e) This section shall apply to all real property developed, constructed, and sold pursuant to this chapter and similar programs in the State or its political subdivisions and which are sold on the condition that the purchaser accepts restrictions on the use, sale, or transfer of interest in the real property purchased.
- (f) The provisions of this section shall be incorporated in any deed, lease, instrument, rule, or regulation relating to restrictions on use, sale, or transfer of dwelling units, entered into after June 20, 1977.
- (g) The restrictions of this section shall terminate as to a particular real property and shall not attach in subsequent transfers of title of that real property if the corporation releases the restrictions when the real property is financed under a federally subsidized mortgage program.

Section 201H-*, Hawaii Revised Statutes - Corporation's right to repurchase or rent real property; authority to seek recovery.

- (a) Notwithstanding any provisions to the contrary, during the period in which the restrictions in section 201H-* are in effect, the following provisions shall apply when dwelling units developed, constructed, financed, purchased, or sold pursuant to Act 105, Session Laws of Hawaii 1970, as amended, are found to have a substantial construction defect, or when vacant lands developed, financed, purchased, or sold pursuant to Act 105, Session Laws of Hawaii 1970, as amended, are found to have a substantial soil defect:
 - (1) The corporation shall have the right, but not the obligation, to repurchase a dwelling unit or land which has a defect, regardless of whether or not the owner wishes to sell; provided that such repurchases shall be in accordance with the following provisions:
 - (A) The corporation may repurchase a dwelling unit or land if:
 - (i) The dwelling unit or land is deemed unsafe by the county building department;
 - (ii) The defects are irreparable; or
 - (iii) In the opinion of the corporation, the defect is of such magnitude that it will take longer than a year to repair.
 - (B) The corporation's purchase price shall be based on the formula set forth in Section 201H-*(a)(1);
 - (C) After repairs to the unit or land are completed, the former owner shall have the first right of refusal to repurchase the real property;
 - (D) The corporation shall give preference in all other projects of the corporation to all owners whose real property is repurchased by the corporation under this subsection, and the corporation may waive certain eligibility requirements for these owners; and
 - (E) If the corporation exercises its right to purchase defective real property against an owner's wishes pursuant to this paragraph, the corporation shall provide relocation assistance to that owner as provided in chapter 111;
 - (2) If the corporation does not opt to purchase defective real property, the corporation shall also have the right, but not the obligation, to enter into a contract to repair a dwelling unit which has a construction defect or land which has a soil defect. During the period that the real property is being repaired, the corporation shall rent that real property from the owner for an amount not to exceed the owner's present mortgage payments; and

- (3) If the corporation does not execute either a contract to repurchase the real property or an agreement to repair and rent the real property within ninety days after written notice is given to the corporation of a construction defect, the owner may pursue any other available legal remedies.

For the purposes of this subsection, "substantial construction defect" includes but is not necessarily limited to: structural defects such as shifting foundations and bearing walls; structural deficiencies due to the use of defective or undersized materials; and defects affecting the health and safety of occupants; and "substantial soil defect" means shifting, sliding, or sinking ground of such degree as to affect the dwelling unit on the land or the health and safety of the occupants of the land.

- (b) If moneys are expended by the corporation pursuant to subsections (a)(1) and (2), the corporation shall have the authority to take necessary legal action against the developer, co-developer, general contractor, and their subcontractors, consultants, and other parties notwithstanding any provisions to the contrary in chapter 657.
- (c) If real property developed, constructed, financed, purchased, or sold pursuant to Act 105, Session Laws of Hawaii 1970, as amended, is found to have a substantial construction or soil defect, the corporation shall have the right, but not the obligation, to file or cause to be filed a legal action on behalf of or by, the owner or lessee of the real property for the recovery of damages or for injunctive relief against the developer, co-developer, general contractor, and their subcontractors, consultants, and other parties notwithstanding any provisions to the contrary in chapter 657. Additionally, notwithstanding any provision of rule 23 of the Hawaii rules of civil procedure, the corporation may file or cause to be filed a legal action brought under this subsection as a class action on behalf of or by at least two owners or lessees of real property that have similar substantial construction or soil defects.
- (d) Nothing in this chapter shall be construed so as to diminish the rights or remedies of the corporation otherwise provided under common law, by statute or by contract.
- (e) The corporation shall adopt rules pursuant to chapter 91 necessary for the purposes of this section.
- (f) This section shall not apply to a particular real property and shall not apply after subsequent transfers of title of that real property if the corporation releases the restrictions when the real property is financed under a federally subsidized mortgage program.
- (g) If any subsection, sentence, clause, or phrase of this section, or its application to any person or transaction or other circumstances, is for any reason held to be unconstitutional or invalid, the remaining subsections, sentences, clauses, and phrases of this section, or the application of this section to other persons or transactions or circumstances, shall not be affected. The legislature hereby declares that it would have passed this section and each subsection, clause, or phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, or phrases of this section, or its application to any person or transaction or other circumstance, be declared unconstitutional or invalid.

EXHIBIT E

Model No. _____

Apt. No. _____

THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION'S
SHARED-APPRECIATION PROGRAM

PLEASE READ THIS DOCUMENT CAREFULLY

The apartment ("Home") which you are purchasing is part of a residential condominium project ("Project") which is being developed by PLANTATION TOWN APARTMENTS LLC with assistance from the HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION ("HHFDC"). The HHFDC provided such assistance to Developer to further the interest of the State of Hawaii by providing affordable housing opportunities to its people.

For the opportunity which HHFDC has created to enable you to purchase the Home for less than its current fair market value, you are agreeing to pay to HHFDC a share of the net appreciation which you realize or are deemed to have realized if and when you sell or transfer the Home.

SUMMARY OF THE SHARED APPRECIATION PROGRAM

This is a summary of HHFDC's Shared Appreciation Program ("Program"). You should read this entire document carefully. The terms which are in quotations (" ") are defined below.

When you purchase the Home, the deed will contain your agreement to pay HHFDC a share of any "Net Appreciation" which you realize or are deemed to have realized if and when you sell or transfer the Home.

This document describes what constitutes a sale or transfer of the Home and how the "Net Appreciation" will be determined.

Based on "Your Original Purchase Price" and the "Original Fair Market Value" for the Home, you will be entitled to _____% of the Net Appreciation, and HHFDC will be entitled to _____% of the Net Appreciation if you should later sell or transfer the Home.

This means, as an example only, that if you should later sell or transfer the Home and realize or are then deemed to have realized a Net Appreciation of \$ _____, HHFDC's share of the "Net Appreciation" will be _____% of that amount or approximately \$ _____.

1. MEANING OF WORDS

A. "Original Fair Market Value" means the amount of \$ _____, which represents the fair market value of the Home (as built but without any additional or upgraded improvements that you may have ordered) as determined by

() a Federal Housing Administration ("FHA") appraisal

() an appraisal obtained by HHFDC.

- B. "Your Original Purchase Price" means the amount of \$ _____, which represents the basic purchase price for which you are purchasing the Home from Developer but which does not include the cost or value of any additional or upgraded improvements that you may have ordered.

If the Original Fair Market Value is based on the appraisal obtained by HHFDC and is higher than the FHA appraisal (if a FHA appraisal is also obtained), you will have the right and option to either (i) complete the purchase of the Home regardless of the difference in the appraisals or (ii) not to complete the purchase of the Home for that reason, any earnest money deposit which you have paid will be returned to you less any actual expenses for which you are responsible to pay and you will not incur any cancellation penalty.

- C. "HHFDC's Percentage Share" means _____%, which represents the percentage that results from the following calculation:

Original Fair Market Value minus Your Original Purchase Price

divided by

Original Fair Market Value

rounded to the nearest one percent.

- D. "Your Percentage Share" means _____% which represents the difference between 100% minus HHFDC's Percentage Share.

FOR FHA GRADUATED MORTGAGE ONLY: If the home was financed with a FHA graduated payment mortgage, any recovery of any accrued negative amortization shall be first collected from the sale of the home, including your share of the net appreciation, and if not fully paid from your proceeds, then any balance due for the negative amortization may be collected from the State's share of the net appreciation.

- E. "Fair Market Value" means the fair market value of the Home as determined by an appraisal obtained and performed in the manner described below in Section 3, if and when you subsequently sell or transfer the Home.

- F. "Net Appreciation" means the result of the following calculation:

minus Fair Market Value of the Home
Your Original Purchase Price

2. HHFDC'S SHARE OF THE NET APPRECIATION DUE ON SALE OR TRANSFER OF THE HOME

Except for a "Permitted Transfer", as that term is defined below, you agree that if and when all or any part of or interest in the Home is sold or transferred or if you shall be divested of title or any interest in the Home, in any manner, voluntarily or involuntarily, including a judicial or nonjudicial foreclosure sale, HHFDC will immediately be entitled to be paid a share of the Net Appreciation equal to:

HHFDC's Percentage Share X the Net Appreciation

You agree to give HHFDC written notice as soon as you have reached an agreement or understanding for the sale or transfer of the Home together with the specific terms of such sale or transfer. You shall pay HHFDC's Percentage Share of the Net Appreciation on the effective date of such sale or transfer. If HHFDC's share of the Net Appreciation is not paid when due, interest on HHFDC's share of the Net Appreciation will accrue at the simple annual rate of 12% until paid. In addition, HHFDC will be entitled to be paid reasonable attorneys' fees and costs to enforce its rights hereunder. The obligation to pay HHFDC's share of the Net Appreciation will survive any Permitted Transfer with respect to you and to any person or entity who acquires any interest in the Home as a result of Permitted Transfer.

A sale or transfer of the Home will be deemed to have taken place upon the occurrence of any one of the following events:

- (a) When you sell or transfer the Home or any legal or beneficial right, title or ownership interest in the Home, including by way of an agreement of sale or a lease with an option to purchase the Home;
- (b) When you no longer use the Home as your principal residence, but continue to retain legal and/or equitable title to the Home; or
- (c) When you rent the Home or any part of the Home to someone else, but continue to retain legal and/or equitable title to the Home.

HHFDC may, but is not required to, extend the time by when HHFDC's Share of the Net Appreciation will become due and payable for a period not exceeding one year if the Home is covered by a First Mortgage (as that term is defined below in Section 7, which is insured or held by FHA.

HHFDC may extend the time when HHFDC's Share of Net Appreciation will become due and payable for a period not exceeding a total of ten years if the transfer is temporary and occurs:

- (i) When you no longer use the Home as your principal residence, but continue to retain legal and/or equitable title to the Home; or

- (ii) When you rent the Home or any part of the Home to someone else, but continue to retain legal and/or equitable title to the Home; and

HHFDC determines, in HHFDC's sole discretion, that the temporary transfer is necessary because of adverse circumstances involving you, such as, an unforeseen job or military transfer, a temporary educational sabbatical, a serious illness or other hardship circumstances as determined by the HHFDC. The extension may be provided if you are a qualified resident who pays resident state income taxes during the period you own the Home and will continue to pay resident state income taxes during the temporary extension period. You must notify and obtain HHFDC's consent prior to the temporary transfer. If you fail to reoccupy the Home as your principal residence at the end of the extension period, HHFDC's Share of Net Appreciation will be immediately due and payable.

The following transfers ("Permitted Transfers") will not result in HHFDC's share of the Net Appreciation becoming due and payable. However, you must still notify HHFDC and obtain HHFDC's consent prior to a Permitted Transfer.

- (a) The creation of a lien or other encumbrance which does not relate to a transfer of rights of occupancy in the Home provided that the total amount of all liens and other encumbrance which are secured by the Home must not exceed 80% of the sum of (i) Your Original Purchase Price plus (ii) Your Original Percentage Share of the Net Appreciation, as determined by an appraisal obtained by HHFDC at your cost and expense. For example, based on the amounts shown in the hypothetical example on page 6 below as Your Original Purchase Price and Your Percentage Share of the Net Appreciation, the total amount of all liens and other encumbrances, including the first mortgage loan cannot exceed \$262,400.00 (which is 80% of the sum of the hypothetical amounts shown as Your Original Purchase Price and Your Percentage Share of the Net Appreciation).
- (b) A transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety;
- (c) A transfer to a relative resulting from your death;
- (d) A transfer where your spouse or children become an owner of the Home;
- (e) A transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which your spouse becomes an owner of the Home; and
- (f) A transfer into an inter vivos trust in which you are and remain the primary beneficiary and which does not relate to a transfer of rights of occupancy in the Home. This means that you must

continue to use the Home as your principal residence after the transfer.

However, if the first mortgage is guaranteed or held by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC"), (i) the foregoing Permitted Transfers may result in your being required to make immediate payment in full of all sums secured by such a first mortgage unless prohibited by federal laws; and (ii) with respect to a transfer described above in (c), (d) and (e), the mortgage may require the transferee to occupy the Home as the transferee's principal residence as a condition for not exercising any right to require you to make immediate payment in full of all sums secured by such a first mortgage.

3. DETERMINATION OF FAIR MARKET VALUE BY APPRAISAL

Whenever it shall become necessary to determine the Net Appreciation, HHFDC will select an appraiser who has any of the qualifications set forth below and who shall prepare a written appraisal of the Fair Market Value of the Home within 45 calendar days after you have given HHFDC written notice that you will be selling or transferring the Home together with the terms of such sale or transfer. The appraisal shall be based on the original floor plan and improvements and lot size when you buy the Home together with the terms of such sale or transfer. The appraisal shall be based on the original floor plan and improvements and lot size when you buy the Home. The appraisal shall not include the value of any improvements which you may have added to the Home after the date of the Deed. Items of repair and maintenance shall not be considered to be improvements. You will pay the cost of HHFDC's appraisal.

HHFDC will send to you by first class mail a copy of the written appraisal no later than 10 business days after the appraisal has been completed together with a notice informing you that you may procure an independent appraisal within 45 calendar days if you dispute HHFDC's appraisal.

If you do not dispute HHFDC's appraisal, that appraisal will be used to determine the Fair Market Value of the Home. If you dispute HHFDC's appraisal, you may at your own expense procure an appraisal by an independent appraiser who has any of the qualifications set forth below. You must send a copy of your appraisal to HHFDC within the earlier of (i) 10 business days after it has been completed or (ii) 45 calendar days after you have received HHFDC's appraisal. If your appraisal is lower than HHFDC's appraisal, the Fair Market Value of the Home will be taken to be one-half the sum of the two appraisals. If your appraisal is not lower, HHFDC's appraisal will govern.

All appraisals will be made only by an appraiser having one or more of the following qualifications: (i) State of Hawaii licensed appraiser, or (ii) State of Hawaii certified appraiser.

4. CANCELLATION OF HHFDC'S RIGHT TO A SHARE OF THE NET APPRECIATION

Subject to the provisions of Section 7 below, HHFDC's right to be paid a share of the Net Appreciation will continue in full force and effect and will constitute a lien on the Home until one or both of the following events have occurred:

- (i) You have sold or transferred the Home; and
- (ii) HHFDC has been fully paid its share of the Net Appreciation and any other amounts which you are obligated to pay to HHFDC.

Thereafter, HHFDC will sign and cause to be recorded a document which need only be signed by HHFDC and which acknowledges that your obligation to pay HHFDC a share of the Net Appreciation has been fully satisfied.

5. SALE OR TRANSFER OF THE HOME TO HHFDC PURSUANT TO THE HAWAII REVISED STATUTES, SECTION 201H*

The provisions of the Program will not apply if HHFDC exercises, pursuant to Hawaii Revised Statutes Section 201H-*, HHFDC's first option to purchase the Home during the restriction period after you have purchased the Home. HHFDC's first option is described in Section I of Exhibit "B".

If you elect to pay all or any part of HHFDC's share of Net Appreciation in advance without having to sell or transfer the Home and HHFDC exercises its option to purchase the Home, all funds received by HHFDC will be reimbursed to you with no interest.

6. PAYMENT OF HHFDC'S PERCENTAGE SHARE OF NET APPRECIATION IN ADVANCE

You may elect to pay all or any part of HHFDC's share of the Net Appreciation at any time and in advance without having to sell or transfer the Home. If you pay only a part of HHFDC's share of the Net Appreciation in advance, Your Original Purchase Price will be increased after the payment has been made for the purpose of making any later calculation to determine the balance of HHFDC's share of the Net Appreciation. Your original Purchase Price, as increased, will be referred to as "Your Adjusted Purchase Price", which will be equal to the sum of:

plus Your Original Purchase Price
plus Partial Payment Amount divided by HHFDC's Percentage Share
plus Any prior increase(s) to Your Original Purchase Price

Your Adjusted Purchase Price will be substituted for the "Your Original Purchase Price" for any subsequent calculation of the Net Appreciation Under Section 1, F above.

7. FIRST MORTGAGEE PROTECTION

The foregoing provisions shall not apply with respect to:

- (a) The first purchase money mortgage ("First Mortgage"), if any, which is being placed on the Home to enable you to finance the purchase of the Home.
- (b) The first purchase money mortgagee ("First Mortgagee") named in the First Mortgage, including the first purchase money mortgagee's successors and assigns.
- (c) The rights of the First Mortgagee to foreclose or take title pursuant to the remedies in the First Mortgage, to accept a deed in lieu of foreclosure in the event of your default, as mortgagor under the First Mortgage, or to sell or lease the Home acquired by the First Mortgagee.
- (d) Any person or persons acquiring the Home as a result of foreclosure or by a deed in lieu of foreclosure of the First Mortgage or any successor, transferee, or assignee of such person or persons.

You must provide notice to HHFDC of the First Mortgage and to cause the holder of the First Mortgage to provide written notice to HHFDC of any default under the First Mortgage. However, if the First Mortgage is (i) insured or held by FHA or (ii) guaranteed or held by FNMA or FHLMC, your failure to cause the holder of the First Mortgage to provide written notice to HHFDC of any default under the First Mortgage or any failure of the holder of the First Mortgage to provide such written notice shall not affect such holder's rights under this paragraph 7.

HHFDC will subordinate any lien or contingent lien rights that HHFDC may have under the program to the lien of the First Mortgage. Any holder of the First Mortgage or any person who acquires legal title to the home as a result of a foreclosure or a deed in lieu of foreclosure of the First Mortgage shall acquire legal title free of such lien or contingent lien rights that HHFDC may have under the program. The provisions of the program shall be null and void upon a conveyance of the Home through a foreclosure sale or a deed in lieu of foreclosure.

8. TAX CONSEQUENCES

The program may have income tax or estate planning consequences depending upon your personal financial and tax situation. For further information, you should consult with your own accountant, attorney, or other financial adviser and discuss any tax consequences which might affect you.

9. HYPOTHETICAL EXAMPLE AND WORKSHEET

A. Hypothetical Example: The following is a hypothetical example of how the Program works. The amounts for the following (i) Original Fair Market, (ii) Your Original Purchase Price, and (iii) Fair Market Value are only assumptions. The example assumes that the price for which you sell the Home is equal to the Fair Market Value of the Home.

| | | | | |
|--|--|--|--|-----------|
| (1) | Original Fair Market Value | | | \$300,000 |
| (2) | Your Original Purchase Price | | | 240,000 |
| (3) | HHFDC's Percentage Share | | | 20% |
| | | $\frac{\$300,000 - \$240,000}{\$300,000} = \frac{\$60,000}{\$300,000}$ | | |
| | | (Original Fair Market Value) [A. (1)] (Your Original Purchase Price) [A. (2)] (Equity) | (Original Fair Market Value) [A. (1)] | |
| (4) | Your Percentage Share | | | 80% |
| | | $100\% - 20\%$ | | |
| | | [A. (3)] | | |
| (5) | Fair Market Value (at subsequent sale or transfer) | | | 350,000 |
| (6) | Net Appreciation | | | 110,000 |
| | | Fair Market Value of the Home [A. (5)] \$350,000 - Your Original Purchase Price [A. (2)] -240,000 | | |
| (7) | HHFDC's Share of the Net Appreciation | | | 22,000 |
| | | $20\% \times \$110,000$ | | |
| | | [A. (3)] [A. (6)] | | |
| (8) | Your Share of the Net Appreciation | | | 88,000 |
| | | $80\% \times \$110,000$ | | |
| | | [A. (4)] [A. (6)] | | |
| If you made a partial payment of \$10,000 toward HHFDC's share of the Net Appreciation in advance. | | | | |
| (9) | Your Adjusted Purchase Price would be | | | 290,000 |
| | | Your Original Purchase Price [A. (2)] \$240,000 + \$25,000 divided by 36% [A. (3)] 50,000 | | |
| (10) | Net Appreciation (if you later sell) | | | 60,000 |
| | | Fair Market Value of the Home [A. (5)] \$350,000 - Your Adjusted Purchase Price [A. (9)] 290,000 | | |
| (11) | HHFDC's Share of the Net Appreciation | | | 12,000 |
| | | $20\% \times \$60,000$ | | |
| | | [A. (3)] [A. (10)] | | |

B. Worksheet:

You can use the following worksheet to see how the Shared Appreciation Program works. To do so, you must estimate the amounts for the following items: (i) Original Fair Market, (ii) Your Original Purchase Price, and (iii) Fair Market Value. Assume that the price for which you sell the Home is equal to the Fair Market Value of the Home.

(1) Original Fair Market Value \$ _____

(2) Your Original Purchase Price \$ _____

(3) HHFDC's Percentage Share _____%

$$\frac{\$ \text{_____} - \$ \text{_____}}{\text{(Original Fair Market Value) [B. (1)]} - \text{(Your Original Purchase Price) [B. (2)]}} = \$ \text{_____} \text{ divided by } \$ \text{_____}$$
(Original Fair Market Value) [B. (1)]

(4) Your Percentage Share $100\% - \frac{\text{_____}}{\text{[B. (3)]}}\%$ _____%

(5) Fair Market Value \$ 400,000.00

(6) Net Appreciation \$ _____

$$\begin{array}{r} \text{Fair Market Value of the Home [B. (5)] } \$400,000.00 \\ - \text{Your Original Purchase Price [B. (2)] } (\text{_____}) \\ \hline \end{array}$$

(7) HHFDC's Share of the Net Appreciation \$ _____

$$\frac{\text{_____}\% \text{ [B. (3)]}}{\text{HHFDC's Percentage Share [B. (3)]}} \times \$ \text{_____} \text{ [B. (6)]}$$

(8) Your Share of the Net Appreciation \$ _____

$$\frac{\text{_____}\% \text{ [B. (4)]}}{\text{Your Percentage Share [B. (4)]}} \times \$ \text{_____} \text{ [B. (6)]}$$

If you made a partial prepayment of \$ _____ toward HHFDC's share of the Net Appreciation in advance:

(9) Your Adjusted Purchase Price would be \$ _____

$$+ \frac{\text{Your Original Purchase Price [B.(2)] } \$ \text{_____}}{\text{_____}\% \text{ [B.(3)]}} \text{ divided by } \text{_____}\%$$

(10) Net Appreciation (if you later sell) \$ _____

$$\begin{array}{r} \text{Fair Market Value of the Home [B. (5)] } \$400,000 \\ - \text{Your Adjusted Purchase Price [B. (9)] } (\text{_____}) \\ \hline \end{array}$$

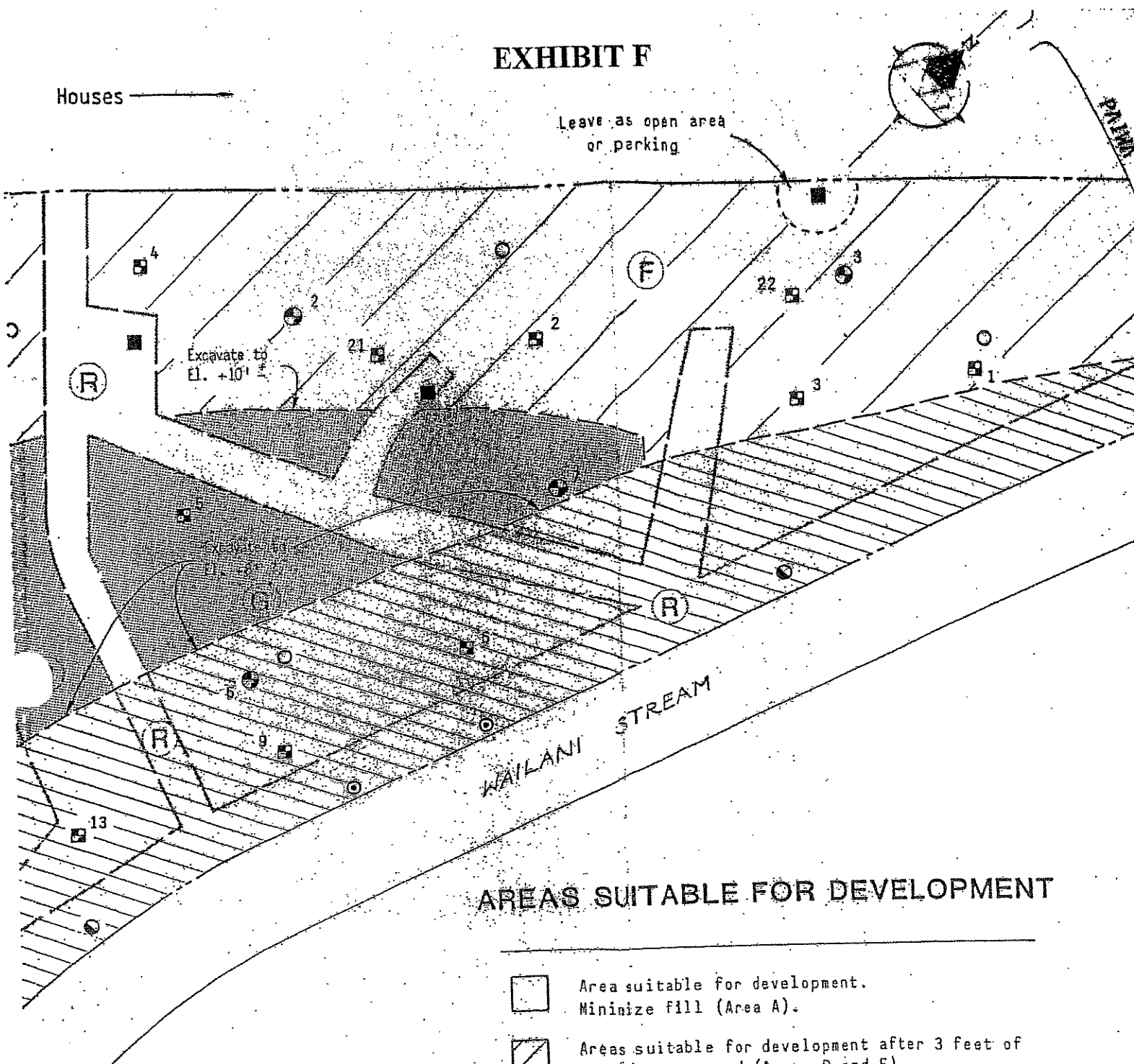
(11) HHFDC's Share of the Net Appreciation \$ _____

$$\frac{\text{_____}\% \text{ [B. (3)]}}{\text{[B. (3)]}} \times \$ \text{_____} \text{ [B. (10)]}$$

EXHIBIT F

Houses →

Leave as open area
or parking



AREAS SUITABLE FOR DEVELOPMENT

Legend:

- Capped Spring
- △ Spring
- ⊕ Dames & Moore Boring (Feb. 1990)
- ⊞ Dames & Moore Test Pit (Feb. 1990)
- ⊙ Dames & Moore Boring (March 1988)
- ⊗ Dames & Moore Boring (Jan. 1979)
- ⊕ Dames & Moore Boring (March 1974)
- Dames & Moore Boring (May 1966)

- Area suitable for development. Minimize fill (Area A).
- ▨ Areas suitable for development after 3 feet of surcharge removed (Areas D and F).
- ▩ Area suitable for development after 3 to 4 feet of surcharge removed (Portion of Areas G and F).
- ▧ Area not to be developed at this time
- (R) No buildings or fills in this area. Reserve for roadways or open areas.



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

**The original of this document was
recorded as follows:**

DOCUMENT Doc 3464555
CTN 172,557 & 172,558
AUG 08, 2006 08:02 AM

DATE _____ **TIME** _____

AFTER RECORDATION () MAIL TO (x) PICKUP BY:
Chun, Kerr, Dodd, Beaman & Wong (KSM)
745 Fort Street, Suite 900
Honolulu, HI 96813
Tel: 808-528-8200

Total No. of Pages: _____

Tax Map Key No.: (1) 9-4-017-por. 058

**BYLAWS OF THE ASSOCIATION OF
UNIT OWNERS OF
PLANTATION TOWN APARTMENTS**

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, PLANTATION TOWN APARTMENTS LLC, a Hawaii limited liability company, whose principal place of business and post office address is 1133 Waimanu Street, #2800, Honolulu, Hawaii 96814 (hereinafter referred to as "Developer"), is the developer of (a) that certain parcel of land known as Lot 65-B-3, containing an area of approximately 0.659 acre, described in Transfer Certificate of Title ("TCT") No. 172,557 ("Lot 65-B-3"), and (b) that certain parcel of land known as Lot 219-B-1-A-6, containing an area of approximately 6.751 acres, described in TCT No. 172,558 ("Lot 219-B-1-A-6"), both of which are collectively identified as Tax Map Key (1) 9-4-017-por. 058 as more particularly described in Exhibit A attached to the Declaration of Condominium Property Regime of Plantation Town Apartments of even date herewith ("the Declaration"), and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii concurrently herewith (the "Land Court"), made pursuant to the terms and conditions of that certain unrecorded Development Agreement dated June 27, 2006 (the "Development Agreement"), by and between Developer and the Housing and Community Development Corporation of Hawaii, predecessor to the HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION (pursuant to Act 196, 2005 Session Laws of Hawaii and Act 180, 2006 Session Laws of Hawaii), a public body and body corporate and politic of the State of

Hawaii, whose principal place of business and post office address is 677 Queen Street, Suite 300, Honolulu, Hawaii 96813 (hereinafter referred to as "HHFDC");

WHEREAS, HHFDC is the fee simple owner of the Land and desires to submit the Land and the improvements to be constructed thereon to a condominium property regime (hereinafter collectively referred to as "the Property") by filing the Declaration and these Bylaws, all as provided for by the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes ("HRS"), as amended ("the Act");

NOW, THEREFORE, Developer hereby declares that all of the Land is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the following Bylaws, all of which are declared to be in furtherance of the plan set forth in the Declaration, and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of such Property (hereinafter referred to as "the Project"). These Bylaws shall constitute covenants running with the Land and units established thereon and shall be binding upon all parties having or acquiring any right, title or interest therein.

ARTICLE I ASSOCIATION OF UNIT OWNERS

Section 1. Membership. All owners of units of the Project shall constitute the association of unit owners herein called the "Association." The owner of any unit, upon acquiring title thereto, shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such unit ceases for any reason, at which time his membership in the Association shall automatically cease. The purchaser of a unit pursuant to an agreement of sale recorded in the Land Court shall have all the rights of a unit owner, including the right to vote, provided that Developer may retain the right to vote on matters substantially affecting Developer's security interest in the unit.

Section 2. Place of Meetings. Meetings of the Association shall be held at the Project or such other suitable place within the State convenient to the unit owners as may be designated by the Board of Directors of the Association ("the Board"), provided that in the event of a natural disaster, such as a hurricane, the Association may hold its meeting outside the State of Hawaii.

Section 3. Association Meetings.

a. First Meeting. Developer or the Managing Agent shall call the first meeting of the Association no later than one hundred eighty (180) days after recordation of the first unit conveyance, provided that forty percent (40%) or more of the units in the Project have been sold and recorded. If forty percent (40%) of the Project is not sold and recorded at the end of one year from the date the first conveyance is recorded, an annual meeting shall be called as soon as practicable upon the request in writing of at least ten percent (10%) of the unit owners. The term "sold and recorded" means the sale of a unit and the recording of the unit deed.

b. Annual Meetings. Annual meetings of the Association shall be held within ninety (90) days following the close of the fiscal year of the Association, on such date as the president of the Association (herein "the President") may designate. If the President shall fail to designate such date by the forty-fifth (45th) day following the close of the fiscal year, then the annual meeting shall be held on the third (3rd) Tuesday in the third (3rd) calendar month following the close of the fiscal year. Each annual meeting shall be a general meeting, and any business within the powers of the Association, without special notice of such business, may be transacted except as limited by law, the Declaration or these Bylaws. The Board (by resolution) or a majority of all of the unit owners (by petition) may establish meetings in addition to annual meetings at semi-annual, quarter-annual or other regular intervals.

Section 4. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President or a petition signed by at least twenty-five percent (25%) of the unit owners as shown in the Association's record of ownership, and presented to the Secretary or the Managing Agent, provided, however, that if the Secretary or Managing Agent fails to send out the notices for the special meeting within fourteen (14) days of receipt of the petition, the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices and proxies for the special meeting in accordance with the requirements of Sections 5 and 8 below.

Section 5. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special meeting to members of the Association, according to the Association's record of ownership, at least fourteen (14) days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, date and time of such meeting, the items on the agenda for such meeting, in any of the following ways: (a) hand delivery, or (b) by mailing it postage prepaid, by U.S. mail addressed to the mailing address of each unit or to any other mailing address designated in writing by the unit owner, or (c) at the option of the unit owner, expressed in writing, by electronic mail to the electronic mailing address designated in writing by the unit owner. [Each such notice shall also contain a standard proxy form authorized by the Association, if any, which shall be valid only for the meeting to which the notice pertains and its adjournment and may designate any person as proxy and may be limited as the unit owner desires and indicates. If notice is given pursuant to the provisions of this section, the failure of any unit owner to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of any unit owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Quorum. The presence at any meeting in person or by proxy of a majority of unit owners shall constitute a quorum, and the acts of a majority of the unit owners present at any meeting at which a quorum is present shall be the acts of the Association to adopt decisions binding on all unit owners except as otherwise provided herein. The term "majority of unit owners" herein means the owners of units to which are appurtenant more than fifty percent

(50%) of the common interest as established by the Declaration, and any other specified percentage of the unit owners means the owners of units to which are appurtenant such percentage of the common interest.

Section 7. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each unit is entitled shall be the percentage of the common interests assigned to such unit in the Declaration. Votes may be cast in person or by proxy by the respective unit owners as shown in the record of ownership of the Association and shall be by secret ballot. If only one of several owners of a unit is present at a meeting of the Association, that owner is entitled to cast all the votes allocated to that unit. If more than one of the owners is present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is a majority agreement if any one of the owners casts the votes allocated to that unit without protest being made by any of the other owners of the unit to the person presiding over the meeting before the polls are closed.

Section 8. Proxies.

a. Votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. A unit owner may vote by mail or electronic transmission through a duly executed proxy. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. In the absence of protest, any owner may cast the votes allocated to the unit by proxy. A unit owner may revoke a proxy given pursuant to Section 514B-123(b) only by actual notice of revocation to the Secretary or the Managing Agent. A proxy is void if it purports to be revocable without notice.

b. A proxy, to be valid, shall (i) be delivered to the Secretary of the Association or the Managing Agent, if any, no later than 4:30 p.m. on the second (2nd) business day prior to the date of the meeting to which it pertains; (ii) contain at least the name of the Association, the date of the meeting of the Association, the printed names and signatures of the persons giving the proxy, the unit numbers for which the proxy is given, the names of persons to whom the proxy is given, and the date that the proxy is given; and (iii) if it is a standard proxy form authorized by the Association, contain boxes wherein the owner has indicated that the proxy is given: (A) for quorum purposes only; (B) to the individual whose name is printed on a line next to this box; (C) to the Board as a whole and that the vote be made on the basis of the preference of the majority of the directors present at the meeting; or (D) to those directors present at the meeting with the vote to be shared with each director receiving an equal percentage.

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

c. A copy, facsimile communication, or other reliable reproduction of

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

d. Nothing in this section shall affect the holder of any proxy under a first mortgage of record encumbering a unit or under an agreement of sale affecting a unit.

e. No resident manager or Managing Agent, or their employees, shall solicit for use by such manager or Managing Agent any proxies from any unit owner of the Association which employs such resident manager or Managing Agent, nor shall the resident manager or Managing Agent cast any proxy vote at any Association meeting except for the purpose of establishing a quorum.

f. The Board or member of the Board may use Association funds to solicit proxies as part of the distribution of proxies as set forth in Section 514B-123(h)(1) of the Act. If a member of the Board, as an individual, seeks to solicit proxies using Association funds, the Board member shall proceed as a unit owner under Section 514B-123(h)(1) of the Act.

g. If the Board intends to use Association funds to distribute proxies, including any standard proxy form authorized by the Association, it shall first post notice of its intent to distribute proxies in prominent locations within the Project at least twenty-one (21) days prior to its distribution of proxies; provided that if the Board receives within seven (7) days of the posted notice a request by any unit owner for use of Association funds to solicit proxies accompanied by a statement, the Board shall mail to all unit owners, either:

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

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

The statement, which shall be limited to black text on white paper, shall not exceed one single sided 8½" x 11" page, indicating the unit owner's qualifications to serve on the Board and reasons for wanting to receive proxies.

Section 9. Order of Business. The order of business at all meetings of the Association shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting.
- c. Reading of minutes of preceding meeting.
- d. Report of officers.

- e. Report of committees.
- f. Election of directors.
- g. Unfinished business.
- h. New business.

Section 10. Conduct of Meetings. All meetings of the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order Newly Revised.

Section 11. Adjournment. Any meeting of the Association may be adjourned to a time not less than forty-eight (48) hours from the time the original meeting was called, to such place and time as may be determined by majority vote of the owners present at the meeting, either in person or by proxy, and whether or not a quorum is present, without notice other than the announcement at such meeting. At any such meeting at which a quorum is present, any business may be transacted that might have been transacted by a quorum at the meeting as originally called.

Section 12. Action Without a Meeting. Any action required by law, the Declaration or these Bylaws which may be taken at a meeting of the Association, may be taken without a meeting if an instrument setting forth the action to be taken shall be signed by such percentage of the unit owners as would be sufficient to bind the Association if the action had been put to a vote at a duly called meeting of the Association, and such instrument shall have the same force and effect as a vote of the Association approving such action.

Section 13. Rights of Developer. Notwithstanding anything to the contrary provided herein, Developer shall be entitled to vote and/or act on all matters as the Association and the Board until the first meeting of the Association.

Section 14. Powers of the Association. The Association shall have all of the powers with respect to the operation and regulation of the Project conferred upon the Association by, or which may be conferred upon the association of unit owners of a condominium project pursuant to the provisions of the Act, including without limiting the generality of the foregoing:

- a. The election of a Board of Directors.
- b. The management, maintenance, acquisition, construction and care of the Association property. As used herein, the term "Association property" includes the common elements of the Project held by the Association, including the Pond as described in the Declaration, property commonly held by its members, property within the Project privately held by its members but which may be subject to a common maintenance assessment by the Association for such purposes as insurance, and property owned by any governmental agency or private or public utility and used for the benefit of the Association's members.
- c. The collection of common expenses and limited common expenses

from the owners.

d. The designation and removal of personnel necessary for the maintenance, repair and replacement of the common elements.

e. The establishment of such restrictions and requirements not inconsistent with the Declaration, the Act or these Bylaws regarding the use and maintenance of the units and the use of the common elements, including the establishment of permits, licenses, and easements over the common elements for utilities, roads, and other purposes necessary for the proper operation of the Project.

f. The amendment of these Bylaws in accordance with the Declaration, Section 1 of Article VI hereof and the Act.

g. Any and all powers not inconsistent with any law or the Declaration, which are reasonably incidental to the fulfillment of the purposes of the Condominium Property Regime set forth in the Declaration, or are reasonably incidental to the exercise of the Association's powers as set forth in the Declaration or herein.

Nothing in this Section 14 shall prohibit the delegation by the Association of any of its powers in accordance with these Bylaws, as amended from time to time.

ARTICLE II BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of nine (9) persons, unless not less than sixty-seven percent (67%) of all unit owners vote by mail ballot, or at a special or annual meeting, to reduce the minimum number of directors; provided, however that the number of directors may be reduced (but to no fewer than three) if not less than sixty-seven percent (67%) of all unit owners vote, by mail ballot or at a special or annual meeting, to reduce the minimum number of directors. Each member of the Board shall be the owner or co-owner of record of a unit, or a vendee under an agreement of sale of a unit, a trustee of a trust which owns a unit, or an officer, partner, member or other person authorized to act on behalf of any other legal entity which owns a unit. There shall not be more than one representative on the Board from any one unit. No resident manager or employee of the Project shall serve on the Board. Any owner who is a member of the Board and an employee of the Managing Agent retained by the Association shall not participate in any discussion regarding a management contract at a Board meeting and shall be excluded from any executive session of the Board where the management contract or the property manager will be discussed. The directors shall serve without compensation.

For so long as Developer shall own a unit or units in the Project, and for a period of two (2) years thereafter, Developer may appoint a non-voting "ex-officio" member of the Board. Developer shall not exercise this right, however, should Developer's representative serve

as an elected member of the Board. Any ex-officio member of the Board may be excluded from executive sessions of the Board upon a majority vote of the Board. Any ex-officio member shall have all rights, privileges and protections as an elected member of the Board as provided under these Bylaws, with the sole exception that such ex-officio member shall be non-voting.

Section 2. Powers and Duties. The Board shall have all powers and shall perform all duties necessary for the administration of the affairs of the Association and may do all such acts and things therefor as are not by law, the Declaration or these Bylaws directed to be exercised or done only by the unit owners. In the performance of their duties, members of the Board shall owe the Association a fiduciary duty and exercise the degree of care and loyalty required of a director of a nonprofit corporation organized under Chapter 414D, HRS, as amended. A director shall not cast any proxy vote at any Board meeting, nor shall a director vote at a Board meeting 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 Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made. "Conflict of interest" means an issue in which a director has a direct personal or pecuniary interest not common to other members of the Association.

Section 3. Election and Term. Election of directors shall be by cumulative voting by secret ballot at each annual meeting and any special meeting called for that 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 three (3) of the directors shall be elected for one year, three (3) for two years and three (3) for three 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 his successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of any director, or his continuous absence from the State of Hawaii for more than six (6) months, or his ceasing to be the owner or co-owner of a unit or vendee under an agreement of sale or a trustee of a trust which owns a unit, or an officer, partner, member or other person authorized to act on behalf of any other legal entity which owns a unit, shall cause his office to become vacant.

Section 5. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by vote of a majority of unit owners and a successor shall then and there be elected for the remainder of the term to fill the vacancy thus created. Any director whose removal has been proposed by the unit owners shall be given an opportunity to be heard at such meeting. Such removal and replacement shall be in accordance with all applicable requirements and procedures herein regarding the removal and replacement of directors, including cumulative voting, and except where the same shall conflict with the provisions of this Article II, Section 5, in which

event the provisions of this Article II, Section 5 shall control, and the provisions regarding quorum, voting and proxies set out in Article I, Sections 6, 7 and 8 shall control. If such removal and replacement is to occur at a special Association meeting, the call for such meeting shall be by the President or by a petition to the Secretary or Managing Agent signed by not less than twenty-five percent (25%) of the unit owners as shown in the Association's record of ownership; and provided further that if the Secretary or Managing Agent shall fail to send out the notices for the special meeting within fourteen (14) days of receipt of the petition, then the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices for the special meeting in accordance with the requirements of these Bylaws. Except as otherwise provided herein, such meeting for the removal and replacement from office of director shall be scheduled, noticed and conducted in accordance with these Bylaws.

Section 6. Annual Meeting. The Board shall meet at least once a year. Notice of the annual Board meeting shall be given in a reasonable manner at least fourteen (14) days, if practicable, prior to the meeting. At such meeting, the Board shall elect the officers of the Association for the ensuing year.

Section 7. Regular Meetings. Regular meetings of the Board 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 telegraph, at least five (5) days, if practicable, prior to the date of such meeting.

Section 8. Special Meetings. Except as otherwise provided herein or by law, 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 telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two (2) directors.

Section 9. Waiver of Notice. Notice of all Board meetings and other notices to the directors shall be given to each director by the Secretary or the person or persons calling the meeting. Whenever practicable, notice of all Board meetings shall be posted by the resident manager or an employee of the Managing Agent or a member of the Board in prominent locations within the Project seventy-two (72) hours prior to the meeting or simultaneously with notice to the Board. 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. Conduct of Meetings. All meetings shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised. The Board may permit any meeting to be conducted by any means of communication through which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting. If permitted by the Board, any unit owner may participate in a meeting conducted by a means of communication through which all participants may simultaneously hear each other during the meeting, provided that the Board may require that the unit owner pay for the costs associated with the participation.

Section 12. Fidelity Bonds. The Board shall require that all officers, employees and agents of the Association handling or responsible for its funds, shall furnish fidelity bonds in an amount not less than that specified by its applicable provision of Section 514B-132 of the Act. The premiums on such bonds shall be paid by the Association. The Managing Agent appointed under Article IV, Section 3 herein, shall from time to time provide evidence satisfactory to the Board that the Managing Agent maintains a fidelity bond in the minimum amount required by the Act or such higher amount as the Board may require.

Section 13. Board Meetings. All meetings of the Board, other than executive sessions, shall be open to all members of the Association, and Association members who are not on the Board may participate in any deliberation or discussion, other than executive sessions, unless a majority of a quorum of the Board votes otherwise. The Board, with the approval of a majority of the quorum of its members, may adjourn a meeting and reconvene in executive session to discuss and vote upon matters: (a) concerning personnel; (b) concerning litigation in which the Association is or may become involved; (c) necessary to protect the attorney-client privilege of the Association; or (d) necessary to protect the interests of the Association while negotiating contracts, leases and other commercial transactions. The nature of any and all business to be considered in executive session shall first be announced in open session. Whenever practicable, notice of all Board meetings shall be posted by the Managing Agent, resident manager or a member of the Board in prominent locations within the Project seventy-two (72) hours prior to the meeting or simultaneously with notice to the Board members.

Section 14. Miscellaneous.

a. Directors shall not expend Association funds for their travel, directors' fees and per diem, unless unit owners are informed of the expenditures; provided that, with Board approval, directors may be reimbursed for actual expenditures incurred on behalf of the Association. The minutes shall reflect in detail the items and amounts of the reimbursements.

b. The Association shall, at its expense, provide all Board members with a current copy of the Association's Declaration, Bylaws, House Rules and, annually, a copy of the Act with amendments.

ARTICLE III OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by, and in the case of the President from, the Board. The Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. No unit owner shall act as an officer of the Association and an employee of the Managing Agent employed by the Association. In the performance of their duties, officers shall own the Association a fiduciary duty and exercise a degree of care and loyalty required of an officer of a nonprofit corporation organized under Chapter 414D, HRS, as amended.

Section 2. Election and Term. The officers of the Association shall be elected annually by the Board 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 the affirmative vote of a majority of the Board. Vacancies may be filled at any regular meeting or any special meeting of the Board called for such purpose.

Section 4. President. The President shall be elected from the Board, shall act as 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, the President shall have all the general powers and duties which are incident to the office of president of a corporation organized under the laws of the State of Hawaii, including, but not limited to, the power to appoint committees from among unit owners as the President may, in his or her discretion, decide to be appropriate to assist in the conduct of the affairs of the Association. The President shall also have such other powers and duties as may be provided by these Bylaws or assigned from time to time by the Board.

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

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

delegated to the Managing Agent or to an assistant secretary subject to the Secretary's supervision.

Section 7. Treasurer. The Treasurer shall be responsible for the keeping of full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data and reports. The Treasurer shall be responsible for the deposit of all monies and other valuable effects of the Association in such depositories as may be designated by the Board; and shall, in general, perform all the duties incident to the office of treasurer of a corporation organized under the laws of the State of Hawaii. Such duties may be delegated to the Managing Agent subject to the Treasurer's supervision.

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

ARTICLE IV ADMINISTRATION

Section 1. Management. The Board shall have the powers and duties necessary for the management and operation of the Project, for the administration of the affairs of the Association, and for the performance of all duties and obligations placed on the Board by the Project documents, and may do all acts and things except those that may not be delegated by the Association to the Board by the Act, the Declaration or these Bylaws. Such powers and duties of the Board include, without limitation, the following:

- a. To contract and incur liabilities in connection with the exercise of any of the powers and duties of the Board;
- b. To have custody and control over all funds of the Association, open bank accounts on behalf of the Association and designate the signatories of those accounts;
- c. To keep books of accounts and records with respect to the Project as provided in the Act and these Bylaws;
- d. To maintain, repair, replace and restore the common elements and make any additions and alterations thereto;
- e. To make additions, alterations and improvements to the Project and repair and restore the Project in accordance with the provisions of the Act, the Declaration or these Bylaws after damage or destruction by fire or other casualty or as a result of condemnation;
- f. To purchase, maintain and replace any equipment and provide all

water and utility services required for the common elements;

g. To provide each unit with all water, sewer, electricity and other utility services the Board shall deem necessary, either at the expense of such unit or as a common expense, as determined by the Board;

h. To purchase or provide all other materials, supplies, furniture, labor and services required by these Bylaws or by law, or which the Board, in its discretion deems necessary or appropriate for the proper operation and maintenance of the Project, or which are used in common or jointly by the common elements and units, in each case to the extent such goods and services shall not be otherwise provided;

i. To have access to each unit 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 unit or units;

j. To maintain and repair any unit, if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements, limited common elements or any other portion of the Project and if the owner or owners of the unit shall have failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of maintenance or repair shall have been delivered by the Board to the owner or owners. The Board shall levy a special assessment against such unit for the cost of such maintenance or repair and any attorneys' fees and other expenses incurred in levying and collecting such special assessment;

k. To employ, supervise and dismiss such personnel as may be necessary for the operation, repair, maintenance and replacement of the common elements;

l. To procure legal, accounting and management services necessary or proper for the operation of the Project or the interpretation, enforcement or implementation of the Declaration, these Bylaws and any other material documents affecting the Project;

m. To obtain and maintain in effect of all policies of insurance and bonds as may be required or authorized by the Declaration, these Bylaws, the Board or the Act;

n. To cause to be prepared and to approve a budget covering the itemized estimated income of the Association, if any, from all sources and the estimated cost of maintaining and operating the Association during the ensuing fiscal year, including the reserves established by these Bylaws and any other reasonable reserves for such purposes, less any surpluses from the operation of prior years, if any;

o. To prepare and approve a schedule of monthly assessments against each owner for such owner's proportionate share of such estimated cost of maintaining and operating the Project for such ensuing year and to levy and collect all monthly and special

assessments of the common expenses and other charges payable by the owners;

p. To pay all common expenses which the Association is required to pay pursuant to these Bylaws or by law or which in the Board's opinion shall be necessary or proper for the operation and maintenance of the Project or for the enforcement of these Bylaws, provided that if any such payment is required because of the particular actions of negligence by any owner, the cost thereof shall be specially assessed to that owner;

q. To pay and discharge any lien, encumbrance, tax or assessment levied against all or any portion of the property which may in the opinion of the Board constitute a lien against the Project or against the common elements or limited common elements rather than merely against the interest of particular owners. If one or more owners are responsible for the existence of any such lien, they shall be jointly and severally liable for the cost of discharging such lien and for the costs incurred by the Board by reason of such lien;

r. To enforce the provisions of the Project documents and establish, assess and collect such penalties and fines, and any interest as the Board deems appropriate with respect to such enforcement, including penalties, fines and interest for failure or refusal to pay on demand all costs and expenses required to be paid hereunder; provided that such penalties, fines and interest are not inconsistent with the law or the provisions of these Bylaws or the Declaration. The unpaid amount of such penalties and fines against any owner shall constitute a lien against the owner's interest in the owners' unit that may be foreclosed by the Board or the Managing Agent in the same manner as provided in the Act for the foreclosure of a lien for common expenses;

s. To notify all persons having any interest in any unit, according to the Association's record of ownership, of delinquency exceeding sixty (60) days in the payment of any assessment against such unit;

t. From time to time to adopt and amend and enforce the House Rules which govern the details of the operation and use of the Project. Nothing herein shall be construed to require that a meeting of the Association be called for the purpose of approving or disapproving House Rules adopted by the Board;

u. To lease or otherwise use for the benefit of the Association those common elements the Board determines are not actually used by any of the unit owners for a purpose permitted in the Declaration, without the need for approval of at least sixty-seven percent (67%) of the common interest, provided that such lease shall have a term of not more than five (5) years and may be terminated by the Board or the lessee on no more than sixty (60) days prior written notice;

v. To lease or otherwise use for the benefit of the Association those common elements that the Board determines are actually used by one or more unit owners for a purpose permitted in the Declaration, upon obtaining the approval at least sixty-seven (67%)

percent of the common interest, including all directly affected unit owners that the Board reasonably determines actually use the common elements, and the owners' mortgagees;

w. To purchase or lease or otherwise acquire any unit in the Project in the name of the Board or its nominee, corporate, trust or otherwise, on behalf of the Association and thereafter sell, lease, mortgage, vote the common interests appurtenant to, and otherwise hold or deal with such unit. The Board may organize corporations to act as nominees of the Board in acquiring title to or leasing of units on behalf of the Association;

x. To purchase any unit in the Project at foreclosure or other judicial sale in the name of the Board or its nominee, corporate, trust or otherwise, on behalf of the Association;

y. Subject to any approval requirements and spending limits contained in the Declaration and these Bylaws, to borrow money with or without security 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 Association, provided that a majority of owners give written consent to such borrowing, having first been notified of the purpose and use of the funds;

z. To delegate its powers and duties to the Managing Agent, and to committees, agents, officers, representatives and employees;

aa. To grant an easement across the common elements for any "reasonable purpose," which term shall include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance and repair of any unit, the common elements or any limited common elements;

bb. To keep, or cause the Managing Agent to keep, an accurate and current list of members of the Association and their current addresses and names and addresses of the vendees under agreements of sale, if any;

cc. On behalf of the Association, to accept the assignment from Developer of all of Developer's right, title and interest in and to the Parking Parcel Lease described in the Declaration, and any contracts or other agreements applicable thereto, together with all of Developer's right, title and interest in any improvements and personal property thereon, together also with the responsibility to perform any and all duties associated therewith. Upon such transfer, the Association shall assume the obligations of Developer under such Parking Parcel Lease, contracts, and other agreements, the cost of which shall be a common expense of the Association, and, except as otherwise provided in the Declaration or in the House Rules, the Board shall have the right to designate parking stalls from time to time for use by the unit owners or for visitor and handicap parking purposes;

dd. On behalf of the Association, to ensure maintenance and upkeep of the Pond, including, but not limited to the maintenance of a protective barrier around the perimeter of the Pond's delineated area and maintenance of the Pond in a safe and sanitary condition in accordance with all governmental rules and regulations. The Association shall take such action necessary to prevent any entry into the Pond at all times, excepting access from time to time as may be necessary for the maintenance of the Pond, or at any time in case of emergency or for monitoring or testing that may be necessary to prevent damage to the Project, any units or common elements; and

ee. Perform such other acts, duties and functions as may be prescribed in the Declaration, these Bylaws or the Act.

Section 2. Access to Units. The unit owners shall have the irrevocable right, to be exercised by the Board, to have access to each unit 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 unit or units.

Section 3. Managing Agent. The Board shall employ a responsible corporation authorized to do business in Hawaii, licensed as a real estate broker in compliance with Chapter 467, Hawaii Revised Statutes, and the rules and regulations of the Real Estate Commission or a corporation authorized to do business under Article 8 of Chapter 412, Hawaii Revised Statutes, as managing agent to manage the Project subject at all times to direction by the Board, with all the administrative functions set forth specifically in the preceding Section 1 and such other powers and duties and at such compensation as the Board may establish.

Section 4. Representation. Except as provided for in Article V, Section 5 hereof, the President or Managing Agent, subject to the direction of the Board, shall represent the Association or any two or more unit owners similarly situated as a class in any action, suit, hearing or other proceeding concerning the Association, the common elements or more than one unit, and on its or their behalf may institute, defend, intervene in, prosecute and settle any such actions, suits and proceedings, without prejudice to the rights of any unit owners individually to appear, sue or be sued. Service of process on two or more unit owners in any such action, suit or proceeding may be made on the President or Managing Agent. Every Managing Agent shall also be the agent of the respective lessees under any unit leases filed with the Board for the collection, custody and payment of all rent taxes, assessments and other charges thereunder payable to their lessor.

Section 5. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board or, in the absence of any such resolution applicable to such instrument, by the President or Vice-President and by the Treasurer or Secretary. With respect to amendments to the Declaration, the President or Secretary may prepare, execute, certify and record such amendments, unless

otherwise provided by general or special resolution of the Board.

Section 6. Books of Receipts and Expenditures: Unpaid Assessments: Availability for Examination.

a. The Managing Agent or 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. The Managing Agent or Board shall also keep monthly statements indicating the total current delinquent dollar amount of any unpaid assessments for common expenses.

b. All records and the vouchers authorizing the payments, and statements shall be kept and maintained at the address of the Project, or elsewhere within the State as determined by the Board. The Managing Agent or Board shall not transfer by telephone Association funds between accounts, including, but not limited to, the general operating account and reserve fund amount.

c. A Managing Agent employed or retained by the Association may dispose of the records of the Association which are more than five (5) years old without liability if the managing agent first provides the Board with written notice of the Managing Agent's intent to dispose of the records if not retrieved by the Board within sixty (60) days, which notice shall include an itemized list of the records which the managing agent intends to dispose of.

d. No person shall knowingly make any false certificate, entry, or memorandum upon any of the books or records of any managing agent or Association. No person shall knowingly alter, destroy, mutilate, or conceal any books or records of a Managing Agent or Association.

Section 7. Employees: Background Check. The Board, Managing Agent or resident manager, upon the written authorization of an applicant for employment as security guard or resident manager or for a position which would allow the employee access to the keys of or entry into the units in the Project or access to Association funds, may conduct a background check on the applicant or direct another responsible party to conduct the check. Before initiating or requesting a check, the Board, Managing Agent or resident manager shall first certify that the signature on the authorization is authentic and that the person is an applicant for such employment. The background check, at a minimum, shall require the applicant to disclose whether the applicant has been convicted in any jurisdiction of a crime which would tend to indicate that the applicant may be unsuited for employment as a condominium employee with access to Association funds or the keys of or entry into the units in the Project, and the judgment of conviction has not been vacated. For purposes of this section, the criminal history disclosure made by the applicant may be verified by the Board, Managing Agent, resident manager or other responsible party, if so directed by the Board, Managing Agent or resident manager, by means of information obtained through the Hawaii criminal justice data center. The applicant shall

provide the Hawaii criminal justice data center with personal identifying information, which shall include, but not be limited to, the applicant's name, social security number, date of birth and gender. This information shall be used only for the purpose of conducting the criminal history record check authorized by this section and by law. Failure of the Association, Managing Agent or resident manager to conduct or verify or cause to have conducted or verified a background check shall not alone give rise to any private cause of action against the Association, Managing Agent or resident manager for acts and omissions of the employee hired.

Section 8. Association's Employees Acts. The Association's employees shall not engage in selling or renting units in the Project in which they are employed except Association-owned units, unless such activity is approved by an affirmative vote of sixty-seven percent (67%) of the membership of the Association.

Section 9. Association Funds: Handling and Disbursement.

a. The funds in the general operating account of the Association shall not be commingled with funds of other activities such as lease rent collections, rental, time share, and assisted living facility operations, nor shall the Managing Agent commingle any Association funds with the Managing Agent's own funds.

b. For purposes of subsection 9.a, lease rent collections and rental operations shall not include the rental or leasing of common elements that is conducted on behalf of the Association.

c. All funds collected by the Association or Managing Agent for the Association, shall be deposited or invested as directed by the Board, in accordance with the limitations and requirements set out in Section 514B-149(c) of the Act.

d. Records of the deposits and disbursements shall be disclosed to the Real Estate Commission upon request.

e. All funds collected by the Association shall only be disbursed by employees of the Association under the supervision of the Board. 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.

f. The Managing Agent or Board shall not, by oral instructions over the telephone, transfer Association funds between accounts, including but not limited to the general operating account and reserve fund account.

g. The Managing Agent shall keep and disburse funds collected on behalf of the unit owners in strict compliance with any agreement made with the unit owners, Chapter 467, Hawaii Revised Statutes, the Act, the rules of the Real Estate Commission, and all

other applicable laws and shall be subject to any or all penalties or remedies for mishandling, misappropriation, or embezzling such funds as may be provided in such agreement or by law.

Section 10. Registration of the Association. The Board, or the Managing Agent on its behalf, shall register the Association with the Real Estate Commission as and when required by the Act. The registration shall include such information as may be from time to time required by the Act and the Real Estate Commission.

Section 11. Audit.

a. The Association shall require an annual audit of the Association's financial accounts and no less than one annual unannounced verification of the Association's cash balance by a public accountant; provided that, if the Association is comprised of less than twenty (20) unit owners, the annual audit and the annual unannounced cash balance verification may be waived by a majority vote of all unit owners taken at an Association meeting. Any holder of a first mortgage on any unit or any interest therein may request and the Association shall provide said mortgagee with a copy of any such annual financial statement within ninety (90) days following the end of any fiscal year of the Association, upon payment by the mortgagee of a fee equal to the cost of reproduction and postage for mailing of such statement.

b. The Board shall make available a copy of the annual audit to each unit owner at least thirty (30) days prior to the annual meeting which follows the end of the fiscal year. The Board shall not be required to submit a copy of the annual audit report to the owner if the proxy form issued pursuant to Section 514B-13(d) of the Act is not marked to indicate that the owner wishes to obtain a copy of the report. If the annual audit has not been completed by that date, the Board shall make available:

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

(2) The annual audit to all owners at the annual meeting, or as soon as the audit is completed, but not later than six (6) months after the annual meeting.

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.

ARTICLE V
OBLIGATIONS OF UNIT OWNERS

Section 1. Assessments, Applications and Taxes.

a. All unit 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 units for common expenses of the Project in accordance with the Declaration any assessments against a unit. In the event all said monthly charges are not received by the Managing Agent on or before the fifteenth (15th) day after said charges are due, the Managing Agent may assess a late payment charge in an amount not in excess of ten percent (10%) of the amount delinquent to the appropriate unit owner; and if said charges, including said late payment charge, are not received within thirty (30) days after said monthly charges are due, an additional late charge in an amount not in excess of ten percent (10%) of the amount delinquent and interest at the rate of one percent (1%) per month calculated from such due date may be assessed. The amount of the late charge and interest rate may be adjusted by the Board; provided, however, that the Board shall not deduct and apply portions of common expense payments received from a unit owner to unpaid late fees (other than amounts remitted by a unit owner in payment of late fees) unless it delivers or mails a written notice to such unit owner, at least seven (7) days prior to the first such deduction, which states that (a) failure to pay late fees will result in the deduction of late fees from future common expense payments, so long as a delinquency continues to exist; and (b) late fees shall be imposed against any future common expense payment which is less than the full amount owed due to the deduction of unpaid late fees from such payment.

b. Developer shall fix the initial rate of monthly installments of common expenses and limited common expenses until such rate shall be redetermined by the Board. The Board may from time to time during any year increase the assessment rate or impose a special assessment; provided, however, that the Board or Managing Agent shall send to all unit owners thereby affected written notice of any such increase or special assessment at least thirty (30) days prior to the effective date of such increase or assessment.

c. The Board shall establish and maintain a general operating reserve fund by monthly (or other periodic) assessment against and payment by all unit owners in proportion to their respective common interests; of such additional amount as the Board determines to be adequate to provide financial stability in the operation, administration, maintenance and repair of the common elements, exclusive of the limited common elements. The Board may also establish and maintain one or more operating reserve funds by monthly (or other periodic) assessment against and payment by unit owners in proportion to their respective limited common interest or such additional amount as the Board determines to be adequate to provide financial stability in the operation, administration, maintenance and repair of the limited common elements.

The foregoing reserve funds shall be deposited in a special account with a safe and responsible depository as permitted by the Act. The proportionate interest of each unit owner in said reserve funds and all interest earned thereon shall not be withdrawn or assigned separately but shall be deemed to be transferred with each unit even though not mentioned or described expressly in the instrument of transfer. If the Condominium Property Regime established by the Declaration is terminated or waived, said reserve funds remaining after full payment of all common expenses and limited common expenses (as applicable) shall be distributed to the unit owners as provided in the Declaration. The unexpected sum in said

reserve funds at the end of any year may be used or applied by the Board, in its sole discretion, in the manner provided in the Declaration.

d. From time to time, the Board shall establish and maintain, as determined by the Board or as may be required by the Act one or more capital improvements reserve funds by the monthly (or other periodic) assessment against and payment by the unit owners (i) in proportion to their respective common interest, for undesignated or specifically designated capital improvements to the common elements, exclusive of the limited common elements, and (ii) in proportion to their respective limited common interests, for undesignated or specifically designated capital improvements to the limited common elements, and (iii) in proportion to their respective common interests, for undesignated or specifically designated capital improvements to the individual limited common elements appurtenant to the units owned by such unit owners.

The foregoing reserve funds shall be deposited in a special account with a safe and responsible depository as permitted by the Act. Disbursements from each fund shall be made only upon authorization of the Board. The proportionate interest of each unit owner in each fund and all interest earned thereon shall not be withdrawn or assigned separately but shall be deemed to be transferred with each unit even though not mentioned or described expressly in the instrument of transfer. If the Condominium Property Regime established by the Declaration is terminated or waived, or if the fund exceeds, in the case of specifically designated capital improvements, the cost of the particular capital improvement or if the planned capital improvement is for any reason not implemented within a reasonable time after creation of the fund, the money remaining in the fund shall be distributed to the owners in proportion to their respective contributions to the fund, or in such other fair and equitable manner determined by the Board.

e. Each of the respective reserve funds established under subparagraphs (b) and (c) above shall be separately identified, segregated and accounted for on the financial books of the Association. Such funds may be deposited into one or more common accounts, but shall at all times be withdrawn and utilized solely for the respective purposes for which each fund was established.

f. From and after the date that these Bylaws are filed in the Land Court, the following special budget and reserve provisions shall apply, subject to the Act and any further regulations adopted by the Real Estate Commission:

(1) Assessments shall be made based on a budget adopted and distributed or made available to unit owners at least annually by the Board. Such budget shall include at least the following:

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

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

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

(d) The estimated replacement reserves the Association will require to maintain the Project based on a reserve study performed by the Association;

(e) A general explanation of how the estimated replacement reserves are computed,

(f) The amount the Association must collect for the fiscal year to fund the estimated replacement reserves; and

(g) Information as to whether the amount the Association must collect for the fiscal year to fund the estimated replacement reserves was calculated using a percent funded or cash flow plan. The method or plan shall not circumvent the estimated replacement reserves amount determined by the reserve study pursuant to paragraph (d).

(2) The Association shall assess the unit owners to fund either a minimum of fifty percent (50%) of the estimated replacement reserves or fund one hundred percent (100%) of the estimated replacement reserves when using a cash flow plan; provided that a new Association need not collect estimated replacement reserves until the fiscal year which begins after the Association's first annual meeting. For each fiscal year, the Association shall collect the amount assessed to fund the estimated replacement reserves for that fiscal year reserves, as determined by the Association's plan.

(3) The Association shall compute the estimated replacement reserves by a formula which is based on the estimated life and the estimated capital expenditure or major maintenance required for each part of the Project. The estimated replacement reserves shall include:

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

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

(4) Neither the Association nor any unit owner, director, officer, Managing Agent or employee of the Association who makes a good faith effort to calculate the estimated replacement reserves for the Association shall be liable if the estimate subsequently proves incorrect.

(5) The Board may not exceed its total adopted annual operating budget by more than twenty percent (20%) during the fiscal year to which the budget relates, except in emergency situations. Prior to the imposition or collection of an assessment under this subsection that has not been approved by a majority of the unit owners, the Board shall adopt a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

(6) The requirements of this Article V, Section 1.f, shall override any requirements in the Declaration, these Bylaws, or any of the Association's other documents relating to preparation of budgets, calculation of reserve requirements, assessment and funding of reserves, with the exception of:

(a) Any requirements in the Declaration, these Bylaws, or any of the Association's other documents which require the Association to collect more than fifty percent (50%) of reserve requirements; or

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

(7) Subject to the procedures of Section 514B-157 of the Act and any rules adopted by the Real Estate Commission, any unit owner may enforce the Board's compliance with this Article V, Section 1.f, in the event the Board fails to so comply. In the event the Board has not prepared any annual operating budget and reserve study as required in this Article V, Section 1.f, the Board shall have the burden of proving it has complied with this Article V, Section 1.f, in any proceeding to enforce such compliance.

(8) As used in this Article V, Section 1.f:

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

“Emergency situation” means any extraordinary expense:

(a) Required by an order of a court;

(b) Necessary to repair or maintain any part of the

Project for which the Association is responsible where a threat to personal safety on the Project is discovered;

(c) Necessary to repair any part of the Project for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget;

(d) Necessary to respond to any legal or administrative proceeding brought against the Association that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget; or

(e) Necessary for the Association to obtain adequate insurance for the property which the Association must insure.

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

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

g. The Board will pay or cause to be paid, on behalf of the unit owners, all common expenses and limited common expenses. Each unit owner, as principal, shall be liable for and pay his share, determined as provided in the Declaration and these Bylaws, of all such expenses; and the Board shall be responsible, as agent for each owner, only to transmit the payments made by the unit owner to third persons to whom such payment must be made by such unit owner. The Board may require the Managing Agent to assist it in its duties hereunder. The Board or Managing Agent collecting the expenses shall not be liable for payment of such expenses as principal but only as the agent of all unit owners to transmit said payments to third persons to whom such payments must be made by the unit owners.

h. Each owner of a unit shall be obligated to have the real property taxes and assessments for such unit 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 and assessments so determined. The foregoing sentence shall apply to all types of taxes and assessments which now are or may hereafter be assessed separately by law on each unit and the common interest in the common elements appertaining thereto or the personal property or any other interest of the unit owner. If for any reason real property taxes or assessments should be levied by a governmental agency against any portion of the Project other than the unit and their appurtenant interest in the common elements, then the Board shall, in a fair and equitable manner, allocate such taxes and assessments to (a) the common elements, exclusive of the limited common elements, in which event such allocated share of the taxes or assessments shall be deemed to be a common expense and payable by all unit owners as such, (b) the limited

common elements, in which event such allocated share of the taxes or assessments shall be deemed to be limited common expenses and payable as such by the owners of the units to which such individual limited common elements are appurtenant, and (c) the limited common elements, in which event such allocated share of the taxes or assessments shall be deemed limited common expenses and payable in accordance with the Declaration by the owners of units to which such limited common elements are appurtenant.

Section 2. Default in Payment of Assessments. All sums assessed by the Association but unpaid for the share of the common expenses chargeable to any unit shall constitute a lien on the unit with priority over all liens, except (a) liens for taxes and assessments lawfully imposed by governmental authority against the unit; (b) all sums unpaid on any mortgage of record that 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; and (c) all sums unpaid to HHFDC under HHFDC's Shared Appreciation Equity Program, pursuant to Chapter 201H, HRS, as amended, and Hawaii Administrative Rules, Title 15, Subtitle 14, Chapter 174, Subchapter 9. 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. The lien of the Association may be foreclosed by action or by nonjudicial or power of sale foreclosure proceedings set forth in Chapter 667, HRS, as amended the Managing Agent or Board, acting on behalf of the Association, in like manner as a mortgage of real property. In any such foreclosure, the unit owner shall be required to pay a reasonable rental for the unit, as may be determined by the Board and in these Bylaws, and the plaintiff in the foreclosure shall be entitled to the appointment of a receiver to collect the rental owed. The Managing Agent or Board, on behalf of the Association, unless prohibited by the Declaration, may bid on the unit at foreclosure sale, and acquire and hold, lease, mortgage and convey the unit. Action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the unpaid common expenses owed.

b. Except as provided in subsection 2.g, when the mortgagee of a mortgage of record or other purchaser of a unit obtains title to the unit as a result of foreclosure of the mortgage, the acquirer of title and the acquirer's successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to the unit which became due prior to the acquisition of title to the unit by the acquirer. The unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners, including the acquirer and the acquirer's successors and assigns. The mortgagee of record or other purchaser of the unit shall be deemed to acquire title and shall be required to pay the unit's share of common expenses and assessments beginning:

- (1) Thirty-six (36) days after the order confirming the sale to the purchaser has been filed with the court;

- (2) Sixty (60) days after the hearing at which the court grants the motion to confirm the sale to the purchaser;
- (3) Thirty (30) days after the public sale in a nonjudicial power of sale foreclosure pursuant to Section 667-5, HRS, as amended; or
- (4) Upon the recording of the instrument of conveyance;

whichever occurs first; provided that the mortgagee of record or other purchaser of the unit shall not be deemed to acquire title under paragraph (1), (2), or (3), if transfer of title is delayed past the thirty-six days specified in paragraph (1), the sixty days specified in paragraph (2), or the thirty days specified in paragraph (3), when a person who appears at the hearing on the motion or a party to the foreclosure action requests reconsideration of the motion or order to confirm sale, objects to the form of the proposed order to confirm sale, appeals the decision of the court to grant the motion to confirm sale, or the debtor or mortgagor declares bankruptcy or is involuntarily placed into bankruptcy. In any such case, the mortgagee of record or other purchaser of the unit shall be deemed to acquire title upon recordation of the instrument of conveyance.

c. No unit owner shall withhold any assessment claimed by the association. A unit owner who disputes the amount of an assessment may request a written statement clearly indicating:

- (1) The amount of common expenses included in the assessment, including the due date of each amount claimed;
- (2) The amount of any penalty, late fee, lien filing fee, and any other charge included in the assessment;
- (3) The amount of attorneys' fees and costs, if any, included in the assessment;
- (4) That under Hawaii law, a unit owner has no right to withhold assessments for any reason;
- (5) That a unit owner has a right to demand mediation or arbitration to resolve disputes about the amount or validity of an association's assessment, provided the unit owner immediately pays the assessment in full and keeps assessments current; and
- (6) That payment in full of the assessment does not prevent the owner from contesting the assessment or receiving a refund of amounts not owed.

Nothing in this section shall limit the rights of an owner to the protection of all fair debt collection procedures mandated under federal and state law.

d. A unit owner who pays the Association the full amount claimed by the Association may file in small claims court or require the Association to mediate to resolve any disputes concerning the amount or validity of the Association's claim. If the unit owner and the Association are unable to resolve the dispute through mediation, either party may file for arbitration under Section 514B-162, HRS, as amended; provided that a unit owner may only file for arbitration if all amounts claimed by the Association are paid in full on or before the date of filing. If the unit owner fails to keep all Association assessments current during the arbitration, the Association may ask the arbitrator to temporarily suspend the arbitration proceedings. If the unit owner pays all Association assessments within thirty (30) days of the date of suspension, the unit owner may ask the arbitrator to recommence the arbitration proceedings. If the owner fails to pay all Association assessments by the end of the thirty-day period, the Association may ask the arbitrator to dismiss the arbitration proceedings. The unit owner shall be entitled to a refund of any amounts paid to the Association which are not owed.

e. In conjunction with or as an alternative to foreclosure proceedings under subsection 2.a, where a unit is owner-occupied, the Association may authorize the Managing Agent or Board to, after sixty (60) days' written notice to the unit owner and to the unit's first mortgagee of the nonpayment of the unit's share of the common expenses, terminate the delinquent unit's access to the common elements and cease supplying a delinquent unit with any and all services normally supplied or paid for by the Association. Any terminated services and privileges shall be restored upon payment of all delinquent assessments but need not be restored until payment in full is received.

f. Before the Board or Managing Agent may take the actions permitted under subsection 2.e, the Board shall adopt a written policy providing for such actions and have the policy approved by a majority vote of the unit owners at an annual or special meeting of the Association or by the written consent of a majority of the unit owners.

g. Subject to this subsection 2.g, and subsections 2.h and 2.i, the Board may specially assess the amount of the unpaid regular monthly common assessments for common expenses against a person who, in a judicial or nonjudicial power of sale foreclosure, purchases a delinquent unit; provided that:

(1) A purchaser who holds a mortgage on a delinquent unit that was recorded prior to the filing of a notice of lien by the Association and who acquires the delinquent unit through a judicial or nonjudicial foreclosure proceeding, including purchasing the delinquent unit at a foreclosure auction, shall not be obligated to make, nor be liable for, payment of the special assessment as provided for under this subsection; and

(2) A person who subsequently purchases the delinquent unit from the mortgagee referred to in paragraph (1) shall be obligated to make, and shall be liable for, payment of the special assessment provided for under this subsection; and provided further that the mortgagee or subsequent purchaser may require the Association to

provide at no charge a notice of the Association's intent to claim lien against the delinquent unit for the amount of the special assessment, prior to the subsequent purchaser's acquisition of title to the delinquent unit. The notice shall state the amount of the special assessment, how that amount was calculated, and the legal description of the unit.

h. The amount of the special assessment assessed under subsection 2.g shall not exceed the total amount of unpaid regular monthly common assessments that were assessed during the six (6) months immediately preceding the completion of the judicial or nonjudicial power of sale foreclosure. In no event shall the amount of the special assessment exceed the sum of \$1,800.

i. For purposes of subsections 2.g and 2.h, the following definitions shall apply, unless the context requires otherwise:

"Completion" means:

- (1) In a nonjudicial power of sale foreclosure, when the affidavit required under Section 667-5, HRS, as amended, is filed; and
- (2) In a judicial foreclosure, when a purchaser is deemed to acquire title pursuant to subsection 2.b.

"Regular monthly common assessments" does not include:

- (1) Any other special assessment, except for a special assessment imposed on all units as part of a budget adopted pursuant to Section 514B-148 of the Act;
- (2) Late charges, fines, or penalties;
- (3) Interest assessed by the Association;
- (4) Any lien arising out of the assessment; or
- (5) Any fees or costs related to the collection or enforcement of the assessment, including attorneys' fees and court costs.

j. The cost of a release of any lien filed pursuant to this Section 2 shall be paid by the party requesting the release.

Section 4. Maintenance of Units. Every unit owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his unit, and his limited common element(s), if any, including, without limitation, all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning, lights and all other fixtures

and accessories belonging to such unit and the interior decorated or finished surfaces of all walls, floors and ceilings of such unit, 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 unit owner and occupant shall reimburse the Association promptly on demand all expenses incurred by it in repairing, maintaining or replacing any uninsured loss or damage to his limited common element(s), if any, and to the common elements or any existing trees, utilities, improvements, furniture, furnishings and equipment thereof caused by such owner or occupant or any person under either of them and shall give prompt notice to the Managing Agent of any such loss or damage or other defect in the Project when discovered.

Section 5. Responsibilities of Unit Owners. A unit owner shall be responsible for the conduct of his lessees, tenants, visitors, invitees, customers, employees, agents, contractors and guests and shall, upon request of the Board or Managing Agent, immediately and at his expense, abate, curtail, eliminate or remove any activity, structure, thing or condition conducted or caused by his lessees, tenants, visitors, invitees, customers, employees, agents, contractors or guests which is a violation or breach of the Declaration, Bylaws, House Rules or the Act, as amended from time to time, or which may result in any damage to the common elements or a nuisance to the other owners and occupants of the Project, or if the unit owner is unable to control the conduct of his lessees, tenants, visitors, invitees, customers, employees, agents, contractors or guests, the unit owner shall, upon request of the Board or the Managing Agent, immediately remove such lessees, tenants, visitors, invitees, customers, employees, agents, contractors or guests from the Project, without compensation for lost rentals, income, benefit or any other loss or damage resulting therefrom.

Section 6. Compliance with the Governing Documents. Each unit owner and each lessee, tenant, visitor, invitee, agent, contractor, customer, guest and employee of a unit owner, and all other persons occupying any unit or using the Project in any manner whatsoever, shall comply strictly with the Declaration, these Bylaws, House Rules and the Act as amended from time to time. Failure to comply with any of the same shall be ground for an action to recover sums due, damages and/or injunctive relief, maintainable by the Management Agent or the Board on behalf of the Association or, in a proper case, by an aggrieved unit owner. Each unit owner shall be fully liable of the acts or omissions of his lessees, tenants, visitors, invitees, employees, customers, agents, contractors and guests, as fully and to the same extent as if such act or omission had been committed by the unit owner himself.

Section 7. Use of Project.

a. The units of the Project shall be used only for such purposes as stated in the Declaration. This shall include, without limitation, those restrictions related to the transfer and rental of each unit.

b. All common elements and all limited common elements of the Project shall be used only for their respective purposes as designed and in accordance with all applicable laws, rules, and regulations.

c. No unit owner or occupant shall plant or cultivate or landscape the common elements or place, store or maintain in the walkways, grounds or other common elements of similar nature any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

d. Every unit owner and occupant shall at all times keep such owner's unit and such owner's limited common element(s), if any, in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations, and design criteria and guidelines of the landscape plan set forth on the Condominium Map, now or hereafter made by any governmental authority or the Association for the time being applicable to the unit and the limited common element(s), if any, and the use of the Project.

e. No unit owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of such owner's or occupant's unit, such owner's or occupant's limited common element(s), or the Project nor alter or remove any furniture, furnishings or equipment of the common elements.

f. All unit owners and occupants shall avoid making noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other unit owners and occupants.

g. No garments, rugs or other objects shall be hung from the windows or facades of any unit or otherwise be displayed in public view.

h. No rugs or other objects shall be dusted or shaken from the windows or doors of any unit or cleaned by beating or sweeping on any walkways, patios, entries or other exterior part of the Project.

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

j. No animals of any kind whatsoever shall be allowed or kept in any part of the Project by the unit owners and occupants, except that visually impaired persons may keep guide dogs, hearing impaired persons may keep signal dogs, and physically impaired persons may keep service animals, as such animals are defined in Chapter 515, HRS, as amended.

k. No unit owner or occupant shall without the written approval of the

Board install any wiring for electrical or telephone installations, machines or air conditioning units, or other equipment or appurtenances whatsoever on the exterior of any unit or protruding through the walls, windows or roof thereof.

l. No unit owner or occupant shall erect, place or maintain any television or other antennas or solar energy systems or any other types of objects or equipment on any unit visible from any point outside of his unit.

m. Nothing shall be allowed, done or kept in any units, limited common element(s) 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.

n. Anything to the contrary notwithstanding, Developer may engage in real estate sales activities in such units or on the premises of the Project for the purpose of selling such units.

o. No improvement shall be made to a unit as shown on the initial Condominium Map unless in conformity with the Declaration.

p. No signs whatsoever, including, without limitation, commercial, political or similar signs, visible from neighboring property or the common area, shall be erected or maintained upon any unit, its limited common area or in the common area except such signs as may be required by legal proceedings.

q. No open storage is permitted in the common area or the parking stalls, and no open storage of furniture, fixtures, appliances and other goods and chattels not in active use will be permitted within a limited common area so as to be visible from the common area, and no outside clothes lines or other outside clothes drying or airing facilities shall be permitted when they are visible from neighboring property.

r. No exterior fires whatsoever shall be permitted and a unit owner shall not permit any condition on or within his unit which creates a fire hazard.

s. No unit owner or occupant shall park his or her car on any portion of the Project except in an area or stall of the Parking Area designated for use by that owner or occupant by the Association or the Managing Agent.

t. No parking stall shall be used in a manner inconsistent with the use of the same for other than the parking of vehicles or trailers.

Section 8. Collection from Tenant.

a. If the owner of a unit rents or leases the unit and is in default for

thirty days or more in the payment of the Unit's share of the common expenses, the Board, for as long as the default continues, may demand in writing and receive each month from any tenant or lessee occupying the unit ("tenant"), or from the owner's rental agent, if any, an amount sufficient to pay all sums due from the unit owner to the Association, including interest, if any, but the amount shall not exceed the tenant's rent due each month. The tenant's payment under this section shall discharge that amount of payment from the tenant's rent obligation, and any contractual provision to the contrary shall be void as a matter of law.

No demand or acceptance of rent from any tenant or rental agent shall be deemed to be a consent to or approval of any rental agreement or lease by the unit owner or a release or discharge of any of the obligations of the unit owner to the Association remaining unpaid or unperformed or an acknowledgment of surrender of any rights or duties under the Declaration or these Bylaws.

b. Prior to taking any action under this section, the Board shall give to the delinquent unit owner written notice of its intent to collect the rent owed. The notice shall:

- (1) Be sent both by first-class and certified mail;
- (2) Set forth the exact amount the Association claims is due and owing by the unit owner; and
- (3) Indicate the intent of the Board to collect such amount from the rent, along with any other amounts that become due and remain unpaid.

c. The unit owner shall not take any retaliatory action against the tenant for payments made under this Section.

d. The payment of any portion of the unit's share of common expenses by the tenant pursuant to a written demand by the Board is a complete defense, to the extent of the amount demanded and paid by the tenant, in an action for nonpayment of rent brought by the unit owner against a tenant. If the Board makes any such demand upon the tenant, the tenant shall not have the right to question the right of the Board to make such demand, but shall be obligated to make such payments to the Board as demanded by the Board except as specifically provided in this Section.

e. The Board may not demand payment from the tenant pursuant to this Section if:

- (1) A commissioner or receiver has been appointed to take charge of the premises pending a mortgage foreclosure;
- (2) A mortgagee is in possession pending a mortgage foreclosure; or

(3) The tenant is served with a court order directing payment to a third party.

f. In the event of any conflict between this Section and any provision of Chapter 521, Hawaii Revised Statutes, the conflict shall be resolved in favor of this Section; provided that if the tenant is entitled to an offset of rent under Chapter 521, the tenant may deduct the offset from the amount due to the Association, up to the limits stated in Chapter 521. Nothing in this Section precludes the unit owner or tenant from seeking equitable relief from a court of competent jurisdiction or seeking a judicial determination of the amount owed.

g. Before the Board may take the actions permitted under subsection (a), the Board must adopt a written policy providing for the actions and have the policy approved by such percentage of unit owners as required by the Act.

Section 9. House Rules. Developer may initially establish and the Board may thereafter adopt, amend or repeal House Rules as the Board may deem necessary to govern the conduct, use and operation of the Project, including, without limitation, the units, common elements and limited common elements (the "House Rules"). The Board, upon giving notice to all unit owners in the same manner as herein provided for notice of meetings of the Association and an opportunity to be heard thereon, may adopt, amend or repeal any House Rules governing the details of the operation and use of the common elements not inconsistent with any provision of law, the Declaration or these Bylaws. Each unit owner agrees that the owner's rights under this instrument shall be in all respects subject to the House Rules. Each owner agrees to obey the House Rules as the same may be promulgated from time to time and shall see that the House Rules are faithfully observed by the unit owner's invitees, guests, employees and tenants. The House Rules shall apply to and be binding upon all occupants of the units.

Section 10. Attorneys' Fees and Expenses of Enforcement.

a. All costs and expenses including reasonable attorneys' fees, incurred by or on behalf of the Association for:

(1) Collecting any delinquent assessments against any owner's unit;

(2) Foreclosing any lien thereon; or

(3) Enforcing any provision of the Declaration, Bylaws, House Rules, and the Act or the rules of the Real Estate Commission against an owner, occupant, tenant, employee of an owner, or any other person who may in any manner use the property shall be promptly paid on demand to the Association by such person or persons; provided that if the claims upon which the Association takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees, incurred by any such person or persons as a result of the

action of the Association, shall be promptly paid on demand to such person or persons by the Association.

b. If any claim by an owner is substantiated in any action against the Association, any of its officers or directors, or its Board to enforce any provision of the Declaration, Bylaws, House Rules, or the Act, then all reasonable and necessary expenses, costs and attorneys' fees incurred by an owner shall be awarded to such owner; provided that no such award shall be made in any derivative action unless:

(1) The owner first shall have demanded and allowed reasonable time for the Board to pursue such enforcement; or,

(2) The owner demonstrates to the satisfaction of the court that a demand for enforcement made to the Board would have been fruitless.

c. If any claim by an owner is not substantiated in any court action against the Association, any of its officers or directors, or its Board to enforce any provision of the Declaration, Bylaws, House Rules, or the Act, then all reasonable and necessary expenses, costs, and attorneys' fees incurred by the Association shall be awarded to the Association, unless the action was filed in small claims court or prior to filing the action in a higher court the owner has first submitted the claim to mediation, or to arbitration under Part VII of the Act, and made good faith effort to resolve the dispute under any of those procedures.

Section 11. Record of Ownership. Every unit owner shall promptly cause to be duly recorded or filed of record the deed, agreement of sale or other conveyance to him of such unit or other evidence of his title thereto and shall file such document with and present such other evidence of his title to the Board through the Managing Agent. The Managing Agent shall maintain all such information together with an accurate and current list of members of the Association which shall include their current addresses and shall also maintain a record of the names and addresses of the vendees of a unit under an agreement of sale, if any. The list shall be maintained at a place designated by the Board.

Section 12. Mortgages.

a. Notice to Board of Directors. A unit owner who mortgages his interest in a unit shall notify the Association of the name and address of his mortgagee and within ten (10) days after the execution of the same shall file a true and correct copy of such mortgage with the Association. The Association shall maintain such information in a book entitled "Mortgages of Units."

b. Notice of Unpaid Common Expenses. The Association, whenever so requested in writing by an owner or mortgagee of an interest in a unit, shall promptly report any then unpaid assessments or common expenses due from the unit owner involved.

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

d. Examination of Books. Each unit 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.

e. Mortgage Protection. Notwithstanding all of the provisions hereof:

(1) The liens in favor of the Association on any unit and its appurtenant interest in the common elements created under the Declaration, these Bylaws or the Act, shall be subject and subordinate to and shall not affect the rights of the holder of any indebtedness secured by any recorded mortgage of such interest, made for value, that was recorded prior to the recordation of the notice or notices of such liens by the Association, provided that after the foreclosure of any such mortgage there shall be a lien upon the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such unit if falling due after the date of such foreclosure sale.

(2) The Declaration and Bylaws shall not give a unit owner or any other party under him, priority over any rights of first mortgagees of unit units pursuant to their mortgages in the case of a distribution to unit owners of insurance proceeds or condemnation awards for losses to or a taking of unit units and/or common elements.

(3) Notwithstanding any other provision of these Bylaws, no amendment to this Section 12.e shall affect the rights of the holder of any such mortgage recorded or filed in the Bureau or the Land Court, as the case may be, prior to the recording or filing of such amendment who does not join in the execution thereof.

ARTICLE VI MISCELLANEOUS

Section 1 Amendment. Subject to the reservation in Article V, Section 12.e(3) and excepting this paragraph, these Bylaws may be amended at any time by the vote or written consent of not less than sixty-seven percent (67%) of all unit owners, effective only upon the recording of an amendment to these Bylaws in the Bureau, or the Land Court, as appropriate, setting forth such amendment and vote and duly executed by the unit owners or by any two officers of the Association; provided that each one of the particulars required by the Act shall always be embodied in the Bylaws; and provided further, however, that the written consent of eligible holders of first mortgages (as defined below) on units to which at least fifty-one percent (51%) of the common interests appurtenant to units subject to mortgages held by such eligible

holders shall be required to materially amend any provision herein, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following in a manner materially different than provided herein: (a) voting; (b) assessments, assessment liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the common elements; (d) insurance or fidelity bonds; (e) reallocation of interests in or the right to use of the common or limited common elements; (f) responsibility for maintenance and repair of the several portions of the Project; (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project not otherwise provided for in the Project documents; (h) boundaries of any unit; (i) the interests in the common elements or limited common elements; (j) convertibility of units into common elements or of common elements into units; (k) leasing of units; (l) imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey such owner's unit not otherwise provided for in the Project documents; (m) a decision to end professional management and adopt self-management; (n) restoration or repair of the Project in a manner other than that specified in the Project documents; and (o) any provisions that expressly benefit mortgage holders, insurers, or guarantors; provided further that any proposed Bylaws, together with the detailed rationale for the proposal, may be submitted by the Board or by a volunteer unit owners' group. If submitted by that group, it shall be accompanied by a petition signed by not less than twenty-five percent (25%) of the unit owners as shown in the Association's record of ownership. The proposed bylaws, rationale and ballots for voting on any proposed bylaw shall be mailed by the Board to all the unit 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 the proposed Bylaw shall not be less than sixty-seven percent (67%) of all unit owners; provided that the vote or written consent must be obtained within three hundred sixty-five (365) days after mailing for a proposed bylaw submitted by either the Board or a volunteer unit owners' committee. If the Bylaw is duly adopted, then the Board shall cause the bylaw amendment to be recorded in the Bureau or filed in the Land Court, as the case may be. The volunteer unit owners' group shall be precluded from submitting a petition for a proposed bylaw which is substantially similar to that which has been previously mailed to the unit owners within three hundred sixty-five (365) days after the original petition was submitted to the Board. This section shall not preclude any unit owner or voluntary unit owners' group from proposing any Bylaw amendment at any annual Association meeting.

Section 2. Liability and Indemnification of Directors and Officers. The members of the Board and officers shall not be liable to the unit owners for any mistake of judgment or otherwise except for their own individual gross 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 and amounts paid for services of counsel and other related expenses which may be incurred by or imposed on him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter is 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 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 misconduct toward the Association in the performance of his duties as such director or officer. As to whether or not a director or officer was liable by reason of negligence or 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, personal representatives, and assigns of each such director and officer.

Section 3. Waiver. The failure of the Board to insist on any one or more instances upon a strict performance of or compliance with any of the covenants of the unit owner hereunder or to exercise any right or option herein contained or to serve any notice, or to institute any action or summary proceeding, shall not be construed as a waiver, or a relinquishment for the future, of such covenant or option or right, but such covenant or option or right shall continue and remain in full force and effect. The receipt by the Board of any sum paid by the unit owner hereunder, with or without knowledge by the Board of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver, express or implied, by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in resolution of the Board.

Section 4. Association Documents.

a. The Association's most current financial statement and minutes of the Board's meetings, once approved, shall be available to any unit owner or to the holder, insurer, or guarantor of any first mortgage covering a unit in the Project at no cost or on twenty-four (24) hour loan, at a convenient location designated by the Board.

b. Minutes of meetings of the Association shall be approved at the next succeeding regular meeting or by the Board, within sixty (60) days after the meeting, if authorized by the owners at an annual meeting. If approved by the Board, owners shall be given a copy of the approved minutes or notified of the availability of the minutes within thirty (30) days after approval. Minutes of all meetings of the Association shall be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within sixty (60) days after the meeting. An owner shall be allowed to offer corrections to the minutes at an Association meeting. Minutes of Board meetings shall include the recorded vote of each Board member on all motions except motions voted on in executive session. Minutes of Board meetings shall be approved no later than the second succeeding regular meeting. Minutes of all meetings of the Board shall be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within sixty (60) days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session.

c. Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers, insurance policies, contracts, and invoices of the Association for the current and prior year and delinquencies of ninety (90) days or more shall be available for examination by unit owners during normal sessions at a place designated by the Board; provided:

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

(2) That unit owners pay for all administrative costs incurred in excess of eight (8) hours per year.

Copies of these items shall be provided to any unit owner or to the holder, insurer, or guarantor of any first mortgage on a unit in the Project, upon request, provided that a reasonable fee be paid for duplicating, postage, stationery, and other administrative costs associated with handling the request.

d. Unit owners shall also be permitted to view proxies, tally sheets, ballots, owner's check-in lists, and the certificate of election for a period of thirty (30) days following any Association meeting; provided:

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

(2) That unit owners pay for administrative costs in excess of eight (8) hours per year.

Proxies and ballots may be destroyed following the thirty (30) day period. Copies of tally sheets, owners' check-in lists, and the certificates of election from the most recent Association meeting shall be provided to any unit owner upon the unit owner's request, provided that the unit owner pays a reasonable fee for duplicating, postage, stationery and other administrative costs associated with handling the request.

e. Unit 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 (30) calendar days of receipt of the request.

f. An accurate copy of the Declaration, the Bylaws, the House Rules, if any, the master lease for the Parking Parcel, a sample original conveyance document, all public reports and any amendments thereto, shall be kept at the Managing Agent's office. The Managing Agent shall provide copies of those documents to unit owners, prospective purchasers and their prospective agents, or to the holder, insurer, or guarantor of any first mortgage on a unit

in the Project, 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.

Section 5. Disposition of Unclaimed Possessions.

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

(1) The Board notifies the owner in writing of (a) the identity and location of the personalty; and (b) the Board's intent to sell, store, donate, or dispose of the personalty. Notification shall be by certified mail, return receipt requested to the owner's address as shown by the records of the Association or to an address designated by the owner for the purpose of notification or, if neither of these is available, to the owner's last known address, if any;

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

b. The proceeds of any sale or disposition of personalty under subsection (a) of this Section 5 shall, after deduction of any accrued costs of mailing, advertising, storage, and sale, be held for the owner for thirty (30) days. Any proceeds not claimed within this period shall become the property of the Association.

Section 6. Association May Incorporate. All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a non-profit 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 affirmative vote of the Board. 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 is in violation of any or all of the terms, covenants or conditions contained herein shall be void and of no effect.

Section 7. Subordination. These Bylaws are subordinate and subject to all provisions of the Declaration and any amendments thereto and the Condominium Property Act (Chapter 514B, HRS, as amended) which shall control in case of any conflict. All terms herein (except where clearly repugnant to the content) shall have the same meaning as in the Declaration or said Condominium Property Act.

Section 8. Interpretation. In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or Board to conduct or engage in any active business for profit on behalf of any or all of the unit owners.

this 4th day of August, 2006. IN WITNESS WHEREOF, Developer has caused this instrument to be executed

PLANTATION TOWN APARTMENTS LLC,
a Hawaii limited liability company

By: M & M Investments, Inc.,
a Hawaii corporation
Its Managing Member

By: Michael Kimura
Michael Kimura
Its President

“Developer”

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

On this 4th day of August, 2006, before me personally appeared **Michael Kimura**, to me satisfactorily proven to be the person described in and who, being by me duly sworn or affirmed, did say that he executed the foregoing instrument as his free act and deed, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Carolyn P. Okano

Print Name: CAROLYN P. OKANO
Notary Public for the above-noted State and County

My Commission Expires: MAY - 9 2008

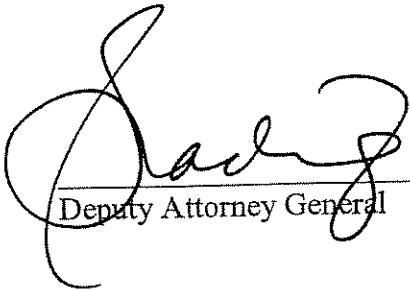
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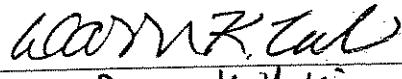
JOINDER

The undersigned, HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and body corporate and politic of the State of Hawaii ("HHFDC"), as owner of legal title to the land described in Exhibit A of the Declaration, and pursuant to the terms and conditions of that certain Development Agreement dated June 27, 2006, by and between Developer and the Housing and Community Development Corporation of Hawaii, predecessor agency to HHFDC (pursuant to Act 196, 2005 Session Laws of Hawaii and Act 180, 2006 Session Laws of Hawaii), hereby joins in and submits all of its right, title and interest in the Land to the condominium property regime established by the Declaration, upon the conditions set forth in Section 40 thereof.

APPROVED AS TO FORM:

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

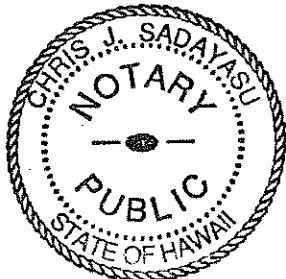

 Deputy Attorney General

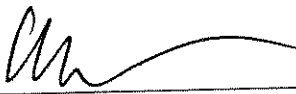
By 
 Name: Darren K. Ueki
 Its Executive Director
Acting

"HHFDC"

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

On this 4th day of August, 2006, before me personally appeared Darren K. Ueki, to me satisfactorily proven to be the person described in and who, being by me duly sworn or affirmed, did say that he executed the foregoing instrument as his free act and deed, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

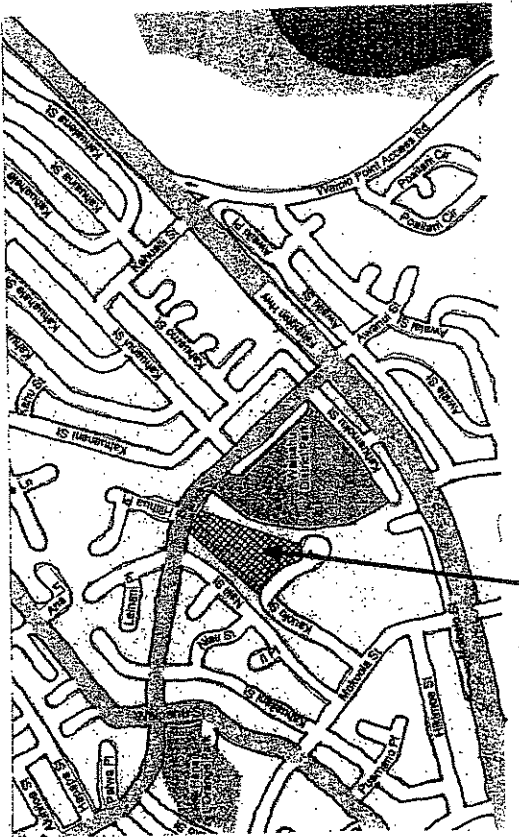



 Print Name: Chris J. Sadayasu
 Notary Public for the above-noted State and County
 My Commission Expires: MAR 30 2007

PLANTATION TOWN APARTMENTS

94979 KAUOLU
94302 PAIWA

WAIPAHU, HAWAII



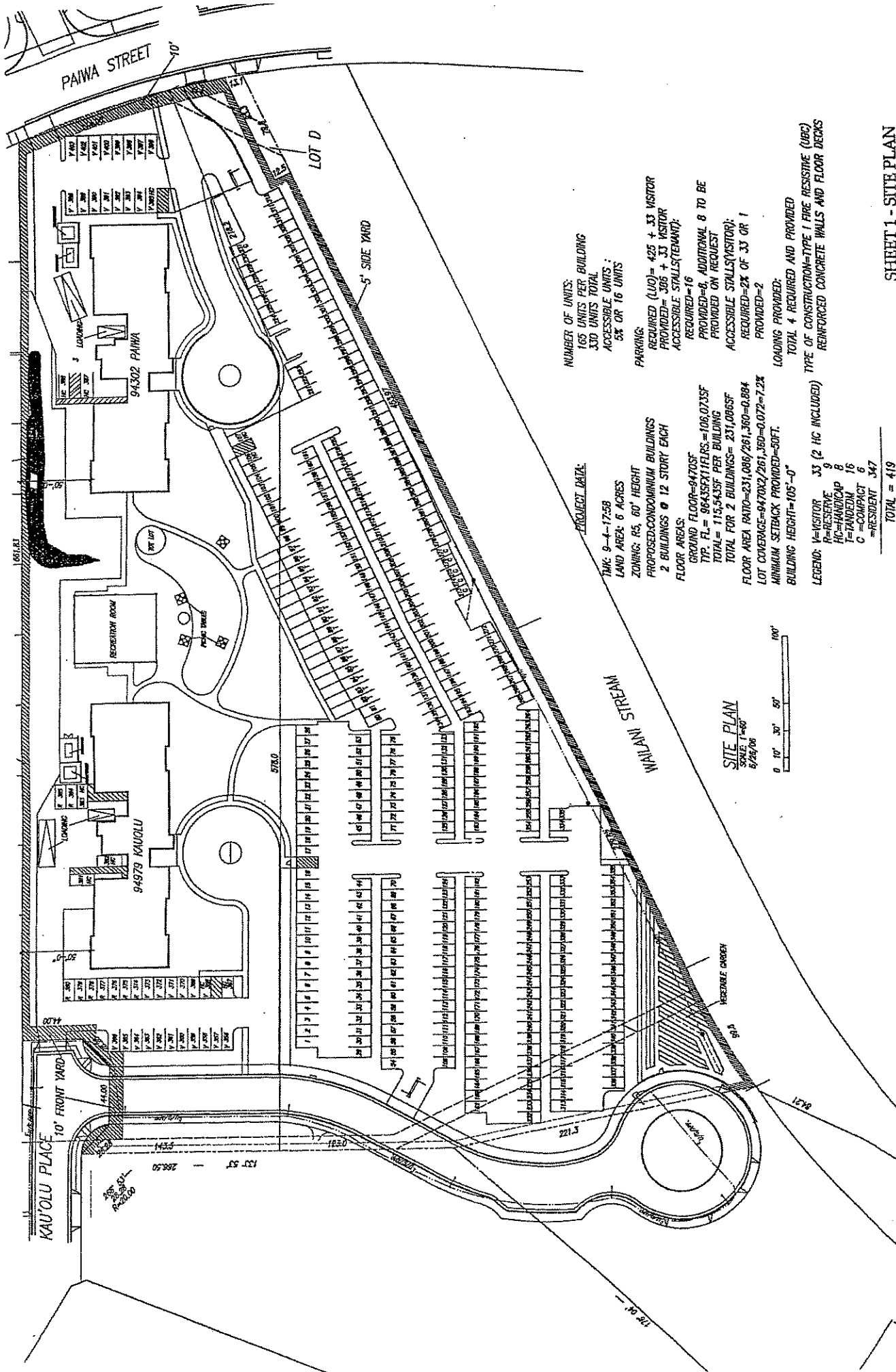
PROJECT SITE

SCHEDULE OF DRAWINGS

- 1 - SITE PLAN / SHEET 1A-- PLOT PLAN
- 2 - GROUND FLOOR PLAN (94979 KAUOLU)
- 3 - GROUND FLOOR PLAN (94302 PAIWA)
- 4 - 2ND FLOOR PLAN
- 5 - TYPICAL FLOOR PLAN
- 6 - GROUND FLOOR UNIT FLOOR PLANS - (94979 KAUOLU)
- 7 - GROUND FLOOR UNIT FLOOR PLANS - (94979 KAUOLU)
- 8 - GROUND FLOOR UNIT FLOOR PLANS - (94302 PAIWA)
- 9 - GROUND FLOOR UNIT FLOOR PLANS - (94302 PAIWA)
- 10 - TYPICAL FLOOR UNIT FLOOR PLANS
- 11 - TYPICAL FLOOR UNIT FLOOR PLANS
- 12 - RECREATION ROOM
- 13 - EXTERIOR ELEVATIONS
- 14 - EXTERIOR ELEVATIONS

DESIGN TEAM

ARCHITECT - KAZU YATO, AIA & ASSOCIATES, INC.
STRUCTURAL ENGINEER - BALDRIDGE & ASSOCIATES STRUCTURAL ENGINEERING
CIVIL ENGINEER - ADVANCED ENGINEERING TECHNOLOGY
MECHANICAL ENGINEER - MECHANICAL ENTERPRISES, INC.
ELECTRICAL ENGINEER - ECS, INC.
LANDSCAPE ARCHITECT - RANDAL FUJIMOTO



NUMBER OF UNITS:
 165 UNITS PER BUILDING
 330 UNITS TOTAL
 ACCESSIBLE UNITS:
 8% OR 16 UNITS

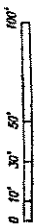
PARKING:
 REQUIRED (LUD) = 425 + 33 VISITOR
 PROVIDED = 306 + 33 VISITOR
 ACCESSIBLE STALLS (TENANT):
 REQUIRED = 16
 PROVIDED = 8, ADDITIONAL 8 TO BE PROVIDED ON REQUEST
 ACCESSIBLE STALLS (VISITOR):
 REQUIRED = 2% OF 33 OR 1
 PROVIDED = 2

LOADING PROVIDED:
 TOTAL 4 REQUIRED AND PROVIDED
 TYPE OF CONSTRUCTION = TYPE I FIRE RESISTIVE (UBC)
 REINFORCED CONCRETE WALLS AND FLOOR DECKS

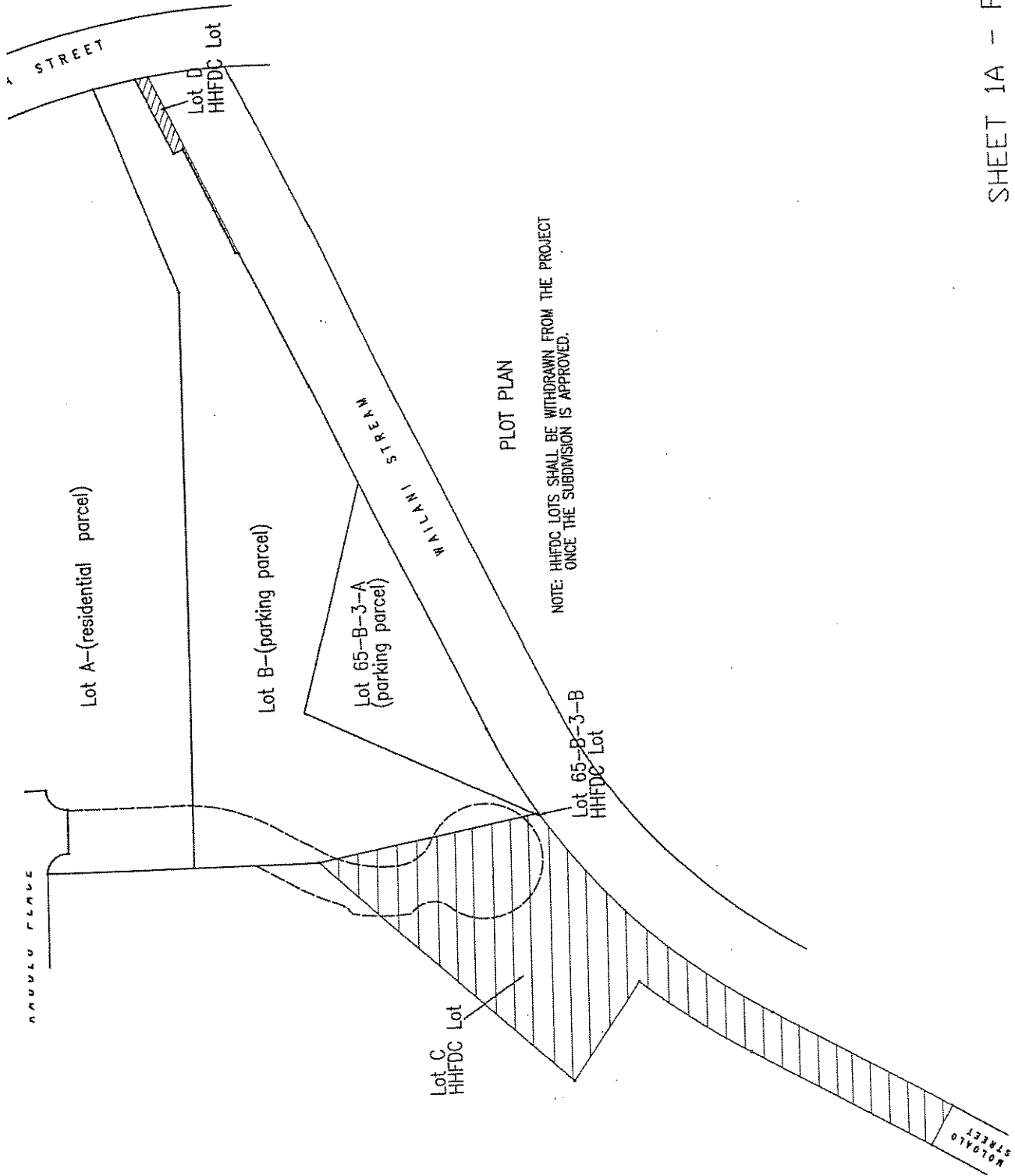
PROJECT DATA:

TRK. 9-4-17-58
 LAND AREA: 6 ACRES
 ZONING: RS, 60' HEIGHT
 PROPOSED CONDOMINIUM BUILDINGS
 2 BUILDINGS @ 12 STORY EACH
 FLOOR AREAS:
 GROUND FLOOR = 94,705 SF
 TYP. FL. = 964,557 SF PER BUILDING
 TOTAL = 115,543 SF PER BUILDING
 TOTAL FOR 2 BUILDINGS = 231,086 SF
 LOT AREA RATIO = 231,086 / 261,360 = 0.884
 LOT COVERAGE = 94,705 / 261,360 = 0.362 = 36.2%
 MINIMUM SETBACK PROVIDED = 50 FT.
 BUILDING HEIGHT = 105'-0"

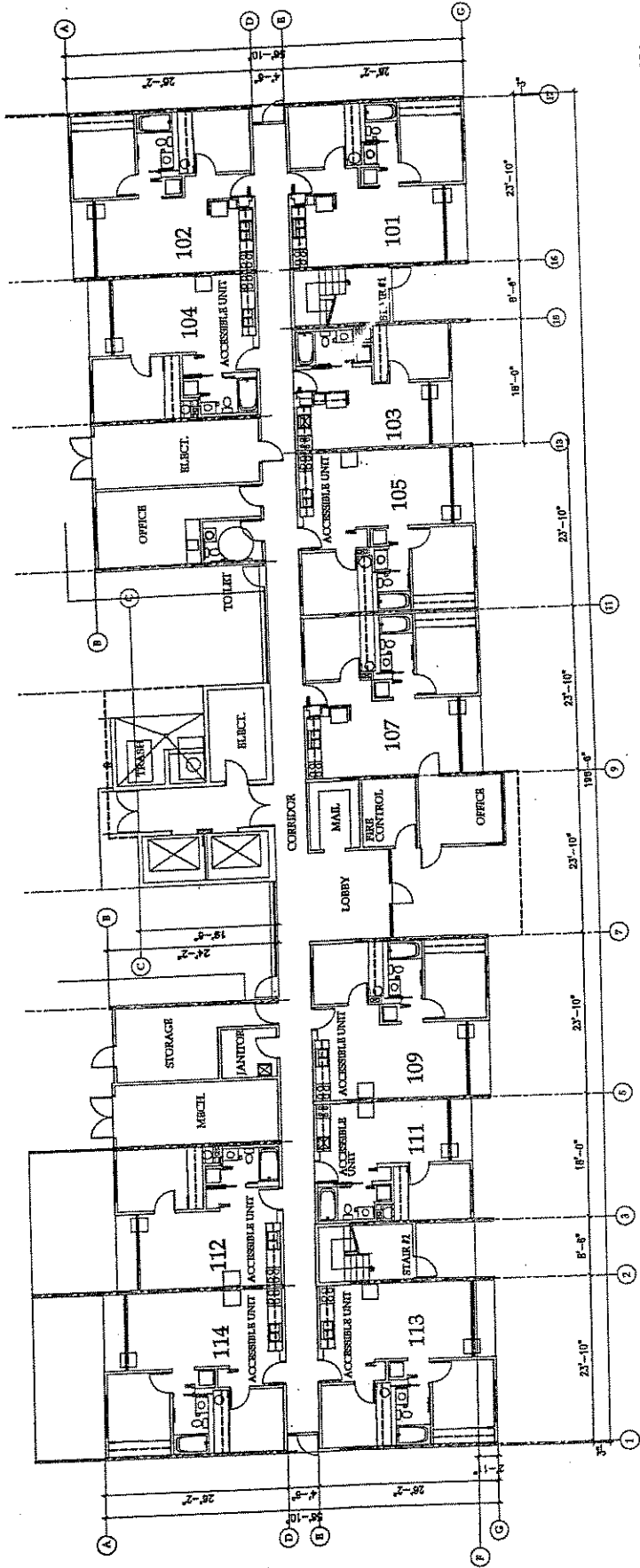
SITE PLAN
 SCALE: 1" = 60'
 6/24/06



LEGEND:
 V = VISITOR 33 (2 HC INCLUDED)
 R = RESERVE 9
 HC = HANDICAP 8
 T = TENANT 16
 C = COMPACT 6
 = RESIDENT 347
 TOTAL = 419



PLOT PLAN

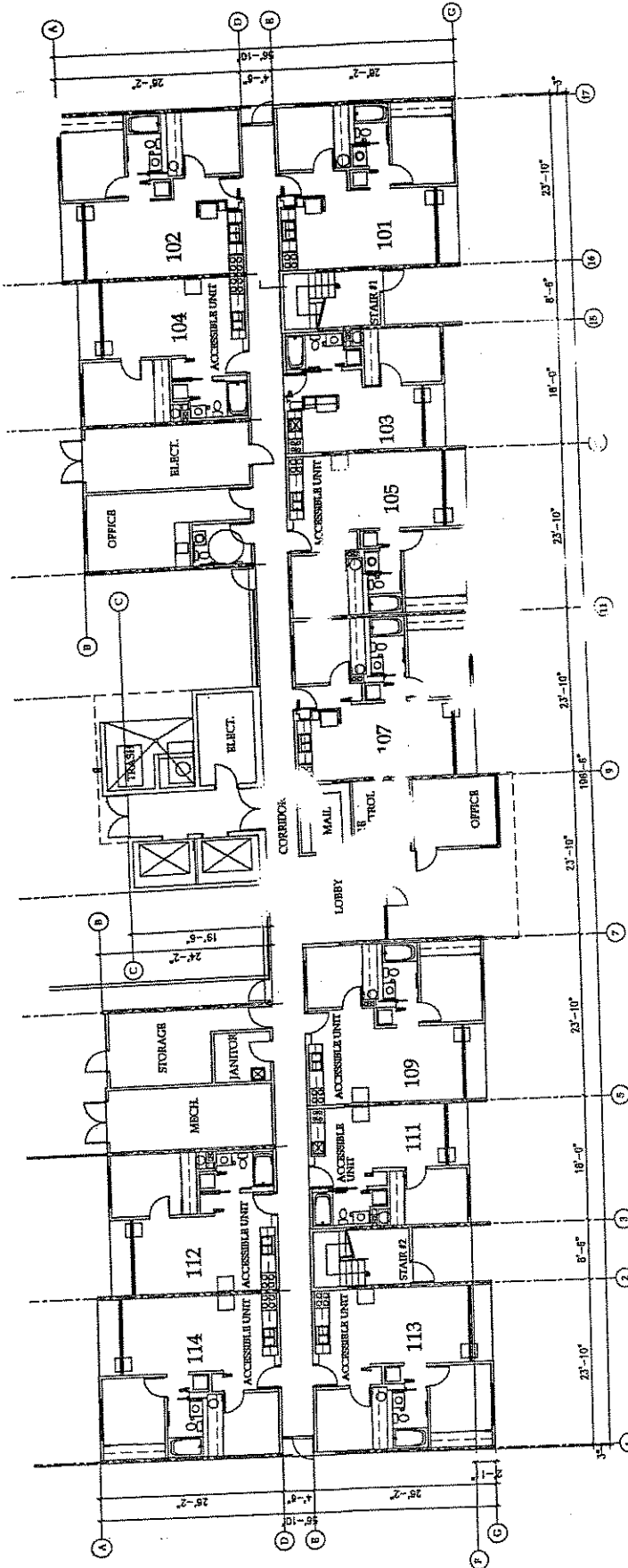


GROUND FLOOR PLAN (94979 KAULU)
SCALE 1/16"=1'-0"

UNIT TABULATION

| UNIT | CONDOMINIUM MEASUREMENT SIZE(SF) | ARCHITECTURAL MEASUREMENT SIZE(SF) | LANA(SF) | NO. OF UNITS |
|------|--|--|----------|--------------|
| 101 | 555 | 33 | 34 | 1 |
| 102 | 555 | 33 | 34 | 1 |
| 103 | 362 | 27 | 28 | 1 |
| 104 | 444 | 33 | 34 | 1 |
| 105 | 555 | 33 | 34 | 1 |
| 107 | 555 | 33 | 34 | 1 |
| 109 | 362 | 27 | 28 | 1 |
| 111 | 444 | 33 | 34 | 1 |
| 112 | 555 | 33 | 34 | 1 |
| 113 | 555 | 33 | 34 | 1 |
| 114 | 555 | 33 | 34 | 1 |
| 01 | 643 | 27 | 27 | 11 |
| 02 | 555 | 27 | 27 | 11 |
| 03 | 362 | 23 | 23 | 11 |
| 04 | 444 | 27 | 27 | 11 |
| 05 | 555 | 27 | 27 | 11 |
| 06 | 444 | 27 | 27 | 11 |
| 07 | 555 | 27 | 27 | 11 |
| 08 | 555 | 27 | 27 | 11 |
| 09 | 555 | 27 | 27 | 11 |
| 10 | 444 | 27 | 27 | 11 |
| 11 | 362 | 23 | 23 | 11 |
| 12 | 444 | 27 | 27 | 11 |
| 13 | 643 | 27 | 27 | 11 |
| 14 | 555 | 27 | 27 | 11 |

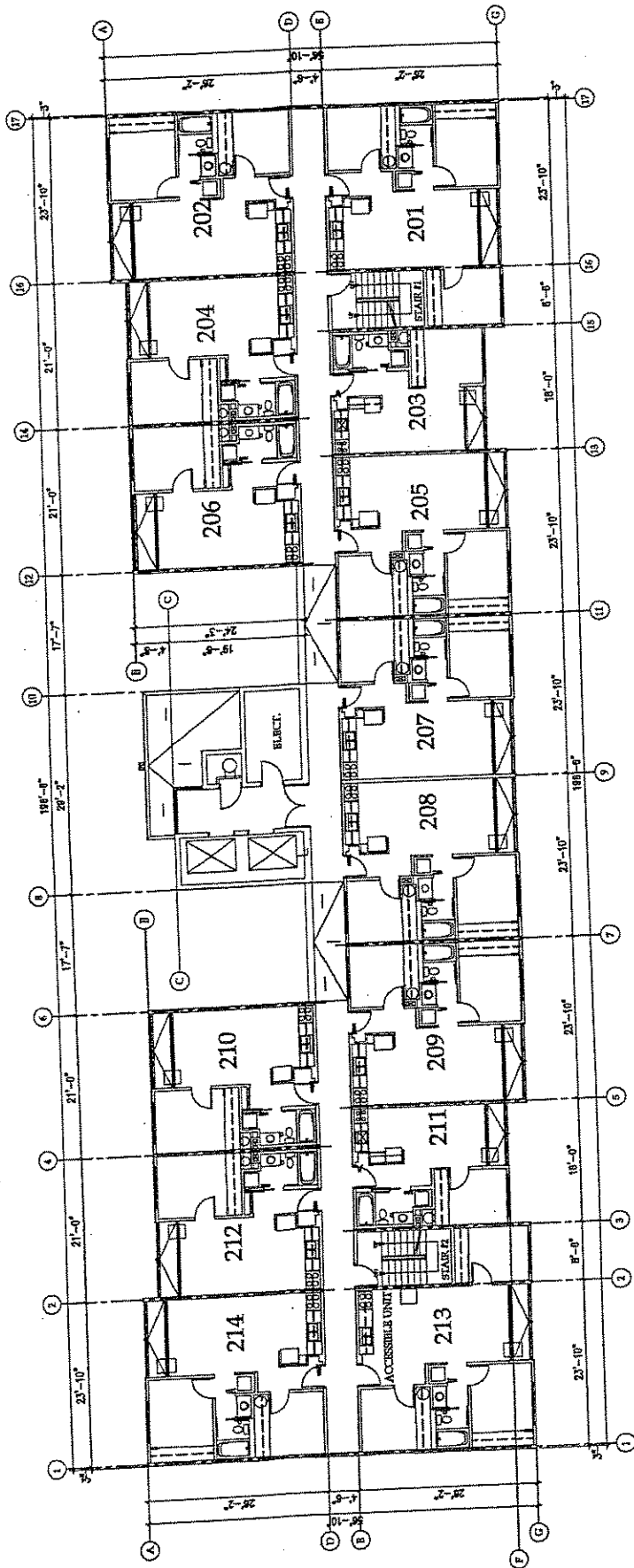
TOTAL=165



UNIT TABULATION

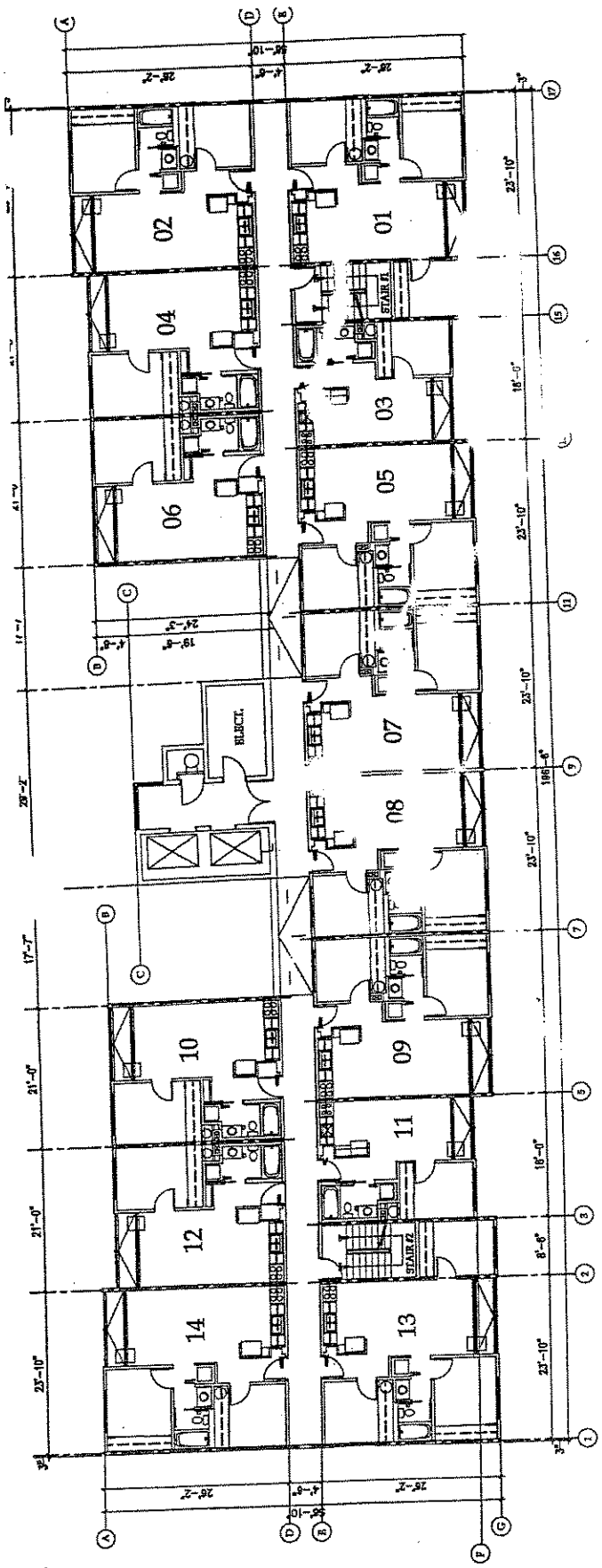
| UNIT | CONDOMINIUM MEASUREMENT SIZE(SF) | ARCHITECTURAL MEASUREMENT SIZE(SF) | LANA(SF) | NO. OF UNITS |
|------|----------------------------------|------------------------------------|----------|--------------|
| 101 | 555 | 595 | 34 | 1 |
| 102 | 555 | 595 | 34 | 1 |
| 103 | 362 | 390 | 24 | 1 |
| 104 | 444 | 474 | 34 | 1 |
| 105 | 555 | 595 | 34 | 1 |
| 107 | 555 | 595 | 34 | 1 |
| 109 | 555 | 595 | 34 | 1 |
| 111 | 362 | 390 | 24 | 1 |
| 112 | 444 | 474 | 34 | 1 |
| 113 | 555 | 595 | 34 | 1 |
| 114 | 555 | 595 | 34 | 1 |
| 01 | 643 | 604 | 34 | 11 |
| 02 | 555 | 595 | 34 | 11 |
| 03 | 362 | 390 | 24 | 11 |
| 04 | 444 | 474 | 34 | 11 |
| 05 | 555 | 595 | 34 | 11 |
| 06 | 444 | 474 | 34 | 11 |
| 07 | 555 | 595 | 34 | 11 |
| 08 | 555 | 595 | 34 | 11 |
| 09 | 555 | 595 | 34 | 11 |
| 10 | 444 | 474 | 34 | 11 |
| 11 | 362 | 390 | 24 | 11 |
| 12 | 444 | 474 | 34 | 11 |
| 13 | 643 | 604 | 34 | 11 |
| 14 | 555 | 595 | 34 | 11 |

TOTAL= 165

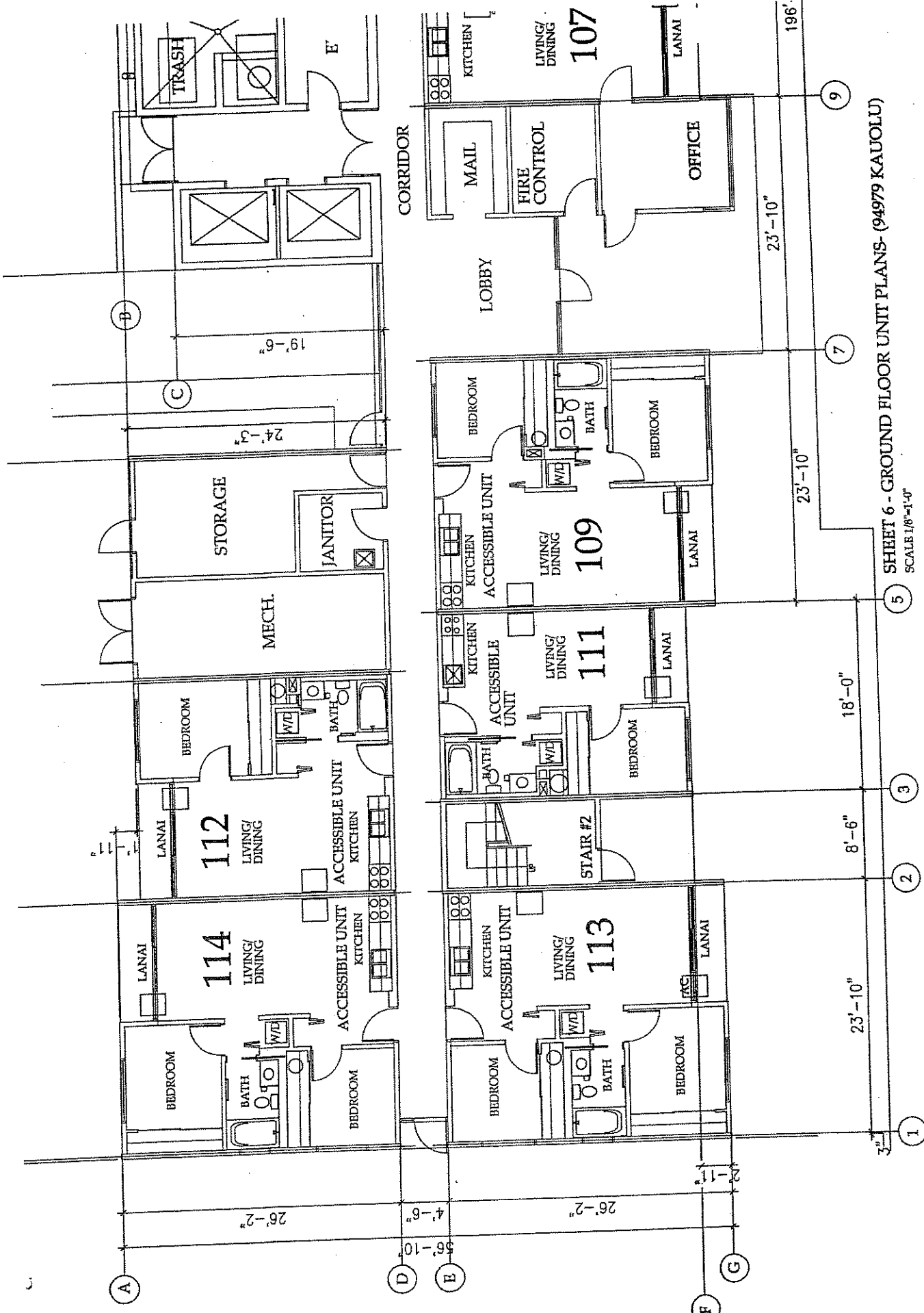


SCALE 1/8"=1'-0"
 2ND FLOOR PLAN FOR 94979 KAULU & 94302 PAIWA
 SCALE 3/16"=1'-0"

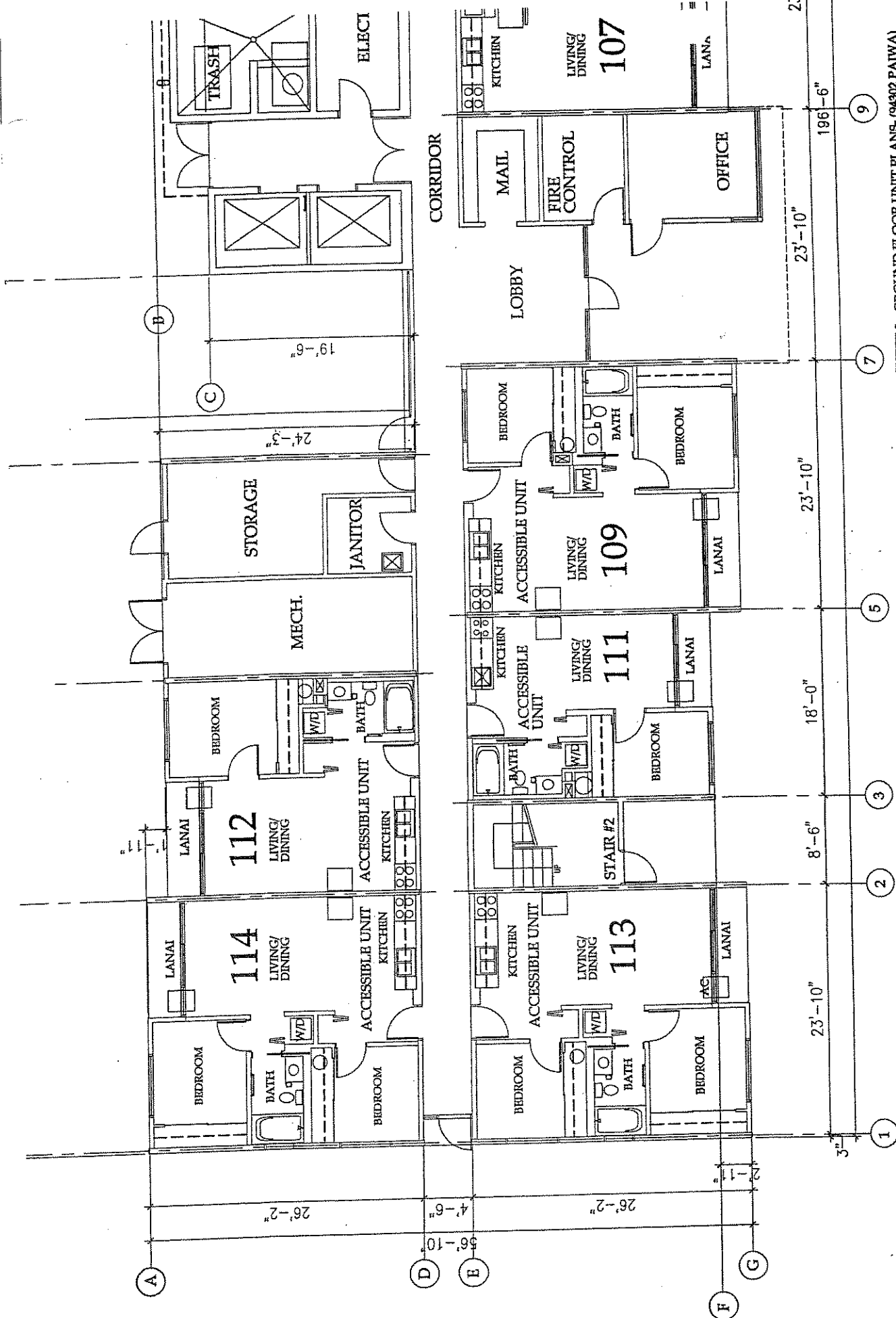
SHEET 4 - 2ND FLOOR PLAN



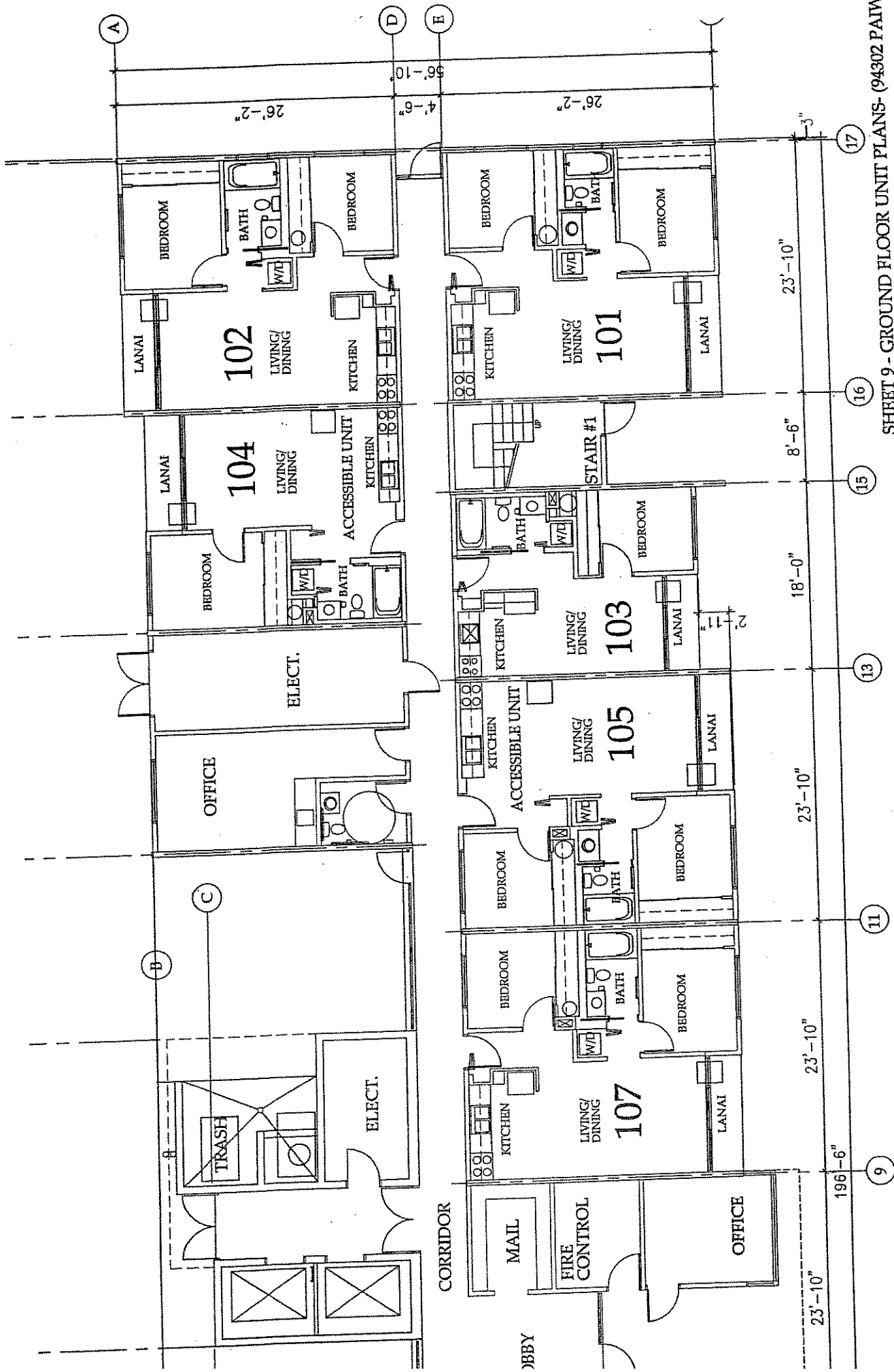
TYPICAL FLOOR PLAN FOR 94979 KAUOLU & 94302 PAIWA - FLOORS 3 THRU 12
 SCALE 1/16"=1'-0"



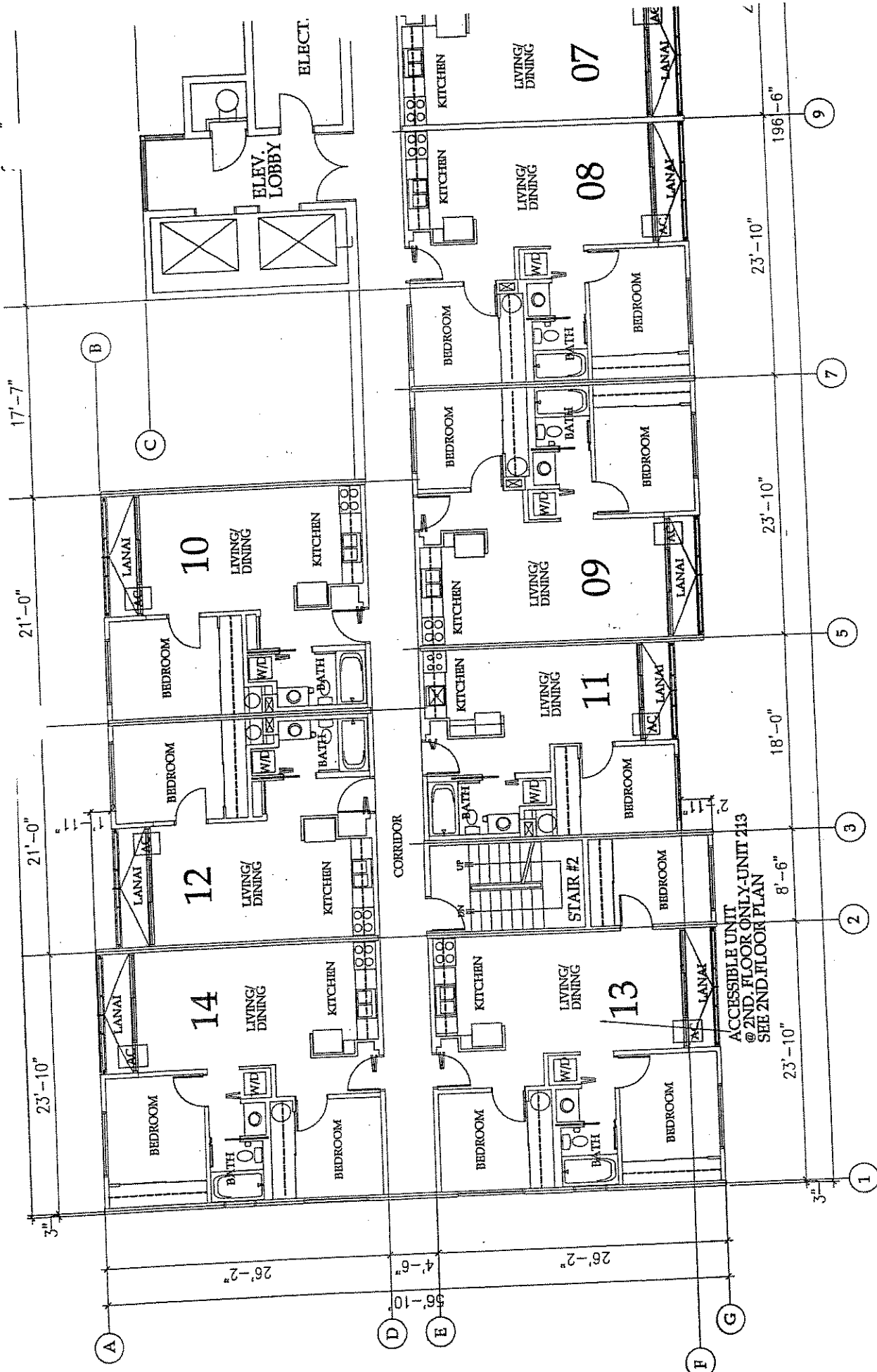
SHEET 6 - GROUND FLOOR UNIT PLANS - (94979 KAUOLU)
SCALE 1/8"=1'-0"



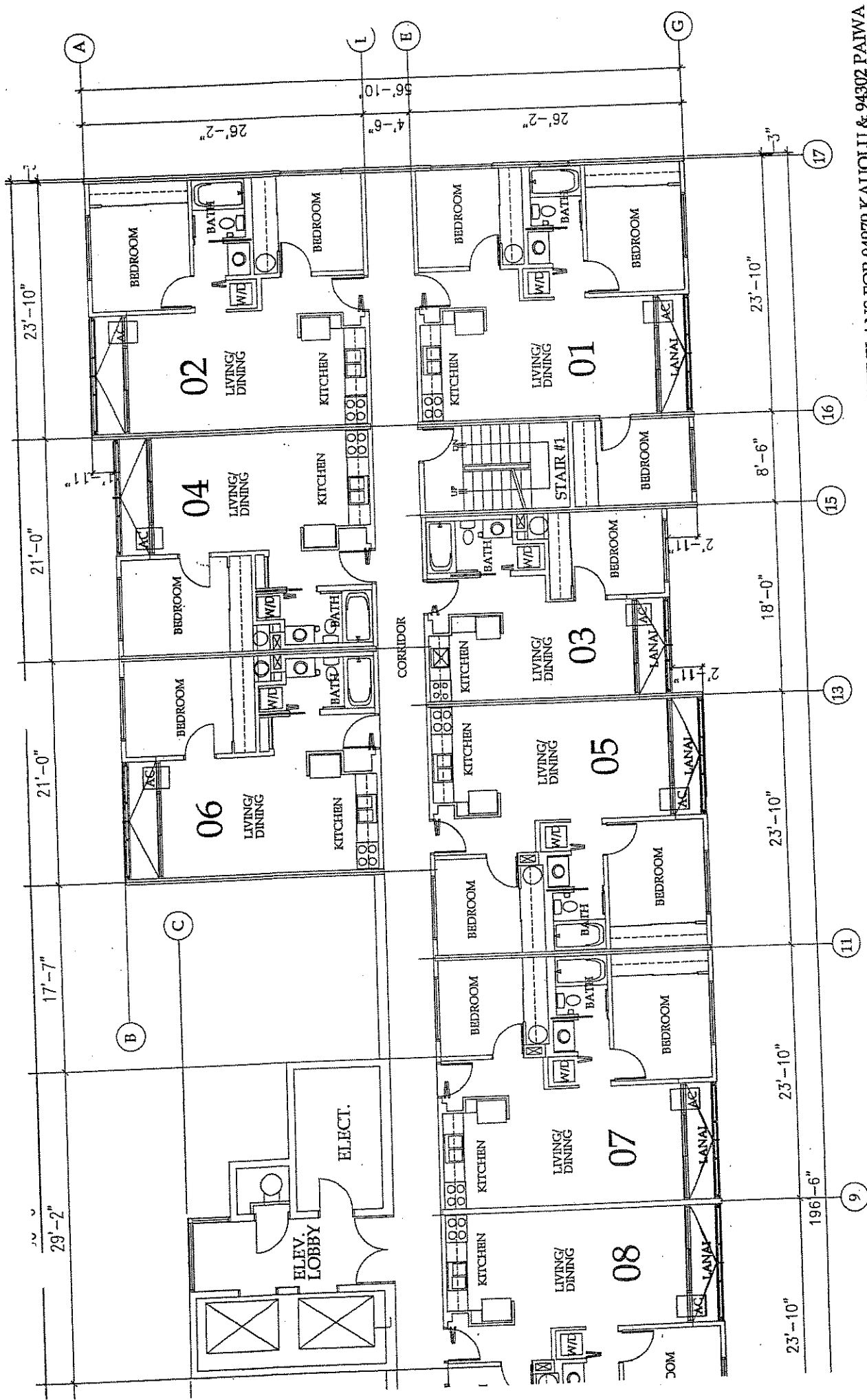
SHRIT 8 - GROUND FLOOR UNIT PLANS - (94302 PAIWA)
 SCALE: 1/8"=1'-0"



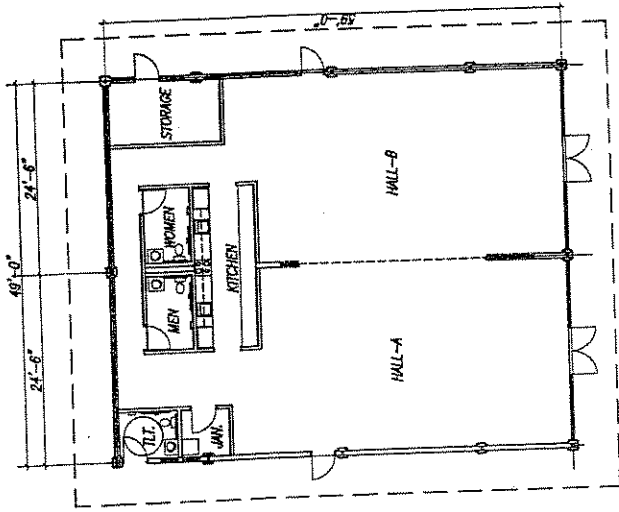
SHEET 9 - GROUND FLOOR UNIT PLANS - (94302 PAIWA)
SCALE 1/8"=1'-0"



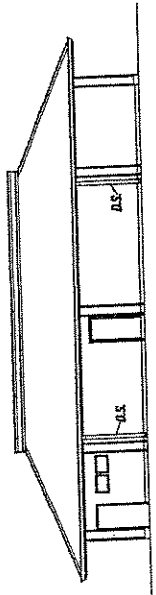
SHEET 10 - TYPICAL FLOOR UNIT PLAN FOR 94979 KAULOU & 93402 PAIWA
 SCALE 1/8"=1'-0"



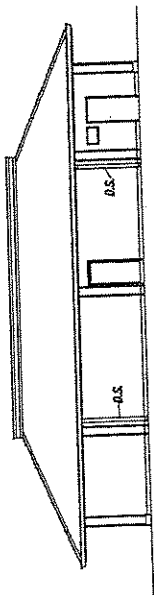
SHEET 11 - TYPICAL FLOOR UNIT PLANS FOR 94979 KAULU & 94302 PAIWA
 SCALE 1/8"=1'-0"



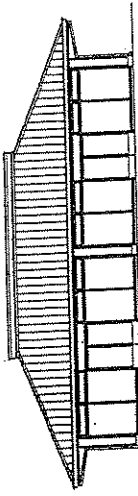
FLOOR PLAN
SCALE: 1/8"=1'-0"



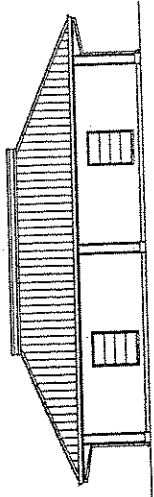
SIDE ELEVATION



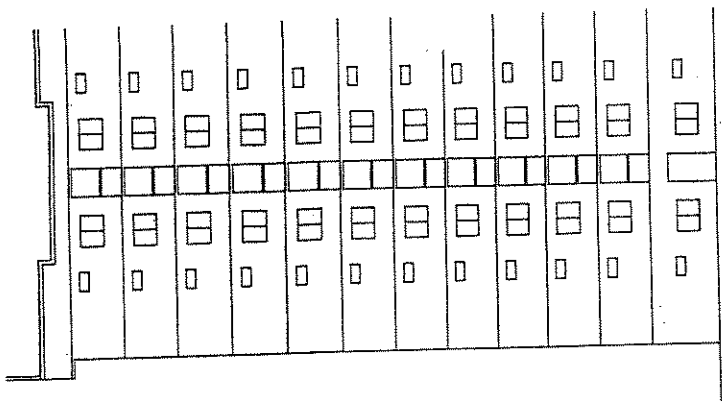
SIDE ELEVATION



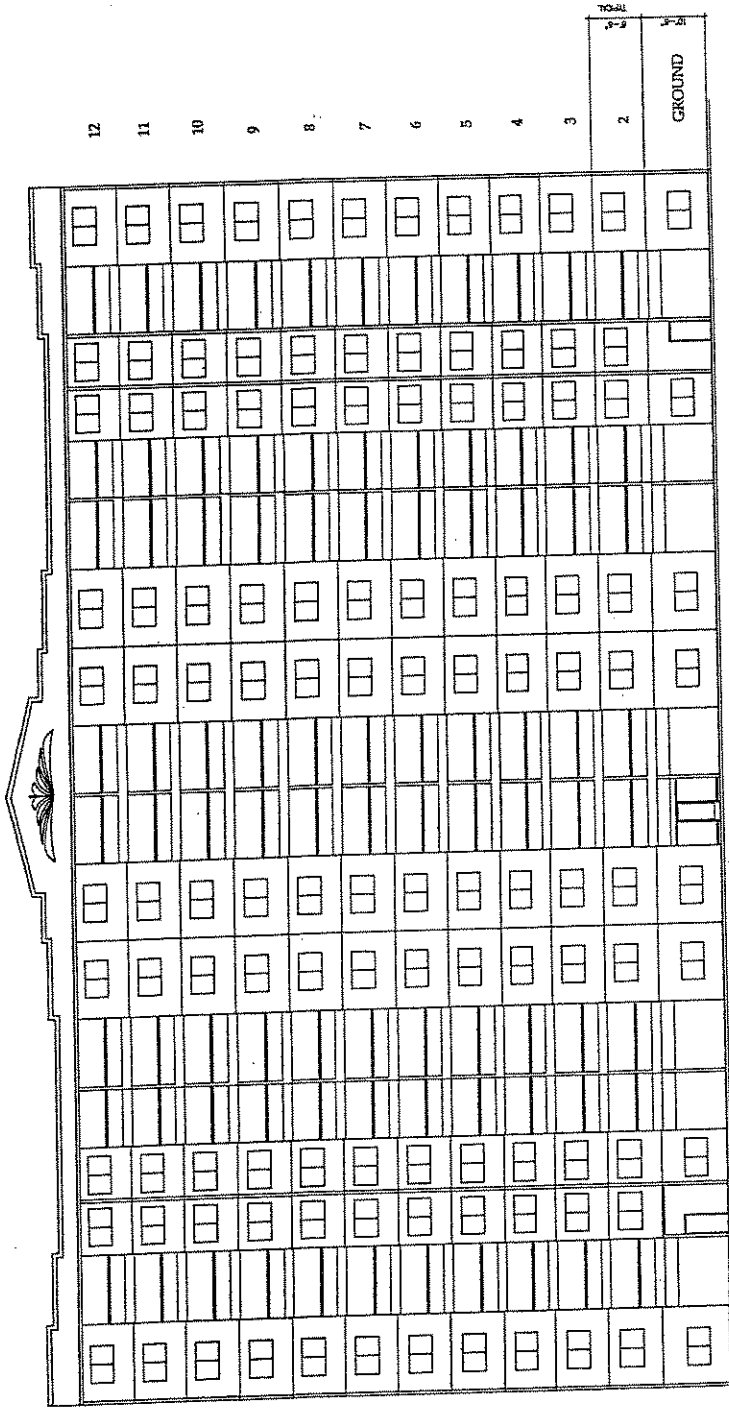
FRONT ELEVATION



BACK ELEVATION

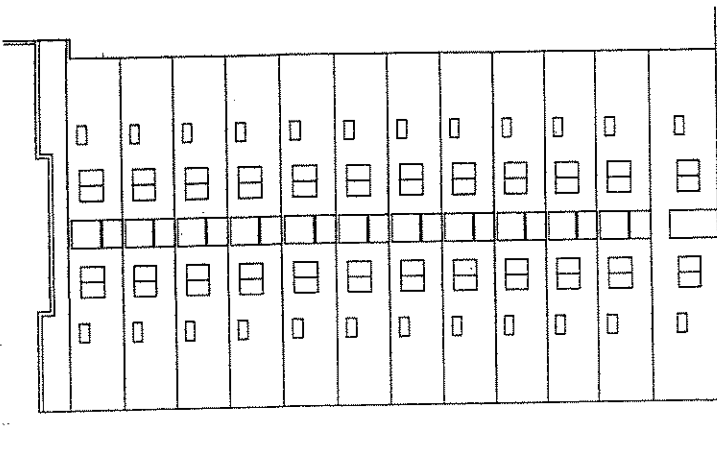


SIDE ELEVATION
SCALE: 1"=20'

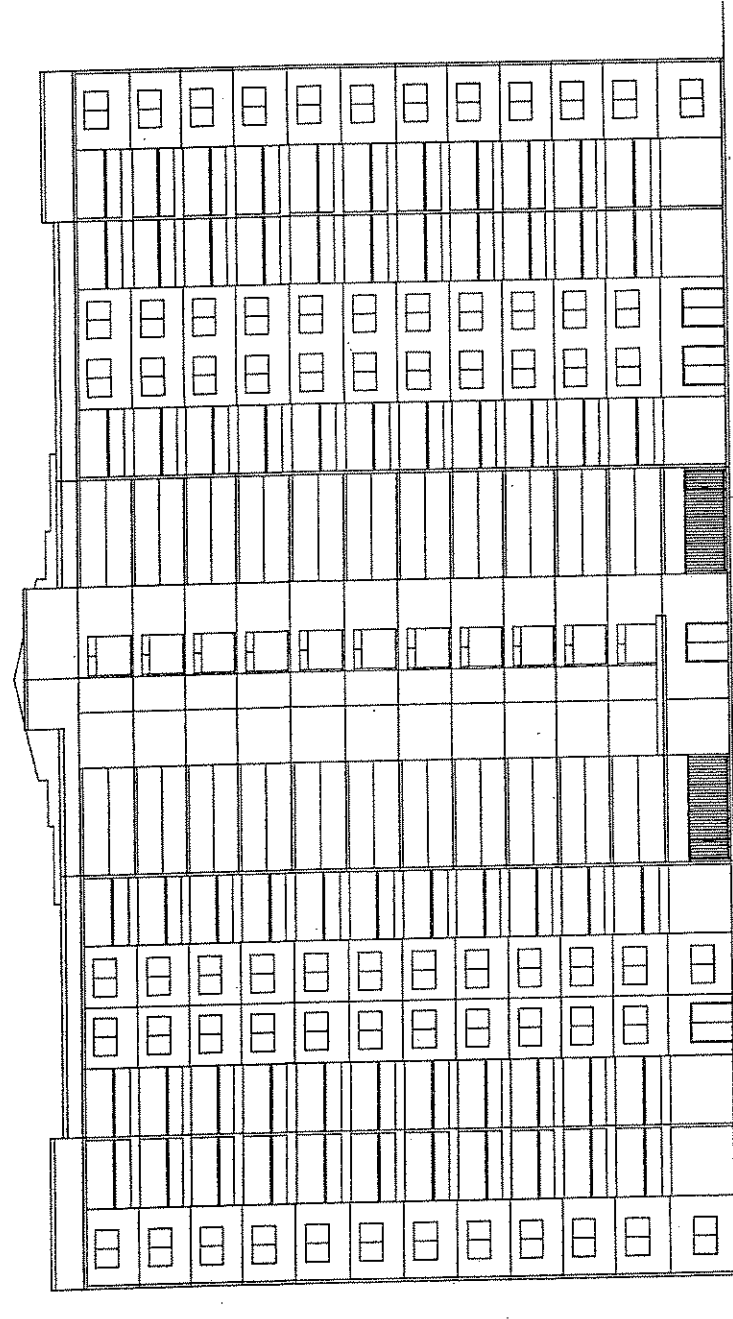


FRONT ELEVATION
SCALE: 1"=20'

12
11
10
9
8
7
6
5
4
3
2
GROUND



SIDE ELEVATION
SCALE: 1"=20'



BACK ELEVATION
SCALE: 1"=20'

ARCHITECT'S CERTIFICATION

I, KAZUTOSHI YATO, hereby certify that I am a registered architect in the State of Hawaii (Registration No. 3271) and that, to the best of my knowledge and as of the date hereof, the attached condominium map, which depicts the layout, location, unit numbers, and dimensions of the units of the Plantation Town Apartments condominium project, is consistent with the plans of the condominium's buildings as filed with the Department of Planning and Permitting of the City and County of Honolulu.

Dated: 8/10/06

Kazutoshi Yato
KAZUTOSHI YATO

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

On this 10th day of August, 2006, before me personally appeared KAZUTOSHI YATO, to me satisfactorily proven to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Carolyn P. Okano
Print Name: CAROLYN P. OKANO
Notary Public for above-noted State and County
My Commission expires: MAY - 9 2008

L.S

PLANTATION TOWN APARTMENTS
HOUSE RULES

The purposes of these House Rules are to promote the harmonious occupancy of the condominium units in the Plantation Town Apartments ("the Project"), to protect all occupants from annoyance and nuisance caused by improper use of the condominium units, and to protect the reputation and desirability thereof by providing maximum enjoyment of the premises. These House Rules may be amended by the Board of Directors of the Association of Unit Owners of Plantation Town Apartments ("the Board"), as provided in the Bylaws of the Association of Unit Owners of Plantation Town Apartments ("the Bylaws"). Any suggested changes should be delivered in writing to the Managing Agent for transmission to the Board.

The full authority and responsibility of enforcing these House Rules may be delegated to the Managing Agent by the Board. All occupants, tenants and their guests shall be bound by these House Rules. All occupants, tenants and their guests shall exercise a standard of reasonable conduct at all times whether covered by these House Rules or not.

I. OCCUPANCY AND USE OF UNITS

- A. General. A unit and any limited common element(s) thereto shall be occupied and used by the owner, owner's family, lessees, servants, guests, invitees, licensees, agents, employees and other persons who may use or occupy the unit by, or through the owner, only in accordance with and for such purposes as designated in the Declaration of Condominium Property Regime of Plantation Town Apartments ("the Declaration") and the Bylaws.
- B. Conduct. A unit owner and occupant shall be responsible for the conduct of such owner's or occupant's children at all times, ensuring that their behavior is neither offensive to any occupant of the Project nor damaging to any portion of the common elements.
- C. Condition. Every unit owner and occupant shall at all times keep such owner's or occupant's unit and any limited common element(s) appurtenant thereto 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 of Unit Owners of Plantation Town Apartments ("the Association") for the time being applicable to their use and to the use of the Project.
- D. Occupancy Limits. Notwithstanding anything in these House Rules to the contrary, any violation of occupancy limits imposed by any law or regulation shall also be a violation of these House Rules.

EXHIBIT P

E. Pets.

- (1) No pets, including livestock, poultry or other animals whatsoever, shall be allowed to be kept in any part of the Project.
- (2) No animal described as a pest under Section 150A-2, Hawaii Revised Statutes, as amended ("HRS"), or prohibited from importation under Sections 141.2, 150A-5 or 150A-6, HRS, may be kept in the Project.
- (3) Notwithstanding any other provision herein, certified guide dogs and signal dogs and other such animals specially trained to assist handicapped individuals (hereinafter collectively referred to as "specially trained animals") shall be permitted at the Project subject to the following restrictions:
 - (A) Such specially trained animals shall not be kept, bred or used at the Project for any commercial purpose;
 - (B) Such specially trained animals shall be permitted on the common elements (including but not limited to the recreation areas) provided the specially trained animal is on a leash. Nothing herein shall hinder full access to the units and the common elements by persons with disabilities.

F. Plumbing. Toilets, sinks, plumbing and other water apparatus in the units shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or other articles shall be thrown into them. Any damage anywhere in the Project resulting from misuse of any toilets, sinks, or plumbing or other water apparatus in a unit shall be promptly repaired and paid for by the owner of such unit. Every unit owner and occupant shall use his or her best efforts at all times to conserve water.

G. Hazardous Activity. No activity shall be engaged in and no substance shall be introduced into or manufactured within any unit, limited common element, or the common elements which might result in the violation of any law, or cause any increase in the ordinary insurance rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association. Nothing shall be allowed, done or kept in any units or common elements of the Project which would overload or impair the floors, walls or roofs thereof or cause any increase in the ordinary insurance rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association. Unless the Board gives advance written consent in each and every instance, no unit owner or occupant

shall use any illumination other than electric lights, or use or permit to be brought into any unit, common elements or any other area of the Project, any flammable oils or fluids such as gasoline, kerosene, naphtha or benzine, or other explosives or other articles deemed extra hazardous to life, limb or property.

- H. Telephone and Cable Television. Telephone and cable television wiring have been installed up to each unit; however, each unit owner is responsible for subscribing to and paying for telephone and cable television services to such owner's unit or for any extension or connection of such wiring within such owner's unit.
- I. Floor Covering; Sound Transmission. All unit owners must minimize the transmission of footsteps and other floor sounds into neighboring units below. Any owner or occupant (except the units on the Ground Floor) who wishes to change the floor covering on any floor areas that customarily have carpeting with cushion padding, must first: (1) provide written evidence that the new floor covering shall have sound absorbent material and will not exceed the maximum decibel level to be established as described below, and (2) obtain the Board's prior written approval of such floor covering change.

When the Board receives a written application to change a floor covering, at the unit owner's expense, the Board shall retain a sound engineer or other qualified consultant to determine the recommended maximum decibel level that the new flooring must meet, and thereafter, the Board shall establish a maximum decibel level requirement for all new floor coverings for the residential units other than the first floor units. The Board may revise the maximum decibel level and other soundproofing requirements if there is a complaint from the owner or occupant of the unit below the changed floor. The Board may, from time to time, review and modify the maximum decibel level and other soundproofing requirements and retain a sound engineer or other qualified consultant for such purpose.

If the floor covering in a unit is changed, and a sound reading be over (i.e., too loud) the established maximum decibel level, the owner of the changed unit must redo his or her flooring until the established maximum decibel level is met.

II. TEMPORARY OCCUPANCY.

- A. Temporary Absence of Owners. Any unit owner absent from his unit for more than seven (7) consecutive days, shall, at such owner's expense, have an agent, friend or employee conduct periodic inspections of such owner's unit, assuming responsibility for the contents thereof.

- B. Owner-Occupancy Requirement. Every unit owner shall be an owner-occupant of such owner's unit for a ten (10) year period following recordation of such unit owner's unit deed. Following the expiration of such ten-year period, the following provisions shall apply to the occupancy of such owner's unit:
- (1) Absentee Owners. Every unit owner shall be responsible for designating a local agent to represent such owner, particularly with respect to rental, if such owner's residence is outside of the State of Hawaii or if such owner will be absent from the unit for more than thirty (30) days. In such event, an owner shall file the owner's address, telephone number and that of the owner's agent with the Managing Agent.
 - (2) Leasing of Unit. Subject to the terms of the unit deed, unit lease or condominium conveyance document, the Bylaws of the Association and the Declaration, every unit owner, or such owner's designated agent, may lease or rent such owner's unit, or make it available for the use of friends or public, but the person or persons occupying the unit shall abide by these House Rules, and the owner shall assume the responsibility for the occupants' conduct. A unit owner or such owner's designated agent must notify the Managing Agent of the names and length of anticipated occupancy of any occupant.
 - (3) Conduct of Tenants. A unit owner, and the owner's agent if applicable, shall be responsible for the conduct of his lessee(s), renter(s) or guest(s) and shall, upon request of the Board or Managing Agent, immediately abate and remove, at such owner's expense, any structure, thing or condition that may exist with regard to the occupancy of such owner's unit by any lessee(s), renter(s) or guest(s) contrary to the provisions hereof. If the unit owner or agent is unable to control the conduct of the lessee(s), renter(s) or guest(s), such unit owner shall, upon request of the Board or Managing Agent, immediately remove such lessee(s), renter(s) or guest(s) from the premises, without compensation for lost rentals or any other damage resulting therefrom.

III. COMMON AREAS; LANAIS AND ENTRANCES

- A. Walkways and Driveways. No sidewalks, passages, entry courts, walkways, driveways, and roadways shall be obstructed or used for any purposes other than ingress and egress. No running, jumping, skate boarding, bicycling, roller skating, or playing of any sort shall be allowed in the common elements including, without limitation, the driveways, walkways and parking areas of the Project; provided, however, that

playing or recreational activities shall be permitted only in designated areas within the common elements.

- B. Unit Entrance. No shoes, slippers, laundry, dry cleaning or other items shall be allowed to remain in view at the front entrance of a unit.
- C. Maintenance of Lanais. Every unit owner shall be responsible for the care and maintenance of all lanais appurtenant to such owner's unit; however, no residential unit owner may reconstruct, paint or otherwise decorate the walls, railings, floors, or ceilings of such lanais without the prior written approval of the Board.
- D. Articles on Lanais. No lanai shall be used for the purpose of storage of articles of any kind. Only appropriate patio furniture and small plants shall be placed on lanais and no other objects or personal property such as refrigerators, exercise equipment, bicycles, surfboards, boxes, or crates shall be permitted thereon. Any items deemed unsightly by the Board or Managing Agent shall be removed, upon the request of the Managing Agent, in its sole discretion.
- E. Control of Water. No unit owner shall allow water to spill or drip onto other areas of the Project and should take such precautionary measures to prevent such spilling and dripping, such as, without limitation, placing plants within the units and lanai areas in appropriate planters or containers when watering plants and properly maintaining air-conditioning units.
- F. Disposal of Waste. Kitchen garbage disposals shall be utilized for disposing of soft food waste only. All other wastes shall be placed in the designated refuse areas. Trash containing food shall be securely wrapped before being placed in a trash bag. All garbage, rubbish and other trash shall be disposed of only in trash bags securely tied. Such trash bags shall be placed only in areas provided for trash removal and must be hidden from public view. The trash chute shall be used for disposal of trash that will easily fit within the trash chute. Trash which does not easily fit inside the trash chute shall be placed in the ground floor trash bin.
- G. Throwing Objects. Nothing shall be thrown or permitted to be thrown from lanais, windows, or any other part of a unit. The throwing of firecrackers and the explosion of any fireworks anywhere in the Project is expressly prohibited.
- H. Cooking / Fires. No lanais shall be used for outdoor cooking. Outdoor cooking shall be subject to regulation by the Board and shall be conducted in an area designated by the Board and in a manner so as not to be offensive to any neighbor. Fires other than for outdoor cooking purposes are not permitted anywhere in the Project.

- I. Running Water. Water shall not be left running an unreasonable length of time.
- J. Unsightliness.
- (1) No unsightliness within the public view is permitted within the Project. For this purpose, "unsightliness" means, but is not limited to, the following: laundry on lines or reels; lifter or trash containers except as specially provided; inappropriate, broken, scarred or offensively ugly furniture or plants on lanais; non-decorative gear, equipment, cans, bottles, ladders, trash, boxes, barrels, and other similar items stored or stowed in or on the walkways and other areas of the common elements and lanais, or unshaded or improperly shaded lights that create objectionable glare.
 - (2) Textile items, including towels, bathing apparel and clothing, brooms, mps, cartons and other objects, shall not be placed in windows so as to be in view from outside the unit or from any other unit.
 - (3) No garbage cans, household or commercial supplies, or similar articles shall be placed outside any unit area or in a place where they can be seen from the outside of any unit, except as the Board may otherwise permit.
- K. Items Left on Common Elements. No items of personal property, including, but not limited, to baby carriages, velocipedes, bicycles, surfboards, packages, boxes or crates shall be left or allowed to stand on any of the common elements. Articles of any kind left in any of the common elements shall be removed at the owner's risk and expense as directed by the Board or Managing Agent.
- L. Damage to Common Elements. Damages to common elements shall be surveyed by the Managing Agent, and the costs of repair or replacement may be assessed by the Board against the owners responsible.
- M. Recreation Building. Any unit owner or occupant wanting to use the rooms within the Recreation Building shall make a reservation for the use of the room or rooms in advance. The Managing Agent shall collect a \$100 reservation deposit for the use of each recreation room. The deposit will be returned to the unit owner or occupant who made the reservation provided the rooms are left in a clean and undamaged condition.
- N. Moving Furniture and Large Items; Use of Loading Areas. Occupants shall move furniture and other large items in and out of the residential

buildings only through the loading doors located between the loading area and the elevator lobby, and not through the ground floor corridor and lobby. The following rules shall apply with respect to the loading areas:

- (1) The loading or unloading of furniture, appliances, or other items for use within a unit, shall take place only and on such days and at such hours as may be determined by the Board or the Managing Agent. Extreme caution shall be used to avoid damage to any stairway, sprinklers, plants, lawns or any other part of the common elements of the Project in the course of using the loading areas. The unit owner responsible for any such damage shall be liable for any and all costs and expenses incurred as a result of any such damage. The Managing Agent may require a deposit to cover replacement of the key to the loading doors in the event it is lost by the occupant and to repair any damage to the common elements resulting from the occupant's use of the loading area.
 - (2) Any unit owner or occupant desiring to move furnishings and large objects shall make a reservation with the Managing Agent in advance. In making reservations for the loading area, priority will be given to trash pick-up; other uses, such as moving furnishings in/out of buildings shall be of secondary priority. If the Managing Agent or the Board determines in its sole and absolute discretion that it is practical and safe to do so, the Managing Agent may allow the loading area to be used for automobile washing and cleaning by appointment, subject to the priority uses described in this paragraph.
- N. Stairwell Doors. The doors leading from the stairwells to outside are not to be used for ingress to or egress from the residential buildings, except during emergencies. An alarm will sound if these doors are opened.
- O. Entry to Residential Buildings. Every occupant is responsible for taking reasonable measures to prevent the unauthorized entry of strangers into the residential buildings. A stranger is anyone who is not either an owner or an occupant of a unit in the Project. Guests of owners or occupants may be let into the buildings only by the owner or occupant whom the guest is visiting. Any occupant witnessing a suspicious or unauthorized entry shall report it immediately to the Managing Agent.

IV. VEHICLES AND PARKING AREA

- A. Improper Parking. No cars may be parked or left unattended except in parking stalls in the parking area, driveways and designated visitor parking stalls. No parking shall be allowed in the circular driveway areas, except brief stops incident to pick up and drop off purposes only. No

parking in the parking area shall be allowed outside of a designated parking stall.

- B. Visitor Stalls. Visitor parking stalls shall only be used by visitors of owners and occupants of the units of the Project, for parking of visitor vehicles. Visitors parking in the visitor parking stalls shall sign in with the Managing Agent, must be physically on the property visiting an occupant of the Project, and shall comply with all parking regulations. Visitors are not allowed to park in the visitor parking stalls for more than five (5) consecutive hours. Special arrangements must be made with the Managing Agent for overnight parking for out-of-town visitors. Violators may have their cars towed at the owner's expense.

- C. Operation of Vehicles. No vehicles of any kind (including automobiles, motorcycles, mopeds, unlicensed vehicles, bicycles or any other similar motorized or non-motorized vehicles) shall be permitted, driven, used, ridden or operated on any of the common elements of the Project, except in the roadways, driveways and parking areas. All vehicles shall be operated within the Project in a quiet manner. All motor vehicles (including motorcycles and mopeds) must be equipped with quiet mufflers. Racing or gunning of motors is expressly prohibited.

- D. Service Vehicles. When workmen are performing work on a unit, the unit owner shall advise them to park in an area designated by the Board or the Managing Agent.

- E. Assignment of Parking. The assignment of parking stalls in the Project's parking area shall be governed by the rules set forth herein. Each unit owner shall have the right to use the parking stall designated for use with such owner's unit as set forth in **Exhibit A** attached hereto. The Board shall have the right to change the assignment at any time and from time to time or to designate parking as it deems in its sole discretion to be the best interest of the Association as a whole. The assignment and reservation of parking stalls in the parking area shall be in accordance with the following rules:
 - (1) Issuance of Parking Cards. One parking access card for the parking area shall be issued by the Managing Agent to each unit owner. Each unit owner shall be entitled to park one vehicle for each parking access card issued to such unit owner. The initial issuance of a card to a unit owner shall be without charge. There will be a \$50.00 charge for replacement of stolen, lost or damaged parking access cards as set forth in Section VIII.F. below.

- (2) Assigned Parking. Unless otherwise stated herein, parking in the parking area shall be on an assigned basis as shown in Exhibit A attached hereto.
- (3) Guest and Management Stalls. Residents shall not park their vehicles in any stall designated for guest and management use. There shall be thirty-three (33) visitor parking stalls, including two (2) handicap accessible visitor stalls. Seven (7) regular unassigned stalls and five (5) handicap accessible unassigned stalls shall be held in reserve in favor of the Association (the "Reserve Stalls"). In the event there is a need for additional parking on any given day, the Managing Agent may, in its sole discretion, make all or some of the twelve (12) Reserve Stalls available for use.
- (4) Transfer of Parking Rights. Subject to these House Rules, the Bylaws and the Declaration, and the prior written consent of the Board, a unit owner, or such unit owner's designated agent, may assign such unit owner's right to use a parking stall in the parking area, on the condition that the person or persons assigned such right shall abide by these House Rules, and the unit owner or designated agent, as applicable, shall assume the responsibility for the user's conduct. A unit owner or such unit owner's designated agent must notify the Managing Agent of the identity of the assignee together with such assignee's vehicle description, and length of anticipated use and such other information as the Managing Agent shall reasonably request.
- (6) Display of Parking Stickers. At the election of the Board, the Managing Agent may require every vehicle parked in the parking area to display a parking sticker at all times on the windshield of the vehicle.

F. Use of Parking Stalls. Parking stalls shall be used in accordance with the following terms:

- (1) Every unit owner shall use the parking stalls, only for purposes allowed by these House Rules.
- (2) All parked motor vehicles must be in operating condition and must have a current registration, license and safety sticker as required by law.
- (3) Every motor vehicle shall be parked entirely within a parking stall and shall not extend into, interfere with or obstruct the use of adjacent parking stalls or the common areas, driveways or parking areas or the Project.

- (4) Polishing of motor vehicles shall be permitted only when vehicles are properly parked in a stall.
 - (5) Emergency minor repairs of properly parked motor vehicles shall be permitted only when vehicles are properly parked in a stall.
 - (6) Larger vehicles shall only be parked in regular stalls. Occupants are expected to exercise courtesy to their fellow occupants and common sense in parking their vehicle. The Board shall address complaints for improper parking on a case by case basis and may, in its sole discretion, institute a schedule of fines for repeated violations.
 - (7) Every unit owner shall at all times maintain and keep parking stalls in a clean and safe condition, including the prompt removal of grease, oil and foreign substances caused by the use of a stall by said owner. If any unit owner fails to promptly clean parking stalls soiled by said owner's use after notice thereof by the Board, the Managing Agent or the Board may clean such parking stalls. Such unit owner shall be responsible for the payment of all costs and expenses incurred by the Board or Managing Agent for such cleaning.
 - (8) Parking stalls shall not be used for the following purposes:
 - (A) Storage or keeping of anything other than properly parked motor vehicles.
 - (B) Washing of motor vehicles.
 - (C) Painting of motor vehicles.
 - (D) Keeping of motor vehicles on blocks.
- G. Traffic Rules. A maximum speed limit of five (5) miles per hour is established for the entire Project. Drivers are expected to observe traffic and directional signals for the safety of all persons.
- H. Infrequently Used Vehicles. The Association, through the Board and the Managing Agent, reserves the right to require that motor vehicles that are parked in the parking area and used infrequently be moved to other stalls in the parking area. Any motor vehicle unit owner who will not use or move such unit owner's motor vehicle for a period of one (1) week or more must have the permission of the Board or the Managing Agent to do so, unless such motor vehicle's unit owner has already been assigned a

specific stall for such unit owner's use. The Board or the Managing Agent may elect, at its sole discretion, to have the vehicle moved to another stall in the parking area.

- I. Repairs to Vehicles. Except to the extent otherwise permitted herein, no repair or maintenance of motor vehicles shall be done within any area of the Project. Only emergency minor repairs of a unit owner's or occupant's motor vehicles shall be permitted only within a parking stall, and each unit owner or occupant shall promptly and properly dispose of any and all waste, material, grease, and foreign substances resulting from such minor repair. No repair or maintenance of a unit owner's or occupant's motor vehicle shall be permitted on any common elements of the Project.
- J. Washing of Vehicles. No washing of any motor vehicle shall be permitted in any parking stall or visitor parking stall. Unit owners and occupants may wash their motor vehicles only in an area designated by the Association or the Managing Agent as the car wash area.
- K. Stalls for Persons with Disability. In the event a unit owner or occupant is a person with disabilities, as defined by Section 291-51, HRS, as amended, then said unit owner or occupant, upon application to the Board or the Managing Agent will be permitted to use any stall or stalls assigned by the Managing Agent or the Board for such unit owner's use and designated as a handicapped parking stall. Handicapped parking stalls shall be reserved for the exclusive use of unit owners or occupants who are disabled.
- L. Bicycle and Moped Parking. Any owner or occupant desiring to bring a bicycle or moped onto the Project shall register such owner's or occupant's bicycle or moped with the Managing Agent. Each bicycle shall be parked or stored only in that area specifically designated and assigned to the bicycle owner by the Managing Agent for bicycle storage. Mopeds and motorcycles must park in a parking stall. The Board or the Managing Agent, on behalf of the Association, will charge a monthly fee of \$10 for bicycles, \$20 for mopeds, and \$30 for motorcycles. Such fees are subject to adjustment from time to time. If there is a waiting list for use of the parking or bicycle storage areas for the bicycles, mopeds or motorcycles, the Board will conduct an annual lottery.
- M. Registration of Vehicle with Managing Agent. Every unit owner or occupant shall register their automobiles with the Association by presenting a valid vehicle registration to the Managing Agent.
- N. Violation of Parking Rules. Notwithstanding any provision herein to the contrary:

- (1) Any person (including any unit owner and such owner's occupants) who improperly parks or stores any vehicle may have any such vehicle towed away by the Association at such person's expense, and each unit owner shall be responsible for the payment of the towage charge for such owner's occupants.
- (2) Anything improperly stored or kept in a parking stall may be removed, stored or discarded by the Association without liability to the unit owner or occupant of such parking stalls. Such unit owner shall be liable for all charges or costs incurred by the Association for such removal, storage or discarding.
- (3) Any unit owner or such owner's occupant who operates a vehicle on the common elements of the Project except the roadways, driveways and parking areas, shall be subject to a fine for each offense in an amount as determined by the Association, which fine shall be levied against any such unit owner.
- (4) Any unit owner or such owner's occupant who improperly uses any parking stall or parks a vehicle on the common elements, shall be given a warning for a first offense. In the event that the violation shall continue after the issuance of the warning, such unit owner or such owner's occupant shall be subject to a fine for each offense in an amount determined by the Association, which fine shall be levied against such unit owner. Any and all fines, charges, costs and expenses required to be paid by or imposed against any unit owner or such owner's occupant pursuant to this paragraph VI.N but unpaid, shall constitute a lien in favor of the Association against such unit owner's unit and shall be enforceable as provided in the Declaration and the Bylaws.

V. NUISANCES AND NOISE

- A. No Nuisance. Nuisance of any kind or nature shall not be allowed in the Project and any use or practice which is improper or offensive in the reasonable opinion of the Board, in its sole discretion, or in violation of the Bylaws or these House Rules or which unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of the Project by other unit owners or their occupants shall not be allowed in the Project.
- B. Excessive Noise. Every occupant shall avoid excessive noise of any type at any time and is to consider the welfare of other residents at all times.

- C. Slamming Doors. Every occupant shall hold (or retain) doors so as to avoid slamming due to the wind.
- D. Noise Devices. After 10:00 p.m. in the evening and before 8:00 a.m. in the morning, occupants of the residential units shall not play any radio, T.V., stereo, speakers on computers or musical instrument except at a reduced volume.
- E. Noise from Guests. Every occupant shall be responsible for keeping noise from departing guests at a minimum, particularly at night.
- F. Noise from Entertaining. Any occupant who expects, as a result of entertaining, to make excessive and late hour noise shall provide such occupant's neighbor and the Board with at least three (3) days prior notice of the same to allow the neighbors and the Board to make necessary arrangements.
- G. False Alarms. Anyone who sets off a fire alarm in the Project the absence of an emergency (i.e., a "false alarm") may be subject to a fine if the fire or police department should respond to the false alarm.

VI. MAINTENANCE

- A. General. Under the supervision of the Board, the maintenance of common elements, including all external caulking and painting, and all parking areas and limited common element land areas (except as provided in Section VI.C below), is the responsibility of the Managing Agent. Defects and deficiencies should be reported by owners and occupants when and as observed. Every three (3) years, the Managing Agent shall undertake a man-hoist inspection of the exterior finishes of the Project buildings to assess the weathering and general condition of the exterior finishes of the buildings, and repair exterior caulking and painting as needed. The Managing Agent's budget shall include an itemized annual expense reserve for such triennial inspection and repair.
- B. Units. Maintenance of individually owned units and limited common element(s) appurtenant thereto (except the parking stalls and the limited common element land areas appurtenant to the commercial units), including lanais and all windows, doors (including hinges, locks and door closures, if any), is the responsibility of the respective unit owners.

VII. BUILDING MAINTENANCE

- A. No Alterations. No structural changes of any type or kind shall be permitted either within or outside a unit except as permitted by and in accordance with the Declaration, Bylaws, and applicable statutes,

ordinances, rules and regulations, governmental determinations and restrictions of appropriate agencies of the City, State; or Federal governments.

- B. Signs. No signs signals or lettering shall be inscribed or exposed on any part of the residential unit including, but not limited to, the exterior door or walls of any residential unit (other than the unit number), and no such items shall be placed on the Project grounds without the prior written approval of the Board; provided, however, that the Developer or its real estate broker may display signs for the sale of units as provided in the Declaration. No images, pictures or signs, electronic or otherwise, shall be permitted to protrude out of any window, any lanai or any other area of the unit, or the common elements.
- C. Maintenance and Repair. Every unit owner shall maintain and repair such owner's unit so as to keep the unit in sightly and good condition, and without limiting the generality of the foregoing, each unit owner and occupant shall observe and comply with the following:
- (1) No projections shall extend through any door or window opening beyond the exterior face of the unit, except for window air conditioners in designated windows, in accordance with applicable provisions of the Declaration and these House Rules;
 - (2) Every unit owner at all times shall perform promptly all repair, maintenance and alteration work within the unit, the omission of which would adversely affect any common element or any other unit, and shall be responsible for all loss and damage caused by such owner's failure to do so;
 - (3) Every unit owner shall make all repairs of internal installations within each unit such as water, light, gas (if any), power, telephone, air conditioning, sanitation, doors, windows, lamps, and all other fixtures and accessories belonging to the unit, and all limited common elements appurtenant to the unit at the unit owner's sole expense;
 - (4) No unit owner or occupant, except as otherwise permitted by the Board, shall install any wiring or other device for electrical or telephone installations, television, machines, or other equipment or appurtenances on the exterior of the unit walls or protruding through the walls, windows or roof thereof;
 - (5) No unit owner or occupant shall allow, do or keep in any unit, limited common elements, or the common elements anything which would overload or impair the floors, walls or roofs of the

units or buildings, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance policy maintained by or for the Board or the Association, and nor make or suffer any noxious or offensive activity or nuisance thereon;

- (6) No unit owner or occupant shall attach projections or objects to the outside walls of the units or the exterior of any door, wall or gate, without the prior written consent of the Board;
- (7) No unit owner or occupant shall erect or install any private radio or television antenna or other outdoor antenna on or anywhere within the Project; and
- (8) No residential unit owner or occupant shall make any alteration or addition to the exterior of any unit or any alteration or addition to the common elements without the prior written approval of the Board.

D. Air Conditioners. Air conditioners for the units are subject to the provisions of the Declaration and the following conditions:

- (1) A window air conditioner will be installed by Developer within the living room of each unit. All replacements of such window air conditioner must be in the same window location.
- (2) For water drainage from the window air conditioners, the Board shall have the right to install PVC drain lines on the exterior of the residential buildings for any "vertical run" (as defined below) of the residential buildings. As used herein, a "vertical run" shall mean all units in each of the residential buildings at the same location on each floor and having a unit number containing the same last two digits. For example, one vertical run shall consist of the twelve (12) units having the last two digits 02, being Units 102, 202, 302, etc. through 1202. Such drain lines and fasteners are to be painted to match the exterior of the residential buildings.
- (3) Each year, the Board shall cause the Managing Agent to have the drain lines inspected for maintenance and proper connectivity, and the costs of such inspection and any necessary repairs are to be included in the common expenses. The Board, the Managing Agent and/or its contractors shall have the right of entry into each unit for purposes of such inspection and repair.
- (4) The maintenance, repair and replacement of each air conditioning unit within each unit are the unit owner's sole responsibility.

VIII. EMPLOYEES OF THE ASSOCIATION AND THE MANAGING AGENT

- A. Cooperation with Employees. The maintenance employees of the Association or the Managing Agent will use every effort to maintain the grounds effectively. Nevertheless, these employees are not available on a 24-hour daily basis, and much of their work must be devoted to regular maintenance and repair, as directed by the Board or Managing Agent. Accordingly, and in the common interest of all concerned, each unit owner and occupant shall do his or her part towards abating unsightliness within the Project to the fullest practicable extent.
- B. Control of Employees. Maintenance employees of the Association are under the sole discretion of the Board and the Managing Agent and during the prescribed hours of work they shall not be diverted to the private business or employment of any unit owner or occupant. No maintenance employee shall be asked by any unit owner or occupant to leave the common elements.
- C. No Responsibility to Clean Units. The cleaning of each unit and the limited common elements appurtenant thereto, including any assigned parking stall, as the case may be, is the sole responsibility of the unit owner and occupant.

IX. GENERAL PROVISIONS

- A. Common Area Furniture, Fixtures and Equipment. Outdoor furniture, fixtures and equipment placed in common areas, if any, is for use in those specific areas and must not be moved therefrom.
- B. Permission to Enter Units. The Managing Agent is not required to give access to units without the written permission of the unit owner of agent.
- C. Observance of Rules. Every unit owner shall observe and comply with these House Rules and shall ensure that all occupants, licensees and invitees of such owner's unit shall also observe and comply with the Declaration, Bylaws and these House Rules. Each unit owner shall be responsible for such owner's occupants' observance and compliance with these House Rules. In the event that expenses are incurred by the Association or the Managing Agent on behalf of the Board, due to violations of these House Rules by any unit owner, occupant, guests or licensees, such unit owner shall pay for such expenses, including reasonable attorneys' fees.
- D. Registration of Information with Managing Agent. Every unit owner and occupant, upon taking possession of a unit shall file their names, addresses, and telephone numbers and signatures with the Managing

Agent and shall furnish the Board and/or the Managing Agent with such other information as shall be reasonably requested by the Board or Managing Agent from time to time.

- E. Keys to Units. To facilitate the right of access provided by the Declaration and Bylaws to the Managing Agent or the Board, each unit owner shall furnish the Board or Managing Agent with keys to locked entrances to such owner's unit, and shall promptly furnish new keys when and if such locks are supplemented or changed. If any key or keys are entrusted by a unit owner or occupant to an employee of the Association except pursuant to this Section IX.E, whether for such unit or an automobile or other item of personal property, the delivery of the key shall be at the sole risk of such unit owner or occupant, and neither the Board, the Association nor the Managing Agent shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. Each unit owner and occupant shall assume full responsibility for protecting such owner's unit and the contents thereof from theft, robbery, pilferage, vandalism and other loss.
- F. Charge for Lost Keys and Cards. The Managing Agent may charge for the loss of unit keys, security keys, and parking access cards at its published rates.
- G. No Solicitation. No open solicitation or canvassing will be allowed on the Project at any time.
- H. Special Safety Rules. The Board from time to time may post special safety or other rules governing the use of the private roadway or other common areas. The Board's posted rules shall be considered extensions of these House Rules.
- I. Theft or Damage to Personal Property. The Association shall not be responsible or liable for the theft, disappearance, or damage to any personal property located in the common elements or any area of the units or buildings.
- J. Emergency Services. If the emergency services of the Police Department, Fire Department, Paramedics, Ambulance or Doctor are necessary or required, the desired agency or person should be called directly. Telephone numbers for such emergency services are available from the Managing Agent. Any emergency, particularly such emergencies as flooding, fire and theft, should be brought to the immediate attention of the Managing Agent.

- K. Conflict. In the event of any conflict between the provisions of these House Rules and the Declaration or Bylaws, the Declaration and Bylaws shall prevail.
- L. Amendment. Subject to the provisions of the Declaration and Bylaws, these House Rules may be amended by a majority of the vote of members of the Board present at a meeting of the Board duly called and held for such purpose, or by written consent of all members of the Board.
- M. Severability. The invalidity of any provision of these House Rules shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these rules, and in such event, all of the other provisions of these rules shall continue in full force and effect as if such provision had never been included herein.

X. VIOLATION AND ENFORCEMENT OF THESE RULES

- A. Fines. The Board may determine a schedule of fines, which shall be approved by a majority vote of the Association, for violation of these House Rules, such fines may be assessed against the unit whose owner or occupant is in violation.
- B. Enforcement of Violations. All corrective actions regarding violations of these House Rules and damages to the common elements or any other areas of the Project (including limited common elements appurtenant to each unit) will be enforced by the Board, and all violations should be reported promptly to the Board or Managing Agent.
- C. Survey and Assessment of Damages. Damages to common elements or any other areas of the Project (including limited common elements appurtenant to each unit) shall be surveyed by the Board or the Managing Agent at the direction of the Board, and the cost of repair, restoration or replacement thereof and any legal fees incurred thereby may be assessed by the Board against the person or persons responsible, including, but not limited to any unit owner for damages caused directly or indirectly by such owner's occupants.
- D. THE VIOLATION OF ANY HOUSE RULES ADOPTED BY THE ASSOCIATION OF UNIT OWNERS GIVES THE BOARD AND ITS MANAGING AGENT THE RIGHT TO:
 - (1) Enter the unit in which, or as to which, such violations or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist herein contrary to the intent and meaning of the provisions hereof and the Board or the Managing Agent shall not thereby be

deemed guilty in any manner of trespass; provided, however that the Board or the Managing Agent shall give a unit owner or occupant five (5) days prior written notice, except in the event of a threat to the health or safety of the Project and its occupants, in which case no notice shall be required; or


- (2) 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 attorneys' fees, shall be borne by the defaulting unit owner.

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These House Rules are hereby adopted by Plantation Town Apartments LLC, a Hawaii limited liability company, the Developer of the Project, pursuant to the Bylaws of the Association of Unit Owners of Plantation Town Apartments this 3rd day of August, 2006.

PLANTATION TOWN APARTMENTS LLC,
a Hawaii limited liability company

By: M & M INVESTMENTS, INC.,
a Hawaii corporation
Its Managing Member

By 

Michael Kimura
Its President

“Developer”

EXHIBIT A

**PLANTATION TOWN APARTMENTS
PARKING STALL ASSIGNMENTS**

| 01-1979 KAUAI OLU | |
|-------------------|-------------------|
| Unit No. | Parking Stall No. |
| 101 | 254 |
| 102 | 259 |
| 103 | 337 |
| 104 | 353 |
| 105 | 257 |
| 107 | 374 |
| 109 | 256 |
| 111 | 336 |
| 112 | 352 |
| 113 | 255 |
| 114 | 258 |
| 201 | 39, 40 |
| 202 | 167 |
| 203 | 339 |
| 204 | 322 |
| 205 | 263 |
| 206 | 321 |
| 207 | 262 |
| 208 | 261 |
| 209 | 260 |
| 210 | 355 |
| 211 | 338 |
| 212 | 354 |
| 213 | 38, 367HC |
| 214 | 264 |
| 301 | 43, 44 |
| 302 | 173 |
| 303 | 341 |
| 304 | 326 |
| 305 | 171 |
| 306 | 325 |
| 307 | 170 |
| 308 | 169 |
| 309 | 168 |
| 310 | 324 |
| 311 | 340 |
| 312 | 323 |
| 313 | 41, 42 |
| 314 | 172 |
| 401 | 48, 49 |

| 91-979 KAYI OTU | |
|-----------------|-------------------|
| Unit No. | Parking Stall No. |
| 402 | 179 |
| 403 | 343 |
| 404 | 329 |
| 405 | 177 |
| 406 | 328 |
| 407 | 176 |
| 408 | 175 |
| 409 | 174 |
| 410 | 164 |
| 411 | 342 |
| 412 | 327 |
| 413 | 46, 47 |
| 414 | 178 |
| 501 | 52, 53 |
| 502 | 108 |
| 503 | 345 |
| 504 | 333 |
| 505 | 110 |
| 506 | 332 |
| 507 | 109 |
| 508 | 181 |
| 509 | 180 |
| 510 | 331 |
| 511 | 344 |
| 512 | 330 |
| 513 | 50, 51 |
| 514 | 182 |
| 601 | 3, 4 |
| 602 | 116 |
| 603 | 347 |
| 604 | 233 |
| 605 | 114 |
| 606 | 335 |
| 607 | 113 |
| 608 | 112 |
| 609 | 111 |
| 610 | 334 |
| 611 | 346 |
| 612 | 232 |
| 613 | 1, 2 |
| 614 | 115 |
| 701 | 7, 8 |
| 702 | 122 |
| 703 | 349 |
| 704 | 237 |
| 705 | 120 |
| 706 | 236 |

| D:1979 KATKOU | |
|---------------|-------------------|
| Unit No. | Parking Stall No. |
| 707 | 119 |
| 708 | 118 |
| 709 | 117 |
| 710 | 235 |
| 711 | 348 |
| 712 | 234 |
| 713 | 5, 6 |
| 714 | 121 |
| 801 | 11, 12 |
| 802 | 54 |
| 803 | 351 |
| 804 | 241 |
| 805 | 57 |
| 806 | 240 |
| 807 | 56 |
| 808 | 55 |
| 809 | 123 |
| 810 | 239 |
| 811 | 350 |
| 812 | 238 |
| 813 | 9, 10 |
| 814 | 124 |
| 901 | 15, 20 |
| 902 | 63 |
| 903 | 314 |
| 904 | 245 |
| 905 | 61 |
| 906 | 244 |
| 907 | 60 |
| 908 | 59 |
| 909 | 58 |
| 910 | 243 |
| 911 | 313 |
| 912 | 242 |
| 913 | 13, 14 |
| 914 | 62 |
| 1001 | 23, 24 |
| 1002 | 69 |
| 1003 | 316 |
| 1004 | 249 |
| 1005 | 67 |
| 1006 | 248 |
| 1007 | 66 |
| 1008 | 65 |
| 1009 | 64 |
| 1010 | 247 |
| 1011 | 315 |

| 94-979 KATHOJU | |
|----------------|-------------------|
| Unit No. | Parking Stall No. |
| 1012 | 246 |
| 1013 | 21, 22 |
| 1014 | 68 |
| 1101 | 27, 28 |
| 1102 | 70 |
| 1103 | 318 |
| 1104 | 252 |
| 1105 | 33 |
| 1106 | 253 |
| 1107 | 32 |
| 1108 | 31 |
| 1109 | 30 |
| 1110 | 251 |
| 1111 | 317 |
| 1112 | 250 |
| 1113 | 25, 26 |
| 1114 | 29 |
| 1201 | 19, 37 |
| 1202 | 17HC |
| 1203 | 320 |
| 1204 | 166 |
| 1205 | 45HC |
| 1206 | 165 |
| 1207 | 36 |
| 1208 | 35 |
| 1209 | 34 |
| 1210 | 162 |
| 1211 | 319 |
| 1212 | 163 |
| 1213 | 18, 375 |
| 1214 | 16HC |

| 94302 (PAU) (2A) | |
|------------------|-------------------|
| Unit No. | Parking Stall No. |
| 101 | 288 |
| 102 | 285 |
| 103 | 274C |
| 104 | 268 |
| 105 | 106HC |
| 107 | 279 |
| 109 | 231C |
| 111 | 273C |
| 112 | 267 |
| 113 | 287 |
| 114 | 286 |
| 201 | 82T |
| 202 | 294 |
| 203 | 276C |
| 204 | 270 |
| 205 | 284 |
| 206 | 278 |
| 207 | 283 |
| 208 | 282 |
| 209 | 281 |
| 210 | 272 |
| 211 | 275C |
| 212 | 269 |
| 213 | 107HC, 160 |
| 214 | 293 |
| 301 | 84T |
| 302 | 300 |
| 303 | 265 |
| 304 | 193 |
| 305 | 292 |
| 306 | 197 |
| 307 | 291 |
| 308 | 290 |
| 309 | 289 |
| 310 | 196 |
| 311 | 277C |
| 312 | 271 |
| 313 | 83T |
| 314 | 299 |
| 401 | 86T |
| 402 | 306 |
| 403 | 183 |
| 404 | 195 |
| 405 | 298 |
| 406 | 201 |
| 407 | 297 |

| 9430/PATWA | |
|------------|-------------------|
| Unit No. | Ranking Staff No. |
| 408 | 296 |
| 409 | 295 |
| 410 | 200 |
| 411 | 266 |
| 412 | 194 |
| 413 | 85T |
| 414 | 305 |
| 501 | 88T |
| 502 | 312 |
| 503 | 185 |
| 504 | 199 |
| 505 | 304 |
| 506 | 205 |
| 507 | 303 |
| 508 | 302 |
| 509 | 301 |
| 510 | 204 |
| 511 | 184 |
| 512 | 198 |
| 513 | 87T |
| 514 | 311 |
| 601 | 90T |
| 602 | 212 |
| 603 | 187 |
| 604 | 203 |
| 605 | 310 |
| 606 | 133 |
| 607 | 309 |
| 608 | 308 |
| 609 | 307 |
| 610 | 132 |
| 611 | 186 |
| 612 | 202 |
| 613 | 89T |
| 614 | 211 |
| 701 | 92T |
| 702 | 218 |
| 703 | 189 |
| 704 | 131 |
| 705 | 210 |
| 706 | 137 |
| 707 | 209 |
| 708 | 208 |
| 709 | 280 |
| 710 | 136 |
| 711 | 188 |
| 712 | 206 |

| 9130 PATAWA | |
|-------------|-------------------|
| Unit No. | Parking Stall No. |
| 713 | 91T |
| 714 | 217 |
| 801 | 94T |
| 802 | 220 |
| 803 | 191 |
| 804 | 135 |
| 805 | 216 |
| 806 | 141 |
| 807 | 215 |
| 808 | 214 |
| 809 | 213 |
| 810 | 140 |
| 811 | 190 |
| 812 | 134 |
| 813 | 93T |
| 814 | 219 |
| 901 | 96T |
| 902 | 155 |
| 903 | 125 |
| 904 | 139 |
| 905 | 149 |
| 906 | 145 |
| 907 | 148 |
| 908 | 147 |
| 909 | 146 |
| 910 | 144 |
| 911 | 192 |
| 912 | 138 |
| 913 | 95T |
| 914 | 154 |
| 1001 | 98, 159 |
| 1002 | 207 |
| 1003 | 127 |
| 1004 | 143 |
| 1005 | 153 |
| 1006 | 75 |
| 1007 | 152 |
| 1008 | 151 |
| 1009 | 150 |
| 1010 | 74 |
| 1011 | 126 |
| 1012 | 142 |
| 1013 | 97T |
| 1014 | 221 |
| 1101 | 100, 161 |
| 1102 | 225 |
| 1103 | 129 |

| Unit No. | Parking Stall No. |
|----------|-------------------|
| 1104 | 73 |
| 1105 | 222 |
| 1106 | 79 |
| 1107 | 158 |
| 1108 | 157 |
| 1109 | 156 |
| 1110 | 78 |
| 1111 | 128 |
| 1112 | 72 |
| 1113 | 101, 102 |
| 1114 | 224 |
| 1201 | 103, 104 |
| 1202 | 227 |
| 1203 | 71 |
| 1204 | 77 |
| 1205 | 223 |
| 1206 | 81 |
| 1207 | 230 |
| 1208 | 229 |
| 1209 | 228 |
| 1210 | 80 |
| 1211 | 130 |
| 1212 | 76 |
| 1213 | 99, 105 |
| 1214 | 226 |

Legend:

- HC = Accessible stall
- C = Compact stall
- T = Tandem stall