

HLU Committee

From: Susie Pu <hanakaisusie@gmail.com>
Sent: Monday, July 6, 2026 1:55 PM
To: HLU Committee
Subject: Fwd: Request to Amend Resolution #26-111
Attachments: 1000009937.jpg; AOAO Declaration of Hor. Prop. Reg..pdf; AOAO Bylaws.pdf; Hana Kai Original Document 1971.pdf; OP Agmt-Amended as of 12-31-24.pdf

You don't often get email from hanakaisusie@gmail.com. [Learn why this is important](#)

Aloha HLU Committee members:

As a follow-up to my original email dated July 4th, 2026, I have attached several documents to help establish Hana Kai Maui's long history of hotel use.
Declarations

- Please see page 7a - Purposes which reads:
 - (a) The apartments herein above described shall at all times be used as permanent or temporary residences or as hotel rooms and for no other purpose.
- Please see page 4, item 6c - Limited Common Elements which reads:
 - One of the storage ares at the end of each of the two hallways in Building A containing an area of approximately 50 square feet shall be reserved for the exclusive use of apartments 1,3,4,and 6 respectively in building A; provided, however, that so long as some or all of the apartments in the project are rented as hotel rooms, these storage areas may not be used by the owners of these apartments, but instead shall be used by the manager in charge of renting the apartments for the storage of linen, janitorial supplies and equipment, roll-away beds, and other items reasonably necessary for the rental of the apartments as hotel rooms.

Bylaws



Hana Kai original brochure & rate sheet.pdf

Original Charter dated 1971

I have also attached:

- Hana Kai Maui Resort, LLC -Operating agreement.
 - Currently 17 of the 19 apartments at Hana Kai-Maui are members of the rental group. This latest operating agreement has been in place since 2001. All units have been operating as short-term rentals for many years.
 - Two units who are Maui residents operate separate short-term rentals.
- Original Marketing brochure & old photo (circa 1975)

Thank you for considering our request to include the Hana Community Area within Resolution 26-111

Susie

Hana Kai Maui
General Manager
4865 Uakea Road
PO Box 394
Hana, HI 96713
[808-248-7012](tel:808-248-7012) - direct line
www.hanakaimaui.com

----- Forwarded message -----

From: **Susie Pu** <hanakaisusie@gmail.com>
Date: Sat, Jul 4, 2026 at 9:29 AM
Subject: Request to Amend Resolution #26-111
To: <HLU.committee@mauicounty.us>

Aloha Members of the Housing and Land Use Committee,

Hana Kai Maui has operated continuously as a hotel since opening in 1972. We are licensed by the Hawai'i Department of Commerce and Consumer Affairs as a condominium-hotel ("condo-tel"), and our governing documents specifically permit short-term rental use.

For more than 50 years, we have welcomed visitors, collected Transient Accommodations Taxes, and maintained extensive marketing and operational records documenting our longstanding use. As a locally managed business, Hana Kai provides year-round employment for 10–15 Hana residents, including employer-paid health insurance, paid vacation, and paid holidays.

We respectfully request that the Hana Community Area be included in Resolution No. 26-111 currently under consideration by the Housing and Land Use Committee, recognizing Hana Kai Maui's long-established and continuous operation as a lawful condominium-hotel.

Respectfully submitted,
Susan J Pu

Hana Kai Maui
General Manager
4865 Uakea Road
PO Box 394
Hana, HI 96713
[808-248-7012](tel:808-248-7012) - direct line



VACANCY
HOTEL

RESORT APARTMENTS

The Ka

ORIGINAL

Cades, Schutte, Fleming
& Wright
Attorneys at Law
Ph: 531-7232
(Doug Prior)

118 / 87-CM 203
71- 63888

7846 9
OCT -7 11:00

[Signature]
PKH

DECLARATION OF HORIZONTAL PROPERTY REGIME
UNDER CHAPTER 514 HAWAII REVISED STATUTES

WHEREAS, HANA KAI, LTD., a Hawaii corporation whose principal place of business and post office address is 654 North Judd Street, Honolulu, Hawaii, hereinafter referred to as "Owner", is the Owner in fee simple of the land described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Owner has entered into a Development Agreement with Robert Addison Love, Willem Schaafsma and Francis E. Denis, doing business as Hana Kai Associates, a joint venture qualified to do business in the State of Hawaii, hereinafter referred to as "Developer", and

WHEREAS, the Developer intends to develop the land as a condominium project as more specifically hereinafter described in accordance with plans incorporated herein by reference, recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map 203.

NOW, THEREFORE, the Owner and Developer hereby express their desire that the property described herein be submitted to a Horizontal Property Regime as established by Chapter 514, Hawaii Revised Statutes, as amended, and hereby submit their interest therein to a Horizontal Property Regime and in furtherance thereof make the following declarations as to divisions, limitations, restrictions, covenants and conditions, and hereby declare and

agree that said property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to the declarations, restrictions and conditions set forth herein and in the Bylaws filed herewith and made a part hereof as the same may from time to time be amended, which declarations, restrictions and conditions shall constitute covenants running with the land and shall be binding on and for the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns and all subsequent lessees of all or any part of the condominium project and their respective successors, heirs, executors, administrators and assigns.

1. Name. The Horizontal Property Regime established hereby shall be known as Hana Kai - Maui.

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

3. Description of Building. The Project consists of two 2-story buildings, Building A containing six (6) apartments and Building B containing fourteen (14) apartments. The buildings are constructed of redwood and Wolmanized fir; Building A has a cedar shake roof and Building B has a corrugated iron roof. Building A also contains an office and a laundry area containing two washing machines and one large dryer.

Building A contains (i) two studio apartments, each having a living room, kitchen and bath, comprising 347 square feet, and a lanai of 90 square feet, and (ii) four one-bedroom apartments, each having a living room, kitchen, bedroom and bath, comprising 544 square feet, and a lanai of 200 square feet. Building B contains (i) six studio apartments, each

having an entry way, a living room, kitchen and bath, comprising 413 square feet and a lanai of 90 square feet, with the studios on the second floor also having a loft space of 115 square feet and (ii) eight one-bedroom apartments, each having an entry way, a living room, kitchen, bedroom and bath, comprising 593 square feet, and two lanais - one of 156 square feet facing the ocean and the other, 64 square feet facing mauka, with the one-bedrooms on the second floor also having a loft space of 158 square feet.

The apartments in Building A are numbered 1 through 6 inclusive and the apartments in Building B are numbered 101 through 107 and 201 through 207, as more particularly designated on the Condominium Map which is hereby incorporated herein by reference.

see amendment to consolidate apt # 5 & 6 into 1 apartment

Each apartment contains a refrigerator, oven, range and disposal.

4. Limits of Apartments. The respective apartments shall not be deemed to include the undecorated or unfinished walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall include any adjacent lanai shown on the Condominium Map. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the built-in fixtures.

5. Common Elements. The common elements will include the limited common elements described in paragraph 6 below and all other portions of the land and improvements other than the apartments, including the apartment buildings, the land on which

they are located, and all common elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein, and specifically shall include, but shall not be limited to:

- (a) Said land in fee simple;
- (b) All foundations, supports, bearing walls, corridors, entry halls, stairs, walkways, entrances and exits of said buildings;
- (c) The roofs;
- (d) All yards and refuse areas;
- (e) All driveway areas;
- (f) All ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, cold and hot water, refuse and telephone;
- (g) Pools and barbecue area;
- (h) The office and laundry room;
- (i) All other devices or installations upon the land described in Exhibit A existing for or rationally of common use to all the owners of apartments within the Project.

← insert first amendment

6. Limited Common Elements.

- (a) The hallways on each floor of each Building shall be limited common elements reserved for the exclusive use of the apartments on such floor;
- (b) One parking stall for each apartment shall be a limited common element reserved for the exclusive use of such apartment, such stall to be designated on the Condominium Map by the same number as that identifying the apartment;
- (c) One of the storage areas at each end of the two hallways in Building A containing an area of approximately

← see amendment regarding #5

50 square feet shall be reserved for the exclusive use of apartments 1, 3, 4 and 6, respectively in Building A; provided, however, that so long as some or all of the apartments in the Project are rented as hotel rooms, these storage areas may not be used by the owners of these apartments, but instead shall be used by the manager in charge of renting the apartments for the storage of linen, janitorial supplies and equipment, roll-away beds, and other items reasonably necessary for the rental of the apartments as hotel rooms.

7. Percentage of Undivided Interest. The percentage of undivided interest in the common elements appertaining to each apartment shall be as set forth in said Exhibit B.

8. Easements. In addition to any exclusive easements hereby established in the limited common elements, the apartments and common elements shall also have and be subject to the following easements:

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

(b) If any part of the common elements now or hereafter encroaches upon any apartment or limited common element, or if any apartment now or hereafter encroaches upon any other apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof, so

long as it continues, shall exist. In the event the apartment buildings shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any apartment or of any apartment upon any other apartment or upon any portion of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist;

(c) The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each apartment and the limited common elements 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 any apartments or common elements;

(d) Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other apartments and serving his apartment. Each apartment shall be subject to an easement in favor of the owners of all other apartments for access to any common elements located in such apartment.

9. Alteration and Transfer of Interests. The common interest and easements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected expressed in an amendment to this Declaration duly recorded. The common interest and easements shall not be separated from the apartment to which they appertain and shall be deemed to be conveyed, leased or encumbered with such apartment even though such interest or

easements are not expressly mentioned or described in the conveyance or other instrument.

10. Purposes.

(a) The apartments hereinabove described shall at all times be used as permanent or temporary residences or as hotel rooms and for no other purpose;

(b) The owner of an apartment shall not use the same for any purpose which will injure the reputation of the Project. Such owner shall not suffer anything to be done or kept in said apartment or elsewhere which will jeopardize the soundness of the buildings, or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the public halls or stairways of the buildings, or which will increase the rate of fire insurance on the buildings or the contents thereof or which will reduce the value of the apartment buildings;

(c) The owner of an apartment shall not, without the prior written consent of the Board, make any structural alterations in or additions to the apartment or make any alterations in or additions to the exterior of the apartment (including awnings, jalousies or screens) or to any other portion or portions of the common elements unless otherwise provided in the Bylaws.

11. Service of Process. Aaron M. Chaney, Inc., whose business address is Second Floor, Maui Savings and Loan Association, Lahaina Shopping Center, Lahaina, Maui, Hawaii, is hereby designated as agent to receive service or process until such time as the Board of Directors of the Association of Apartment Owners of this Horizontal Property Regime is elected, at which time and thereafter process may be served upon any member of said Board.

12. Percentage of Votes Required for Rebuilding. The percentage of votes by the Apartment Owners which shall be determinative of whether to rebuild, repair or restore a Building in the event of damage or destruction of all or part of a Building shall be an affirmative vote of the owners in the Building so destroyed owning at least seventy-five per cent (75%) of the common interest appurtenant to the apartments in the Building.

13. 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.

14. Bylaws. The operations of the property shall be governed by Bylaws, a true copy of which is annexed hereto and hereby made a part hereof. Each Apartment Owner shall comply strictly with the Bylaws.

15. Amendment. This Declaration of Horizontal Property Regime may be amended, consistent with the provisions of Chapter 514, Hawaii Revised Statutes, as amended, by the affirmative vote of the owners of at least seventy-five per cent (75%) of the interests in the common elements, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association of Apartment Owners, which amendment shall be effective upon filing in the Bureau of Conveyances of the State of Hawaii.

IN WITNESS WHEREOF, the parties hereto have executed
this instrument this 1st day of October, 1971.

HANA KAI, LTD.

By Robert Addison Love
Its Pres

By Harry V. Love
Its Secy - Treas
Owner

Robert Addison Love
ROBERT ADDISON LOVE

Willem Schaafsma
WILLEM SCHAAFSMA

Francis E. Denis
FRANCIS E. DENIS

Developer

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

) SS:
)

On this 1st day of October, 1971, before me
appeared Robert Addison Sore and

Nancy V. Sore, to me personally
known, who, being by me duly sworn, did say that they are

President and Secretary & Treasurer,

respectively, of HANA KAI, LTD., a Hawaii corporation; that
is the corporate seal of said corporation and said instrument
the seal affixed to the foregoing instrument was signed and

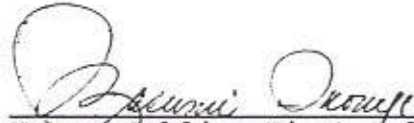
sealed on behalf of said corporation by authority of its

Board of Directors; and said Robert Addison Sore
and Nancy V. Sore acknowledged that they executed
said instrument as the free act and deed of said corporation.

[Signature]
Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: 12-15-74

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

On this 1st day of October, 1971, before me personally appeared ROBERT ADDISON LOVE, to me known 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.


Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: 12-15-74

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

On this 1st day of October, 1971, before me personally appeared WILLEM SCHAAFSMA, to me known 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.


Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: 12-15-74

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

On this 1st day of October, 1971, before me personally appeared FRANCIS E. DENIS, to me known 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.


Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: 12-15-74

F I R S T:

All of those certain parcels of land (portions of the land described in and covered by Royal Patent Grant Number 2970 to Kauaawa and Kauakahi) situate, lying and being at Hana, Island and County of Maui, State of Hawaii, being LOTS NUMBERS ONE (1), TWO (2) and THREE (3), and thus bounded and described: LOT NUMBER ONE (1):

Beginning at pipe at the South corner of this lot on the North side of Government Road, West corner of Grant 1984:1, the coordinates of which pipe referred to Trig. Station Kauiki are 1672.35 feet North and 1882.84 feet West, and running:

1. 123° 51' 83.50 feet along North side of Government Road;
2. 221° 45' 177.30 feet along Lot 3;
3. 26° 21' 46.20 feet along Grant 1980:1;
4. 311° 51' 83.80 feet along same;
5. 48° 02' 121.85 feet along Grant 1984:1 to the point of beginning;

Containing an Area of .27 Acre, or thereabouts.

LOT NUMBER TWO (2):

Beginning at "X" on rock on the Northeast corner of this lot, being the Northeast corner of said Grant, the coordinates of which "X" on rock referred to Trig. Station Kauiki are 1900.73 feet North, and 1714.85 feet West and running:

1. 29° 13' 69.30 feet along Government land;
2. 103° 43' 43.67 feet along same;
3. 38° 21' 22.40 feet along Grant 1980:1;
4. 121° 51' 34.30 feet along same;
5. 221° 45' 112.63 feet along Lot 3;
6. 307° 52' 56.08 feet along seashore to the point of beginning;

Containing an Area of .14 Acre, or thereabouts.

LOT NUMBER THREE (3):

Beginning at a pipe at the Southwest corner of the lot on the North side of Government Road, the coordinates of which pipe referred to Trig. Station Kauiki are 1755.97 feet North and 2006.17 feet West, and running:

1. 220° 34' 294.13 feet along Lot 4;
2. 307° 52' 70.64 feet along seashore;
3. 41° 45' 289.93 feet along Lots 2 and 1 passing over pipe at 112.63 feet;
4. 123° 51' 65.00 feet along North side of Government Road to the point of beginning;

Containing an Area of .45 Acre or thereabouts.

S E C O N D:

All of that certain parcel of land (portion of the land described in and covered by Royal Patent Grant Number 1980, Apana 1 to Waahia) situate, lying and being at Hana, Island and County of Maui aforesaid and thus bounded and described:

Beginning at pipe on the South corner of this lot, on the North corner of Grant 1984, Apana 1 to Kalama and Kalaiuahi, the coordinates of which point referred to Triangulation Station "Kauiki" are 1753.83 feet North and 1792.24 feet West and running by azimuths measured clockwise from true South:

1. 131° 51' 83.80 feet along Grant 2970 to Kauaawa and Hanakahi to a pipe;
2. 206° 21' 46.20 feet along same to a pipe;
3. 301° 51' 34.30 feet along same to a pipe;
4. 218° 21' 22.40 feet along same to a pipe;
5. 313° 44' 71.42 feet along Government land;
6. 48° 02' 70.92 feet along remainder of Grant 1980, Apana 1 to Waahia, to the point of beginning;

Containing an Area of 6,091 Square Feet, or 0.14 Acre or thereabouts.

COMMON INTEREST

<u>Apartment Nos.</u>	<u>% Interest</u>
1, 3, 4 and 6	5.5
2 and 5	3
101, 103, 104, 107 201, 203, 204 and 207	6
102, 105, 106, 202, 205 and 206	4

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

Nick B. B.
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii

72- 5141

BOOK 8077 PAGE 359
1972 JUN 25 PM 2:14

RECORDATION REQUESTED BY:

BANK OF HAWAII
Real Estate Loan Division
B. Frechette

AFTER RECORDATION RETURN TO: HAWAII

Return By: Mail ()

Pick Up () Phone

BANK OF HAWAII
Real Estate Loan Division
B. Frechette

B. Frechette

Copy No. _____

Nick B. B.
REGISTRAR

AMENDMENT TO DECLARATION OF
HORIZONTAL PROPERTY REGIME

WHEREAS, HANA KAI, LTD., a Hawaii corporation whose principal place of business and post office address is 654 North Judd Street, Honolulu, Hawaii, hereinafter referred to as "Owner", is the Owner in fee simple of certain land which has been submitted to a Horizontal Property Regime by the recordation of a Declaration of Horizontal Property Regime and Bylaws attached thereto recorded in the Bureau of Conveyances of the State of Hawaii in Book 7846, Page 9; and

WHEREAS, Robert Addison Love, Willem Schaafsma and Francis E. Denis, doing business as Hana Kai Associates, a joint venture, hereinafter referred to as "Developer", have developed an apartment building on the real property owned by the Owner, which apartment building is identified as Building B and is described in the aforesaid Declaration of Horizontal Property Regime; and

WHEREAS, construction of said Building B has now been completed and the parties hereto wish to amend the Declaration of Horizontal Property Regime to add a verified



statement of the architect that the plans for Building B previously filed as Condominium Map No. 203, accurately depict the layout, location, apartment numbers, and dimensions of the apartments in Building B as built, as required by Section 514-13, Hawaii Revised Statutes; and

WHEREAS, an appropriate affidavit of the Architect for Building A has already been filed together with the Condominium Map No. 203;

NOW, THEREFORE, the Owner and the Developer hereby amend the aforesaid Declaration of Horizontal Property Regime by including the Certificate of the Architect for Building B as attached hereto as Exhibit A and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment this 20th day of January, 1972.

HANA KAI, LTD.

By Robert Addison Love
Its Pres

By Nancy Vaughan Love
Its Secy - Treas OWNER

Robert Addison Love
Robert Addison Love

Willem Schaafsma
Willem Schaafsma

Francis E. Denis
Francis E. Denis
DEVELOPER

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

On this 20th day of January, 1972, before
 me personally appeared Robert Adised Love and
Nancy Vaughn Love, to me personally known,
 who, being by me duly sworn, did say that they are the
President and Secretary / Treasurer,
 respectively, of HANA KAI, LTD., a Hawaii corporation; that
 the seal affixed to the foregoing instrument is the corporate
 seal of said corporation and said instrument was signed and
 sealed on behalf of said corporation by authority of its Board
 of Directors; and said Robert Adised Love and
Nancy Vaughn Love acknowledged that they executed
 said instrument as the free act and deed of said corporation.

James H. Kawai
 Notary Public, First Judicial
 Circuit, State of Hawaii

My commission expires: 8/26/75

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

On this 21st day of January, 1972, before me personally appeared ROBERT ADDISON LOVE, to me known 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.

Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: 8/26/75

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

On this 24th day of January, 1972, before me personally appeared WILLEM SCHAAFSMA, to me known 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.

Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: 8/26/75

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

On this 20th day of January, 1972, before me personally appeared FRANCIS E. DENIS, to me known 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.

Notary Public, First Judicial
Circuit, State of Hawaii
My commission expires: 8/16/75

PROFESSIONAL ARCHITECT'S CERTIFICATE

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

HENRY E. REESE, being first duly sworn, on oath states as follows:

That he is a professional architect registered
by the State of Hawaii, Registration No. 1750;

That the set of plans previously filed in the Bureau of Conveyances as Condominium Map No. 203 accurately depict the layout, location, apartment numbers and dimensions of the apartments in Building B as built.

Henry E. Reese

Subscribed and sworn to before
me this 26th day of January, 1972.

Shawn H. Kawai
Notary Public, First Judicial
Circuit, State of Hawaii

My commission Expires: 8/26/75

RECEIVED

OCT 2 8 37 AM '74

AARON M. CHANEY INC.

m
74- 69972

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECEIVED FOR RECORD

10176 123

Libel
1974 OCT -7 AM 9:59

RECORDATION REQUESTED BY:

accom
AFTER RECORDATION, RETURN TO:
Royal Escrow Service Inc.
Attn: Muriel Saito

Chas. Neumann
INDEXED REGISTERED

TG

RETURN BY: MAIL () PICKUP ()

FIRST AMENDMENT TO DECLARATION OF HORIZONTAL PROPERTY
REGIME OF THE HANA KAI-MAUI CONDOMINIUM PROJECT

WHEREAS, HANA KAI, LTD., a Hawaii corporation and
ROBERT ADDISON LOVE, WILLEM SCHAAFPSMA and FRANCIS E. DENIS, doing
business as "HANA KAI ASSOCIATES", a joint venture qualified to do
business in the State of Hawaii, executed the Hana Kai-Maui
Condominium Project Declaration of Horizontal Property Regime dated
October 7, 1971, recorded in the Bureau of Conveyances of Hawaii in
Book 7846 on Page 9 (herein called the "Declaration"); and

WHEREAS, every apartment owner of the Association of
Apartment Owners of the Hana Kai-Maui Condominium Project has given
his written approval to amend the Declaration as hereinafter provided:

NOW, THEREFORE, the following first amendment to the
Declaration is hereby adopted:

1. Paragraph 5 on Page 3 of the Declaration is hereby
amended by adding the following:

(j) the office in Building B together with the storage
room immediately above the office.

2. In all other respects the Declaration as herein amended
is hereby ratified and confirmed and shall be binding on and inure
to the benefit of the parties hereto and their respective successors
and permitted assigns.

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

Mike L...
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii



IN WITNESS WHEREOF, the parties hereto have executed
these presents this 2nd day of October, 19 74.

HANA KAI, LTD.

BY Robert Addison Love
ITS Pres

BY Nancy Vaughan Love
ITS Secy - Treas.

ASSOCIATION OF APARTMENT OWNERS OF
HANA KAI MAUI

BY Calvin J. King
ITS VICE-PRESIDENT

BY W. Shaheen
ITS REGISTRAR

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

On this 2nd day of October, 19 74, before
me appeared Robert Addison Love and Nancy V. Love
both to me personally known, who, being by me duly sworn, did say
that the are respectively President and Secretary/Treas.
of HANA KAI LTD., the corporation named in the
foregoing instrument, and that said instrument was signed in behalf
of said corporation by authority of its Board of Directors, and
said Robert Addison Love and Nancy V. Love
severally acknowledged said instrument to be the free act and deed
of said corporation, and said corporation has no seal.

Wm. Shaheen
Notary Public, First Judicial
Circuit, State of Hawaii

My Commission Expires: 8/26/75

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

On this 2nd day of October, 19 74,
before me appeared Carl A. Lindquist and Willem Schaafsma,
both to me personally known, who, being by me duly sworn, did say
that they are respectively Vice-President and Treasurer
of ASSOCIATION OF APT. OWNERS OF, the corporation named in the
HANA KAI MAUI
foregoing instrument, and that said instrument was signed in behalf
of said corporation by authority of its Board of Directors, and
said Carl A. Lindquist and Willem Schaafsma severally
acknowledged said instrument to be the free act and deed of said
corporation, and said corporation has no seal.

Notary public, First Judicial
Circuit, State of Hawaii.

My Commission Expires: 8/26/75

167. 6/11/17
4 ✓
TG ACCOM
RECORDATION REQUESTED BY

80-137549

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

AFTER RECORDATION, RETURN TO:

Aaron M. Chanay, Inc.

841 Bishop St #400

Honolulu, HI 96813 Pearl

When Completed: Mail (X)

Pick Up () Phone: 521-6971

80 DEC 24 4 9:01

15236 346

U.S. DEPT. OF THE INTERIOR
GEOLOGICAL SURVEY
C. F. NEWMAN, REGISTAR

SECOND AMENDMENT OF THE DECLARATION
AND BY-LAWS OF THE ASSOCIATION OF
APARTMENT OWNERS OF HANA KAI, MAUI

THIS AMENDMENT OF THE Declaration and By-laws of the Association of Apartment Owners of Hana Kai, Maui is made this 11th day of December, 1980.

W I T N E S S E T H T H A T:

WHEREAS, a Declaration of Horizontal Property Regime, dated October 7, 1971, (the "Declaration"), was recorded in the Bureau of Conveyances in Liber 10176, Page 123, as amended;

WHEREAS, the property described in the Declaration was submitted to the provisions of the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, as amended (now Chapter 514A, HRS);

WHEREAS, Section 13, Article X of the By-laws of the Association of Apartment Owners of Hana Kai, Maui (the "By-laws") provides that the By-laws may be amended by a vote of Seventy-five percent (75%) of the Apartment Owners, effective only upon the recording of the amendment to the Declaration setting forth such amendment of the By-laws;

WHEREAS, pursuant to Section 13, Article X, of the By-laws, a vote in excess of seventy-five percent (75%) of the Apartment Owners voted to amend the By-laws in the manner set forth in this amendment;

NOW, THEREFORE, the Declaration and By-laws are hereby amended to add the following new Section 2 to Article V of the By-laws:

"Section 2. Time-Sharing Prohibited. No offering, sale or transfer of any time-sharing interests in an apartment or



apartments in the Project shall be made, nor shall any time-sharing agreement be executed with respect to any apartment or apartments in the Project, nor shall any time-share interests be established with respect to an apartment or apartments in the Project. Time-sharing interests shall be deemed to include, but are not limited to any interest in an apartment or apartments which could be used on a fee, leasehold, right-to-use, license, partnership, association membership, membership in club, reservation or any other basis for any specified limited time period (annually recurring or in the form of a floating period with a right to use by notification) set forth by contract or agreement. A time-sharing agreement means the instrument or instruments, or whatever name or names denominated, creating or regulating time-sharing interests, including but not limited to any declaration of horizontal property regime and by-laws for an apartment, and restrictions, deed, lease, condominium conveyance document, license, partnership agreement, club membership agreement, vacation bond, reservation, right-to-use or any other form of agreement which provides for the rights of ownership, lease, license or use of a time-sharing interest.

Except as hereby amended, the Declaration and By-laws shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Association of Apartment Owners of Hana Kai, Maui have executed this instrument this 11th day of December, 1980.

ASSOCIATION OF APARTMENT
OWNERS OF HANA KAI, MAUI

By: Its Board of Directors

By

(Its

Robert W. Fisher
President

By

Its

Ruella Davis
Secretary

15236 348

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 11th day of December, 1980,
before me personally appeared GILBERT W. HICKS and LUCILLE
DENIS, to me personally known, who, being by me duly sworn,
did say that they are the President and Secretary, respectively,
of an unincorporated association, which association has no
seal, and that the foregoing instrument was signed in behalf
of said association by authority of its Board of Directors
and that they severally acknowledged the instrument to be
the free act and deed of said association.

Muriel T. Sato
Notary Public, State of Hawaii

My commission expires: 3-13-81

I hereby certify that this is
a true and correct copy of the
original as recorded in the
Office of the Registrar,
State of Hawaii.
Muriel T. Sato
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii

RECORDATION REQUESTED BY:

OKANO, WONG and WHITE
10th Floor, 915 Fort Street
Honolulu, Hawaii 96815
Telephone No. 521-6505

82- 13847 /

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDS

82 MAY 19 P 3: 00

AFTER RECORDATION, RETURN TO:

OKANO, WONG and WHITE
10th Floor, 915 Fort Street
Honolulu, Hawaii 96815
Telephone No. 521-6505

16351 / 501
CLERK, HAWAII REGISTAR

RETURN BY: MAIL () PICKUP (X)

THIRD AMENDMENT TO DECLARATION OF
HORIZONTAL PROPERTY REGIME AND BY-LAWS
OF HANA KAI - MAUI

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

Rich Burt
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the Declaration of Horizontal Property
Regime of Hana Kai - Maui dated October 7, 1971, together
with the By-Laws which were attached thereto and made a
part thereof, was recorded in the Bureau of Conveyances of
the State of Hawaii in Liber 7846, Page 9; and

WHEREAS, said Declaration of Horizontal Property
Regime and By-Laws were subsequently amended by First Amend-
ment to Declaration of Horizontal Property Regime of the
Hana Kai - Maui Condominium Project dated October 2, 1974,
recorded in Liber 10176, Page 123; and Second
Amendment of the Declaration and By-Laws of the Association
of Apartment Owners of Hana Kai - Maui dated December 11,
1980, recorded in Liber 15236, Page 346; and

WHEREAS, the Association of Apartment Owners of
Hana Kai - Maui, hereinafter called the "Association",
representing all of the apartment owners of said Hana Kai -
Maui and acting as a group in accordance with the said By-
Laws and Declaration, pursuant to the approval of more than
75% of the apartment owners, wish to amend said By-Laws;



NOW, THEREFORE, said Association, pursuant to the provisions of the Horizontal Property Act and said Declaration and By-Laws, hereby amends said By-Laws as follows:

Article III, Section 4 of said By-Laws shall be deleted and the following shall be substituted in lieu thereof:

SECTION 4. Election and Term of Office.

At the annual meeting of the Apartment Owners, the term of office of the members of the Board of Directors shall be fixed at three (3) years. After the expiration of the term of office of each of the initial members, each successor member of the Board of Directors shall be elected to serve for a term of three (3) years. Each member of the Board of Directors shall continue to exercise the powers and duties of the office until his successor shall have been elected by the Apartment Owners.

In all other respects, the said By-Laws shall remain in full force and effect.

IN WITNESS WHEREOF, this instrument has been executed on the 13TH day of MAY, 1982.

ASSOCIATION OF APARTMENT
OWNERS OF HANA KAI - MAUI

By [Signature]
Its PRESIDENT
By [Signature]
Its TREASURER

STATE OF HAWAII

COUNTY OF ~~MAUI~~ ^{Honolulu}) SS.
)

On this 13th day of May, 1982,
before me appeared Will Schaafsma
to me personally known, who, being by me duly sworn, did say
that he is the President of the ASSOCIATION
OF APARTMENT OWNERS OF HANA KAI - MAUI; that said Association
does not have a seal; that he has read the foregoing instrument;
that he knows the contents thereof and the statements made there-
in are true and correct; that he signed and verified the same in
behalf of said Association by authority of its Board of Directors
and said officer acknowledges said instrument to be the free
act and deed of said Association.

Larena Bustillo
NOTARY PUBLIC, State of Hawaii

My commission expires: 9/17/85

STATE OF HAWAII

COUNTY OF ~~MAUI~~ ^{Honolulu}) SS.
)

On this 17 day of May, 1982,
before me appeared Gilbert W. Hicks
to me personally know, who, being by me duly sworn, did say
that he is the Treasurer of the ASSOCIATION
OF APARTMENT OWNERS OF HANA KAI - MAUI; that said Association
does not have a seal; that he has read the foregoing instrument;
that he knows the contents thereof and the statements made there-
in are true and correct; that he signed and verified the same in
behalf of said Association by authority of its Board of Directors
and said officer acknowledges said instrument to be the free
act and deed of said Association.

Karen F. Yamamoto
NOTARY PUBLIC, State of Hawaii

My commission expires: 4-14-86

TG-119482

RECORDATION REQUESTED BY:

TITLE GUARANTY ESCROW SERVICES, INC.

AFTER RECORDATION, RETURN TO:
TITLE GUARANTY ESCROW SERVICES, INC.

Wailuku Branch

P. O. Box 875

Wailuku, Hawaii 96793

RETURN BY: MAIL () PICKUP ()

T.M.K. II 1-4-05-40

86-114226

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

86 SEP 15 A8:01

19851 462

LIBER/PG 1
C.F. HEUMANN III, REGISTRAR

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

Nick C. Heumann
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii

AMENDMENT OF DECLARATION
OF HORIZONTAL PROPERTY REGIME

WHEREAS, LOVE PARTNERS, a registered Hawaii limited partnership, whose principal place of business is Hana, Maui, Hawaii 96713, and whose post office address is P. O. Box 608, Hana, aforesaid, is the Owner of Apartments 5 and 6 of Building A of the Hana Kai-Maui Condominium established by that Declaration of Horizontal Property Regime dated October 1, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7846 at Page 9, as amended; and

WHEREAS, Section 514A-13, Hawaii Revised Statutes, as amended, allows apartment owners to consolidate apartments and reapportion the common interest appurtenant to the consolidated apartment and the Owner wishes to amend said Declaration to provide the consolidation of Apartments Number 5 and 6 with common interest of 3.19% and 5.85% respectively, and parking stalls number 5 and 6, into one (1) apartment which shall be Apartment Number 5 and its common interest appurtenant to said Apartment Number 5 which shall be 9.04% and shall have parking stalls number 5a and 5b.

WHEREAS, at a duly called meeting of the Association of Apartment Owners of Hana Kai-Maui at least seventy-five



percent (75%) of the apartment owners on August 30, 1986 voted to and did approve the above consolidation of apartments.

NOW, THEREFORE, the Association of Apartment Owners hereby amends said Declaration of Horizontal Property Regime as follows:

Apartment Numbers 5 and 6 shall be consolidated into one (1) apartment which shall be Apartment Number 5 being a two-bedroom apartment having a living room, kitchen, study, two (2) bedrooms, two (2) baths, comprising 891 square feet, and two (2) lanais of total 290 square feet with a common interest of 9.04% and parking stalls 5a and 5b.

All pertinent sections of said Declaration of Horizontal Property Regime, included but not limited to Provisions Number 3, 6(b) and Exhibit B of said Declaration are hereby amended to reflect the foregoing change.

IN WITNESS WHEREOF, the parties have executed these presents this 30th day of AUGUST, 1986.

APPROVED AS TO FORM:

ING & KUSHI

ASSOCIATION OF APARTMENT OWNERS
OF HANA KAI - MAUI

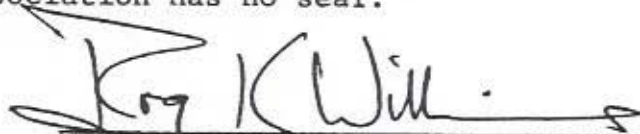
By [Signature]
Its President

STATE OF HAWAII

COUNTY OF MAUI

)
) SS.
)

On this 30th day of August, 1986, before me appeared RICHARD J. MILLS, to me personally known, who, being by me duly sworn, did say that he is the President of ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI, and the said instrument was signed in behalf of said association by authority of its Board of Directors and said RICHARD J. MILLS acknowledged said instrument to be the free act and deed of said association. Said association has no seal.


Notary Public, in and for said
County and State.

My commission expires: 10-30-86

ASSOCIATION OF APARTMENT OWNERS
OF HANA KAI - MAUI

By

Its

Gregory P. Kraus
*Vice President**Colorado*
STATE OF ~~HAWAII~~
Jefferson
COUNTY OF ~~MAUI~~

} SS.

On this 5 day of Sept., 1986, before me appeared Gregory P. Kraus, to me personally known, who, being by me duly sworn, did say that he is the Vice President of ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI, and the said instrument was signed in behalf of said association by authority of its Board of Directors and said Vice President *GP* acknowledged said instrument to be the free act and deed of said association. Said association has no seal.

*Paula M. Suppi*Notary Public, in and for said
County and State.*Jefferson, Colorado*

My commission expires:

My Commission Expires June 12, 1988

LOVE PARTNERS, a registered
Hawaii limited partnership

By R. Addison Love
Its General Partner

By Nancy Love
Its General Partner

STATE OF HAWAII

COUNTY OF MAUI

)
) SS.

On this 30th day of August, 1986, before me personally appeared R. ADDISON LOVE, to me personally known, who, being by me duly sworn, did say that he is the general partner of LOVE PARTNERS, a registered Hawaii limited partnership, and that said instrument was signed in behalf of said partnership, and the said general partner acknowledged said instrument to be the free act and deed of said partnership.

R. K. Will
Notary Public, in and for said
County and State.

My commission expires: 10-30-86

STATE OF HAWAII

COUNTY OF MAUI

)
) SS.

On this 30th day of August, 1986, before me personally appeared NANCY LOVE, to me personally known, who, being by me duly sworn, did say that she is the general partner of LOVE PARTNERS, a registered Hawaii limited partnership, and that said instrument was signed in behalf of said partnership, and the said general partner acknowledged said instrument to be the free act and deed of said partnership.

R. K. Will
Notary Public, in and for said
County and State.

My commission expires: 10-30-86

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5

TG-119482

86-171292

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

RECORDATION REQUESTED BY:

TITLE GUARANTY ESCROW SERVICES, INC.

AFTER RECORDATION, RETURN TO:

TITLE GUARANTY ESCROW SERVICES, INC.

Wailuku, Hawaii 96793
P.O. Box 675

RETURN BY: MAIL () PICKUP ()

T.M.K.: (2) 1-4-05-40

36 DEC 29 48:01

20208 673
C. F. NEUMANN III, REGISTRAR

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

Nick C. A.
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii

CORRECTED
AMENDMENT OF DECLARATION
OF HORIZONTAL PROPERTY REGIME

WHEREAS, in and under that certain Amendment of
Declaration of Horizontal Property Regime dated
August 30, 1986, recorded in the Bureau of Conveyances
in Liber 19851 at Page 462, the percentages of the
common interests for apartments 5 and 6 of Building A of Hana
Kai - Maui Condominium were erroneously stated and the
Association of Apartment Owners of Hana Kai - Maui are desirous
of correcting said percentages;

NOW, THEREFORE, in consideration of the foregoing
premises, the Association of Apartment Owners hereby corrects
said Amendment To Declaration of Horizontal Property Regime to
read as follows:

Apartment Numbers 5 and 6 shall be consolidated into
one (1) apartment which shall be Apartment Number 5 being a
two-bedroom apartment having a living room, kitchen, study, two
(2) bedrooms, two (2) baths, comprising 891 square feet, and
two (2) lanais of total 290 square feet with a common interest
of 8.5% and parking stalls 5a and 5b.



20208 674

All pertinent sections of said Declaration of Horizontal Property Regime, included but not limited to Provisions Number 3, 6(b) and Exhibit B of said Declaration are hereby amended to reflect the foregoing change.

IN WITNESS WHEREOF, the parties have executed these presents this 16th day of December, 1986.

APPROVED AS TO FORM:

L. J. Koshi
ING & KOSHI

ASSOCIATION OF APARTMENT OWNERS
OF HANA KAI - MAUI

By

Richard J. Mills
Its President

STATE OF HAWAII

COUNTY OF MAUI

)
) SS.
)

On this 16 day of December, 1986, before me appeared RICHARD J. MILLS, to me personally known, who, being by me duly sworn, did say that he is the President of ASSOCIATION OF APARTMENT OWNERS OF HANA KAI - MAUI, and the said instrument was signed in behalf of said association by authority of its Board of Directors and said RICHARD J. MILLS acknowledged said instrument to be the free act and deed of said association. Said association has no seal.

Edna Gattshall
Notary Public, in and for said
County and State.

My commission expires:

EDNA GATTSHALL
NOTARY PUBLIC
STATE OF HAWAII
MY COMMISSION EXPIRES 7/28/90

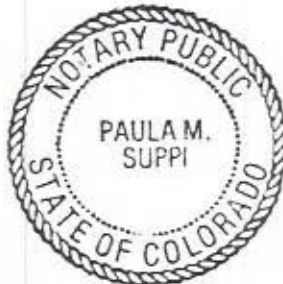
ASSOCIATION OF APARTMENT OWNERS
OF HANA KAI - MAUI

By

its

Gregory P. Krous
Vice PresidentSTATE OF ~~HAWAII~~ COLORADO)
COUNTY OF ~~MAUI~~) SS.

On this 5 day of Sept., 1986, before me appeared Gregory P. Krous, to me personally known, who, being by me duly sworn, did say that he is the Vice President of ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI, and the said instrument was signed in behalf of said association by authority of its Board of Directors and said Vice President acknowledged said instrument to be the free act and deed of said association. Said association has no seal.



Paula M. Suppi
Notary Public, in and for said
County and State.
Jefferson, Colorado
My commission expires:

My Commission Expires June 12, 1988

LOVE PARTNERS, a registered
Hawaii limited partnership

By R. Addison Love
Its General Partner

By Nancy Love
Its General Partner

STATE OF HAWAII

COUNTY OF MAUI

)
) SS.
)

On this 30th day of August, 1986, before me personally appeared R. ADDISON LOVE, to me personally known, who, being by me duly sworn, did say that he is the general partner of LOVE PARTNERS, a registered Hawaii limited partnership, and that said instrument was signed in behalf of said partnership, and the said general partner acknowledged said instrument to be the free act and deed of said partnership.

R. K. Will
Notary Public, in and for said
County and State.

My commission expires: 10-30-86

STATE OF HAWAII

COUNTY OF MAUI

)
) SS.
)

On this 30th day of August, 1986, before me personally appeared NANCY LOVE, to me personally known, who, being by me duly sworn, did say that she is the general partner of LOVE PARTNERS, a registered Hawaii limited partnership, and that said instrument was signed in behalf of said partnership, and the said general partner acknowledged said instrument to be the free act and deed of said partnership.

R. K. Will
Notary Public, in and for said
County and State.

My commission expires: 10-30-86

HANA KAI, LTD.BYLAWS OF ASSOCIATION OF APARTMENT OWNERS

WHEREAS, HANA KAI, LTD., a Hawaii corporation, hereinafter called "Landowner", is owner in fee of the land described in the Declaration of Horizontal Property Regime to which these Bylaws are annexed; and

WHEREAS, the Landowner has entered into a Development Agreement with Robert Addison Love, Willem Schaafsma and Francis E. Denis, doing business as Hana Kai Associates, a joint venture qualified to do business in the State of Hawaii, hereinafter called "Developer"; and

WHEREAS, the Landowner and Developer are desirous of submitting the aforesaid land and buildings thereon to a horizontal property regime by filing a Declaration of Horizontal Property Regime and adopting these Bylaws which shall be annexed to the said Declaration, all as provided for by Chapter 514 of the Hawaii Revised Statutes.

NOW, THEREFORE, Landowner and Developer hereby declare that all of the property hereinabove described is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following Bylaws, all of which are declared and agreed to be in furtherance of the plan set forth in the Declaration of Horizontal Property Regime to which these Bylaws are annexed, to constitute said property a Horizontal Property Regime or Condominium under the aforesaid Chapter 514 and are established and agreed upon for said purposes and for the purpose of enhancing and perfecting the value, desirability and attractiveness of said property. These Bylaws shall run with the aforesaid land and apartments and shall be binding upon all parties having or acquiring any right, title or interest therein. The Developer, acting as the present Association of Apartment Owners of said property hereby approves and adopts these Bylaws pursuant to said Chapter 514.

ARTICLE I

INTRODUCTORY PROVISIONS

SECTION 1. Definitions. The terms used herein shall have the meanings given to them in said Chapter 514, except as expressly otherwise provided herein. The term "common elements" means those elements designated in the aforesaid Declaration as common elements and limited common elements. The term "Property" shall include the land, the buildings and all other improvements thereon (including the Apartments and the common elements) and all easements, rights and appurtenances belonging thereto, and all other property affixed thereto and intended for use in connection therewith. The term "Rules and Regulations" refers to the Rules and Regulations for the conduct of occupants of the buildings adopted by the Board of Directors as hereinafter provided. "Owner" means a person owning severally or as a co-tenant an Apartment and the common interest appertaining thereto, to the extent of such interest so owned; provided, that to such extent and for such purposes, including the exercise of voting rights, as shall be provided by lease filed with the Board of Directors, a lessee of an Apartment or interest therein shall be deemed to be the Owner of such Apartment or interest therein. The terms "Apartment Owners, Association of Owners, Association" and similar terms mean and refer to (except where such meaning would be clearly repugnant to the context) the Association of Apartment Owners.

SECTION 2. Conflicts. These Bylaws are set forth to comply with the requirements of Chapter 514, Hawaii Revised Statutes, as amended. In case any of these Bylaws conflict with the provisions of said Chapter 514 or of the Declaration, the provisions of said Chapter 514 or of the Declaration, as the case may be, shall control.

SECTION 3. Application. All present and future owners, mortgagees, tenants and occupants of Apartments and their employees, and any other persons who may use the said property in any manner are subject to these Bylaws, the Declaration and the Rules and Regulations. The acceptance of an assignment of lease or conveyance or the entering into of a lease or the act of occupancy of an Apartment shall constitute an agreement that these Bylaws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II

ASSOCIATION OF OWNERS

SECTION 1. Annual Meetings. Promptly after Apartments to which fifty per cent (50%) or more of the common interest are appurtenant have been occupied, the Developer shall notify all Apartment Owners thereof, and the first annual meeting of the Apartment Owners shall be held within thirty (30) days thereafter on a call issued by the Developer. At such meeting the Apartment Owners shall elect a Board of Directors. Thereafter, the annual meetings of the Apartment Owners shall be held on the first Monday of February of each succeeding year or at such other time as the Board of Directors may designate. At such meetings the Board of Directors shall be elected by ballot of the Apartment Owners in accordance with the requirements of Section 4 of ARTICLE III of these Bylaws. The Apartment Owners may transact such other business at such meetings as may properly come before them.

SECTION 2. Place of Meetings. Meetings of the Apartment Owners shall be held at such suitable place convenient

to the Apartment Owners as may be designated by the Board of Directors.

SECTION 3. Special Meeting. Special meetings of the Owners of the Apartments may be held at any time upon the call of the President or of any three (3) Directors, or upon the written request of not less than forty per cent (40%) of the Owners.

SECTION 4. Notice of Meetings and Other Notices. Written notice of all meetings, annual or special, stating the place, day and hour of the meeting and whether it is annual or special and in case of each special meeting stating briefly the business proposed to be transacted thereat, and any other notices permitted or required to be delivered by these Bylaws shall be given by mailing such notice, certified mail, return receipt requested, postage prepaid, at least ten (10) days before the date assigned for the meeting or by delivery of such notice personally at least two (2) days before the date assigned for the meeting, to the Owners of the Apartments at their address at the property or at the address given to the Board for the purpose of service of such notices. Upon written request for notices delivered to the Board, the holder of any duly recorded mortgage or deed of trust from any Owner of an Apartment may obtain a copy of any and all notices permitted or required to be given to the Owner of an Apartment, whose interest is subject to said mortgage or deed of trust. Upon notice being given in accordance with the provisions hereof, the failure of any Owner of an Apartment to receive actual notice of any meeting shall not in any way invalidate the meeting or proceedings thereat. Each such Owner shall keep the Board informed of any changes in address.

SECTION 5. Adjournment of Meetings. If any meeting of Apartment Owners cannot be held because a quorum has not

attended, a majority in common interest of the Apartment Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

SECTION 6. (a) Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each Apartment is entitled shall be the percentage of the common interests assigned to such Apartment in the Declaration. Votes may be cast in person or by proxy by the respective Apartment Owners. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association, the percentage of vote for any Apartment owned or controlled by him in such capacity, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such Apartment in such capacity. The vote for any Apartment owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest each co-tenant shall be entitled to only a share of such vote in proportion to his share of ownership in such Apartment.

(b) Proxies and Pledges. The authority given by any Apartment Owner to another person to represent him at meetings of the Association shall be in writing, signed by such Owner and filed with the Secretary, and unless limited by its terms shall continue until revoked by writing filed with the Secretary or by the death or incapacity of such Owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any Apartment or interest therein, a true copy of which is filed with the Board through the Secretary or Managing Agent, shall be exercised only by the

person designated in such instrument until the written release or other termination thereof is filed with the Board in like manner.

SECTION 7. Order of Business. The order of business at all meetings of the Apartment Owners shall be as follows:

- (a) Roll Call;
- (b) Proof of Notice of Meeting;
- (c) Reading of Minutes of preceding meeting;
- (d) Reports of Officers;
- (e) Report of Board of Directors;
- (f) Reports of committees;
- (g) Election of inspectors of election
(when so required);
- (h) Election of members of the Board of
Directors (when so required);
- (i) Unfinished business; and
- (j) New business.

SECTION 8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners having one-half (1/2) of the total authorized votes of all Apartment Owners shall constitute a quorum at all meetings of the Apartment Owners.

SECTION 9. Majority Vote. The vote of a majority of Apartment Owners at a meeting at which a quorum shall be present shall be binding upon all Apartment Owners for all purposes except where in the Declaration or these Bylaws or by law, a higher percentage vote is required.

SECTION 10. Majority of Apartment Owners. As used in these Bylaws, the term "majority of Apartment

Owners" shall mean those Apartment Owners having more than fifty per cent (50%) of the total authorized votes present at any meeting of the Apartment Owners, and any specified percentage of the Owners means Owners having the specified percentage of the total votes.

ARTICLE III
BOARD OF DIRECTORS

SECTION 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Directors. The Board of Directors shall be composed of three (3) persons, all of whom shall be Owners or spouses of Owners, or in the case of corporate Owners, shall be officers, stockholders or employees of such corporations, or in the case of partnership Owners, any general partner of such partnership, or in the case of fiduciary Owners, shall be the fiduciaries or officers or employees of such fiduciaries.

SECTION 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Apartment Owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common elements;
- (b) Determination of the common expenses

required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the property;

(c) Collection of the common expenses from the Apartment Owners;

(d) Employment and dismissal of the personnel necessary for the maintenance, operation, repair and replacement of the common elements;

(e) Adoption and amendment of Rules and Regulations covering the details of the operation and use of the property;

(f) Opening of bank accounts on behalf of the Association of Apartment Owners and designating the signatories required therefor;

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Apartment Owners, Apartments offered for sale or lease;

(h) Purchasing of Apartments at foreclosure or other judicial sales in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all Apartment Owners;

(i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with Apartments acquired by, and subleasing Apartments leased by, the Board of Directors or its designee, corporate or otherwise, on behalf of all Apartment Owners;

(j) Organizing corporations to act as designees of the Board of Directors in acquiring title

to or leasing of Apartments on behalf of all Apartment Owners;

(k) Obtaining of insurance for the property, including the Apartments, pursuant to the provisions of ARTICLE VII hereof;

(l) Making of repairs, additions and improvements to or alterations of the property and repairs to and restoration of the property in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(m) Procuring legal and accounting services necessary or proper in the operation of the buildings or enforcement of these Bylaws;

(n) Purchasing of any other materials, supplies, furniture, labor and services, the making of repairs and structural alterations, and the payment of all insurance, taxes or assessments and other common expenses which the Board is required to secure, make or pay for pursuant to the terms of these Bylaws or by law or which in its opinion shall be necessary or proper for the operation of the buildings as apartment buildings for the enforcement of these Bylaws, provided that if any such materials, supplies, furniture, labor, services, repairs, structural alterations, insurance, taxes, or assessments are required because of the particular actions or negligence of the Owners of particular Apartments, the cost thereof shall be specially assessed to the Owners of such Apartments unless such cost would be covered by the insurance required by ARTICLE VII of these

Bylaws.

(o) Payment of any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof which may in the opinion of the Board constitute a lien against the property or against the common elements or limited common elements rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and costs incurred by the Board by reason of such lien or liens; and

(p) Maintenance and repair of any Apartment if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements and limited common elements or any other portion of the buildings, and the Owner or Owners of said Apartment shall have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said Owner or Owners, provided that the Board shall levy a special assessment against such Apartment for the cost of said maintenance or repair.

SECTION 3. Managing Agent and Manager. Except as herein otherwise provided with respect to the initial Managing Agent, the Board of Directors shall at all times employ a responsible Hawaii corporation as Managing Agent to manage and control the property, subject at all times to direction by the Board, with such administrative functions and powers as shall be delegated to said Managing Agent by the Board.

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Replace
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4th
amendment

The Board or the initial Managing Agent may also employ a Manager. The compensation of the Managing Agent and of the Manager shall be such as shall be specified from time to time by the Board.

The Managing Agent shall have such powers and duties as may be necessary or proper in connection with (a) supervision of the immediate management and operation of the project, (b) maintenance, repair, replacement and restoration of the common elements and any additions or alteration thereto, (c) purchase, maintenance and replacement of any equipment, (d) provide for services of all utilities to the buildings and the various Apartments, (e) employment, supervision and dismissal of such personnel as it deems necessary for the maintenance and operation of the project, (f) enter into contracts with others for the furnishing of such services as it deems proper for the project, (g) preparation of a proposed budget and schedule of assessments, (h) collection of all assessments and payment of all bills, (i) purchase such insurance as is contemplated by these Bylaws, (j) custody and control of all funds and maintenance of books and records and preparation of financial reports.

The Board of Directors may in its discretion limit any of the powers herein granted to the Managing Agent or grant additional powers to the Managing Agent.

Upon written request of any Apartment Owner and in connection with the financing, refinancing or sale of his Apartment, the Managing Agent shall deliver a statement, certified as correct by the Managing Agent or an Officer of the Association, of the status of the account of such Apartment Owner to any mortgagee or purchaser of such Apartment.

SECTION 4. Election and Term of Office. At the first annual meeting of the Apartment Owners, the term of office of two members of the Board of Directors shall be fixed at two (2) years and the term of office of one member of the Board of Directors shall be fixed at one (1) year. After the expiration of the term of office of each of the initial members, each successor member of the Board of Directors shall be elected to serve for a term of two (2) years. Each member of the Board of Directors shall continue to exercise the powers and duties of the office until his successor shall have been elected by the Apartment Owners.

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3rd amendment

SECTION 5. Removal of Members of the Board of Directors. At any regular or special meeting of Apartment Owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Apartment Owners and a successor may then and there or thereafter be elected for the remainder of the term to fill the vacancy thus created; provided that an individual Director shall not be removed, unless the entire Board is removed, if ten per cent (10%) or more of the Owners present at such meeting shall vote against his removal. Any member of the Board of Directors whose removal has been proposed by the Apartment Owners shall be given an opportunity to be heard at the meeting.

SECTION 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Apartment Owners, shall be filled by a vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose

promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member whose vacancy he filled and until a successor shall be elected at the next annual meeting of the Apartment Owners.

SECTION 7. Organization Meetings. The first meeting the members of the Board of Directors following the annual meeting of the Apartment Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the Apartment Owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, provided majority of the whole Board of Directors shall be present thereat.

SECTION 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors by mail or telegraph at least three (3) business days prior to the day named for such meeting.

SECTION 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each member of the Board of Directors, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special

meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Directors.

SECTION 10. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, 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 originally called, may be transacted without further notice.

SECTION 12. Fidelity Bonds. The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense.

SECTION 13. Compensation. No member of the Board of Directors shall receive any compensation from the Condominium for acting as such.

SECTION 14. Liability and Indemnity of the Board of Directors. The members of the Board of Directors shall not be liable to the Apartment Owners for any mistake of judgment or otherwise except for their own individual negligence or willful misconduct. The Association of Owners shall indemnify each Director 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 made, instituted or threatened in which he may be involved as a party or otherwise by reason of his being or having been such Director, or by reason of any past or future action taken or authorized or approved by him or any omission to act as such Director, whether or not he continues to be such Director 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 shall in such action, suit or proceeding be finally adjudged to be, or shall be, liable by reason of his negligence or willful misconduct toward the Association in the performance of his duties as such Director. As to whether or not a Director was liable by reason of negligence or willful

misconduct toward the Association in the performance of his duties as such Director, in the absence of such final adjudication of the existence of such liability, the Board of Directors and each Director may conclusively rely upon an opinion of legal counsel selected by or in the manner designated by the Board of Directors. The foregoing right of indemnification shall not be exclusive of other rights to which any such Director may be entitled as a matter of law or otherwise, and shall inure to the benefit of the heirs, executors, administrators and assigns of each such Director.

ARTICLE IV

OFFICERS

SECTION 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President shall, but no other officers need be, members of the Board of Directors.

SECTION 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

SECTION 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors,

called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Apartment Owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a stock corporation organized under the laws of the State of Hawaii, including but not limited to the power to appoint committees from among the Apartment Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

SECTION 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Apartment Owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary of a stock corporation organized under the laws of the State of Hawaii.

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. He shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the laws of the State of Hawaii. The duties of the Treasurer may be delegated to the Managing Agent.

SECTION 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium, including any amendments to the Bylaws as hereafter provided, shall be executed by any two of the President, Vice President, Secretary or Treasurer, or by such other person or persons as may be designated by the Board of Directors.

SECTION 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

USE AND MAINTENANCE OF PREMISES

SECTION 1. Use of Premises.

(a) Each residential Apartment shall at all times be used as a permanent or temporary residence or as a hotel room and for no other purpose. The Owner of each such Apartment may utilize the Apartment solely in accordance with the foregoing provisions of this paragraph, utilizing the established ways and means provided for ingress and egress thereto, and for such other purposes and in such manner as shall be permitted in these Bylaws and the Rules and Regulations.

(b) The Owner of an Apartment shall not use the same for any purpose which will injure the reputation of the property. Such Owner shall not suffer anything to be done or kept in the Apartment or elsewhere on the premises, beyond those customarily done or kept for uses set forth in Section 1 of this ARTICLE V or which will jeopardize the soundness of the buildings or premises, or which will interfere with or unreasonably disturb the rights of other Owners, or which will obstruct the public halls or stairways of the buildings or which will increase the rate of fire insurance on the buildings or the contents thereof or which will reduce the value of the premises.

(c) The Owner of an Apartment shall not, without the prior written consent of the Board, make any structural alterations in or additions to the Apartment or make any alterations in or additions to the exterior of the Apartment or to the common elements, except as may be otherwise provided in these Bylaws.

(d) The Owner of an Apartment shall not, without the prior written consent of the Board or the Managing Agent, display any sign or any other device in or upon any door, window, wall or other portion of the premises, or otherwise so as to be visible from the exterior.

(e) The Owners shall be responsible for the care and maintenance of any lanais which are included in their respective Apartments. The Owners may not, however, paint or otherwise decorate their respective lanais without the prior approval of the same by the Board of Directors. It is intended that the exterior of the building shall present a uniform appearance, and to effect that end the Owners hereby agree

that the Board may require the painting of each lanai and regulate the type and color of paint to be used. The Board is authorized to contract for the painting of all of the lanais and to make payment therefor out of the maintenance fund. No awnings, shades, jalousies or other device shall be erected or placed on the lanais so as to be visible from the exterior unless written permission shall have been obtained from the Board of Directors.

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ARTICLE VI

COMMON EXPENSES, APARTMENT EXPENSES AND TAXES

SECTION 1. Common Expenses. The Owner of each Apartment shall be liable for and pay a share of the common expenses in proportion to his interest in the common elements appurtenant to his Apartment. Common expenses shall include all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on each Apartment and the common interest in the common elements appertaining thereto or the personal property or any other interest of the Owner), assessments, insurance, including fire and other casualty and liability insurance, cost of repair, reinstatement, rebuilding and replacement of the premises, yard, janitorial and other similar services, wages, accounting and legal fees, management fees, and other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common elements, including limited common elements, and the cost of all utility services, including water, electricity and gas, garbage disposal and any other similar services, unless separately metered in which case the amounts charged to each Apartment shall be payable by the Owner of the Apartment. The common expenses may also include such

amounts as the Board of Directors may deem proper to make up any deficit in the common expenses for any prior year and a reserve fund for the operation and maintenance of the property, including, without limitation, anticipated needs for working capital of the Condominium, and for replacements, repairs and contingencies. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all Apartment Owners, of any Apartment whose Owner has elected to sell or lease such Apartment or of any Apartment which is to be sold at a foreclosure or other judicial sale. Payments of common expenses shall be made to the Board, as agent of the Owners of the Apartments, and the Board shall transmit said payments on behalf of each such Owner to the third person entitled to said payments from each Owner, provided, however, that except for any Manager's Apartment, the Board of Directors may not purchase an Apartment and hold the same or lease an Apartment for a period in excess of one (1) year without obtaining the approval of the Owners of at least seventy-five per cent (75%) of the Apartments.

SECTION 2. Payment as Agent. The Board will pay or cause to be paid, on behalf of the Owners, all common expenses. The Board, on behalf of all Owners, will maintain or cause to be maintained separate books of account of common expenses in accordance with recognized accounting practices, and will have such books of account available for inspection by each Owner or his authorized representative at reasonable business hours. The Board will annually render or cause to be rendered a statement to each Owner of all receipts and

disbursements during the preceding year, which statement shall be certified by an independent certified public accountant. Each Owner, as principal, shall be liable for and pay his share, determined as aforesaid, of all common expenses and the Board shall be responsible, as agent for each Owner, only to transmit the payments made by the Owner to third persons to whom such payments must be made by the Owner. The Board or Managing Agent collecting the common expenses shall not be liable for payment of said common expenses as a principal but only as the agent of all Owners to transmit said payments to third persons to whom such payments must be made by the Owner.

SECTION 3. Taxes and Assessments. Each Owner of an Apartment shall be obligated to have the real property taxes for his own Apartment and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of all such real property taxes so determined. The foregoing sentence shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each Apartment and the common interest in the common elements appertaining thereto or the personal property or any other interest of the Owner. Each Owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each Owner shall be obligated to pay to the Board his proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire premises or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may

be a lien on the entire premises or any part of the common elements, the Board may pay such taxes or assessments and shall assess the same to the Owners in their proportionate share as determined by the Board. Such assessments by the Board shall be secured by the Lien created by Section 4 of this ARTICLE VI.

SECTION 4. Default in Payment of Assessments.

Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies hereby or by law provided, the Board of Directors may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special meeting thereof and any such suit may be instituted by any one member of the Board or by the manager if the latter is so authorized in writing. Each such action shall be brought in the name of the Board and the Board shall be deemed to be acting on behalf of all the Owners. Any judgment rendered in any such action shall include, where permissible under any law, a sum for reasonable attorneys' fees in such amount as the court may adjudge against such defaulting Owner. Upon full satisfaction of any such judgment, it shall be the duty of the Board to authorize any two members thereof, acting in the name of the Board, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time within ninety (90) days after

the occurrence of any such default, the Board (acting upon the authorization of a majority thereof at any regular or special meeting) may give a notice to the defaulting Owner by certified mail, return receipt requested, sent to such defaulting Owner's last known address, with a copy to the mortgagee of such Owner, if such mortgagee has furnished its name and address to the Board, which said notice shall state the date of delinquency, the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid within ten (10) days after delivery of such notice, the Board may elect to file a claim of lien against the Apartment of such delinquent Owner. Such claim of lien shall state (1) the name of the delinquent Owner or reputed Owner, (2) a description of the Apartment against which claim of lien is made, (3) the amount claimed to be due and owing (with any proper offset allowed), (4) that the claim of lien is made by the Board pursuant to the terms of these Bylaws and of Chapter 514, Hawaii Revised Statutes, as amended, and (5) that a lien is claimed against said described Apartment in an amount equal to the amount of the stated delinquency. Any such claims of lien shall be signed and acknowledged by any two or more members of the Board and shall be dated as of the date of the execution by the last such Board member to execute said claim of lien. Upon recordation of a duly executed original or copy of such claim of lien with the Assistant Registrar of the Land Court of the State of Hawaii or the Bureau of Conveyances, as the case may be, the Board shall have all remedies provided in Section 514-24, Hawaii Revised Statutes, as amended. Each default shall constitute a separate basis for a claim of lien or a lien. In the event the foreclosure is under power of sale, the Board, or any person designated by it in writing, shall be entitled to actual expenses and such fees as may be

allowed by law or as may be prevailing at the time the sale is conducted. The certificate of sale shall be executed and acknowledged by any two members of the Board or by the person conducting the sale.

(c) In the event of a default or defaults in payment of any such assessment or assessments, such amounts in default will earn interest at the rate of 1% per month until paid, said interest being collectable from such defaulting Owner in the same manner established hereunder or by law for the collection of delinquent assessments.

(d) For the purposes of this Section 4, a certificate executed and acknowledged or made under penalty of perjury by any two members of the Board shall be conclusive upon the Board and the Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any Owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his Apartment (or the fact that all assessments due are paid if such is the case) within fifteen (15) days after demand therefor and upon payment of a reasonable fee not to exceed Ten Dollars (\$10). In the event any claims of liens have been recorded and thereafter the Board shall receive payment in full of the amount claimed to be due and owing, then upon demand of the Owner or his successor, and payment of a reasonable fee, not to exceed Ten Dollars (\$10), the Board, acting by any two members, shall execute and acknowledge (in the manner provided above) a release of lien, stating the date of the original claim of lien, the amount claimed, the date, the Land Court document number of the claim of lien or the book and page where such lien is recorded in the Bureau of Conveyances, the fact that the lien has been fully satisfied and that the particular lien is released and discharged, such release of lien to be delivered to the Owner or his successor upon payment of the fee.

SECTION 5. Collection from Tenant. If the Owner shall at any time rent or lease his Apartment and shall default

for a period of thirty (30) days or more in the payment of the Owner's share of the common expenses, the Board may, at its option, so long as such default shall continue, demand and receive from any renter or lessee (hereinafter in this paragraph referred to as "lessee") of the Owner occupying the Apartment, the rent due or becoming due from such lessee to the Owner up to an amount sufficient to pay all sums due from the Owner, including interest, if any, and any such payment of such rent to the Board by the lessee shall be sufficient discharge of such lessee, as between such lessee and the Owner to the extent of the amount so paid; but any such demand or acceptance of rent from any lessee shall not be deemed to be a consent to or approval of any lease by the Owner or a release or discharge of any of the obligations of the Owner hereunder or an acknowledgment of surrender of any rights or duties hereunder. In the event that the Board makes demand upon the lessee as aforesaid, the lessee shall not have the right to question the right of the Board to make such demand, but shall be obligated to make the said payments to the Board as demanded by the Board with the effect as aforesaid, provided, however, that the Board may not exercise this right if a receiver has been appointed to take charge of the premises pending a mortgage foreclosure or if a mortgagee is in possession pending a mortgage foreclosure.

SECTION 6. Waiver. The failure of the Board to insist in any one or more instances upon a strict performance of or compliance with any of the covenants of the 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 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 a resolution of the Board of Directors.

ARTICLE VII

INSURANCE AND RESTORATION

SECTION 1. Fire and Extended Coverage Insurance.

The Board shall procure and maintain from a company or companies qualified to do business in Hawaii (and, if necessary, to procure the required coverage from other companies) a policy or policies (herein called the "Policy") of fire insurance, with extended coverage endorsement, for as nearly as practicable to one hundred per cent (100%) of the insurance replacement cost without deduction for depreciation, covering the Apartments and fixtures therein and the building, fixtures and building service equipment, but excluding property of every kind and description while underground (meaning thereby, below the level of contiguous ground and covered by earth, except underground conduit or wiring therein when beneath the building), in the name of the Board as insured as trustee for each of the Owners of the Apartments in proportion to their respective common interests in the common elements. Such Policy:

(a) shall contain no provision limiting or prohibiting other insurance by the Owner of any Apartment,

such right being provided by statute, but if obtainable, shall provide that the liability of the insurer shall not be affected by, nor shall the insurer claim any right of set-off, counter-claim, apportionment, proration, or contribution by reason of any such other insurance;

(b) shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the buildings, whether or not within the control or knowledge of the Board, or if obtainable, shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board or the Owner or tenant of any Apartment, or by reason of any act or neglect of the Board or the Owner or tenant of any Apartment;

(c) shall provide that the policy may not be cancelled (whether or not requested by the Board) except by giving to the Board and to the Owner and/or mortgagee of each Apartment who shall have requested such notice of the insurer in writing addressed to him at the premises, thirty (30) days written notice of such cancellation;

(d) shall contain a provision waiving any right of subrogation by the insurer to any right of the Board against the Owner or lessee of any Apartment;

(e) shall contain a provision waiving any right of the insurer to repair, rebuild or replace, if a decision is made pursuant to Section 5 of this ARTICLE VII not to repair, reinstate, rebuild or restore the damage or destruction;

(f) shall provide that any loss shall be adjusted with the Board and the mortgagee of any Apartment

directly affected by the loss;

(g) shall contain a standard mortgagee clause which:

(i) shall name the holder of any mortgage affecting any Apartment whose name shall have been furnished to the Board;

(ii) shall provide that the insurance as to the interest of the mortgagee shall not be invalidated by any act or neglect of the Board or the Owner or tenant of any Apartment;

(iii) shall waive any requirement invalidating such mortgagee clause by reason of the failure of the mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium (provided, however, in case the Board shall fail to pay the premium due or to become due under the policy, the mortgagee may pay the same prior to the effective date of the termination of the policy), any contribution clause, and any right to be subrogated to the right of any mortgagee against the Owner or lessee of any Apartment or the Board or to require an assignment of any mortgage to the insurer, except that the insurer will have the right of subrogation to the extent of insurance proceeds received by and retained by the mortgagee if the insurer shall claim no liability as to the mortgagor or Owner, but without impairing mortgagee's right to sue;

(iv) shall provide that without affecting the protection afforded to the mortgagee by such mortgagee clause, any proceeds payable under such clause shall be payable to a corporate trustee selected by the Board who

shall be a bank or trust company doing business in Honolulu having net assets of not less than Five Million Dollars (\$5,000,000), herein referred to as the "Insurance Trustee" or "Trustee";

(v) shall provide that any reference to a mortgagee in the Policy shall include all mortgagees on any Apartment, in order of preference; and

(h) shall provide for payment of the proceeds to the Insurance Trustee.

SECTION 2. Comprehensive Liability Insurance. The Board shall procure and maintain from a company or companies qualified to do business in Hawaii (and, if necessary, to procure the required coverage from other companies) a policy or policies (herein called the "Policy") of Public Liability Insurance to insure the Board, the owner of the land in the case of a leasehold condominium, each Apartment Owner, and the Managing Agent and other employees of the Association of Apartment Owners against claims for personal injury, death and property damage arising out of the condition of the property or activities thereon or elevators therein or contractors of construction work under a Comprehensive General Liability form to include (1) Water Damage Legal Liability and (2) Fire Damage Legal Liability. Said insurance shall be for such limits as the Board may decide, but not less than those reasonably required by the terms of any leases covering Apartments from the owner of the fee thereof. Such Policy:

(a) shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the buildings, whether or not within the control or knowledge of the Board, or by any breach of

warranty or condition caused by the Owner of any Apartment, or by any act or neglect of the Owner or tenant of any Apartment; and

(b) shall provide that the Policy may not be cancelled (whether or not requested by the Board) except by giving to the Board and to the Owner of each Apartment and any mortgagee, who shall have requested such notice of the insurer in writing, thirty (30) days written notice of such cancellation.

SECTION 3. Insurance Against Additional Risks. The Board may also procure insurance against such additional risks as the Board may deem advisable for the protection of the Apartment Owners of a character normally carried with respect to properties of comparable character and use.

SECTION 4. Miscellaneous Insurance Provisions. The Board shall review not less frequently than annually the adequacy of its insurance program and shall report in writing the Board's conclusions and action taken on such review to the Owner of each Apartment, and to the holder of any mortgage on any Apartment who shall have requested a copy of such report. At the request of any mortgagee of any Apartment, the Board shall furnish to such mortgagee a copy of the Policy described in Section 1 of this Article and of any other Policy to which a mortgagee endorsement shall have been attached. Copies of every policy of insurance procured by the Board shall be available for inspection by any Apartment Owner (or purchaser holding a contract to purchase an interest in an Apartment) at the office of the Managing Agent. Any coverage procured by the Board shall be without prejudice to the right of the Owners of Apartments to insure such Apartments and the contents thereof

for their own benefit at their own expense.

SECTION 5. Damage and Destruction. If a building is damaged by fire or other casualty which is insured against and said damage is limited to a single Apartment, the insurance proceeds shall be used by the Trustee for payment of the contractor employed by the Board to rebuild or repair such Apartment, including paint, floor covering and fixtures, in accordance with the original plans and specifications therefor. If such damage extends to two or more Apartments or extends to any part of limited common elements or to the common elements:

(a) If the Owners of the Apartments do not within sixty (60) days after such casualty agree in writing in accordance with the provisions of the Declaration, that the building need not be rebuilt, and after obtaining any required consent from any lessor of the Apartment, the Board shall thereupon contract to repair or rebuild the damaged portions of the building, including all Apartments so damaged, as well as the common elements, in accordance with plans and specifications therefor, which will restore the same to the design immediately prior to destruction, or if reconstruction in accordance with said design is not permissible under the laws then in force, in accordance with such modified plan as shall be previously approved by the Board, the mortgagee of record of any interest in an Apartment directly affected thereby, and any Lessor of an Apartment, if required, provided that in the event said modified plan eliminates any Apartment and such Apartment is not reconstructed the Insurance Trustee shall pay to the Owner of said Apartment the portion of said insurance proceeds allocable to said Apartment (less the proportionate share of said Apartment in the cost of debris removal) and shall disburse the balance of insurance proceeds

as hereinafter provided for the disbursement of insurance proceeds. The insurance proceeds shall be paid by the Trustee to the contractor employed for such work, in accordance with the terms of the contract for such construction and in accordance with the terms of this Section 5. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding such common elements, the Board is expressly authorized to pay such costs in excess of the insurance proceeds from the maintenance fund, and if the maintenance fund is insufficient for this purpose, the Board shall levy a special assessment on the Owners of Apartments in proportion to their respective common interests. Any costs in excess of the insurance proceeds for the repairing and/or rebuilding of any Apartment shall be specially assessed against such Apartment and said special assessment shall be secured by the lien created under Section 4 of ARTICLE VI hereof.

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

(i) the work shall be in charge of an architect or engineer (who may be an employee of the Board);

(ii) each request for payment shall be made on seven (7) days' prior notice to the Trustee and shall be accompanied by a certificate to be made by such architect or engineer stating that all of the work completed has been done in compliance with the approved plans and specifications and that the sum requested is justly required to reimburse the Board for payments by the

Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services and materials), and that when added to all sums previously paid out by the Trustee the sum requested does not exceed the value of the work done to the date of such certificate;

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

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

(v) the fees and expenses of the Trustee as determined by the Board and the Trustee shall be paid by the Association as common expenses, and such fees and expenses may be deducted from any proceeds at any time in the hands of the Trustee;

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

(c) Upon the completion of the work and payment in full therefor, any remaining proceeds of insurance then or

thereafter in the hands of the Board or the Trustee shall be paid or credited to the Owners of the Apartments (or to the holder of any mortgage on an Apartment if there be a mortgage) in proportion to their respective common interests.

(d) To the extent that any loss, damage or destruction to the buildings or other property is covered by insurance procured by the Board, the Board, the Managing Agent, the other Apartment Owners and the Association shall have no claim or cause of action for such loss, damage or destruction against any Apartment Owner or lessee. To the extent that any loss, damage or destruction to the property of any Apartment Owner or lessee is covered by insurance procured by such Owner or lessee, such Owner or lessee shall have no claim or cause of action for such loss, damage or destruction against the Board, the Managing Agent, any other Apartment Owner, or the Association. All policies of insurance referred to in this paragraph (d) shall contain appropriate waivers of subrogation.

SECTION 6. Disposition of Buildings. In the event all Apartment Owners shall agree in writing consented to by all mortgagees of their respective interests that the building need not be rebuilt and all Owners and their mortgagees shall have surrendered their Apartment Leases, if any, and any Lessor shall have consented, the insurance proceeds shall be used to remove any remaining improvements on the land included in the Condominium, and the balance, if any, shall be allocated to the Apartment Owners in accordance with the interest in the common elements appurtenant to each Apartment.

ARTICLE VIII

MORTGAGES

SECTION 1. Notice to Board of Directors. An Apartment Owner who mortgages his interest in an Apartment shall

notify the Board of Directors of the name and address of his mortgagee and within ten (10) days after the execution of the same shall file a conformed copy of the note and mortgage with the Board of Directors; the Board of Directors shall maintain such information in a book entitled "Mortgages of Apartments".

SECTION 2. Notice of Unpaid Common Expenses. The Board of Directors, whenever so requested in writing by a purchaser or mortgagee of an interest in an Apartment, shall promptly report any then unpaid assessments for common expenses due from the Owner of the Apartment involved.

SECTION 3. Notice of Default. The Board of Directors, when giving notice to an Apartment 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 Apartment or interest therein whose name and address has theretofore been furnished to the Board of Directors.

SECTION 4. Examination of Books. Each Owner and each mortgagee of an apartment shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

SECTION 5. Mortgage Protection. Notwithstanding all other provisions hereof:

(a) The liens created hereunder upon any Apartment and its appurtenant interests in the common elements shall be subject and subordinate to, and shall not affect the rights of the holder of any indebtedness secured by any recorded mortgage under such interests made for value, provided that after the foreclosure of any such mortgage there shall be a lien upon the interests of the purchaser at such foreclosure sale to secure all assessments, whether regular or special,

assessed hereunder to such Apartment if falling due after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided in Section 4 of ARTICLE VI hereof.

(b) No amendment to this Section 5 shall affect the rights of the holder of any such mortgage filed in the Office of the Assistant Registrar of the Land Court or the Bureau of Conveyances prior to the filing of such amendment who does not join in the execution thereof.

ARTICLE IX

CONDEMNATION

SECTION 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the common elements, all compensation payable for or on account of the land shall be payable to the Landowner, if other than the Apartment Owners, and all compensation payable for or on account of any buildings shall be divided between any Landowner and the Apartment Owners, if required, or if a fee simple project or if the Landowner does not share in the compensation from the improvements then all compensation for the land and the improvements, or just the improvements, as the case may be, shall be equitably apportioned between the Apartment Owners. All portions of any such award payable on account of the Apartment Owners shall be payable to a condemnation trustee, who shall be a bank or trust company designated by the Board doing business in Hawaii having net assets of not less than Five Million Dollars (\$5,000,000). The Board of Directors shall arrange for the repair and restoration of the buildings and improvements in accordance with the design thereof immediately prior to such condemnation or, if such

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

ARTICLE X

GENERAL PROVISIONS

SECTION 1. Rules and Regulations. The Owner recognizes the right of the Board from time to time to establish

and amend such uniform rules and regulations (herein called "House Rules") as the Board may deem necessary for the management and control of the Apartments and the common elements and limited common elements and the Owner agrees that the Owner's rights under this instrument shall be in all respects subject to the appropriate House Rules which shall be taken to be a part hereof; and the Owner agrees to obey all such House Rules as the same now are or may from time to time be amended, and see that the same are faithfully observed by the invitees, guests, employees and under-tenants of the Owner; and the House Rules shall uniformly apply to and be binding upon all occupants of the Apartments.

SECTION 2. Abatement and Enjoinder of Violations by Apartment Owners. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

(a) To enter the Apartment in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Apartment Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

(b) 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 Apartment Owner.

SECTION 3. Maintenance and Repair of Apartments.

All maintenance of and repairs to any Apartment (other than maintenance of and repairs to any Apartment and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the Owner of such Apartment) shall be made by the Owner of such Apartment.

SECTION 4. Maintenance and Repair of Common Elements.

All maintenance, repairs and replacements to the common elements, whether located inside or outside of the Apartments, shall be made by the Board of Directors and be charged to all the Owners as a common expense, unless necessitated by the negligence, misuse or neglect of an Apartment Owner, in which case such expense shall be charged to such Apartment Owner unless such expenses would be covered by the insurance required by ARTICLE VII of these Bylaws.

SECTION 5. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the common elements shall require additions, alterations, or improvements costing less than Three Thousand Dollars (\$3,000) the Board of Directors may proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a common expense. Any additions, alterations or improvements costing in excess of Three Thousand Dollars (\$3,000) may be made by the Board of Directors only after obtaining approval of the Owners of at least seventy-five per cent (75%) of the Apartments. If such approval shall be obtained, the cost thereof shall constitute part of the common expenses.

SECTION 6. Right of Access. An Apartment Owner shall grant a right of access to his Apartment to the Manager and/or the Managing Agent and/or any other person authorized by the Board of Directors, the Manager or the Managing Agent,

for the purpose of making inspections or for the purpose of correcting any condition originating in his Apartment and threatening another Apartment or a common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his Apartment or elsewhere in the buildings, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be deemed granted, to be effective immediately, whether the Owner is present at the time or not.

SECTION 7. Owners May Incorporate. All of the rights, powers, obligations and duties of the Owners 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 Owners. Said corporation shall be formed upon the written approval of a majority of the voting Owners. The formation of said corporation shall in no way alter the terms, covenants and conditions set forth herein and the Articles and Bylaws of said corporation shall be subordinated hereto and controlled hereby. Any action taken by said corporation, which said action is in violation of any or all of the terms, covenants or conditions contained herein, shall be void and of no effect.

SECTION 8. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Directors, c/o the Managing Agent, or if there be no Managing Agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time, by notice in writing to all Owners and to all mortgagees

of Apartments. All notices to any Owner shall be sent by registered or certified mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Board of Directors. All notices to mortgagees of Apartments shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

SECTION 9. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision hereof.

SECTION 10. Gender. The use of any gender in these Bylaws shall be deemed to include either or both of the other genders and the use of the singular shall be deemed to include the plural whenever the context so requires.

SECTION. 11. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

SECTION 12. Interpretation. The provisions of these Bylaws shall be liberally construed to effectuate the purpose of creating a uniform condominium complex whereby the Owners of Apartments shall carry out and pay for the operation and maintenance of the project as a mutually beneficial and efficient establishment.

SECTION 13. Amendment. The provisions of these

Bylaws, other than this paragraph, may be amended by the vote of Apartment Owners owning at least seventy-five per cent (75%) of the common interest in the common elements, and evidenced by an instrument in writing, signed and acknowledged by any two officers of the Association of Apartment Owners, which amendment shall be effective upon filing in the Office of the Assistant Registrar of the Land Court or the Bureau of Conveyances, as the case may be.

SECTION 14. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, the Developer has executed these Bylaws this 1st day of October, 1971.

HANA KAI, LTD.

By Robert Addison Love
Its Treas

By Nancy V. Love
Its Secy Treas. LANDOWNER

Robert Addison Love
ROBERT ADDISON LOVE

Willem Schaafsma
WILLEM SCHAAFSMA

Francis E. Denis
FRANCIS E. DENIS DEVELOPER

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS:
)

LIBER 7846 PAGE 66

On this 1st day of October, 1971, before me
appeared Robert Addison Sore and

Nancy V. Sore, to me personally
known, who, being by me duly sworn, did say that they are

President

and

Secretary & Treasurer

respectively, of HANA KAI, LTD., a Hawaii corporation; that
the seal affixed to the foregoing instrument ^{is the corporate seal of said corporation and said instrument} was signed and

sealed on behalf of said corporation by authority of its

Board of Directors; and said Robert Addison Sore

and Nancy V. Sore acknowledged that they executed

said instrument as the free act and deed of said corporation.

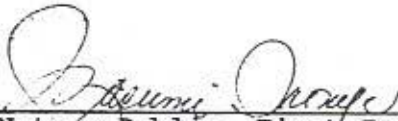
Bessie Jacobs

Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 12-15-74

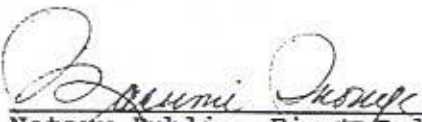
STATE OF HAWAII)
) SS:
 CITY AND COUNTY OF HONOLULU)

On this 1st day of October, 1971, before me personally appeared ROBERT ADDISON LOVE, to me known 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.


 Notary Public, First Judicial
 Circuit, State of Hawaii
 My commission expires: 12-15-74

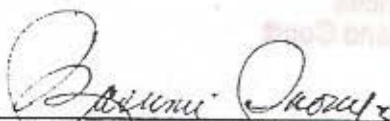
STATE OF HAWAII)
) SS:
 CITY AND COUNTY OF HONOLULU)

On this 1st day of October, 1971, before me personally appeared WILLEM SCHAAFSMA, to me known 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.


 Notary Public, First Judicial
 Circuit, State of Hawaii
 My commission expires: 12-15-74

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

On this 1st day of October, 1971, before me personally appeared FRANCIS E. DENIS, to me known 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.


 Notary Public, First Judicial
 Circuit, State of Hawaii
 My commission expires: 12-15-74

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I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

Nick Ann Thompson
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii



R-742 STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED
JUL 14, 2009 08:02 AM
Doc No(s) 2009-107928



/s/ NICKI ANN THOMPSON
REGISTRAR

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LAND COURT SYSTEM

REGULAR SYSTEM

After Recordation Return by Mail () Pickup () To:

ING & JORGENSEN
2145 Wells Street, Suite 204
Wailuku, Maui, Hawaii 96793-2222

TOTAL NUMBER OF PAGES: 4

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T.M.K. No. (2) 1-4-005-040

**FOURTH AMENDMENT TO THE BYLAWS OF
THE ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI**

This Fourth Amendment to the Bylaws of the Association of Apartment Owners of the Hana Kai-Maui is made on this 30th day of January, 2008.

WHEREAS, the Bylaws of the Association of Apartment Owners of the Hana Kai-Maui were adopted on October 1, 1971 and were recorded in the Bureau of Conveyances in Liber 7846, Page 23; and

WHEREAS, the Declaration of Horizontal Property Regime Under Chapter 514 Hawaii Revised Statutes, dated October 1, 1971, was recorded in said Bureau of Conveyances in Liber 7846, Page 9; and

WHEREAS, the Amendment to Declaration of Horizontal Property Regime, dated January 20, 1972, was recorded in said Bureau of Conveyances in Liber 8077, Page 359 ; and

WHEREAS, the First Amendment to Declaration of Horizontal Property



Regime of the Hana Kai-Maui Condominium Project, dated October 2, 1974, was recorded in said Bureau of Conveyances in Liber 10176, Page 123; and

WHEREAS, the Second Amendment of the Declaration and By-Laws of the Association of Apartment Owners of Hana Kai, Maui, dated December 11, 1980, was recorded in said Bureau of Conveyances in Liber 15236, Page 346; and

WHEREAS, the Third Amendment to Declaration of Horizontal Property Regime and By-Laws of Hana Kai-Maui, dated May 13, 1982, was recorded in said Bureau of Conveyances in Liber 16351, Page 501; and

WHEREAS, the Amendment of Declaration of Horizontal Property Regime, dated August 30, 1986, was recorded in said Bureau of Conveyances in Liber 19851, Page 462; and

WHEREAS, the Board of Directors of said Association of Apartment Owners has determined that it would be in the best interests of the Association for the Bylaws to be amended to make it optional that the Board of Directors of the Association may employ a Managing Agent for the project at any time, rather than it being mandatory for the Board to do so at all times; and

WHEREAS, pursuant to ARTICLE X, SECTION 13 of the Bylaws, apartment owners owning at least seventy-five percent (75%) of the common elements in the project have given their consent to the proposed amendment at the Annual Meeting of the Association of Apartment Owners duly noticed and held on March 4, 2006,

NOW, THEREFORE, the Bylaws of the Association of Apartment Owners of Hana Kai-Maui are hereby amended as follows:

1. ARTICLE III, SECTION 3 of the Bylaws is hereby deleted in its entirety and in its place, the following shall be inserted:

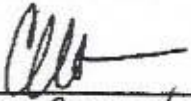
Managing Agent and Manager. Except as otherwise provided with respect to the initial Managing Agent, the Board of Directors may at any time employ a responsible Hawaii corporation as Managing Agent to manage and control the property, subject at all times to direction by the Board, with such administrative functions and powers as shall be delegated to said Managing Agent by the Board.

2. The remaining provisions of the Bylaws of the Association of Apartment Owners of Hana Kai-Maui, dated October 1, 1971, shall remain in full force and effect.

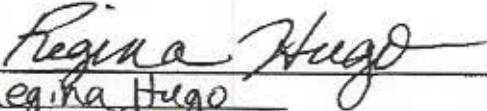
IN WITNESS WHEREOF, the undersigned Officers of the Association of Apartment Owners of Hana Kai-Maui have executed this Fourth Amendment to the Bylaws of the Association of Apartment Owners of Hana Kai-Maui at Hana, Maui,

Hawaii, on the day and year first above written.

ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI



Corey Resnick
Its President

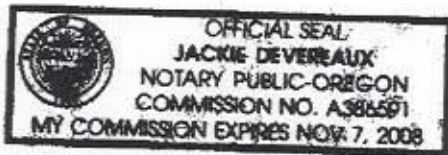


Regina Hugo
Its Secretary

STATE OF OREGON
COUNTY OF CLATSOP

)
) SS.
)

On 1/22/08 before me personally appeared COREY RESNICK, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.




(notary's signature)

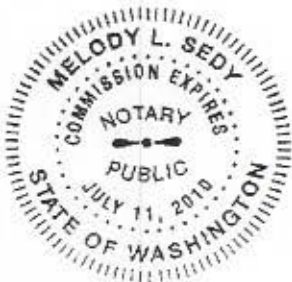
JACKIE DEVEREAUX
(print/type name of notary)
Notary Public, in and for said
County and State.

My commission expires:

STATE OF WASHINGTON
COUNTY OF SNOHOMISH

)
) SS.
)

On JAN. 20, 2008 before me personally appeared REGINA HUGO, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.




(notary's signature)

MELODY L. SEDEY
(print/type name of notary)
Notary Public, in and for said
County and State.

My commission expires: 7-11-2010

REGULAR SYSTEM

Shannon S. Sheldon, Esq.
McKeon Sheldon Mehling
A Limited Liability Law Company
2145 Kaohu Street, Suite 203
Wailuku, Hawaii 96793

Total Pages: 6

This AMENDMENT TO THE BYLAWS OF ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI (this "Amendment") is made by the ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI (the "Association"), a Hawaii non-profit corporation.

WHEREAS, Hana Kai, Ltd., as owner of certain land, intended to develop the land as a condominium project more specifically described in that certain Declaration of Horizontal Property Regime Under Chapter 514 Hawaii Revised Statutes filed in the Bureau of Conveyances for the State of Hawaii ("Bureau") on October 1, 1971 in Liber 7846, Page 9, and as identified in the plans recorded in said Bureau as Condominium Map 203;

WHEREAS, the land and buildings were submitted to a horizontal property regime by filing the Declaration and adopting Hana Kai, Ltd. Bylaws of Association of Apartment Owners, which were annexed to the Declaration and recorded as Liber 7846, Page 23 on October 1, 1971 ("Bylaws");

WHEREAS, said Bylaws were amended by instruments dated December 11, 1980 and recorded in the Bureau in Liber 15236, Page 346; dated May 13, 1982 and recorded in the Bureau in Liber 16351, page 501; and recorded July 14, 2009 as Document No. 2009-107928 in the Bureau.

WHEREAS, Article X, Section 13 of the Bylaws, as amended, provides that the provisions of the Bylaws may be amended by the vote of Apartment Owners owning at least seventy-five percent of the common interest in the common elements, and evidenced by an instrument in writing, signed and acknowledged by any two officers of the Association, and Hawaii Revised Statutes § 514B-108(e) states the bylaws may be amended at any time by the vote or written consent of at least sixty-seven per cent of all unit owners;

WHEREAS, at a duly noticed meeting of the owners on March 7, 2015, the Association received the vote of the owners owning more than seventy-five percent of the common interest in the common elements to amend the Bylaws as set forth herein.

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

1. The first sentence of Article II, Section 4 is deleted in its entirety and shall be amended to read in its entirety as follows:

Written notice of all meetings, annual or special, stating the place, day and hour of the meeting and whether it is annual or special and in case of each special meeting stating briefly the business proposed to be transacted thereat, and any other notices permitted or required to be delivered by these Bylaws shall be given by mailing such notice, certified mail, return receipt requested, postage prepaid, at least ten (10) days before the date assigned for the meeting or by delivery of such notice personally at least two (2) days before the date assigned for the meeting, or by email if any owner so requests, provided that owner confirms receipt of email, to the Owners of the Apartments at their address at the property or at the address given to the Board for the purpose of service of such notices.

2. Article X, Section 5 is deleted in its entirety and shall be amended to read in its entirety as follows:

SECTION 5. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the common elements shall require additions, alterations, or improvements costing less than Seventeen Thousand Five Hundred Dollars (\$17,500.00) as of March 7, 2015 with annual inflation adjustments of three percent (3%), the Board of Directors may proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a common expense. Any additions, alterations or improvements costing in excess of Seventeen Thousand Five Hundred Dollars

(\$17,500.00) as of March 7, 2015 with annual inflation adjustments of three percent (3%) may be made by the Board of Directors only after obtaining approval of the Owners of at least seventy-five percent (75%) of the Apartments. If such approval shall be obtained, the cost thereof shall constitute part of the common expenses.

The amended version of the Bylaws supersedes the original Bylaws and all prior amendments thereto. Notwithstanding any other provision to the contrary, the amended provisions shall govern. This Amendment shall be construed in accordance with and governed by the laws of the State of Hawaii. To the extent that there is any conflict between this Amendment and the applicable State of Hawaii statutes, such statutes shall control. To the extent that there is any conflict between the provisions of the Bylaws and the applicable State of Hawaii statutes, such statutes shall control. To the extent there is any conflict between the Bylaws and the Declaration, the Declaration shall control.

In all other respects, the Bylaws, as amended, are hereby ratified and confirmed and shall be binding upon and inure to the benefit of the parties to them and their respective successors and permitted assigns. Each of the undersigned officers of the Association hereby warrants and represents that he or she is legally authorized to sign this Amendment on behalf of the Association.

The officers of the Association agree that this Amendment may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument, binding the parties thereto, notwithstanding that all the parties are not signatories to the original or the same counterpart. For all purposes, including without limitation, recordation, filing and delivery of this Amendment, duplicate, unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

29th day of June, 2015. IN WITNESS WHEREOF, the undersigned have executed this Amendment this

**ASSOCIATION OF APARTMENT OWNERS
OF HANA KAI-MAUI**

By CU
Printed Name: Corey Resnick
Its: President

By _____
Printed Name: _____
Its: _____

(\$17,500.00) as of March 7, 2015 with annual inflation adjustments of three percent (3%) may be made by the Board of Directors only after obtaining approval of the Owners of at least seventy-five percent (75%) of the Apartments. If such approval shall be obtained, the cost thereof shall constitute part of the common expenses.

The amended version of the Bylaws supersedes the original Bylaws and all prior amendments thereto. Notwithstanding any other provision to the contrary, the amended provisions shall govern. This Amendment shall be construed in accordance with and governed by the laws of the State of Hawaii. To the extent that there is any conflict between this Amendment and the applicable State of Hawaii statutes, such statutes shall control. To the extent that there is any conflict between the provisions of the Bylaws and the applicable State of Hawaii statutes, such statutes shall control. To the extent there is any conflict between the Bylaws and the Declaration, the Declaration shall control.

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The officers of the Association agree that this Amendment may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument, binding the parties thereto, notwithstanding that all the parties are not signatories to the original or the same counterpart. For all purposes, including without limitation, recordation, filing and delivery of this Amendment, duplicate, unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

IN WITNESS WHEREOF, the undersigned have executed this Amendment this
19th day of June, 2015.

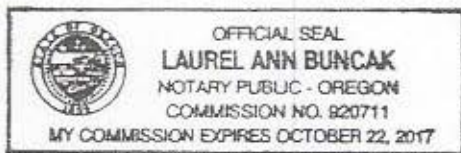
**ASSOCIATION OF APARTMENT OWNERS
OF HANA KAI-MAUI**

By Regina Hugo
Printed Name: Regina Hugo
Its: Secretary

By _____
Printed Name: _____
Its: _____

STATE OF Oregon)
) ss.
COUNTY OF Clackamas)

On this 29th day of June, 2015, before me personally
appeared Corey Resnick to me personally, who, being
by me duly sworn or affirmed, did say that he is the President of the
ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI, and the foregoing
instrument was executed as the free act and deed of said association, and if applicable in the
capacity shown, having been duly authorized to execute such instrument in such capacity. Said
association has no seal.



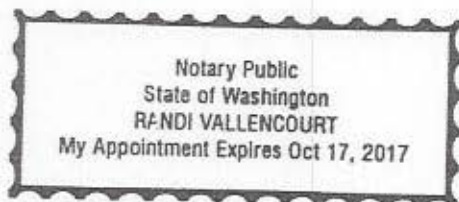
Laurel Ann Buncak
Signature:

Laurel Ann Buncak
Print Name:
Notary Public, State of ~~Hawaii~~ Oregon fb
My commission expires: October 22, 2017

Doc. Date: _____	# Pages: _____
Notary Name: _____	Circuit _____
Doc. Description: ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI	
Notary Signature _____	Date _____
NOTARY CERTIFICATION	(Stamp or Seal)

STATE OF Washington)
COUNTY OF Island) ss.

On this 19th day of June, 2015, before me personally appeared Regina Hugo to me personally, who, being by me duly sworn or affirmed, did say that she is the Secretary of the ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI, and the foregoing instrument was executed as the free act and deed of said association, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity. Said association has no seal.



Randi Vallencourt
Signature:

Randi Vallencourt
Print Name:

Notary Public, State of Washington
My commission expires: Oct 17, 2017

Doc. Date: _____	# Pages: _____
Notary Name: _____	Circuit _____
Doc. Description: ASSOCIATION OF APARTMENT OWNERS OF HANA KAI-MAUI	
Notary Signature _____	Date _____
NOTARY CERTIFICATION	(Stamp or Seal)

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
HANA KAI-MAUI
Makea Road
Hana, Maui

REGISTRATION NO. 360

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: January 15, 1971
Expires: February 15, 1972

SPECIAL ATTENTION

A comprehensive reading of this Report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 11, 1970. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, Hawaii Revised Statutes, Chapter 514.

1. The Hana Kai-Maui is a proposed leasehold condominium project consisting of twenty (20) residential apartments situated in two 2-story buildings. There will be a total of twenty (20) parking stalls.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime and the By-Laws will be filed in the Bureau of Conveyances, State of Hawaii, after the mortgage securing the construction loan is recorded and the Condominium Map shall be recorded at the same time.

4. No advertising or promotional matter has yet been submitted pursuant to rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, January 15, 1971, unless a supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this Report.
7. This Preliminary Public Report is made a part of the registration of the Hana Kai-Maui condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt of the Final Horizontal Property Regime Public Report from each purchaser when it is issued is also the responsibility of the developer.

NAME OF PROJECT: The Hana Kai-Maui

LOCATION: The project is located in Hana on the Island of Maui and consists of approximately 43,299 square feet.

TAX KEY: 1-4-05-40

ZONING: A-1 Apartment

DEVELOPER: Hana Kai Associates, a joint venture qualified to do business in the State of Hawaii, consisting of Robert Addison Love, William Schaafsma and Francis E. Denis. The principal place of business and post office address of the joint venture is 1600 Kapiolani Boulevard, Honolulu, Hawaii 96814.

ATTORNEY REPRESENTING DEVELOPER: Cades, Schutte, Fleming & Wright (attention: Mr. Douglas E. Prior), 17th Floor, First Hawaiian Bank Building, P.O. Box 939, Honolulu, Hawaii 96808, Telephone: 531-7232.

DESCRIPTION OF PROJECT: The Project consists of two 2-story buildings, Building A containing six (6) apartments and Building B containing fourteen (14) apartments. Building A is an existing building which is being converted to horizontal property regime and is constructed of redwood and Wolmanized fir as will be Building B. Building A has a cedar shake roof and Building B will have a corrugated iron roof. Building A also contains an office and a laundry area containing two washing machines and one large dryer.

Building A contains (i) two studio apartments, each having a living room, kitchen and bath, comprising 347 square feet, and a lanai of 90 square feet, and (ii) four one-bedroom apartments, each having a living room, kitchen, bedroom and bath, comprising 544 square feet, a storage area of 50 square feet and a lanai of 200 square feet. Building B will contain (i) six studio apartments, each having an entry way, a living room, kitchen and bath, comprising 413 square feet and a lanai of 90 square feet, with the studios on the second floor also having a loft space of 115 square feet and (ii) eight one-bedroom apartments, each having an entry way, a living room, kitchen, bedroom and bath, comprising 593 square feet, and two lanais - one of 156 square feet facing the ocean and the other, 64 square feet facing mauka, with the one-bedrooms on the second floor also having a loft space of 158 square feet.

The apartments in Building A are numbered 1-6 and the apartments in Building B will be numbered 101-107 and 201-207, as more particularly designated on the Condominium Map which is hereby incorporated herein by reference.

Each apartment will contain a refrigerator, oven, range and disposal.

COMMON ELEMENTS: The common elements will include the limited common elements described below and all other portions of the land and improvements, including the apartment buildings exclusive of the apartments, the land on which they are located, and all elements mentioned in the Horizontal Property Act which are actually constructed on the land described herein, and specifically shall include but shall not be limited to: (a) said land in fee simple; (b) all foundations, columns, girders, beams, supports, bearing walls, corridors, entry halls, stairs, walkways, entrances and exits of said building; (c) the roof; (d) all yards, and refuse areas; (e) all driveway areas; (f) all ducts, electrical equipment, wiring, and other central and appurtenant installations for services, including power, light, cold and hot water, refuse and telephone; (g) the office, recreation area and storage rooms; and (h) all other devices or installations upon the land existing for or rationally of common use to all the owners of the apartments within the project.

LIMITED COMMON ELEMENTS: (a) The hallways on each floor of each building shall be limited common elements reserved for the exclusive use of the apartments on such floor; and (b) one parking stall for each apartment shall be a limited common element reserved for the exclusive use of such apartment.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in all of the common elements of whatever kind appertaining to each apartment and its owner for all purposes shall be as follows:

<u>Apartment Nos.</u>	<u>% Interest</u>
1, 3, 4 and 6	5.5
2 and 5	3
101, 103, 104, 107, 201, 203, 204 and 207	6
102, 105, 106, 202, 205 and 206	4

The undivided interest established and to be conveyed with the respective apartments cannot be changed and the developer covenants and agrees that the undivided interest in the common areas and facilities and the titles to the respective apartments to be conveyed shall not be separated or separately conveyed and each said undivided interest shall be deemed to be conveyed or encumbered with its respective apartment even though the description in the instrument of conveyance may refer only to the fee simple title to the apartment. The voting rights of apartment owners, as well as his share of the common expenses shall also be in proportion to this common interest.

PURPOSE OF BUILDINGS AND RESTRICTION AS TO USE: The apartments hereinabove described shall at all times be used as permanent or temporary residences or as hotel rooms and for no other purpose.

OWNERSHIP OF TITLE: The property is owned in fee simple by Hana Kai, Ltd., a Hawaii corporation, and is presently improved with a 6-unit apartment building. Hana Kai, Ltd. has entered into a Development Agreement with Hana Kai Associates for the development of a 14-unit apartment building and the sale of apartments in each building. Hana Kai, Ltd. has agreed to issue individual apartment leases directly to the purchasers of each apartment.

ENCUMBRANCES: The property is presently subject to a mortgage in favor of First Hawaiian Bank in an amount of approximately \$47,000, which mortgage will be extinguished immediately prior to the commencement of construction of the 14-unit apartment building. The property is also subject only to a reservation in favor of the State of Hawaii of all mineral and metallic mines.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the Escrow Agreement has been submitted as part of the registration. The Escrow Agreement dated December 9, 1970 identifies First Hawaiian Bank as the "Escrow" and discloses that under the terms of the Agreement, down payment funds may be

released by Escrow for payment of certain development costs of the project. Such funds, however, may not be released prior to issuance of the Final Public Report by the Real Estate Commission. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes and particularly with Section 514-35 and Section 514-36 through Section 514-40, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of the Sales Contract, Apartment Lease and Escrow Agreement to determine the time for and the amount of installment payments on the purchase price, the ground lease, the estimated common monthly expenses and the sharing of the closing costs.

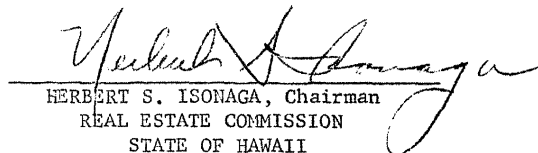
MANAGEMENT AND OPERATION: The Declaration states that the Board of Directors shall, in accordance with the By-Laws of the Association of Apartment Owners, appoint a managing agent.

STATUS OF PROJECT: The property is presently improved with a two story 6-unit apartment building. The developer will not commence construction of the new 14-unit building until four of the units in the existing building have been sold to qualified buyers who have arranged their own financing, and until the developer has arranged the construction financing for the project. The developer reserves the right to abandon the project and refund all down payments without interest if at least six apartments are not sold prior to June 1, 1971, or if the developer is unable to obtain financing reasonably satisfactory to it by this date.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the developer in the required Notice of Intention submitted December 11, 1970.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION No. 360 filed with the Commission on December 11, 1970.

The Report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.


HERBERT S. ISONAGA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

DHO:sw

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION, COUNTY OF MAUI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

January 15, 1971
Registration No. 360

HANA KAI-MAUI RESORT LLC

Operating Agreement

Dated June 1, 2000

(Amended and Restated as of 03/07/2011)

(Further amended as of March 5, 2016)

(Further amended as of April 22, 2017)

(Further amended as of November 5, 2022)

(Further amended as of November 4, 2023)

(Further amended (by ballot) as of December 31, 2024))

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HOUSE RULES

HANA KAI-MAUI RESORT LLC
Operating Agreement

This Amended and Restated Operating Agreement is dated this 5th day of March, 2011, by and among the persons signing where indicated below and who are herein sometimes referred to as "Members".

1. Each of the Members is the owner or co-owner of an apartment ("Apartment") of the condominium property regime known as "HANA KAI-MAUI" ("Condominium").

2. The Members desire to rent the apartments owned by each of them, including the furniture, appliances, and household equipment installed herein, from time to time.

3. The Members have agreed to associate to facilitate the rental of their apartments, and have agreed to pool their apartments, the income earned from the rental thereof, and the expenses incident thereto, as provided herein.

4. The Members previously entered into an Operating Agreement dated June 1, 2000 (the "Operating Agreement") for the limited purpose of facilitating the rental of their apartments.

5. Since the effective date of the Operating Agreement, the Members have actively participated in the management and operation of the business of the Company, as provided herein.

6. The Members desire to revise, amend and restate the terms of their association and their agreement concerning the rental of the Apartments in the Condominium by the adoption of this Amended and Restated Operating Agreement.

ARTICLE 1.
FORMATION

1. **Organization** – The Members, hereby organize the Company as a Hawaii limited liability company, pursuant to the provisions of the Act through the assignment of all the partnership assets and Members' partnership capital and income accounts to the Company.

2. **Agreement** – For valuable consideration, the Members hereby agree to the terms and conditions of this Agreement. To the extent any provision of this Agreement is prohibited or ineffective under the Act, this Agreement shall be considered amended to the smallest degree possible in order to make it effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to validate any provision of this Agreement that was formerly invalid such provision shall be considered to be valid from the effective date of such interpretation or amendment.

3. **Name** - The name of the Company is “HANA KAI-MAUI RESORT LLC”.

4. **Effective Date** – This Amended and Restated Company Agreement shall become effective upon March 5, 2011, and the filing of the Articles with the Hawaii Department of Commerce and Consumer Affairs.

5. **Term** – The Company shall be dissolved and its affairs wound up in accordance with the Act and this Agreement on December 31, 2050, unless extended by amendment to this Agreement or sooner dissolved in accordance with the Act or this Agreement.

6. **Agent for Service of Process and Registered Office** – The agent for the service of process and the registered office shall be the General Manager of Hana Kai-Maui Resort, 4865 Uakea Rd, Hana, HI 96713. The Management Committee may, from time to time, change said agent or office. In the event said agent ceases to act for any reason or the registered office shall change, the Management Committee shall promptly designate a replacement agent or file a notice of change of address as the case may be.

7. **Principal Office** – The Principal Office of the Company shall be located at 4865 Uakea Rd, Hana, Maui, Hawaii, and the post office address shall be P.O. Box 38, Hana, Maui, Hawaii 96713.

8. **Definitions** Capitalized terms used in this Agreement are defined in the body of this Agreement or in the Definitions Annex in Exhibit “B” or the Tax Annex in Exhibit “C” attached to this Agreement and incorporated by reference.

ARTICLE II. THE BUSINESS

1. **Purposes** – The Company is formed for the purpose of managing, and, from time to time, renting the several apartments of the Members with a view toward obtaining the maximum amount of net income from all such Apartments as a group (the “Rental Program”). The Rental Program shall include apartment rentals and sale

of related Products and Services, which facilitate apartment rentals. The Company shall not be responsible for, or associated with, the business, property or affairs of the Association of Apartment Owners of Hana-Kai-Maui Condominium, a condominium property regime, the board of directors thereof, or the manager or managing agent, if any, engaged by such board of directors.

The Company shall have the authority to do all things necessary or convenient to accomplish its purpose and operate its business as described in this Article II. The Company exists only for the purpose specified in this Article II, and may not conduct any non-related business without the unanimous consent of the Members. The Authority granted to the Members hereunder to bind the Company shall be limited to actions necessary or convenient to this business.

2. **Member Requirement** - All Members must hold an ownership interest in and to a condominium unit at the Hana Kai-Maui condominium project located at Hana, Hawaii.

ATTICLE III. **MANAGEMENT COMMITTEE**

1. **Appointment** The Members shall appoint three (3) persons, each of whom shall be a Member, as the Management Committee for the Company.

2. **Term of Office** – The members of the Management Committee shall hold office for a period not to exceed three (3) years, except that the terms for which the members are elected shall be such that the terms of at least one-third (1/3) of the members of the Management Committee shall expire annually: provided that the members of the Management Committee shall, upon expiration of their term of office, continue in office until their successors be appointed. The Members shall appoint the Management Committee at the annual meeting of the Members. A majority of the Members present at any meeting may remove any or all the members of the Management Committee with or without cause. Within thirty (30) days after the death or resignation of a member of the Management Committee, the remaining members of the Management Committee shall appoint a successor, who shall continue to act during the unexpired term of his predecessor, but in the event of the removal of one or more of the members of the Management Committee, a majority of the Members present at the meeting at which such removal takes place shall appoint a successor or successors who shall continue to act during the unexpired term of his or their predecessors. The members of the Management Committee shall appoint a Chairperson who shall preside at all meetings of the Management Committee and at all meetings of the Members.

3. **Limited Authority of Management Committee** – The powers and authority of the Management Committee to act for and on behalf of the Members shall be limited to the following:

A. To let, in the name of the Company, the several apartments of the Members from time to time upon such terms and conditions as the Management Committee shall deem to be in the best interests of the Company; provided, that the Members may from time to time by resolution establish such specific terms and conditions upon which apartments shall be rented as they shall deem in the best interests of the Company, and, in such event, the Management Committee shall rent the apartments upon such specific terms and conditions so established by the Members, and upon such other terms and conditions as may be established by the Management Committee but not inconsistent therewith. No apartment shall be rented for a term of more than one (1) consecutive month without the prior written consent of the Member/owner of such apartment.

B. To establish and periodically adjust Standard Rack Rates.

C. To collect the rents due from the rental of the several apartments by the Company.

D. To either elect or enter upon a contract with a qualified person, who shall be known as the Manager, for the management of the business and affairs of the Company upon such terms and conditions as the Management Committee shall deem to be in the best interests of the Company.

E. To employ, supervise and discharge other employees for and on behalf of the Company.

F. To incur reasonable expenses on behalf of the Company incident to the rental of such apartments; provided, that the Members may by resolution impose such restriction or restrictions as they may from time to time deem necessary or desirable upon the power and authority of the Management Committee to incur such expenses. The Members understand and agree that unless otherwise provided in the governing documents of the Association of Apartment Owners of the Condominium, their individual obligations for any charges, common expenses or special assessments imposed by the Association of Apartment Owners of the Condominium, or any obligations incurred in respect of an individual apartment, shall not be paid, assumed or discharged by the Company.

G. To deposit and withdraw funds of the Company in and from banks and like institutions.

H. To establish, at least thirty (30) days prior to the commencement of the Company's fiscal year, a budget for the Company, which budget shall include necessary reserves for future maintenance and other unforeseen expenditures.

I. To expend funds from a Member's Monthly Distribution as set forth in Article VIII hereof to replace, whenever appropriate in the discretion of the Management Committee, the kitchen utensils, carpets, drapes, household equipment, furniture and appliances located within each apartment, for the Member of such apartment, and any such property purchased by the Company shall belong to the Member.

J. To expend funds of the Company as set forth in the Article VIII to repair and maintain the carpets, drapes, household equipment, furniture, appliances, and the electrical and plumbing systems and fixtures within each apartment, and, whenever appropriate in the discretion of the Management Committee, to renovate the interior of each apartment.

K. In the sole discretion of the Management Committee, to expend funds to purchase expendable supplies and other products or services to facilitate the rental of apartments by the Company.

L. To advertise and promote the rental of the apartments of the Members and the business of the Company.

M. To make any elections for federal, state and local tax purposes, including, without limitation, any election, if permitted by applicable law: (i) to adjust the basis of Company property pursuant to Code Section 754, 734(b), and 743(b) or comparable or successor provisions of federal, state or local law in connection with transfers of interests in the Company and Company distributions; (ii) to the extent provided in Code Section 6221 through 6231, to represent the Company and the Members before taxing authorities or courts of competent jurisdiction and tax matters affecting the Company and the Members; (iii) to file any tax returns and to execute any agreements or other documents relating to or affecting tax matters; (iv) generally to act as the "tax matters partner" of the Company; (v) to institute, prosecute and defend any proceeding in the Company's name; (vi) to establish salaries, pensions, and benefits for employees; and (vii) to indemnify Members as required by law or this Agreement.

The Management Committee shall also have and may exercise such other powers and authority as may be otherwise expressly provided by this Operating Agreement. To the extent permitted by law, the powers and authority of the Management Committee herein set forth shall be delegable to a Manager under a contract between the Manager and the Company; provided, that the powers and authority delegated by the Management Committee to the Manager shall be subject to, and restricted by, any restrictions theretofore imposed by the Members upon the powers and authority of the Management Committee and existing at the time of the

execution of such contract between the Company and the Manager; provided, further, that the power to call for capital contributions from the Members shall not, in any event, be delegable.

4. **Meetings of Management Committee** – The Management Committee shall act at a meeting or, without meetings, by adopting a resolution circulated among them, by any of them, and approved by a majority of them within a period of ninety (90) days. Any meeting of the Management Committee shall require a quorum of a majority of the members of the Management Committee. The Management Committee shall have the power to adopt and amend such rules as they shall deem necessary with respect to the frequency, time, place and conduct of their meetings.

5. **Records** – The Management Committee shall keep and maintain, or cause to be kept and maintained, at the principal place of business of the Company, or at such other place as shall be designated by the Members, books of account which shall show all receipts and expenditures made by them, and an inventory of the assets, and a schedule of liabilities, if any, of the Company. Such books of account, and all other papers and documents relative to the administration or operation of the Company shall be open to inspection by any Member at reasonable hours and upon reasonable notice.

6. **Accounting** – The Management Committee shall not be required to give any bond or file any accounts in respect of their administration of the business of the Company with any court. Within thirty (30) days after the close of each month of the Company's fiscal year, and within ninety (90) days after the close of each fiscal year, the Management Committee shall submit to each Member unaudited financial statements which shall show the current state of the business of the Company. If within fifteen (15) days after the making of such account no Member shall have filed with the Management Committee notice of any objection thereto, such account shall be an account stated, binding and conclusive between and among the Management Committee and each Member. Each accounting prepared by the Management Committee, including each statement of the net profits or net losses of the Company, shall be prepared in accordance with generally accepted accounting principals, and if and to the extent provided by resolution of the Members, the same shall be certified by a qualified accountant selected by the Members before or after submission of the same to the Members, as provided by such resolution. The books of the Company shall be kept on an accrual basis of accounting.

7. **Limited Powers of Management Committee** – The Management Committee shall not have any independent power to sell, lease, pledge, mortgage, exchange or otherwise dispose of or deal with any of the property of the Company or to execute any notes, bonds, or other obligations or to enter upon or execute any contracts or to assume any liability on behalf of the Members, or to purchase any capital asset for the Company, except as herein expressly provided. The Management Committee shall have the power to act in such matters when expressly authorized by the Members; provided that the Management Committee shall have the

power to borrow money from an established lending institution from time to time, on behalf of the Company, for current expenses of the Company, but the aggregate amount of such outstanding loans shall not at any time exceed the amount of ten thousand Dollars (\$10,000.00). The Management Committee shall act hereunder, and with respect to the business of the Company, pursuant to the directions and instructions of the Members as expressed by resolutions enacted by the Members as herein provided.

ARTICLE IV. **CONTRIBUTIONS AND CAPITAL ACCOUNTS**

1. **Call for Capital Contribution** – A majority of the members of the Management Committee shall have the power to call for additional capital contributions from the Members. Each such call for additional capital shall be apportioned among the Members according to their respective Percentage Interests. Each call for additional capital shall be sent to each Member not less than thirty (30) days prior to the date on which such capital contribution is due. Each such notice shall state the aggregate amount of capital to be contributed by all Members, the share thereof of each Member, the date when the same must be paid, and the specific business purpose for the call for additional capital.

2. **Default And Forfeiture** – If any Member should fail to pay his share of any capital contribution called for within sixty (60) days after the same comes due, then, in the discretion of the Management Committee, the interest of such Member in the Company, including such Member's interest in the assets of the Company, his capital contributions and any other amounts in his Capital Account, may be entirely forfeited to the remaining Members of the Company in the Percentage Interests then set forth on Exhibit "A". The Management Committee shall also have the power to withhold from any Member in default his share of any net profit of the Company, and shall apply the same in satisfaction of any unpaid capital contribution or in satisfaction of any other debt, liability or charge to the Company.

3. **Maintenance of Capital Accounts** – The Company shall establish and maintain a Capital Account for each Member in accordance with the Tax Annex attached hereto as Exhibit "C" and incorporated by reference herein. In the event of a sale or exchange of some or all of a Distributional Interest, the Capital Account of the Transferring Member shall become the Capital Account of the Assignee, to the extent it relates to the portion of the Interest Transferred.

4. **Other Matters -**

(a) Except as otherwise provided in this Agreement, no Member shall demand or receive a return of his Capital Contributions or withdraw from the Company without the consent of the Management Committee. Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive property other than cash except as may be specifically provided herein.

(b) Except as otherwise provided in this Agreement, no Member shall receive any interest, salary or drawing with respect to his Capital Contributions or his Capital Account or for services rendered on behalf of the Company or otherwise in his capacity as a Member.

(c) No Member shall have any personal liability for the repayment of any Capital Contributions of any Member.

(d) If by mutual agreement any Member shall guarantee any obligation of the Company to third parties, each Member will, on demand, indemnify said guaranteeing Member against all loss, liability and expense suffered or incurred by said guaranteeing Member as a result of said guarantee, except that the liability of each Member shall be limited to each Member's Percentage Share of the total indemnified obligation of the Company.

ARTICLE V. ALLOCATIONS AND DISTRIBUTIONS

1. **Profits** – After giving effect to (i) the allocations and/or deductions described below in Sections V.3., VII.1., and VIII.2., and (ii) the special allocation set forth in the Tax Annex attached hereto as Exhibit “C”, profits for any months shall be allocated among the Members according to the Members' Percentage Interests.

2. **Losses** – After giving effect to: (i) the allocations and/or deductions described below in Sections V.3., VII.1., and VIII.2., and (ii) the special allocation asset forth in the Tax Annex attached hereto as Exhibit “C”, losses for any fiscal year shall be allocated among the Members according to the Members' Percentage Interests.

Losses allocated pursuant to this Section 2 shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to this Section 2, the limitation set forth herein shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations. All Losses in excess of the limitations set forth in this Section shall be allocated among the Members according to the Members' Percentage Interests.

3. **Allocations of Income and Expense from the Rental Program** – On a monthly basis, each Member shall first be allocated a share of the gross income generated by their Apartment equal to forty-two percent (42%) of the Standard Rack Rate or Seasonal Rate (depending on the month), multiplied by the number of days their Apartment was occupied by paying guests, or by the apartment's owners or guests of the apartment's owners; plus a share of the remaining net income generated by the Rental Program equal to the product of such net income multiplied by the percentage interest for their respective Apartment as set forth in Exhibit "A". In the event that monthly net income generated by the Rental Program is not equal to or in excess of forty-two percent (42%) of gross rental income from the Rental Program, or if there is a net loss, such net income or loss will be allocated proportionate to the Members' Percentage Interests.

4. **Amounts Withheld** – All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment, distribution or allocation to the Company or to the Members shall be treated as amounts distributed to the Members pursuant to Section 3 for all purposes under this Agreement. The Company is authorized to withhold from distributions, or with respect to allocations to the Members and to pay over to any federal, state or local government any amounts required to be so withheld pursuant to the Code or any provisions of any other federal state or local law and shall allocate any such amounts to the Members with respect to which such amount was withheld.

5. **Monthly Distributions** – Except as the same may be modified by other provisions hereof, within thirty (30) days after the close of each month of the Company fiscal year, the Management Committee shall distribute in cash the amount then allocated directly to each Member generated from the previous month of Company operations.

ARTICLE VI. RIGHTS AND DUTIES OF MEMBERS

1. **Management Rights** – All Members shall be entitled to vote on any matter submitted to a vote of the Members. Any action may be taken by consent or affirmative vote, either in writing or at a meeting of the Members, as provided in Section VI.7 below.

2. **Liability of Members** – No Member shall be liable as either a Member or as a member of the Management Committee for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the

exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

3. **Indemnification** – The Company shall indemnify the Members for all costs, losses, liabilities, and damages paid or accrued by such Member (either as Member or as a member of the Management Committee) in connection with the business of the Company, to the fullest extent provided or allowed by the laws of the State of Hawaii.

4. **Representations and Warranties** – Each Member hereby represents and warrants to the Company and each other Member that: (a) the Member is acquiring its interest in the Company for the Member's own account as an investment and without an intent to distribute the interest; (b) the Member acknowledges that the interests have not been registered under the Securities Act of 1933 or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements; and (c) there are no actions, suits, proceedings or investigations pending or, to the knowledge of such Member threatened against or affecting such Member or any of its properties, assets, or businesses in any court or before or by any governmental agency, or any arbitrator, which could, if adversely determined (or, in the case of an investigation could lead to any action which if adversely determined could) reasonably be expected to materially impair such Member's ability to perform its obligations under this Agreement; and such Member has not received any currently effective notice of any default, and such Member is not in default, under any applicable order, or award of any court, any governmental agency, or any arbitrator, which could reasonably be expected to materially impair such Member's ability to perform its obligations under this Agreement.

5. **Conflicts of Interest.**

(a) A Member (regardless of whether such Member is a member of the Management Committee) shall be entitled to enter into transactions that may be considered to be competitive with, or a business opportunity that may be beneficial to, the Company, it being expressly understood that some of the Members may enter into transactions that are similar to the transactions into which the Company may enter. Notwithstanding the foregoing, however, Members shall fully account to the Company and hold as trustee for it any property, profit, or benefit derived by the Member, without the consent of a majority of the remaining Members, from a use or appropriation by the Member of Company property or information, including information developed exclusively for the Company rental and renter information possessed by the Company, and opportunities expressly offered to the Company.

(b) No transaction with the Company shall be voidable solely because a Member has a direct or indirect interest in the transaction if the

Management Committee formally authorized, approved, or ratified the transaction as being fair and reasonable to the Company.

6. **Limited Membership** – The joint owners of a single apartment shall be considered and treated as a single Member. An owner of more than one apartment shall be entitled to as many memberships as the number of apartments owned by him; provided, that such an owner of multiple apartments shall have the right to withhold one or more of such apartments from the Company, in which case such an owner shall only be entitled to as many memberships as the number of apartments controlled by the Company.

7. **Meetings of the Members** – There shall be an annual meeting of the Members in the Month of March of each year at the time and day selected by the Management Committee. The Management Committee or the Manager shall mail first class postage prepaid, or email if a Member has notified the Management Committee in writing of their desire to receive notice in that manner, to each Member, not less than thirty (30) days prior to the day selected for such annual meeting or any special meeting called, a written notice of meeting which shall state the time, day, place and agenda for the assembly of such annual meeting or any special meeting called. Any two members of the Management Committee, or a majority of the Members of the company, may call special meetings of the Members by a written request delivered to the Chair of the Management Committee not less than sixty (60) days prior to the time fixed for the assembly of such special meeting. The presence of any Member in person or by an attorney-in-fact shall constitute a waiver of the requirement of the giving of notice of such meeting to such Member. The presence in person or by an attorney-in-fact of a simple majority of the Members shall constitute a quorum at any membership meeting. The Members may at each annual meeting appoint some person, firm or corporation to act as auditors for the Company.

Notwithstanding anything to the contrary in this Operating Agreement or Robert's Rules of Order, if authorized by the Management Committee in its sole discretion, the Members or attorneys-in-fact of Members may participate at an annual or special meeting of the Members by means of the Internet, teleconference, or other electronic transmission technology ("Electronic Meeting") in a manner that allows attendees the opportunity to (a) read or hear the proceedings substantially concurrently with the occurrence of the proceedings; (b) vote on matters submitted to the Members including election of the Management Committee; (c) pose questions; and (d) make comments. A Member or attorney-in-fact of a Member participating in an Electronic Meeting shall be deemed to be present in person at the meeting. The Management Committee may adopt rules to conduct the meeting and to verify that each person deemed present and permitted to vote at the Electronic Meeting is a Member or attorney-in-fact of a Member. Votes cast at an Electronic Meeting shall not be required to be secret and may be cast by voice vote, roll call vote, directed attorney-in-fact, mailed ballot, or electronic ballot in accordance with rules established by the Management Committee. The Management Committee may designate that nominations for the Management Committee occur by electronic means, machine or

mail ballots in advance of the Company meeting. Mailed ballot includes sending or receiving written ballots via mail, courier, facsimile, electronic mail or other electronic transmission. The Management Committee may eliminate nominations from the floor for an Electronic Meeting and require that nominations be made in advance of the meeting.

8. **Business of Company** – The Members shall transact the business of the Company at membership meetings by resolutions enacted by a majority of those present or, without meetings of the Members, by adopting a resolution circulated by the Management Committee and approved by a majority of the Members within a period of ninety (90) days. No Member, except a Member who is a member of the Management Committee, shall have any power or authority to incur any debts or liability or assume any obligation or enter upon any contract for or on behalf of the Company, or to transfer or acquire any assets of, for or on behalf of the Company.

9. **Voting** – At each meeting of the Company, each Member shall have a vote equivalent to the Members' Percentage Interests.

10. **Power Of Attorney** – Any Member may execute and file with the Management Committee or Manager a special power of attorney, authenticated by one witness, authorizing another person to vote for him at any meeting upon all matters relating to the business of the Company. Such a power of attorney, unless limited by its terms, shall continue in effect until revoked.

ARTICLE VII. **APARTMENTS**

1. **Private Occupancy of Apartment** – Each Member shall have the right to occupy (or assign such right to occupy to the Member's guests), his apartment for a period of thirty (30) days in any calendar year, hereinafter called the "Members Use Period" or "Member Use Days". The Member's Use Period may be used consecutively or for shorter periods throughout the year. The Member shall have the prior right to occupy his apartment at any time during the Member's Use Period unless his apartment is already reserved and rented by the Company during the period requested by the Member. If all of the thirty (30) Member Use Days are not used by a Member in any calendar year, any such non-used days shall be forfeited at the end of each calendar year so no Member in any calendar year shall have more than thirty (30) Member Use Days available at any one time.

The first seven (7) Member Use Days will be provided free of charge to the Member (or Member's guests). A Member (or Member's proxy holder) shall be allowed three (3) additional Member Use Days specifically to attend the annual business meeting of the LLC. For these ten (10) days combined the Member shall be included in the Rental Program and there shall be no reduction of the Member's distribution.

For the remaining twenty (23) days, when an apartment is occupied under the Member Use criteria, the Member's distribution shall be reduced by an amount equal to forty-two percent (42%) of the Standard Rack Rate or Seasonal Rate (depending on the month) for his Apartment multiplied by the number of nights the unit was occupied under the Member's Use Period criteria. This action, in effect, rents the Member's apartment to the Member (at a discount) but also entitles the Member to receive his share of the monthly distribution for such night(s). Additional services, e.g. housekeeping, may be purchased from the LLC. Linens and other basic supplies will be provided during the Member Use Period.

If a Member uses more than thirty (30) Member Use Days during one calendar year, the Member shall be charged the Standard Rack Rate for his apartment for each day used in excess of the Member Use Period, but such Member's apartment shall also be entirely included in the Rental Program. This action, in effect, rents the apartment to the Member but also entitles the Member to receive their full monthly rental distribution from the LLC.

The Member shall have the right to assign part or all of the Member's Use Period (except for 3 free nights specifically to attend the Annual Owner's Meeting) to guests of the Member, but such assignment shall not include the rental of the apartment by the Member to third parties. Rental of the apartment by any Member for any consideration in the form of cash, trade or other property or services will cause the automatic forfeiture of said apartment owner's membership in the Company. A Re-instatement fee of \$2000 shall be assessed for each violation and must be paid before any such owner's membership in the Company will be restored.

Pets may not be kept or housed in any apartment or elsewhere on the property at any time, with the exception of the allowance for service animals in compliance with the Americans with Disabilities Act.

Smoking within Apartments, including Lanais, and the Company offices and Laundry Areas is not allowed. Offenders maybe charged additional cleaning fees.

No television units will be allowed in any apartment for rental or other guests' usage, and must be stored out of site when the apartment is not occupied by an Owner. Owner usage of television units must be in compliance with noise rules.

2. **Cancellation of Member Use Days** - Cancellation of reservations for use by a Member must be made at least seven (7) days in advance. If an apartment cannot be rented, after a cancellation of Member Use Days within the 7-day window, the Member shall forfeit the affected Member Use Day(s).

3. **Private Occupancy of Another Owners Apartment** – A Member also shall have the right to occupy, (or assign such right to occupy to the Member's guests),

another Member's apartment, provided such occupancy when added to the Member's occupancy of his own apartment shall not exceed the Member's own remaining Member's Use Period for that calendar year. Provided, however, the Member's own distribution shall be reduced by an amount equal to forty-two (42%) of the nightly rack rate for his own unit plus the difference in the Standard Rack Rate or Seasonal Rate (depending on the month) for the other Member's apartment for each day the apartment is occupied. If the Rack Rate or Seasonal Rate of the other Member's apartment is lower than that of the staying Member, no adjustment will be made. Such stays shall not exceed seven (7) nights per calendar year. This action, in effect, allows Members of the company to utilize other Members' apartments with no effect on another Member's distribution.

4. **Renovations to Apartment by Member** - Members shall be allowed up to thirty (30) days every two (2) years commencing March 1, 2009 to perform renovations to their apartment apart from and in addition to their Member's Use Period. Members will remain in the rental program during this allotted period.

If a Member is a partnership or a corporation, then before the commencement of each fiscal year of the Company such Members shall nominate in writing (which shall be filed with the Manager or the Management Committee) a single "nominee" who shall be entitled to exercise the Member's right of private occupancy of an apartment, and in that case the Member's right of private occupancy shall extend to and include the nominee, and his spouse, child, spouse of any child, and his parents, and any guest of nominee, during and subject to the Member's Use Period. Such nomination of a nominee shall continue in effect, without substitution, (except in the event the Member partnership or corporation shall exercise the option to occupy its apartment in excess of the Member's Use Period), for the full fiscal year of the Company, and, thereafter from year to year until changed before the commencement of any fiscal year of the Company by the written nomination of a different nominee.

5. **Company Services** – After the private occupancy of an apartment in excess of the Member's Use Period, the Management Committee shall have the right to charge the Member/owner of the apartment a uniform fee to clean up such apartment so that the same shall be fit for rental. A Member who privately occupies an apartment shall not be entitled to receive any services furnished by the Company to apartments that are rented, but the Management Committee shall have the right to furnish such services to Members or their guests for a fee.

6. **Condominium Rights Of Apartment Owner** – Each Member shall retain his right as an apartment owner of the Association of Apartment Owners of the Condominium given by law, or by the declaration and by-laws of the Association.

ARTICLE VIII.

REPAIR, REPLACEMENT AND RENOVATION OF MEMBER'S APARTMENT

1. **Purchase Of Personalty For An Apartment** – The Management Committee shall from time to time, whenever appropriate in its sole discretion make replacements and/or additions to the personalty contained within a Member's apartment including but not limited to kitchen utensils, carpets, drapes, household equipment, furniture and appliances, and undertake general maintenance and renovation of the interior structure of a Member's apartment.

Except with respect to the purchase of replacements for carpets, furniture, fixtures and major appliances (i.e. items costing more than \$500) and/or major renovations to the interior structure of the Member's apartment, the quality and type of property to be purchased shall be determined by the Management Committee pursuant to guidelines established by a majority of the Members, or in the absence of such guidelines, in the sole discretion of the Management Committee.

With regard to the purchase of carpets, furniture, fixtures, major appliances (all of which shall be new and not used) and/or renovations to the interior structure of the Member's apartment, the quality and type of property to be purchased shall be determined by the Management Committee pursuant to the aforesaid guidelines, and in the absence of such guidelines, by the Management Committee in its sole discretion. Upon deciding the quantity and type of property to be purchased, the Management Committee shall communicate its decision in writing to the Member. Provided, however, in the event that such purchases or renovations are approved by a majority of Members at an annual meeting, delivery of the minutes of said meeting to the Members shall constitute notification from the Management Committee of the approval and selection of such purchases or renovations. The cost of same will be deducted from the Member's Monthly Rental Distribution.

The Member shall have a period of thirty (30) days from his receipt of such notification to signify his acceptance of the Management Committee's proposals or to make changes and/or additions to such proposals; provided, however, such changes and additions shall not be of a lesser quality and type than those proposed by the Management Committee. If the Member shall not respond in writing to the Management Committee within thirty (30) days of the Member's receipt of such notification then the Management Committee's proposals shall be deemed acceptable to the Member. If the Member shall notify the Management Committee within said thirty (30) day period of additions or changes to such proposals which are of equal or greater quality and type than those proposed by the Management Committee, then the Member's additions or changes to such proposals shall be adopted and accepted by the Management Committee. In the event the Member elects to proceed with the Management Committee's proposals on his own account, such proposals shall be initiated by the Member immediately and carried out in a workmanlike manner to completion in a reasonable amount of time. If any Member shall refuse all of the above referenced options to participate in the Management Committee's proposals, said Member may, within thirty (30) days of such notification, appeal the Management Committee's decision in writing. If after considering the appeal, the Management Committee finds it prudent to proceed with its proposals, it shall notify the Member of

its decision and the Member shall either acquiesce immediately, or his nonconforming apartment will be temporarily removed from the Rental Program until such time as the Management Committee's proposals have been completed. A re-instatement fee of \$1000 will be assessed to defer the cost of reservation and rental disruptions detrimentally affecting the Company's income and must be paid before the apartment may be reinstated into the Rental program.

2. Payment For Purchase Of Personalty Or Renovations To Apartment – In the event the Management Committee shall purchase any personalty to replace or supplement any of the personalty contained in any Member's apartment, the cost of same shall be deducted from the Member's Monthly Rental Distribution.

In the event the Management Committee shall determine minor or routine maintenance or repairs to any of the furniture, fixtures, equipment or appliances within a Member's apartment is necessary, the cost of such repairs and/or maintenance shall be paid from Company funds and shall be treated as an expense of the Company.

3. Default In Payment By Member – In the event there shall be insufficient funds in a Member's Capital Account at the time for payment for the purchase of personalty for the Member's apartment, and the Member shall fail to make up such deficiency within the time period set forth in Section 2 hereof, then and in that event the Management Committee shall be entitled to withhold from such Member in default his share of any profit of the Company until such time as such deficiency shall be paid in full; provided that if such deficiency shall exist for a period of sixty (60) days after the same became due, then, in the discretion of the Management Committee, the interest of such Member in the Company, including such Member's interest in the assets of the Company and his Capital Account, may be entirely forfeited to the remaining Members in the percentages then set forth with respect to the respective apartments in Exhibit "A" attached hereto.

ARTICLE IX.

DISPOSITION OF DISTRIBUTIONAL INTERESTS

1. Disposition – A Member may not dispose of all or a portion of the Member's Distributional Interest:

(a) if such disposition, alone or when combined with other transactions, would result in a termination of the Company within the meaning of Section 708 of the Code;

(b) without an opinion of counsel satisfactory to the Management Committee that such assignment is exempt from the registration requirements of the applicable state and federal securities laws;

(c) unless and until the Company receives from the Assignee the information and agreements that the Management Committee may reasonably require, including but not limited to any taxpayer identification number and any agreement that may be required by any taxing jurisdiction;

2. **Dispositions Not in Compliance With This Article Void** – Any attempted Disposition of a Distributional Interest, or any part thereof, not in compliance with Section 1 shall be null and void.

ARTICLE X. DISSOCIATION OF MEMBER

1. **DISASSOCIATION** – A Person shall cease to be a Member upon the happening of any of the following events:

(a) A Member notifies the Management Committee of a desire to dissociate from the Company as a specific date, which date shall be at least six months after the Member notifies the Management Committee. Re-instatement of a Member who has withdrawn from the Company shall be subject to a Re-instatement fee in the amount of \$1000, which must be paid prior to any re-instatement;

(b) The closing of the sale of a Member's apartment at the Condominium;

(c) The Member's becoming a Bankrupt Member;

(d) in the case of a Member who is acting as a Member by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee);

(f) in the case of a Member that is a corporation or other entity, the dissolution and commencement of winding up of said entity;

(g) in the case of an estate, the distribution by the fiduciary of the estate's entire interest in the Company.

2. Removal of Member – Any Member may be removed as a Member of the Company by a unanimous vote of the remaining Members; provided, however, any such removal must be for just cause. In the event a Member is voted out of the Company, such Member's Capital Account shall be entirely forfeited to the Company. Final Rental distributions will be made to the removed Member within 90 days of the date of termination.

3. **Distribution of Capital Contribution Upon Withdrawal From Company** – Except in the case where a Member sells his apartment and the apartment purchaser is admitted to the Company, upon any other withdrawal of a Member from the Company the withdrawing Member's Capital Account shall be entirely forfeited to the Company. Final Rental distributions will be made to the withdrawing Member within 90 days of withdrawal.

ARTICLE XI.

ADMISSION OF ASSIGNEES AND ADDITIONAL MEMBERS

1. **Rights of Assignees** – The Assignee of a Distributional Interest who is not a Member has no right to participate in the management of the business and affairs of the Company or to become a Member. The Assignee is only entitled to receive the Distributions and return of capital, and to be allocated the Profits and Losses attributable to the Distributional Interest.

2. **Admission of Substitute Members** – An Assignee of a Distributional Interest shall be admitted as a Substitute Member and admitted to all the rights of the Member who initially assigned the Distributional Interest only with the approval of the Management Committee, which may be withheld in its sole and absolute discretion. If so admitted, the Substitute Member has all the rights and powers and is subject to all the restrictions and liabilities of the Member originally assigning the Distributional Interest, provided the Substitute Member holds an ownership interest in and to a condominium unit at the Condominium. The admission of a Substitute Member, without more, shall not release the Member originally assigning the Distributional Interest from any liability to the Company that may have existed prior to the approval.

3. **Condition of Recognition of Transfer** – In the event of either the purchase of the Selling Member's Distributional Interest by a third party purchaser or the gift of such interest, and as a condition to recognizing the effectiveness and binding nature of any such sale or gift or the substitution of a new Member, the Management Committee may require the Selling Member or Gifting Member and the proposed purchaser, donee or successor-in-interest, as the case may be to execute, acknowledge and deliver to the Management Committee such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Management Committee may deem necessary or desirable to:

- (a) constitute the transferee, as a Member;

(b) confirm that the Transferee has accepted, assumed and agreed to be subject to and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member or will merely be an Assignee);

(c) preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified or does business;

(d) maintain the status of the Company as a partnership for federal tax purposes; and

(e) assure compliance with any applicable state and federal laws including securities laws and regulations.

4. **Effective Date and Certificates** – Any sale or gift of a Distributional Interest or Admission of a Member in compliance with this Article shall be deemed effective as of the last day of the calendar month in which the Management Committee's consent thereto was given, or, if no such consent was required, then on such date that the donee or successor in interest complies with this Article. The Transferring Member agrees, upon request of the Management Committee, to execute such certificates or other documents and perform such other acts as may be reasonably requested by the Management Committee from time to time in connection with such sale, transfer, assignment, or substitution. The Transferring Member hereby indemnifies the Company and the other Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article.

5. **Admission of Permitted Transferees** – Notwithstanding Section 2 above, the Distributional Interest of any Member shall be transferable without the consent of the Management Committee if (i) the transfer occurs by reason of or incident to the death, dissolution, divorce, liquidation, merger or termination of the transferor Member, and (ii) the Transferee is a Permitted Transferee.

6. **Admission of Members –**

(a) Sale Of Apartment without Withdrawal From Company.
The purchaser of an apartment from a Member shall be entitled to admission of the Company by making a written application for admission within thirty (30) days after the effective date of the transfer of the apartment, which application must be approved by the Member from whom he purchased the apartment, and which application shall state the effective date of the transfer of the apartment. If such apartment purchaser so applies for admission to the Company, such purchaser shall be admitted to the Company as of the first day of the month following the effective date of the transfer of the apartment (unless the effective date of the transfer of the apartment is the first day

of the month; in which case he shall be admitted as of that day), and such apartment purchaser shall be given credit upon the books of the company for the full amount of the Capital Account of the Member from whom he purchased the apartment. PROVIDED, HOWEVER, in the event of a sale of an apartment by a Member (except in the case where the Member has given timely and proper notice of his withdrawal from the Company, as provided above, and the effective date of such withdrawal from the Company precedes or is the same as the date for the sale of the apartment), the apartment purchaser shall be deemed to be a Member, and the apartment shall be subject to this Operating Agreement, and shall be subject to the control of the Company, and subject to any agreement made by the Company to rent the apartment, until the effective date of the withdrawal of the Member and the apartment from the Company, as provided above, or until the Management committee shall in its discretion agree to an earlier effective date of withdrawal of the Member and the apartment from the Company, even though the apartment purchaser does not apply for admission to the Company.

(b) Admission Of New Member. Any apartment owner at the Condominium who wants to be admitted to the Company shall be admitted upon the approval of the members of the Management Committee and by signed agreement to the terms set forth in the Operating Agreement of the Company, made effective at the time specified by the Management Committee. With the addition of any owner as a new member to the Company or dissociation of an existing owner from the company the Percentage Interest among all owners will be recalculated with the following formula: [Divide each participating unit's Percentage Interest as defined in EXHIBIT "A" by the sum of all participating units to re-allocate percentage interest at any time depending on the unit participation.]

(c) Readmission Of Owner. A Member who has withdrawn from the Company shall not be admitted again to the Company until after the expiration of twelve (12) calendar months from the date of his withdrawal from the Company, and upon the payment of such Initial Contribution of Capital as may be required by the Management Committee; provided, that the Management Committee may permit the readmission of such a former Member to the Company before the expiration of such twelve (12) month period.

ARTICLE XII. DISSOLUTION AND WINDING UP

1. **Dissolution** – The Company shall be dissolved and its affairs wound up, upon the first to occur of the following events.

(a) the expiration of the Term;

- (b) the unanimous written consent of all of the Members;
- (c) If at any time a majority of all the Members have given notice of dissociation; and
- (d) If at any time the number of Members is less than five (5).

2. **Effect and Dissolution** – Upon dissolution, the Company shall cease carrying on the Company business. The Company is not thereby terminated but continues until the winding up of the affairs of the Company is completed and the Certificate of Dissolution has been issued by the Hawaii Department of Commerce and Consumer Affairs.

3. **Distribution of Assets on Dissolution** – Upon the winding up of the Company, the Company Property shall be distributed:

- (a) to creditors, including Members who are creditors to the extent permitted by law, in satisfaction of Company Liabilities;

- (b) to Members in accordance with positive Capital Account balances taking into account all Capital Account adjustments for the Company's taxable year in which the liquidation occurs. Liquidation proceeds shall be paid within 60 days of the end of the Company's taxable year or, if later, within 180 days after the date of liquidation. Such distributions shall be in cash or Property (which need not be distributed proportionately or partly in both), as determined by the Members. Capital Account Balances representing Additional Contributions as defined in Article IV Section 1 will be distributed on a first priority basis.

- (c) to the Members according to their Percentage Interests.

4. **Winding Up and Certificate of Dissolution** – The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefore has been made, and all of the remaining property and assets of the Company have been distributed to the Members. Upon the completion of winding up of the Company, a certificate of dissolution shall be delivered to the Hawaii Department of Commerce and Consumer Affairs for filing. The certificate of dissolution shall set forth the information required by the Act.

ARTICLE XIII. AMENDMENT

1. **AMENDMENT OR MODIFICATION OF COMPANY AGREEMENT** – This Company Agreement may be amended or modified from time to time by the affirmative vote of two-thirds (2/3rds) of the Members.

ARTICLE XIV.
MISCELLANEOUS PROVISIONS

1. **Entire Agreement** – This Company Agreement represents the entire agreement among all the Members and between the Members and the Company.

2 **No Partnership Intended for Nontax Purposes** – The Members do not intend hereby to form a partnership under either the Hawaii Uniform Partnership Act nor the Hawaii Uniform Limited Partnership Act or common law. The Members do not intend to be partners one to another, or partners as to any third party. The extent any Member, by word or action, represents to another person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Member who incurs personal liability by reason of such wrongful representation.

3. **Rights of Creditors and Third Parties under Company Agreement** – This Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person. Except as otherwise provided by law, no such creditor or third party shall have any rights under this Agreement, the Articles, or any other agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

4. **Liability After Withdrawal Or Expulsion From Membership** – Every person who shall withdraw, or who shall have been expelled, from membership in the Company shall continue to be liable for each of the liquidated debts and liabilities of the Company existing at the time of such withdrawal or expulsion, even though such debt shall not have been fixed by judgement or otherwise, until each such debt be satisfied and discharged.

5 **Removal Of Furniture From Apartment** – A Member shall not remove from his apartment any of the kitchen utensils, household equipment, furniture and appliances, placed within the apartment, even though the same is the property of the Member, and whether or not the same was purchased by the Member or purchased by the Company for the Member, except as uniformly permitted by the Management Committee.

6. **Notices** – The deposit with any governmental postal authority of any notice required by the Operating Agreement, or by any resolution enacted by the Members, to be served on any Member, the members of the Management Committee or the Manager, postage prepaid, properly addressed, in the case of any Member or any member of the Management Committee, to his post office address shown on the books of the Company or in the case of the Manager, to its principal place of business,

shall be conclusive evidence of the delivery of such notice; and the date shown on the wrapper for such notice, affixed by such governmental postal authority (but not by a privately owned or controlled postal meter), shall be conclusive evidence of such date of delivery.

7. **Funds Of Company** – The funds of the Company shall be deposited in a federally insured institution selected by the Management Committee. The funds of the Company shall be subject to withdrawal by check or draft, signed by such persons as shall be designated from time to time by the Management Committee. The Manager shall obtain and continue in effect a fidelity bond in the principal amount of Twenty Thousand Dollars (\$20,000.00), and any employees of the Company selected by the Management Committee to sign such checks or drafts on the funds of the Company shall each obtain and continue in effect a fidelity bond in the principal amount of Five Thousand Dollars (\$5,000.00). Each such bond shall be obtained from a corporate insurer licensed to do business in Hawaii. The Company shall pay the premiums for such bonds from its funds.

8. **Construction** – The headings and marginal notations of this instrument are for convenience only, and if there be any conflict, the text shall control. The use of any gender shall include all genders. Whenever any words are used herein in the singular, they shall be construed as though they were also used in the plural in all cases where they would so apply, and vice versa. The parties hereby covenant that they will each execute any other instrument and will each perform any act, which is or may be necessary to give effect to this Operating Agreement.

9. **Attorneys' Fees** – In the event of litigation concerning this Agreement, the terms and conditions thereof, and/or the application of such terms and conditions, the prevailing party in such litigation shall be entitled to an award of his costs and/or reasonable attorneys' fees.

10. **Counterparts** – The parties hereto agree that this Agreement may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

IN WITNESS WHEREOF, we have hereunto set our hand on the date set forth beside our names in agreement and compliance with said Articles, Exhibits and House Rules in order to join or maintain membership in the Company.

Printed Name

Date

Signature

Unit #

Printed Name

Date

Signature

Unit #

Amended EXHIBIT "A" to include apartment 101 to the Rental Pool as explained in spreadsheet Hana Kai-Maui Resort LLC, Percentage Interests, Revised 03/07/07 (column E) and as follows:

AMENDED EXHIBIT "A" 03/03/07

PERCENTAGE INTERESTS

<u>Apartment Number</u>	<u>Percentage Interest All Units</u>
#1	5.63%
#2	3.85%
#3	5.63%
#4	5.63%
#5	7.89%
#101	6.10%
#102	3.76%
#103	5.45%
#104	5.45%
#105	3.76%
#106	3.76%
#107	5.45%
#201	6.10%
#202	4.41%
#203	6.10%
#204	6.10%
#205	4.41%
#206	4.41%
#207	6.10%

END OF EXHIBIT "A"

EXHIBIT "B"
DEFINITIONS ANNEX

For the purposes of this Operating Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

1. **Act** – The Hawaii Limited Liability Company Act, Hawaii Revised Statutes, Chapter 428 and all amendments to the Act.
2. **Additional Contribution** – is defined in Article IV, Section 2.
3. **Additional Member** – A Member other than an Initial Member or a Substitute Member who has acquired a membership interest in the Company.
4. **Articles** – The Articles of Organization For Limited Liability Company as properly adopted and amended from time to time by the Members and filed with the Hawaii Department of Commerce and Consumer Affairs.
5. **Assignee** – A Person to whom a Distributional Interest has been transferred who has not been admitted as a Substituted Member.
6. **Bankrupt Member** – A Member who: (1) has become the subject of an Order for Relief under the United States Bankruptcy Code, (2) is a party, either in an original proceeding or by way of answer, in any state insolvency or receivership proceeding, for liquidation arrangement, composition, readjustment, dissolution, or similar relief.
7. **Business Day** – Any day other than Saturday, Sunday or any legal holiday observed in the State of Hawaii.
8. **Capital Account** – The account maintained for a Member determined in accordance with this Agreement and the Tax Annex.
9. **Capital Contribution** – Any Contribution of funds by or on behalf of a new or exiting Member to the capital of the Company.
10. **Code** – The Internal Revenue Code of 1986 as amended from time to time.
11. **Commitment** – The obligation of a Member to make a Capital Contribution of Additional Contribution in the future.
12. **Company** – HANA KAI-MAUI RESORT LLC, a limited liability company formed pursuant to this Agreement under the laws of Hawaii, and any successor limited liability company.

13. **Company Agreement** – This Agreement including all amendments adopted in accordance with this Agreement and the Act.

14. **Company Liability** – Any enforceable debt or obligation for which the Company is liable or which is secured by any Company Property.

15. **Company Property** – Any Property owned by the Company.

16. **Distribution** – A transfer of Property to a member on account of a Distributional Interest as described in Article V.

17. **Distributional Interest** – The rights of a Member or, in the case of an Assignee, the rights of the assigning Member in Distributions (liquidating or otherwise) and in allocations of the profits, losses, gains, deductions, and credits of the Company.

18. **Disposition (Dispose)** – Any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including dispositions by operation of law).

19. **Dissociation** – Any action which causes a Person to cease to be a Member as described in Article X hereof.

20. **Immediate Family** – A Member's Immediate Family includes the Member's spouse, children (including natural, adopted and stepchildren), grandchildren, and parents.

21. **Initial Contribution** – The Contribution agreed to be made by the Initial Members as described in Article IV.

22. **Liquidating Distribution** – A Distribution made upon liquidation of the Company with respect to a Distributional Interest.

23. **Member** – An Initial Member, Substituted Member or Additional Member.

24. **Percentage Interest** – The percentage assigned to a Member's apartment as shown on Exhibit "A" as it shall be amended from time to time to accurately reflect the apartments participating in the Company.

25. **Permitted Transferee** – Any member of the Member's Immediate Family, or an Organization controlled by such Member or by members of the Member's Immediate Family who also is an owner of a condominium unit at the Condominium.

26. **Standard Rack Rate** – The rates allocated to each apartment shown on Exhibit “D” to this Agreement, as the same may be established from time to time by the Management Committee.

27. **Taxable Year** – The taxable year of the Company as determined pursuant to Section 706 of the Code.

EXHIBIT "C"
TAX ANNEX

1. Tax Definitions. The following definitions shall apply to this Tax Annex.

(a) "Adjusted Capital Account Deficit" means, with respect to any Holder, the deficit balance, if any, in such Holder's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Holder is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.04-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(b) "Capital Account" means, with respect to any Holder, the Capital Account maintained for such Person in accordance with the following provisions:

(i) To each Person's Capital Account there shall be credited such person's Capital Contributions, such Person's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to the provisions of the Tax Annex, and the amount of any Company liabilities assumed by such Person or which are secured by any Property distributed to such Person.

(ii) To each Person's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed to such Person pursuant to any provision of this Agreement, such Person's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to the provisions of the Tax Annex, and the amount of any liabilities of such Person assumed by the Company or which are secured by any property contributed by such Person to the Company.

(iii) In the event all or a portion of an interest in the Company is transferred in accordance with the terms of this Agreement, the transferees shall succeed to the Capital Account to the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of Definitions Annex Sections 1(a)(i), 1(a)(ii), 1(b)(i) and 1(b)(ii) above, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Members shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributions of distributed property or which are assumed by the Company or Holders), are computed in order to comply with such Regulations, the Members may make such modification, provided that it is not likely to have a material effect on the amounts distributed to any Person upon the dissolution of the Company. The Members also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Company and Holders and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1 (b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events (for example, the acquisition by the Company of oil or gas properties) might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

(c) "Code" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

(d) "Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Members.

(e) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Members with the consent of the other Members;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Members, as of the following times: (a) the acquisition of an additional interest in the Company by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the company to a Member or Holder of more than a de minimis amount of Property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the Members reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members and holders in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Members shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Company with the consent of a majority of the Members: and

(iv) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743 (b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), definitions section 1(1)(vi) and tax annex section A1(g); provided, however, that gross asset values shall determine that an adjustment pursuant to section 1(e)(ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this section 1(e)(iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Sections 1(e)(i), 1(e)(ii) or 1(e)(iv) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

(f) “Holder” means a Member.

(g) “Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

(h) “Nonrecourse Liability” has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

(i) “Partner Nonrecourse Debt” has the meaning set forth in Section 1.704-2(b)(4) of the Regulations.

(j) “Partner Nonrecourse Debt Minimum Gain” means an amount, with respect to each Partner Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

(k) “Partner Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

(l) “Company Minimum Gain” has the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

(m) “Profits” and “Losses” means, for each Fiscal Year, an amount equal to the Company’s taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax not otherwise taken into account in computing Profits or Losses pursuant to Section 1(m) shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1(m) shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Sections 1(e)(ii) and 1(e)(iii) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value:

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year computed in accordance with Section 1(d);

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken

into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's or Holder's interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provision of this Section 1(m) any items which are specially allocated pursuant to Tax Annex shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to this Tax Annex shall be determined by applying rules analogous to those set forth in Sections 1(1)(i) through 1(1)(vi) above.

(n) "Partner" and "Partnership" have the same meaning as "Holder" and "Company", respectively. It is the intent that the Company and its Holders be treated for all tax purposes as a partnership. But said tax status and the use of such terms shall not create or imply the existence of a partnership for any other, non-tax, purpose.

(o) "Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

(p) "Regulatory Allocations" has the meaning set forth in this Tax Annex Section.

(q) "Tax Matters Partner" has the meaning set forth in Code section 6231(a)(7).

2. Special Allocations. The following special allocations shall be made in the following order:

(a) **Minimum Gain Chargeback**. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Tax Annex, if there is a net decrease in Company Minimum Gain during any Fiscal Year each Holder shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Person's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section 2(a) is intended to comply with the minimum gain

chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistency therewith.

(b) **Partner Minimum Gain Chargeback.** Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Tax Annex, if there is a net decrease in Company Minimum Gain attributable to a Partner Nonrecourse Debt during any Company Fiscal Year, each Person who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-1(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Person's share of the net decrease in partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section A1(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistency therewith.

(c) **Qualified Income Offset.** In the event any Holder unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5) or Section 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Company income and gain shall be specially allocated to each such Holder in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such holder as quickly as possible, provided that an allocation pursuant to this Section 2(c) shall be made only if and to the extent that such Holder would have an Adjusted Capital Account Deficit after all other allocations provided for in Section V.2 of this Agreement and this Section 2(c) were not in the Agreement.

(d) **Gross Income Allocation.** In the event any Holder has a deficit Capital Account at the end of any Company Fiscal Year which is in excess of the sum of (i) the amount such Holder is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Holder is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Holder shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 2(d) shall be made only if and to the extent that such Holder would have a deficit Capital Account in excess of such sum after all other allocations provided for in Section V.2 of this Agreement and this Tax Annex have been made as if Section 2(c) hereof and this Section 2(d) were not in the Agreement.

(e) **Nonrecourse Deductions.** Nonrecourse Deductions for any Fiscal Year shall be allocated to the Holders pro rata in accordance with their respective Percentage Shares.

(f) **Partner Nonrecourse Deductions.** Any Partner Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Holder who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) **Section 754 Adjustments.** To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Sections 1.704-1(b)(2)(iv)(m)(2) or 1.7041(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts as the result of a distribution to a Holder in complete liquidation of his interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Holders in accordance with their interests in the Company in the event that Section 1.704-1(b)(2)(iv)(m)(2) of the Regulations applies, or to the Holder to whom such distribution was made in the event that Section 1.704-1 (b)(2)(iv)(m)(4) of the Regulations applies.

3. **Curative Allocations.** The allocations set forth in Section V.2(b) of the Agreement and Sections 2(a), 2(b), 2(c), 2(d), 2(e), 2(f), and 2(g) of this Tax Annex, (the “Regulatory Allocations”) are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 30 Therefore; notwithstanding any other provision of this Tax Annex (other than the Regulatory Allocations), the Members shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Holder’s Capital Account balance is, to the extent possible, equal to the Capital Account balance such Holder would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Sections Article V. In exercising its discretion under this Section 3, the Members shall take into account future Regulatory Allocations under Sections 1 (a) and 1 (b) above that, although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 1 (e) and 1 (f).

4. **Other Allocation Rules.**

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be

determined on a daily, monthly, or other basis, as determined by the Members using any permissible method under Code Section 706 and the Regulations thereunder.

(b) All allocations to the Holders pursuant to Article V and this Tax Annex shall, except as otherwise provided, be divided among them in proportion to the Percentage Shares held by each.

(c) The Members are aware of the income tax consequences of the allocations made by Article V and this Tax Annex and hereby agree to be bound by the provisions of Article V and this Tax Annex in reporting their shares of Company income and loss for income tax purposes.

(d) Solely for purposes of determining a Holder's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Holders' interests in Company profits are equal to their Percentage Shares.

(e) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the Members shall endeavor to treat distributions of net cash from operations or net cash from sales or refinancings as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Holder.

5. Tax Allocations: Code Section 704(c).

(a) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Holders so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with Definitions Section 1(e)(i)).

(b) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Definitions Section 1 (e)(ii) hereof, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

(c) Any elections or other decisions relating to such allocations shall be made by the Management Committee in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5 are solely for purposes of federal, state, and local taxes and shall not

affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

END OF EXHIBIT "C"

EXHIBIT "D"

STANDARD RACK RATE

<u>Apartment Number</u>	<u>Standard Rack Rate</u>
1	\$275
2	\$260
3	\$275
4	\$275
5	\$425
101	\$220
102	\$210
103	\$220
104	\$220
105	\$210
106	\$195
107	\$205
201	\$235
202	\$225
203	\$220
204	\$220
205	\$210
206	n/a
207	\$220

END OF EXHIBIT "D"

HOUSE RULES

1. Purpose: These House Rules are designed to safeguard the life, enjoyment and property of each owner, occupant and guest.

2. Compliance: In the common interest full compliance by all is anticipated and every owner is urged to require strict observance by everyone including children, guests and visitors. A copy hereof should be posted in each apartment.

3. Extensions: The Management Committee from time to time may post special safety or other rules concerning the use of driveways, the parking area, the pool, etc. The Committee's posted rules shall be considered extensions of these House Rules.

4. Changes: These House Rules are subject to change by action of the Management Committee; suggested changes should be delivered in writing to the manager for transmission to the Board.

5. Violations: Violations of the House Rules should be reported promptly to the Manager who will initiate corrective action as and when appropriate.

6. Guests: An apartment owner or occupant may invite an individual or individuals to use the common elements as his sponsored guest(s)

7. Common Elements: Nothing shall be altered, constructed or stored in the common elements without prior written approval of the Board.

8. Animals: Pets may not be kept or housed in any apartment or elsewhere on the property at any time, with the exception of service animals for the disabled.

8a. Smoking: Apartments, including Lanais, and the Company offices and Laundry Areas will be smoke-free environments. Offenders maybe charged additional cleaning fees.

9. Antennas: No radio, television or other antenna may be erected or installed on or anywhere within the condominium project. No television units will be allowed in any apartment for rental or other guests' usage and must be stored out of site when the apartment is not occupied by an Owner. Owner usage of television units must be in compliance with noise rules.

10. Damages: Damages to common elements shall be surveyed by the Manager and the cost of repair or replacement may be assessed by the Board against the person or persons responsible.

11. Grounds, appearance of:

(a) No unsightliness within the public view is permitted within the condominium project. For this purpose, "unsightliness" includes but is not limited to the following: laundry on lines, reels, or grass; litter, trash containers, except as specially provided; inappropriate, broken, scarred or offensively ugly furniture or plants on lanais or lawns; non-decorative gear, equipment, cans, bottles, ladders, trash, boxes, barrels, etc., stored or stowed in or on lanais, walks, etc.; or unshaded or improperly shaded lights that create objectionable glare.

(b) No awnings, screens, air-conditioning units or other projections shall be attached to outside walls of the buildings or to the exterior of any door or on the lanais, without the prior written approval of the Board of Directors.

(c) The maintenance employees will use every effort to police the grounds effectively. Nonetheless, these employees are not available on a 24-hour daily basis, and much of their work time must be devoted to weeding, pruning, watering, etc. Accordingly, and in the common interest, every owner is to do his or her part and to use his influence on all members of his household to do theirs towards abating unsightliness within the condominium project to the fullest practicable extent.

12. Hazards:

(a) No activity shall be engaged in and no substance introduced into or manufactured within the building, which might result in a violation of the law or in the cancellation of the insurance or increase in the insurance rate on the building within the project.

(b) Small children should not be permitted to wander unattended or to play or loiter in parking areas, roads, or near the ocean.

13. Maintenance:

(a) Common Elements: Under the supervision of the Board, the maintenance of Common Elements is a responsibility of the Manager: defects and deficiencies should be reported when and as observed.

(b) Apartments: Maintenance of individually owned apartments, including lanais and all windows, is the responsibility of their respective owners and/or occupants.

14. Maintenance Force: Maintenance employees of the Manager are under the sole direction of the Manager: during their prescribed hours of work, they shall in no case be diverted to the private business or employment of any owner, occupant, or guest.

15. Nuisance: No noxious, offensive, or annoying activity, noise, or nuisance which may transgress the rights, comfort, or convenience of others shall be created or permitted within the apartments or Common Elements.

16. Parking: Cars must be parked in places designated; any cars improperly parked may be towed away at the car owner's expense.

17. Pass Key: The Manager is provided with a passkey to every apartment within the condominium project. In case of emergency, he may enter any apartment as he may deem necessary; in such case, he shall promptly notify the owner and occupant of the reason and result of such entry. Owner's keys will be kept in the Company's Office to ensure the privacy of paying guests.