

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

BUREAU OF CONVEYANCES

DATE MAY 12 2010 TIME 14:00

DOCUMENT NO. 2010-065277

Return by: Mail [] Pickup [X] To:
ANDERSON LAHNE & FUJISAKI LLP
A Limited Liability Law Partnership
Joyce Y. Neeley, Of Counsel (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawai'i 96813 (808) 536-8177

**AMENDMENT TO THE
DECLARATION OF HORIZONTAL PROPERTY REGIME
OF HOKULANI IN KAILUA
(Condominium Map. No. 1138)**

WHEREAS, Hokulani in Kailua ("the Project") was created by Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances of the State of Hawaii on July 5, 1988 in Liber 22108, Page 161 and restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150380 and 95-104139 ; and

WHEREAS, said Declaration, as amended and restated (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA (hereinafter referred to as the "Association") and established By-Laws therefor, which said By-Laws were attached to the Declaration and incorporated therein by reference and were restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150381 and 95-104140; and

WHEREAS, Chapter 514B, Hawaii Revised Statutes, and Paragraph P of the Declaration provide that the Declaration may be amended by the vote or written consent of owners holding more than sixty-seven percent (67%) of the common interest; and

WHEREAS, by written consent owners holding more than sixty-seven percent (67%) of the common interest have consented to amend the Declaration, as hereinafter set forth;

NOW, THEREFORE, the Declaration of Hokulani in Kailua is hereby amended as follows:

1. A new Paragraph X is added to the Declaration to read as follows:

X. INSTALLATION OF FENCE. Notwithstanding any other provision in the Declaration or the By-Laws to the contrary, the Board of Directors shall have the authority to take whatever steps are necessary including expenditure of whatever funds are needed to install a fence to enclose the maintenance shed on the common elements of the Project pursuant to plans and specifications approved by the Board. This installation shall not be deemed to constitute an infringement, alteration or transfer of any easement appurtenant to any apartment in violation of Paragraphs C or D, or any subparagraphs thereof, of the Declaration. Passage of this amendment shall satisfy any approval requirements, including, but not limited to those set forth in Paragraphs H.6 and N of the Declaration.

In all other respects the Declaration, as amended, is hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Declaration amendment was duly adopted by the written consent of owners holding more than sixty-seven percent (67%) of the common interest.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 23rd day of April, 2010.

ASSOCIATION OF APARTMENT OWNERS
OF HOKULANI IN KAILUA

By: Elizabeth Anne Elsen

TYPE NAME: Elizabeth Anne Elsen

TYPE TITLE: President

By: Gregory Kent

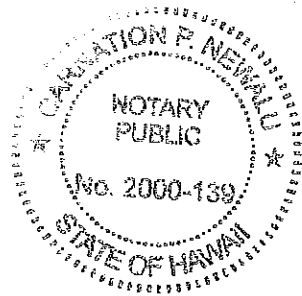
TYPE NAME: Gregory Kent

TYPE TITLE: Secretary

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

On this 22 day of April, 2010, in the First Circuit, State of Hawaii, before me personally appeared Elizabeth Anne Elsen, to me personally known, who being by me duly sworn, did say that he/she is the President of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument identified or described as Amendment to the Declaration of Horizontal Property Regime of Hokulani in Kailua was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

The foregoing instrument is dated undated and contained 3 pages at the time of this acknowledgment/certification.



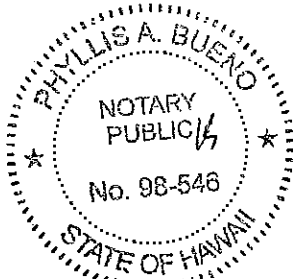
Carnation P. Newala
(Signature)
Carnation P. Newala
(Printed or Typed Name)

Notary Public, State of Hawaii
My commission expires: 04-02-2012

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

On this 23 day of April, 2010, in the First Circuit, State of Hawaii, before me personally appeared Coregory Kent, to me personally known, who being by me duly sworn, did say that he/she is the Secretary of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument identified or described as Amendment to the Declaration of Horizontal Property Regime of Hokulani in Kailua was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

The foregoing instrument is dated undated and contained 3 pages at the time of this acknowledgment/certification.



Phyllis A. Bueno
(Signature)
PHYLLIS A. BUENO
(Printed or Typed Name)

Notary Public, State of Hawaii
My commission expires: 10-25-10

THE ORIGINAL OF THE INSTRUMENT
RECORDED AS FOLLOWS
STATE OF HAWAII

BUREAU OF CONVEYANCES
APR 09 2009
TIME 8:02
DOCUMENT NO. 2009-013635

Return by: Mail [] Pickup [X] To:
ANDERSON LAHNE & FUJISAKI LLP
A Limited Liability Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawai'i 96813 (808) 536-8177

**AMENDMENT TO THE DECLARATION OF HORIZONTAL PROPERTY REGIME
AND THE BY-LAWS OF THE
ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA
(Condominium Map. No.1138)**

WHEREAS, Hokulani in Kailua ("the Project") was created by Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances of the State of Hawaii on July 5, 1988 in Liber 22108, Page 161 and restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150380 and 95-104139 ; and

WHEREAS, said Declaration, as amended and restated (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA (hereinafter referred to as the "Association") and established By-Laws therefor, which said By-Laws were attached to the Declaration and incorporated therein by reference and were restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150381 and 95-104140; and

WHEREAS, §514B-23, Hawai'i Revised Statutes, provides that: "(a) the declaration, bylaws, condominium map, or other constituent documents of any condominium created before July 1, 2006 may be amended to achieve any result permitted by this chapter, regardless of what applicable law provided before July 1, 2006," and "(b) an amendment to the declaration, bylaws, condominium map or other constituent documents authorized by this section may be adopted by the vote or written consent of a majority of the owners;" and

WHEREAS, by written consent a majority of the owners voted to amend the Declaration and the By-Laws to incorporate provisions of Chapter 514B, Hawai'i Revised Statutes, as hereinafter set forth;

WHEREAS, Chapter 514B, Hawaii Revised Statutes, provides that the declaration and by-laws of condominium associations may be amended by the vote or written consent of owners holding more than sixty-seven percent (67%) of the common interest; and

WHEREAS, by written consent owners holding more than sixty-seven percent (67%) of the common interest have consented to amend the Declaration, as hereinafter set forth;

NOW, THEREFORE, the Declaration and By-Laws of the Association of Apartment Owners of Hokulani in Kailua are hereby amended as follows:

1. Paragraph C of the Declaration is amended to read as follows:

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

1. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment, in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided; and in all other apartments of its building for support. Each apartment owner may use the common elements in accordance with the purposes permitted herein, subject to:

(a) The rights of other apartment owners to use the common elements;

(b) Any owner's exclusive right to use of the limited common elements as provided herein;

(c) The right of the owners to amend the Declaration to change the permitted uses of the common elements; provided that subject to subsection 514B-140(c), Hawaii Revised Statutes:

i) Changing common element open spaces or landscaped spaces to other uses shall not require an amendment to the Declaration; and

ii) Minor additions to or alterations of the common elements for the benefit of individual apartments are permitted if the additions or

alterations can be accomplished without substantial impact on the interests of other owners in the common elements, as reasonably determined by the Board;

(d) Any rights reserved herein to amend the Declaration to change the permitted uses of the common elements;

(e) The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those common elements that the Board determines are not actually used by any of the owners for a purpose permitted in the Declaration. Unless the lease is approved by the owners of at least sixty-seven percent of the common interest, the lease shall have a term of no more than five years and may be terminated by the Board or the lessee on no more than sixty days prior written notice; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes; and

(f) The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those common elements that the Board determines are actually used by one or more owners for a purpose permitted in the Declaration. The lease or use shall be approved by the owners of at least sixty-seven percent of the common interest, including all directly affected owners that the Board reasonably determines actually use the common elements, and the owners' mortgagees; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes.

2. If any part of the common elements encroaches upon any apartment or limited common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. The Association of Apartment Owners of the project shall have the right, to be exercised by its Board of Directors (herein called "the Board") or Managing Agent, to enter any apartments and 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 required to prevent damage to any apartments or common elements or for the installation, repair, or replacement of any common elements.

2. Paragraph F.3 of the Declaration is amended to read as follows:

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

3. Paragraph H of the Declaration is amended to read as follows:

H. COMMON EXPENSES. All charges, costs and expenses whatsoever incurred by the Association for or in connection with the administration of the project, including without limitation the operation thereof as provided in the By-Laws shall constitute common expenses of the project. Common expenses shall include without limitation the reserves that may be established by the Board of Directors pursuant to the By-Laws, any maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto, any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon, and any premiums for hazard and liability insurance herein required with respect to the project. All apartment owners shall be severally liable for the common expenses of the project in proportion to their respective common interests. Rent and real property taxes and special assessments referred to in Section 514B-4, Hawaii Revised Statutes, and separately metered energy system costs, if any, shall not be common expenses of the Condominium Property Regime hereby created and no payments thereof shall be payments of such common expenses. The Board shall from time to time assess the common expenses against all the apartments in their respective proportionate shares, and the unpaid amount of such assessments against any apartment shall constitute a lien against the apartment owner's interest in such apartment which may be foreclosed by the Board or Managing Agent as provided by said Condominium Property Act.

4. Paragraph N of the Declaration is amended to read as follows:

N. ALTERATION OF PROJECT. Restoration or replacement on or appurtenant to the project or any building, or other structure thereof, or construction or structural alteration or addition to any such structure, different in any material respect from said Condominium Map of the project, shall be undertaken by the Association or any apartment owner only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of sixty-seven percent (67%) of, and in accordance with complete plans and specifications therefor

first approved in writing by the Board, the Fee Owner, the Lessee, and the Sublessee during the continuance in effect of their respective leases, and promptly upon completion of such restoration, replacement or construction, the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any provision in this Declaration to the contrary, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall require the written consent thereto and written approval of the apartment owner's plans therefor by only the holders of all liens affecting such apartment (if the lienholders require such consent and approval), the Board of Directors of the Association, all other apartment owners thereby directly affected (as determined by said Board) and the Fee Owner, Lessee, and Sublessee during the continuance in effect of their respective leases, and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the project as so altered.

5. Paragraph P of the Declaration is amended to read as follows:

P. AMENDMENT OF DECLARATION. Except as otherwise provided herein or in said Condominium Property Act, this Declaration may be amended by approval of the owners of sixty-seven percent (67%) of the common interests effective only upon the recording of an instrument setting forth such amendment and approval, duly executed by the Fee Owner and the Lessee, the Sublessee, and the Developer during the continuance in effect of their respective leases on the property and by the proper officers of the Association. Notwithstanding the foregoing and notwithstanding the sale and conveyance or lease of any of the apartments the Developer, Fee Owner, Lessee and Sublessee, acting collectively, may amend this Declaration and the Condominium Map at any time, by an appropriate instrument recorded in said Bureau of Conveyances as follows: (a) to file the "as built" verified statement(s) (with plans, if applicable) required by Section 514A-12, Hawaii Revised Statutes, so long as (i) such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, apartment numbers, and dimensions of the apartments as built, or (ii) any plans filed therewith do not involve any material changes to the layout, location, apartment numbers, or dimensions of the apartments as built; and (b) to initially assign any unassigned individual parking stalls (except those stalls, if any, marked "guest" on the Condominium Map) to individual apartments. Further, notwithstanding the conveyance or lease of any apartment, the Declaration may be amended from time to time for the purpose of transferring from one apartment to another the parking stalls by a written instrument (which instrument shall also constitute an amendment of the apartment lease of each or the affected apartments), executed by the Fee Owner, the Developer, the lessee under the

apartment lease of each of the apartments specifically affected by the transfer, and the mortgagee(s), if any, of each of said affected apartments, subject to the following conditions:

(i) at all times (or, in the case of exchange between apartments, immediately subsequent to such an exchange) there shall be at least one parking stall appurtenant to each apartment;

(ii) said transfer and amendment of the Declaration and apartment lease shall become effective upon recording said written instrument in the Bureau of Conveyances of the State of Hawaii;

(iii) no consent or joinder of any other person or group shall be required; and,

(iv) a true copy of said written instrument shall be filed with the Association, Fee Owner, Lessee, Sublessee and Developer, within fifteen (15) days after recordation thereof.

6. A new Paragraph W is added to the Declaration to read as follows:

W. INSTALLATION OF LOFTS. Notwithstanding any other provision in the Declaration or the By-Laws to the contrary, the Board of Directors shall have the authority to approve the installation of lofts by owners pursuant to certain standard plans and specifications, prepared and/or approved by a licensed architect (if so required by the Board) and subject to certain conditions established by the Board including, but not limited to, execution of an indemnification agreement and/or an agreement with regard to maintenance of said lofts. The Board shall have the authority to take whatever steps are necessary including expenditure of whatever funds are needed to develop said standard plans and specifications and agreements. The installation of any loft pursuant to said standard plans shall not be deemed to constitute an infringement, alteration or transfer of any easement appurtenant to any apartment in violation of Paragraphs C or D, or any subparagraphs thereof, of this Declaration. Further, said installation of any such loft shall not constitute the restoration on or appurtenant to the project of any building or other structure, or construction or structural alteration or addition to any such structure different in any material respect from the Condominium Map of the project as described in Paragraph N of this Declaration. The approval requirements set forth in Paragraph N of this Declaration or in Article V, Section 3(f) of the By-Laws shall not apply to the installation of a loft approved by the Board of Directors pursuant to said standard plans and specifications and conditions duly adopted by the Board of Directors.

7. Article IV, §1(p) of the By-Laws is amended to read as follows:

(p) Notwithstanding any approval requirements in the Declaration or herein, the Board may authorize the installation of meters to determine the use by the apartments of utilities, including electricity, water, gas, fuel, oil, sewage, air conditioning, chiller water, and drainage. The cost of metered utilities shall be paid by the owners of the apartments based on actual consumption and, to the extent not billed directly to the apartment owner by the utility provider, may be collected in the same manner as common expense assessments. Owners' maintenance fees shall be adjusted as necessary to avoid any duplication of charges to owners for the cost of metered utilities.

In all other respects the Declaration and the By-Laws, as amended, are hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Declaration and By-Law amendments were duly adopted by the written consent of a majority of the owners or by owners holding more than sixty-seven percent (67%) of the common interest.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 25th day of March, 2009

ASSOCIATION OF APARTMENT OWNERS
OF HOKULANI IN KAILUA

By: Elizabeth A. Elsen

TYPE NAME: ELIZABETH A. ELSEN

TYPE TITLE: PRESIDENT

By: Gary L. Johnson

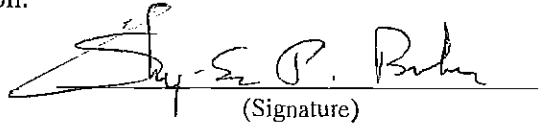
TYPE NAME: GARY JOHNSON

TYPE TITLE: VICE PRESIDENT

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

On this 18th day of March, 2009, before me personally appeared Elizabeth A. Elsen, to me personally known, who being by me duly sworn, did say that she is the President of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

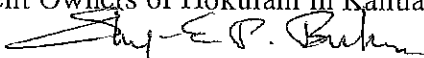
LS


(Signature)

1ST Judicial Circuit
Doc. Date: Blank # Pages: 8
Doc. Description: Amendment to the Declaration of Horizontal Property Regime and the By-Laws of the Association of Apartment Owners of Hokulani in Kailua

Wendy-Lee P. Bruhn
(Printed or Typed Name)

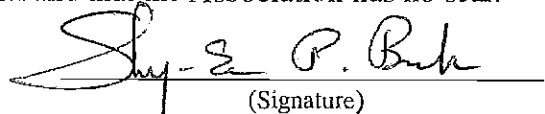
Notary Public, State of Hawaii
My commission expires: Oct. 20, 2010


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

LS

On this 25th day of March, 2009, before me personally appeared Gary E. Johnson, to me personally known, who being by me duly sworn, did say that he is the Vice-Pres. of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association and that the Association has no seal.

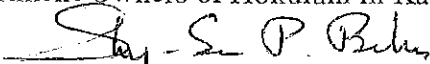
LS


(Signature)

1ST Judicial Circuit
Doc. Date: MAR 25 2009 # Pages: 8
Doc. Description: Amendment to the Declaration of Horizontal Property Regime and the By-Laws of the Association of Apartment Owners of Hokulani in Kailua

Wendy-Lee P. Bruhn
(Printed or Typed Name)

Notary Public, State of Hawaii
My commission expires: Oct. 20, 2010



PAINesley\DOCS\HOKULANI\Amendment-514B.wpd

LS

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

BUREAU OF CONVEYANCES

DATE JAN 12 2007 TIME 8:02

DOCUMENT NO. 2007-006700

Return by: Mail [] Pickup [X]

To: NEELEY & ANDERSON LLP
A Limited Liability Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawaii 96813 (808) 536-8177

AMENDMENT TO THE
DECLARATION HORIZONTAL PROPERTY REGIME
OF HOKULANI IN KAILUA
(Condominium Map. No.1138)

WHEREAS, Hokulani in Kailua ("the Project") was created by Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances of the State of Hawaii on July 5, 1988 in Liber 22108, Page 161, which Declaration was restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150380 and 95-104139 ; and

WHEREAS, said Declaration, as amended (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA (hereinafter referred to as the "Association") and established By-Laws therefor, which said Bylaws were attached to said Declaration and incorporated therein by reference and were restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150381 and 95-104140; and

WHEREAS, Section 514A-11(11), Hawaii Revised Statutes, and Paragraph P of the Declaration provide that the Declaration of Horizontal Property Regime may be amended by the vote or written consent of owners holding at least seventy-five percent (75%) of the common interest;

WHEREAS, by written consent owners holding more than seventy-five percent (75%) of the common interest have consented to amend the Declaration, as hereinafter set forth;

NOW, THEREFORE, the Declaration of Hokulani in Kailua is hereby amended as follows:

1. Paragraph A.2(c) of the Declaration is amended to read as follows:

(c) All yards, grounds, private parks, bike racks, interior malls and landscaping and all refuse facilities, if any, whether within or appurtenant to the project.

2. A new Paragraph V is added to the Declaration to read as follows:

V. CONSTRUCTION OF BIKE RACKS. Notwithstanding any other provision in the Declaration or the By-Laws to the contrary, the Board of Directors shall have the authority to take whatever steps are necessary including expenditure of whatever funds are needed to construct two (2) bike racks on the common elements for the use of all owners and occupants. This construction shall not be deemed to constitute an infringement, alteration or transfer of any easement appurtenant to any apartment in violation of Paragraphs C or D, or any subparagraphs thereof, of this Declaration. Further, said construction shall not constitute the restoration on or appurtenant to the project of any building or other structure, or construction or structural alteration or addition to any such structure different in any material respect from the Condominium Map of the project as described in Paragraph N of this Declaration. The approval requirements set forth in Paragraph N of this Declaration shall not apply to the construction of said bike rack.

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

The undersigned officers of the Association hereby certify that the foregoing amendments to the Declaration were adopted by the Association of Apartment Owners of the Hokulani in Kailua by the written consent of owners holding more than seventy-five percent (75%) of the common interest.

IN WITNESS WHEREOF this instrument has been executed this 5th day of January, 2007 ~~2006~~.

ASSOCIATION OF APARTMENT OWNERS OF
HOKULANI IN KAILUA

By: Elizabeth A. Elsen

Elizabeth A. Elsen

TYPE NAME: ELIZABETH A. ELSEN

TYPE TITLE: PRESIDENT President

By: Diane L. Ballum

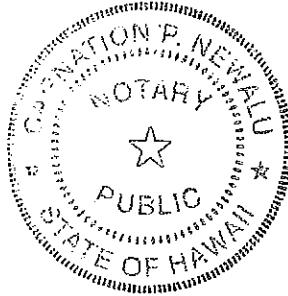
Diane L. Ballum

TYPE NAME: DIANE L. BALLUM

TYPE TITLE: Treasurer Treasurer

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

On this 5th day of January, ²⁰⁰⁷ ~~2006~~, before me personally appeared CPA Elizabeth A. Eken, to me personally known, who being by me duly sworn, did say that she is the President of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



Carnation P. Newalu

(Signature)
Carnation P. Newalu

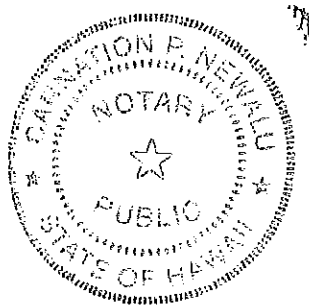
(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 4-2-2008

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

On this 5th day of January, ²⁰⁰⁷ ~~2006~~, before me personally appeared Diane L. Ballum, to me personally known, who being by me duly sworn, did say that she is the Treasurer of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



Carnation P. Newalu

(Signature)
Carnation P. Newalu

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 4-2-2008

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

BUREAU OF CONVEYANCES

DATE JUL 28 1999 TIME 8:02

DOCUMENT NO. 99-120749

LAND COURT SYSTEM

REGULAR SYSTEM

Return by: Mail [] Pickup [] To:

NEELEY & ANDERSON
Attorneys at Law, A Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawaii 96813 (808) 536-8177

AMENDMENT TO THE
DECLARATION HORIZONTAL PROPERTY REGIME
AND THE BY-LAWS OF HOKULANI IN KAILUA
(Condominium Map. No. 1138)

WHEREAS, by Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances of the State of Hawaii on July 5, 1988 in Liber 22108, Page 161 (herein called the "Declaration"), JAMES C. CASTLE, also known as James Christian Castle, JAMES C. McINTOSH, also known as James Castle McIntosh and HAWAIIAN TRUST COMPANY, LIMITED, Trustees of the Trust Estate established pursuant to Article Eighth of the Last Will and Testament of Harold K.L. Castle, deceased, (herein collectively called "the Fee Owner"), CHAMPION PROPERTIES CORPORATION, a Delaware corporation, duly registered to do business in the State of Hawaii, KEN NOBUTA, and PEPPERDALE, INC., (herein called the "Developer"), all submitted the property described in said Declaration to the provisions of the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, including the By-Laws of the Association of Apartment Owners of Hokulani in Kailua attached to said Declaration, and contemporaneously therewith recorded in said Bureau, certain plans, incorporated in said Declaration by reference, as Condominium File Plan No. 1138 thereby establishing the HOKULANI IN KAILUA Condominium Project (herein called the "Project");

WHEREAS, said Declaration provided for the organization of the Association of Apartment Owners of the Project and established By-Laws therefor, which By-Laws were attached to said Declaration and incorporated therein by reference; and

WHEREAS, said Declaration and By-Laws were duly amended by instruments recorded in the Bureau of Conveyances of the State of Hawaii on March 20, 1989 in Liber 22967 at Page 352, on April 21, 1989 in Liber 23097 at Page 350, on May 26, 1989 in Liber 23229 at Page 127, on July 3, 1989 in Liber 23365 at Page 145, on July 3, 1989 in Liber 23365 at Page 234, on December 26, 1989 in Liber 24043 at Page 257, on December 26, 1989 in Liber 24043 at Page 267, on August 15, 1990 as Document No. 90-125451, on February 8, 1991 as Document No. 91-017017, on June 17, 1991 as Document No. 91-078144, on July 12, 1991 as Document No. 91-094015, on September 20, 1991 as Document No. 91-128271, on October 30, 1991 as Document No. 91-149365, on November 18, 1991 as Document No. 91-158418, on February 12, 1993 as Document No. 93-023873, on December 8, 1993 as Document No. 93-203023, on June 3, 1994 as Document No. 94-094050 and on November 20, 1996 as Document No. 96-164458 and said Declaration was restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150380 and 95-104139 and said By-Laws were restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150381 and 95-104140.

WHEREAS, Section 514A-11(11), Hawaii Revised Statutes and, and Paragraph P of the Declaration provide that the Declaration of Horizontal Property Regime may be amended by the vote or written consent of owners holding at least seventy-five percent (75%) of the common interest;

WHEREAS, by written consent owners holding more than seventy-five percent (75%) of the common interest have consented to amend the Declaration, as hereinafter set forth;

NOW, THEREFORE, the Association of Apartment Owners of Hokulani in Kailua, pursuant to the provisions of Chapter 514A, Hawaii Revised Statutes and said Declaration does hereby amend said Declaration as follows:

1. Paragraph J of the Declaration is amended to read as follows:

J. INSURANCE. The Association shall procure, purchase, and at all times maintain insurance which covers all buildings, the common elements and, whether or not part of the common elements, all exterior and interior walls, floors, ceilings, and all exterior glass, in accordance with the as-built condominium plans and specifications, against loss or damage by fire, sufficient to provide for the repair or replacement thereof in the event of such loss or damage. The insurance coverage shall be written in the name of the Association. Premiums shall be common expenses. The insurance policy shall be payable in case of loss to such bank or trust company authorized to do business in Hawaii as the Board shall designate for the custody and disposition as herein provided of

all proceeds of such insurance. From time to time, upon receipt thereof, the Board shall cause to be deposited promptly with the Fee Owner and with the Lessee, and the Sublessee during the continuance in effect of their respective leases, true copies of such insurance policies or current certificates thereof, without prejudice to the right of each apartment owner to insure his apartment for his own benefit. Except as otherwise provided in Paragraph M below, in every case of such loss or damage all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing, or otherwise reinstating the same buildings in a good and substantial manner according to the original plan and elevation thereof or such modified plans conforming to laws and ordinances then in effect as shall be first approved as herein provided, and the Association at its common expense shall make up any deficiency in such insurance proceeds. Notwithstanding anything contained herein to the contrary, (i) the Association shall be permitted to secure a policy which includes a deductible in an amount as determined appropriate by the Board of Directors in its sole discretion; and (ii) in the event of a claim, any deductible amount shall be paid by the Association if the cause of the damage originates from the common elements and by the owner if the damage originates from an apartment, regardless of fault. The Board shall use its best efforts to obtain policies which:

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

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

3. Provide that such policy may not be cancelled (whether or not requested by the Board) except by the insurer giving at least thirty (30) days prior written notice thereof to the Board, Fee Owner, the Lessee, and the Sublessee during the continuance in effect of their respective leases, and every other person in interest who shall have requested such notice of the insurer;

4. Contain a waiver by the insurer of any right of subrogation to any right of the Board, Fee Owner, Lessee, Sublessee, or apartment owners against any of them or any other persons under them;

5. Contain a standard mortgagee clause which shall:

- (a) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any apartment or

apartment lease of the project, in their respective order and preference, whether or not named therein;

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

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

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

6. Cover the common elements and, whether or not part of the common elements, all exterior and interior walls, exterior glass, floors and ceilings.

7. Include all other requirements for insurance under Chapter 514-A of the Hawaii Revised Statutes, or other federal or state law.

The Association as a common expense shall also effect and maintain at all times comprehensive general liability insurance, covering all apartment owners with respect to the project and naming the Fee Owner and the Lessee, and the Sublessee during the continuance in effect of their respective leases, as additional assured, in an insurance company authorized to do business in Hawaii with minimum limits of not less than \$500,000.00 for injury to one person and \$1,000,000.00 for injury to more than one person in any one accident or occurrence and \$100,000.00 for property damage, or such higher limits as may be required by reasonable and prudent business standards, and from time to time deposit promptly with the Fee Owner, the Lessee, and the Sublessee during the continuance in effect of their respective leases, current certificates of such insurance, without prejudice to the right of any apartment owners to maintain additional liability insurance for their respective apartments. If the project is located in an identified flood hazard area as designated by the federal Department of Housing and Urban Development, the Association shall procure, purchase and at all times maintain flood insurance under the provisions of the federal Flood Disaster Protection Act of 1973 with the same coverage and terms as required hereunder for fire insurance, but only to the extent required by law or otherwise deemed advisable by the Association. The Association may also procure insurance against such additional risks as the Association may deem advisable for

the protection of the Apartment Owners of a character normally carried with respect to properties of comparable character and use in the State of Hawaii. All insurance required hereunder will be obtained and maintained by the Association acting through the Board.

The Board will 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 each owner of an apartment and his mortgagee who shall request a copy of such report, and also, without any such request, to the Lessee, the Sublessee, and Fee Owner. The Board will furnish to any mortgagee of an apartment, who shall so request, copies of the policies carried by the Association, together with all mortgagee endorsements. All policies shall include a provision requiring the insurance carrier, at the inception of the policy and on each anniversary date, to provide the Board with a written summary, in laymen's terms, of the policy including the type of policy, a description of the coverage and the limits thereof, amount of annual premium and renewal dates. The Board shall provide this information to each owner.

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

The undersigned officers of the Association hereby certify that the foregoing amendment to the Declaration was adopted by the Association of Apartment Owners of the Hokulani in Kailua by the written consent of owners holding more than seventy-five percent (75%) of the common interest.

IN WITNESS WHEREOF this instrument has been executed this 14 day of July, 1999.

ASSOCIATION OF APARTMENT OWNERS OF
HOKULANI IN KAILUA

By: Elizabeth Anne Elsen

TYPE NAME: Elizabeth Anne Elsen

TYPE TITLE: Treasurer

By: Douglas C. Smith

TYPE NAME: Douglas C. Smith

TYPE TITLE: President

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

On this 14th day of July, 1999, before me personally appeared Elizabeth Anne Elsen, to me personally known, who being by me duly sworn, did say that she is the treasurer of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

C.S.

[Signature]
(Signature)
LOKE YOUNG
(Printed or Typed Name)

Notary Public, State of Hawaii
My commission expires: 5/29/2002

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

On this 19th day of July, 1999, before me personally appeared Douglas C. Smith, to me personally known, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

12

[Signature]
(Signature)
JESSIE TUGADE-PARALEY
(Printed or Typed Name)

Notary Public, State of Hawaii
My commission expires: 4/15/2000

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

BUREAU OF CONVEYANCES

DATE 11-20-96 TIME 08:02
DOCUMENT NO. 96-164458

LAND COURT SYSTEM

REGULAR SYSTEM

Return by: Mail [] Pickup [] To:

NEELEY & ANDERSON
Attorneys at Law, A Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawaii 96813 (808) 536-8177

AMENDMENT TO THE
DECLARATION HORIZONTAL PROPERTY REGIME
AND THE BY-LAWS OF HOKULANI IN KAILUA

WHEREAS, by Declaration of Horizontal Property Regime dated June 29, 1988, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22108, Page 161 (herein called the "Declaration"), JAMES C. CASTLE, also known as James Christian Castle, JAMES C. McINTOSH, also known as James Castle McIntosh and HAWAIIAN TRUST COMPANY, LIMITED, Trustees of the Trust Estate established pursuant to Article Eighth of the Last Will and Testament of Harold K.L. Castle, deceased, (herein collectively called "the Fee Owner"), CHAMPION PROPERTIES CORPORATION, a Delaware corporation, duly registered to do business in the State of Hawaii, KEN NOBUTA, and PEPPERDALE, INC., (herein called the "Developer"), all submitted the property described in said Declaration to the provisions of the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, including the By-Laws of the Association of Apartment Owners of Hokulani in Kailua attached to said Declaration, and contemporaneously therewith recorded in said Bureau, certain plans, incorporated in said Declaration by reference, as Condominium File Plan No. 1138 thereby establishing the HOKULANI IN KAILUA Condominium Project (herein called the "Project");

WHEREAS, said Declaration provided for the organization of the Association of Apartment Owners of the Project and established By-Laws therefor, which By-Laws were attached to said Declaration and incorporated therein by reference; and

WHEREAS, said Declaration and By-Laws were duly amended by instruments recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22967 at Page 352, dated March 14, 1989; in Liber 23097 at Page 350 dated March 14, 1989; in Liber 23229 at Page 127 dated April 14, 1989; in Liber 23365 at Page 234 dated June 28, 1989; in Liber 24043 at Page 257 dated December 13, 1989; in Liber 24043 at Page 267 dated December 13, 1989; as Document No. 125451 dated June 19, 1990; as Document No. 94015 dated July 12, 1991; as Document No. 93-023873 dated February 8, 1993; and as Document No. 94-094050 dated May 12, 1994 and said Declaration was restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150380 and 95-104139 and said By-Laws were restated by instruments recorded on September 12, 1994 and August 11, 1995 as Document Nos. 94-150381 and 95-104140.

WHEREAS, Section 514A-11(11), Hawaii Revised Statutes, and Paragraph P of the Declaration provide that the Declaration of Horizontal Property Regime may be amended by the vote or written consent of owners of at least seventy-five percent (75%) of the common interest;

WHEREAS, by written consent more than seventy-five percent (75%) of the owners have consented to amend the Declaration, as hereinafter set forth;

WHEREAS, Section 514A-82(b)(2), Hawaii Revised Statutes, and Article VI, Section 1 of the By-Laws provide that the By-Laws may be amended by the vote or written consent of owners of at least sixty-five percent (65%) of the common interest;

WHEREAS, the owners of more than sixty-five percent (65%) of the common interest consented in writing to amend the By-Laws, as hereinafter set forth.

NOW, THEREFORE, the Association of Apartment Owners of Hokulani in Kailua, pursuant to the provisions of Chapter 514A, Hawaii Revised Statutes, Paragraph P of said Declaration and Article VI, Section 1 of said By-Laws does hereby amend said Declaration and By-Laws as follows:

1. Paragraph A.1 of the Declaration is amended to read as follows:

A. DIVISION OF PROPERTY. The project is hereby divided into the following separate freehold estates:

to the east of Building J. Building H is south of Buildings J and K. Building M is to the east of Building K. Building N is to the east of Building M. Building P is to the south of Building N. Building L is to the southwest of Building P. Building Q is to the southeast of Building P.

Each of Buildings A, B, C, D, E, F, J, K, L, and Q contains eight apartments four of which are located on each floor (except for the ground floor in Buildings E and F which contain no apartments.) Each floor of Buildings A and C contains a single one bedroom apartment and three two bedroom apartments. Each floor of Buildings B, D, J, K, L, and Q and each of the second and third floors of Buildings E and F contains four two bedroom apartments.

Buildings G, H and M each contain fourteen two bedroom apartments seven of which are located on each floor of each building.

Building N contains ten two bedroom apartments five of which are located on each floor.

Building P contains twelve two bedroom apartments six of which are located on each floor.

In Buildings A and C the apartment on the northwest corner of each floor (toward the corner of Aoloa Street and Hamakua Drive) is given a numerical designation of 01. The apartments then bear the designation 02, 03 and 04 running from north to south.

In Buildings B and D the apartment on the southeast corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, and 04 running from south to north.

In Buildings E, F, L and Q the apartment on the northwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, and 04 running from northwest to southeast.

In Buildings G and M the apartment on the southwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, 04, 05, 06, and 07 running from southwest to northeast.

In Building H the apartment on the west corner of each floor is given a numerical designation of

01. The apartments then bear the designation 02, 03, 04, 05, 06, and 07 running from west to east.

In Buildings J and K the apartment on the west corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, and 04 running from west to east.

In Building N the apartment on the southwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, 04, and 05 running from southwest to northeast.

In Building P the apartment on the northwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, 04, 05, and 06 running from northwest to southeast.

(b) Each apartment contains the number of rooms and approximate floor area according to its respective plan as shown on said Condominium Map (Sheet A-6), each such plan being designated either "Two Bedroom Type X", "Two Bedroom Type Y" or "One Bedroom Type Z". Certain of the two bedroom apartments are constructed according to a Reversed Plan which is a mirror image of the typical unit layout. These Reversed apartments are designated on Sheets A-1, A-2, A-3, A-7, A-8, A-9, A-10, A-14, A-15, A-19, A-21, A-23 and A-25 of the Condominium Map. Each unit type is further described as follows (N.B. "net living area" is computed from the interior surface of perimeter walls):

One Bedroom Type Z. There are a total of 4 One-Bedroom Type Z apartments in the project. Apartments A-104, A-204, C-104 and C-204 are the One Bedroom Type Z apartments. Each One Bedroom Type Z apartment contains a net living area of approximately 588 square feet including 4 rooms: a living/dining room, kitchen, bath and bedroom together with a storage closet. Not included in the computation of the net living area, but a part of each such apartment, nonetheless, is either a lanai (ground floor apartments) or deck (second floor apartments) area of approximately 35 square feet. Apartment C-104 has a subdesignation of Type 2H. It is a unit with a larger bath (but correspondingly smaller bedroom) to accommodate the City and County requirements relating to units for the handicapped.

Two Bedroom Type X. There are a total of 62 Two-Bedroom Type X apartments in the project.

Apartments A-101, A-201, B-101, B-104, B-201, B-204, C-101, C-201, D-101, D-104, D-201, D-204, E-201, E-204, E-301, E-304, F-201, F-204, F-301, F-304, H-101, H-104, H-105, H-107, H-201, H-204, H-205, H-207, J-101, J-104, J-201, J-204, K-101, K-104, K-201, K-204, L-101, L-104, L-201, L-204, M-101, M-103, M-104, M-107, M-201, M-203, M-204, M-207, N-101, N-103, N-104, N-201, N-203, N-204, P-101, P-106, P-201, P-206, Q-101, Q-104, Q-201, and Q-204 are the Two Bedroom Type X apartments. Each Two Bedroom Type X apartment contains a net living area of approximately 811 square feet including 6 rooms: a living/dining room, kitchen, 2 baths and 2 bedrooms together with a storage closet. Not included in the computation of the net living area, but a part of each such apartment, nonetheless, is either a lanai (ground floor apartments) or deck (second and third floor apartments) area of approximately 35 square feet. Certain of the Two Bedroom Type X apartments are Reversed or Mirror Images. These Reversed apartments are indicated as such on the Condominium Map.

Two Bedroom Type Y. There are a total of 78 Two-Bedroom Type Y apartments in the project. Apartments A-102, A-103, A-202, A-203, B-102, B-103, B-202, B-203, C-102, C-103, C-202, C-203, D-102, D-103, D-202, D-203, E-202, E-203, E-302, E-303, F-202, F-203, F-302, F-303, G-101, G-102, G-103, G-104, G-105, G-106, G-107, G-201, G-202, G-203, G-204, G-205, G-206, G-207, H-102, H-103, H-106, H-202, H-203, H-206, J-102, J-103, J-202, J-203, K-102, K-103, K-202, K-203, L-102, L-103, L-202, L-203, M-102, M-105, M-106, M-202, M-205, M-206, N-102, N-105, N-202, N-205, P-102, P-103, P-104, P-105, P-202, P-203, P-204, P-205, Q-102, Q-103, Q-202, Q-203 are the Two Bedroom Type Y apartments. Each Two Bedroom Type Y apartment contains a net living area of approximately 814 square feet including 6 rooms: a living/dining room, kitchen, 2 baths and 2 bedrooms together with a storage closet. Not included in the computation of the net living area, but a part of each such apartment, nonetheless, is either a lanai (ground floor apartments) or deck (second floor apartments) area of approximately 35 square feet. Certain of the Two Bedroom Type Y apartments are Reversed or Mirror Images. These Reversed apartments are indicated as such on the Condominium Map.

(c) Each apartment has immediate access to the common elements.

(d) Each apartment shall be deemed to include all walls and partitions within its perimeter walls; all glass windows, louvers, doors, and panels

except along the perimeter non-party walls; the interior half of all perimeter party walls; to the exterior surface of all perimeter non-party walls; the inner decorated or finished surfaces of the perimeter walls, floors and ceilings; and shall include all air space encompassed within the apartment and within the area constituting its lanai or deck as shown on the Condominium Map and the surface of the lanai or deck and the storage closet located on the lanai or deck; provided, however, those perimeter walls, interior loadbearing walls, all exterior doors, door frames, windows and window frames, all floors and ceilings or portions thereof, located within or surrounding each apartment and all pipes, wires, conduits and other utility service lines running through such apartment which are utilized for or serve more than one apartment, shall be deemed common elements, except for the interior finished or decorated surfaces of said walls, floors and ceilings; and provided, further, that any fire sprinkler system components, and any ducts, shafts, or other enclosed spaces for common wiring, pipes or air exhaust located within any apartment shall also be deemed to be common elements.

2. Paragraph A.2 of the Declaration is amended to read as follows:

2. Common Elements. One freehold estate is hereby designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to the common elements described in paragraph 1 above and paragraph 3 below and:

(a) Said land in fee simple.

(b) Except as provided in paragraph A.1(d), all foundations, floor slabs, columns, girders, beams, supports, unfinished portions of perimeter walls and interior load-bearing walls, all exterior doors, door frames, windows and window frames and roofs of the residential buildings.

(c) All yards, grounds, private parks, interior malls and landscaping, sprinkler systems designed to serve the landscaping, signs at the entryway identifying the project, and all refuse facilities, if any, whether within or appurtenant to the project.

(d) All roads, parking areas, driveways, corridors, entries, lobbies and walkways other than those designated below as limited common elements.

(e) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

(f) The fire sprinkler system, if any, including portions thereof that may be installed within the various apartments.

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

3. Paragraph E of the Declaration is amended to read as follows:

E. USE. The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days, or (b) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration.

No trade or business of any kind may be conducted in or from any apartment or the project except that an owner or occupant residing in a apartment may conduct such business activity within the apartment so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the apartment; (b) the business activity conforms to all zoning requirements for the property; (c) the business activity does not involve persons coming onto the condominium property who do not reside in the condominium; (d) the business activity does not increase the liability or casualty insurance obligation or premium of the Association; and (e) the business activity is consistent with the residential character of the Association and does not constitute a nuisance or hazardous or offensive use, as may be determined in the sole discretion of the Board of Directors.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involve the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full- or part-time; (ii) such activity is intended to or does generate a profit; and (iii) a license is required therefor.

4. Paragraph F.4 of the Declaration is amended to read as follows:

4. Before commencing or permitting construction of any major improvement on the project (whether or not the improvement is "major" shall be determined by the Board of Directors in its sole discretion), obtain and deposit with the Fee Owner (and the Lessee, and the Sublessee during the continuance in effect of their respective leases) a bond naming as obligees the Fee Owner, the Lessee, and the Sublessee during the continuance in effect of their respective leases, and collectively all other apartment owners as their interests may appear with a corporate surety and in form acceptable to the Fee Owner guaranteeing completion of such construction without cost to the Fee Owner, the Lessee, and the Sublessee in accordance with the contract therefor and shall be in a penal sum not less than 100% of the cost of such construction.

5. Article I, Section 3 of the By-Laws is amended to read as follows:

Section 3. Annual Meetings. The first annual meeting of the Association shall be called by the Developer and shall be held not later than one hundred eighty (180) days after recordation of the first apartment conveyance, provided forty percent (40%) or more of the project has been sold and recorded. If forty percent (40%) of the project is not sold and recorded within one (1) year of the recordation of the first apartment conveyance, an annual meeting shall be called if ten percent (10%) of the Apartment Owners so request. At such meeting the apartment owners shall elect a Board of Directors. Thereafter, the annual meetings of the Association shall be held within the first quarter of the calendar year as selected by the Board of Directors. At such meetings the Board of Directors shall be elected by ballot of the apartment owners in accordance with the requirements of Section 3 of Article II of these By-Laws.

The apartment owners may transact such other business at such meetings as may properly come before them.

6. Article I, Section 4 of the By-Laws is amended to read as follows:

Section 4. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President or any two members of the Board or a petition signed by at least twenty-five percent (25%) of the apartment owners (as shown in the Association's record of ownership) and presented to the Secretary or Managing Agent. If a special meeting is for the purpose of removal from office or replacement of one or more of the Association's directors and if the Secretary or Managing Agent shall fail to send out the notices for the special meeting within fourteen days of the receipt of a petition signed by at least twenty five percent (25%) of the apartment owners as shown on the Association's record of ownership then the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices for the special meeting in accordance with the requirements of these By Laws.

7. Article I, Section 6 of the By-Laws is amended to read as follows:

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

8. Article I, Section 10 of the By-Laws is amended to read as follows:

Section 10. Rules and Order of Business. All meetings of the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order. Unless otherwise provided in such Rules of Order, the order of business at all annual meetings of the Association shall be as follows:

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

9. Article II, Section 4 of the By-Laws is amended to read as follows:

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by the Association shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director for the remainder of the term of the member whose vacancy he filled (unless removed). Death, incapacity of resignation of any director, or his continuous absence from the State of Hawaii for more than six (6) months, or his ceasing to be eligible to be a director under these By-Laws or under Chapter 514A, Hawaii Revised Statutes, shall cause his office to become vacant. Three unexcused absences from regular or special, properly noticed, Board meetings between annual meetings shall cause a director's office to become vacant if a majority of the remaining directors so vote.

10. Article II, Section 8 of the By-Laws is amended to read as follows:

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least eight (8) hours' notice to each director, given personally or by telephone or telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two (2) directors. Except as may be otherwise restricted by Chapter 514A, members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

11. Article II, Section 13 of the By-Laws is amended to read as follows:

Section 13. Miscellaneous. Every meeting (whether regular or special) of the Board shall be conducted in accordance with the most current edition of Robert's Rules of Order. A director shall not vote or cast proxy at any Board meeting on any issue in which he has a conflict of interest, as such terms are used in Hawaii Revised Statutes, Section 514A-82, as amended. A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that disclosure was made. In the event of a conflict of interest, a majority of disinterested directors shall constitute a quorum.

12. Article III, Section 1 of the By-Laws is amended to read as follows:

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by, and in the case of the President from, the Board of Directors. The Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. An owner shall not simultaneously act as an officer of the Association and an employee of the Managing Agent of the Association. All officers must be members of the Association.

13. Article IV, Section 1(b) of the By-Laws is amended to read as follows:

(b) Maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto, including, but not limited to, restoration of the project or portions thereof after damage by insured or uninsured casualty or as a result of condemnation proceedings;

14. Article IV, Section 1(j) of the By-Laws is deleted in its entirety and subsequent subsections are relettered.

15. Article IV, Section 1(p) of the By-Laws is relettered (o) and amended to read as follows:

(o) Notwithstanding any approval requirements in the Declaration or herein, the Board may authorize the installation of meters to determine the use by the

apartments of utilities, including electricity, water, gas, fuel, oil, sewage and drainage.

16. A new Section 1(p) is added to Article IV of the By-Laws to read as follows:

(p) The violation of any of the House Rules, the breach of any of these By-Laws or the breach of any provision of the Declaration, or violation of the Act by a tenant or occupant other than an owner, shall give the Board the right in addition to any other rights or remedies provided by law, the Declaration or these By-Laws, to initiate and prosecute to conclusion a legal action to terminate any lease, rental agreement or other occupancy right of such tenant or occupant and/or to obtain a court order directing such tenant or occupant immediately to permanently vacate such apartment and to refrain from re-entering the project and in such event, the Association shall have no liability to the owner for lost rentals or any other consequence of such termination or removal.

17. A new Section 1(q) is added to Article IV of the By-Laws to read as follows:

(q) If an 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 his share of common expenses, or in the payment of late fees, interest, fines, expenses, costs, or attorneys' fees assessed against such owner, the Board of Directors may, at its option, so long as such default shall continue, demand and receive from any tenant or lessee ("lessee") of the owner occupying the apartment or from any rental agent of such owner who is in receipt of proceeds from the rental or lease of such owner's apartment, the rent due or becoming due from such lessee or rental agent to the owner up to an amount sufficient to pay all sums due from the owner, including interest, late fees, expenses, costs and attorneys' fees, if any, and any such payment of such rent to the Board of Directors by the lessee or rental agent 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 or rental agent 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 acknowledgement of surrender of any rights or duties hereunder. In the event that the Board of Directors makes demand upon the lessee or rental agent as aforesaid, the lessee or rental agent shall not have the right to question the authority

of the Board of Directors with the effect as aforesaid; provided, however, that the Board of Directors 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.

18. Article IV, Section 2 of the By-Laws is amended to read as follows:

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible Hawaii corporation as Managing Agent to manage and control the project subject at all times to direction by the Board, with all the administrative functions set forth specifically in the preceding Section 1 and such other powers and duties and at such compensation as the Board may establish.

19. Article IV, Section 4 of the By-Laws is amended to read as follows:

Section 4. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution applicable to such instrument, by any two officers of the Association.

20. Article IV, Section 5 of the By-Laws is amended to read as follows:

Section 5. Reserves. The Board of Directors may establish and maintain a General Operating Reserve by monthly assessment against and payment by all owners in proportion to their respective common interests, of such additional amount not exceeding that portion of the total monthly assessment for current common expenses, as the Board of Directors determines to be adequate to provide financial stability in the administration of the project, which additional amount shall be deemed conclusively to be savings of the owners held for their benefit for common expenses not payable from regular assessments; PROVIDED, HOWEVER, that whenever said Reserve equals twenty percent (20%) of the total annual assessments for current common expenses, the assessments for said Reserve shall be discontinued until the depletion of said Reserve below said twenty percent (20%) level. The size of said Reserve shall be reviewed at each annual meeting of the Association and shall continue to be maintained at a level no greater than said twenty percent (20%). The Association may vote to reduce the level. Said Reserve shall be deposited with a safe and responsible

depository. Said Reserve at the discretion of the Board of Directors or the Association may be used to meet any deficiencies in operating funds from time to time resulting from higher than normal operating expenses and maintenance costs or any delinquency by owners in the payment of assessments for common expenses. Said Reserve shall not operate to exempt any owner from liability to contribute his proportionate share of such expenses or to pay any such assessments therefor, and any funds withdrawn from said Reserve for the purpose of making up any delinquency shall be restored upon the payment of such delinquent assessments. The proportionate interest of each owner in said Reserve and all interest earned thereon shall not be withdrawn or assigned separately but shall be deemed to be transferred with each apartment even though not mentioned or described expressly in the instrument of transfer. If the Horizontal Property Regime established hereby is terminated or waived, or if for any reason the Reserve is terminated or reduced, said Reserve remaining after payment of all outstanding common expenses shall be distributed to all owners, except for the owners of apartments reconstituted as a new Horizontal Property Regime, in proportion to their respective common interests. The unexpended Reserve at the end of any year shall be applied toward current residential expenses in the following year, unless the Association votes to return such unexpended Reserve to the owners in proportion to their respective common interests.

From time to time, as specifically directed by the Association at any annual or special meeting, the Board of Directors may establish and maintain one or more Capital Improvements Reserve Funds by the monthly assessment against and payment by all the owners in proportion to their respective common interests. Each such Fund shall be earmarked for a specific capital improvement which shall have been specifically authorized by the Association at any annual or special meeting and the amount of such Fund shall be such annual amount as the Association determines to be adequate (but no more) to provide the particular capital improvement, whether it be the repair, restoration, and replacement of the common elements and the furniture, fixtures, and mechanical equipment thereof, and for such other improvement as may be specifically authorized by the Association. The assessments for said Funds shall be deemed conclusively to be savings of the owners held for their benefit for common expenses of a capital nature. Each such fund shall be deposited in a separate account with a safe and responsible depository and may be in the form of a cash deposit or may be invested in obligations of or fully

guaranteed as to principal by an agency of the United States of America or as otherwise permitted by Chapter 514A, Hawaii Revised Statutes. Disbursements from said Fund shall be made only upon authorization by the Board of Directors. The proportionate interests of each owner in said Fund and all interest earned thereon shall not be withdrawn or assigned separately but shall be deemed to be transferred with each apartment even though not mentioned or described expressly in the instrument of transfer. If the Horizontal Property Regime established hereby is terminated or waived, or if the Fund exceeds the cost of the particular improvement, said Fund remaining shall be distributed to all owners, except for the owners of apartments reconstituted as a new Horizontal Property Regime, in proportion to their respective common interests. The common expenses may also include such amounts as may be required, by special assessment, for the purchase or lease of any apartment by the Board of Directors or its designee, corporate or otherwise, on behalf of the Association, as permitted under Hawaii law or these By-Laws.

21. Article V, Section 1 of the By-Laws is amended to read as follows:

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

If an assessment proves inadequate for any reason, the Board may at any time levy a special assessment against all owners. The Board shall notify the owners in writing of any such assessment or maintenance fee increase at least thirty days prior to such assessment or increase.

(b) If an owner shall fail to pay any common expense assessment or other assessment when due, such owner shall pay a late fee for each such default or defaults in such amount as shall be determined by the Board of Directors from time to time. Late fees shall be assessed on the fifteenth (15th) day of each month and an additional late fee, determined by the Board as aforementioned, shall be assessed on the fifteenth (15th) day

of each subsequent month that any portion of the delinquent amount remains unpaid. All delinquent assessments shall bear interest at the maximum rate allowed by law from the date of such default until paid. Late fees and interest charged under this provision shall constitute a lien against the apartment of the delinquent owner, which lien may be foreclosed upon in like manner as a mortgage of real property as described in Section 514A-90, Hawaii Revised Statutes.

(c) All late fees, interest, expenses, costs, and attorneys' fees assessed against an owner shall be promptly paid on demand to the Association by the owner. The Board of Directors shall be authorized to adopt a policy whereby payments received from the owners may be applied toward the indebtedness of such owners to the Association in such order as the Board of Directors may specify, subject to any notice requirements of the Condominium Property Act, as amended. For example, the Board of Directors may adopt a policy whereby payments from owners shall be applied in the following order: 1) toward the payment of expenses, costs, and attorneys' fees assessed against the delinquent owner; 2) toward the payment of late fees and interest assessed against the delinquent owner; and 3) the balance remaining, if any, toward the payment of common expense assessments. Such acceptance and application of payments shall not be construed as a waiver of any rights the Association shall have against such owner for any and all outstanding amounts due and owing to the Association and the Board of Directors, at its sole discretion, may refuse acceptance of any payment which may be insufficient to satisfy all amounts due and owing to the Association.

(d) Notwithstanding any provision to the contrary contained in these By-Laws, if an owner shall fail to pay an assessment when due, the Board of Directors may, in its discretion, upon ten (10) days' written notice to the owner, declare due and owing the entire unpaid balance of such owner's projected common expense assessments for the fiscal year in which the default occurs. If the Board of Directors subsequently makes adjustments in the projected common expense assessments for the relevant fiscal year causing either an increase or decrease in the monthly installments owed by such owner, then the owner shall pay the deficiency or receive a credit for the adjusted amount of the installments within thirty (30) days after the date of the transmittal of notice by the Association to such owner of such increase or decrease.

22. Article VI, Section 2 of the By-Laws is amended to read as follows:

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

23. A new Section 6 is added to Article VI of the By-Laws to read as follows:

Section 6. Waiver. Failure of the Board of Directors to insist upon strict performance or compliance with any of the provisions of the Condominium Property Act, the Declaration, By-Laws, and/or House Rules by an Owner shall not be construed as a waiver or relinquishment of such provisions or a waiver or relinquishment of the right of the Board of Directors to insist upon such performance or compliance at any future date.

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

The undersigned officers of the Association hereby certify that the foregoing amendments to the Declaration were adopted by the Association of Apartment Owners of the Hokulani in Kailua by the written consent of owners of more than seventy-five percent (75%) of the common interest as to the Declaration and by the written consent of owners of more than sixty-five percent (65%) of the common interest as to the By-Laws.

IN WITNESS WHEREOF this instrument has been executed this
4th day of November, 1996.

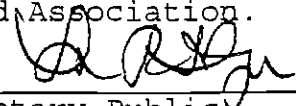
ASSOCIATION OF APARTMENT OWNERS OF
HOKULANI IN KAILUA

By: Jean M. McDermott-Valenzuela
Jean M. McDermott-Valenzuela
TYPE NAME: Jean M. McDermott-Valenzuela
TYPE TITLE: President President

By: Colleen Saiki Colleen Saiki
TYPE NAME: Colleen Saiki
TYPE TITLE: Director Director

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

On this 4th day of November, 1996, before me personally appeared Jean U. UCDERMOTT-VALENZUELA, to me personally known, who being by me duly sworn, did say that she is the President of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



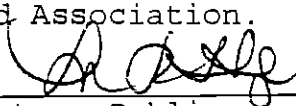
Notary Public
State of Hawaii

My commission expires: 4/11/98

LS

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

On this 4th day of November, 1996, before me personally appeared Colleen Saito, to me personally known, who being by me duly sworn, did say that she is the Director of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



Notary Public
State of Hawaii

My commission expires: 4/11/98

LS

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

BUREAU OF CONVEYANCES

DATE 08-11-95 TIME 08:02

DOCUMENT NO. 95-104139

LAND COURT SYSTEM

REGULAR SYSTEM

Return by: Mail [] Pickup [] To:

NEELEY & ANDERSON
Attorneys at Law
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawaii 96813 (808) 536-8177

SECOND RESTATEMENT OF DECLARATION OF CONDOMINIUM
PROPERTY REGIME OF HOKULANI IN KAILUA

WHEREAS, Section 514A-82.2(A), Hawaii Revised Statutes, provides that associations of apartment owners may at any time restate the declaration of horizontal property regime ("declaration") of the condominium project to set forth all amendments thereof by resolution adopted by the Board of Directors;

WHEREAS, Section 514A-82.2(B), Hawaii Revised Statutes, provides that associations of apartment owners may at any time restate the declaration to amend the declaration as may be required in order to conform with the provisions of Chapter 514A, Hawaii Revised Statutes, or any other statute, ordinance, rule, or regulation enacted by any governmental authority, by resolution adopted by the Board of Directors, and the restated declaration shall be as fully effective for all purposes as if adopted by the vote or written consent of the apartment owners. Section 514A-82.2(B), Hawaii Revised Statutes, further provides that the declaration as restated pursuant to that section shall: 1) identify each portion so restated; 2) contain a statement that those portions have been restated solely for the purposes of information and convenience; 3) identify the statute, ordinance, rule, or regulation implemented by the amendment; and 4) state that in the

event of any conflict, the restated declaration shall be subordinate to the cited statute, ordinance, rule, or regulation;

WHEREAS, Section 514A-82.2(C), Hawaii Revised Statutes, provides that upon the adoption of a resolution pursuant to Section 514A-82.2(A) or (B), Hawaii Revised Statutes, the restated declaration shall set forth all of the operative provisions of the declaration, as amended, together with a statement that the restated declaration correctly set forth, without change, the corresponding provisions of the declaration, as amended, and that the restated declaration supersede the original declaration and all prior amendments thereto;

WHEREAS, the Board of Directors of the Association of Apartment Owners of Hokulani in Kailua by adoption of a resolution in June 1994 voted to record a restated version of the Declaration of Horizontal Property Regime of Hokulani at Kailua recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22108 at Page 161 on July 5, 1988, as amended by instruments recorded as aforesaid on March 20, 1989 in Liber 22967 at Page 352; recorded as aforesaid on April 21, 1989 in Liber 23097 at Page 350; recorded as aforesaid on May 26, 1989 in Liber 23229, at Page 127; recorded as aforesaid on July 3, 1989 in Liber 23365 at Page 234, recorded as aforesaid on December 26, 1989 in Liber 24043 at Page 267; recorded as aforesaid on August 15, 1990 as Document No. 90-125451; recorded as aforesaid on July 12, 1991 as Document No. 91-094015; recorded as aforesaid on February 12, 1993 as Document No. 93-023873; and recorded as aforesaid on June 3, 1994 as Document No. 94-94050 which instrument was recorded as aforesaid on September 12, 1994 as Document No. 94-150380.

WHEREAS, the Board of Directors of the Association of Apartment Owners of Hokulani in Kailua by adoption of a resolution at a meeting on April 10, 1995 voted to record a second restated version of the Declaration of Horizontal Property Regime which would conform with the provisions of Chapter 514A, Hawaii Revised Statutes and other statutes, ordinances, rules and regulations enacted by other governmental authority;

NOW, THEREFORE, the Declaration of Condominium Property Regime of Hokulani in Kailua aka Declaration of Horizontal Property Regime of Hokulani in Kailua ("Declaration") is hereby restated as set forth below. Each Declaration provision that has been restated has been identified in the endnotes attached hereto.¹ Said provisions have been restated solely for the purposes of information and convenience. To the extent that there is any conflict between the restated provisions of the Declaration and the statute or statutes being implemented, the provisions of the restated Declaration shall be subordinate to said statute or statutes. The restated version of the Declaration correctly sets forth, without change, the corresponding provisions of the Declaration, as amended. (The By-Laws which were originally recorded with the Declaration have been

separately restated and are not included in this Second Restatement.) This restated version of the Declaration shall supersede the original Declaration and all prior amendments thereto; provided, however, that in the event of any conflict, the restated version of the Declaration shall be subordinate to the original declaration and all prior amendments thereto.

DECLARATION OF CONDOMINIUM PROPERTY REGIME

OF

HOKULANI IN KAILUA

WHEREAS, JAMES C. CASTLE, also known as James Christian Castle, JAMES C. McINTOSH, also known as James Castle McIntosh and HAWAIIAN TRUST COMPANY, LIMITED, Trustees of the Trust Estate established pursuant to Article Eighth of the Last Will and Testament of Harold K.L. Castle, deceased, hereinafter collectively called "the Trustees", own in fee simple the real property described in Exhibit "A" (the "property") attached hereto and hereby made a part hereof, the Trustees being hereinafter sometimes called the "Fee Owner";

AND WHEREAS, JOHN J. HULTEN, JR., trustee of the John J. Hulten, Jr. Trust, dated May 27, 1987, (the "Lessee"), is the present holder (by virtue of an assignment dated June 30, 1989 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23365 at Page 194) of a Master Tract Lease covering the property dated February 10, 1982 recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16245 at Page 514 (the "Master Tract Lease");

WHEREAS, KEN NOBUTA, whose principal place of business and post office address is Room 6, 1507 Kapiolani Blvd., Honolulu, Hawaii, (the "Sublessee") is the holder of a Master Tract Development Sublease covering the property, dated December 16, 1986, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 20237 at Page 461 (the "Sublease");

AND WHEREAS, PEPPERDALE, INC., a Hawaii Corporation, whose principal place of business and post office address is Room 6, 1507 Kapiolani Boulevard, Honolulu, Hawaii, (the "Developer"), is the holder of a Master Tract Development Sub-Sublease covering the property, dated December 24, 1986, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 20258, at Page 039 (the "Development Lease") and pursuant to the terms of the Development Lease said Developer has undertaken to improve said land by the construction thereon of certain improvements hereinafter described in accordance with plans incorporated herein by reference and recorded in said Bureau as Condominium Map No. 1138, as amended (the "Condominium Map");

NOW, THEREFORE, in order to create a condominium project consisting of said land and improvements (herein called the "project"), and to be known as "HOKULANI IN KAILUA", the Fee Owner, Lessee, Sublessee and Developer hereby submit said property to the Condominium Property Regime established by the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and in furtherance thereof make the following declarations as to

divisions, limitations, restrictions, covenants and conditions, and hereby declare and agree that said property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to said declarations, which declarations shall constitute covenants running with the land and shall be binding on and for the benefit of the parties hereto, their respective successors and assigns, and all subsequent owners and lessees of all or any part of the project and their respective successors, heirs, executors, administrators and assigns;

A. DIVISION OF PROPERTY. The project is hereby divided into the following separate freehold estates:

1. Apartments. A freehold estate is hereby designated in each of the one hundred and forty four (144) apartment units of the project contained in fifteen (15) buildings without basements constructed principally of concrete foundation, wood frame, glass, and allied building materials, which spaces, herein called "apartments" are designated on said plans and described as follows:

(a) There are fifteen buildings in the project, designated Building A, Building B, Building C, Building D, Building E, Building F, Building G, Building H, Building J, Building K, Building L, Building M, Building N, Building P, and Building Q and described as follows:

Buildings A, B, C, D, G, H, J, K, L, M, N, P and Q are two-story buildings with apartments on the ground floor and on the second floor.

Buildings E and F are three story buildings with parking on the ground floor and apartments on the second and third floors.

Each building is rectangular, and each is connected to the other by common walkways. The levels of the buildings have been given designations as ground floor and second floor, and, in the case of Buildings E and F, third floor. Access to the second floor of each building and to the third floor of Buildings E and F is by means of an exterior stairway or stairways.

Each apartment has been given an alphabetical/numerical designation by which the building in which it is located and its location in the building can be determined. The alphabetical letter preceding the three numerals of each apartment designation corresponds to the building in which it is located, the first numeral of each apartment corresponds to the floor upon which it opens and the next two numerals correspond to the location of the apartment.

Each of the buildings has been given an alphabetical designation as follows: The building in the northwest corner of the property is Building A. Building B is immediately to the south of Building A. Building C is to the east of Building A. Building

D is to the east of Building B. Building E is southeast of Building B, closest to the southwestern property line of the project. Building F is to the immediate northeast of Building E. Building G is to the immediate northeast of Building F. Building J is to the east of Building C and Building K is to the east of Building J. Building H is south of Buildings J and K. Building M is to the east of Building K. Building N is to the east of Building M. Building P is to the south of Building N. Building L is to the southwest of Building P. Building Q is to the southeast of Building P.

Each of Buildings A, B, C, D, E, F, J, K, L, and Q contains eight apartments four of which are located on each floor (except for the ground floor in Buildings E and F which contain no apartments.) Each floor of Buildings A and C contains a single one bedroom apartment and three two bedroom apartments. Each floor of Buildings B, D, J, K, L, and Q and each of the second and third floors of Buildings E and F contains four two bedroom apartments.

Buildings G, H and M each contain fourteen two bedroom apartments seven of which are located on each floor of each building.

Building N contains ten two bedroom apartments five of which are located on each floor.

Building P contains twelve two bedroom apartments six of which are located on each floor.

In Buildings A and C the apartment on the northwest corner of each floor (toward the corner of Aoloa Street and Hamakua Drive) is given a numerical designation of 01. The apartments then bear the designation 02, 03 and 04 running from north to south.

In Buildings B and D the apartment on the southeast corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, and 04 running from south to north.

In Buildings E, F, L and Q the apartment on the northwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, and 04 running from northwest to southeast.

In Buildings G and M the apartment on the southwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, 04, 05, 06, and 07 running from southwest to northeast.

In Building H the apartment on the west corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, 04, 05, 06, and 07 running from west to east.

In Buildings J and K the apartment on the west corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, and 04 running from west to east.

In Building N the apartment on the southwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, 04, and 05 running from southwest to northeast.

In Building P the apartment on the northwest corner of each floor is given a numerical designation of 01. The apartments then bear the designation 02, 03, 04, 05, and 06 running from northwest to southeast.

(b) Each apartment contains the number of rooms and approximate floor area according to its respective plan as shown on said Condominium Map (Sheet A-6), each such plan being designated either "Two Bedroom Type X", "Two Bedroom Type Y" or "One Bedroom Type Z". Certain of the two bedroom apartments are constructed according to a Reversed Plan which is a mirror image of the typical unit layout. These Reversed apartments are designated on Sheets A-1, A-2, A-3, A-7, A-8, A-9, A-10, A-14, A-15, A-19, A-21, A-23 and A-25 of the Condominium Map. Each unit type is further described as follows (N.B. "net living area" is computed from the interior surface of perimeter walls):

One Bedroom Type Z. There are a total of 4 One-Bedroom Type Z apartments in the project. Apartments A-104, A-204, C-104 and C-204 are the One Bedroom Type Z apartments. Each One Bedroom Type Z apartment contains a net living area of approximately 588 square feet including 4 rooms: a living/dining room, kitchen, bath and bedroom together with a storage closet. Not included in the computation of the net living area, but a part of each such apartment, nonetheless, is either a lanai (ground floor apartments) or deck (second floor apartments) area of approximately 35 square feet. Apartment C-104 has a subdesignation of Type 2H. It is a unit with a larger bath (but correspondingly smaller bedroom) to accommodate the City and County requirements relating to units for the handicapped.

Two Bedroom Type X. There are a total of 62 Two-Bedroom Type X apartments in the project. Apartments A-101, A-201, B-101, B-104, B-201, B-204, C-101, C-201, D-101, D-104, D-201, D-204, E-201, E-204, E-301, E-304, F-201, F-204, F-301, F-304, H-101, H-104, H-105, H-107, H-201, H-204, H-205, H-207, J-101, J-104, J-201, J-204, K-101, K-104, K-201, K-204, L-101, L-104, L-201, L-204, M-101, M-103, M-104, M-107, M-201, M-203, M-204, M-207, N-101, N-103, N-104, N-201, N-203, N-204, P-101, P-106, P-201, P-206, Q-101, Q-104, Q-201, and Q-204 are the Two Bedroom Type X apartments. Each Two Bedroom Type X apartment contains a net living area of approximately 811 square feet including 6 rooms: a living/dining room, kitchen, 2 baths and 2 bedrooms together with a storage closet. Not included in the computation of the net

living area, but a part of each such apartment, nonetheless, is either a lanai (ground floor apartments) or deck (second and third floor apartments) area of approximately 35 square feet. Certain of the Two Bedroom Type X apartments are Reversed or Mirror Images. These Reversed apartments are indicated as such on the Condominium Map.

Two Bedroom Type Y. There are a total of 78 Two-Bedroom Type Y apartments in the project. Apartments A-102, A-103, A-202, A-203, B-102, B-103, B-202, B-203, C-102, C-103, C-202, C-203, D-102, D-103, D-202, D-203, E-202, E-203, E-302, E-303, F-202, F-203, F-302, F-303, G-101, G-102, G-103, G-104, G-105, G-106, G-107, G-201, G-202, G-203, G-204, G-205, G-206, G-207, H-102, H-103, H-106, H-202, H-203, H-206, J-102, J-103, J-202, J-203, K-102, K-103, K-202, K-203, L-102, L-103, L-202, L-203, M-102, M-105, M-106, M-202, M-205, M-206, N-102, N-105, N-202, N-205, P-102, P-103, P-104, P-105, P-202, P-203, P-204, P-205, Q-102, Q-103, Q-202, Q-203 are the Two Bedroom Type Y apartments. Each Two Bedroom Type Y apartment contains a net living area of approximately 814 square feet including 6 rooms: a living/dining room, kitchen, 2 baths and 2 bedrooms together with a storage closet. Not included in the computation of the net living area, but a part of each such apartment, nonetheless, is either a lanai (ground floor apartments) or deck (second floor apartments) area of approximately 35 square feet. Certain of the Two Bedroom Type Y apartments are Reversed or Mirror Images. These Reversed apartments are indicated as such on the Condominium Map.

(c) Each apartment has immediate access to the common elements.

(d) Each apartment shall be deemed to include all walls and partitions within its perimeter walls; all glass windows, louvers, doors, and panels along the perimeter; the interior half of all perimeter party walls; to the exterior surface of all perimeter non-party walls; the inner decorated or finished surfaces of the perimeter walls, floors and ceilings; and shall include all air space encompassed within the apartment and within the area constituting its lanai or deck as shown on the Condominium Map and the surface of the lanai or deck and the storage closet located on the lanai or deck; provided, however, those perimeter walls, interior loadbearing walls, floors and ceilings or portions thereof, located within or surrounding each apartment and all pipes, wires, conduits and other utility service lines running through such apartment which are utilized for or serve more than one apartment, shall be deemed common elements, except for the interior finished or decorated surfaces of said walls, floors and ceilings; and provided, further, that any fire sprinkler system components, and any ducts, shafts, or other enclosed spaces for common wiring, pipes or air exhaust located within any apartment shall also be deemed to be common elements.

2. Common Elements. One freehold estate is hereby designated in all remaining portions of the project, herein called the "common

elements", including specifically but not limited to the common elements described in paragraph 1 above and paragraph 3 below and:

- (a) Said land in fee simple.
- (b) Except as provided in paragraph A.1(d), all foundations, floor slabs, columns, girders, beams, supports, unfinished portions of perimeter walls and interior load-bearing walls and roofs of the residential buildings.
- (c) All yards, grounds, private parks, interior malls and landscaping, sprinkler systems designed to serve the landscaping, signs at the entryway identifying the project, and all refuse facilities, if any, whether within or appurtenant to the project.
- (d) All roads, parking areas, driveways, corridors, entries, lobbies and walkways other than those designated below as limited common elements.
- (e) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.
- (f) The fire sprinkler system, if any, including portions thereof that may be installed within the various apartments.
- (g) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.²

Attention is called to the fact that the common elements do not include a resident manager's apartment. The Developer does not intend to provide a resident manager's apartment in the project, either as a common element or as a separate apartment. However the Developer will offer a leasehold estate in a Developer designated two bedroom apartment in Phase 2 of the project for sale to the Association of Apartment Owners (which Association is described in Paragraph F. hereof). As soon as such apartment is ready for occupancy the Developer will notify the Association in writing that the apartment is offered for sale at the initial price of \$119,900.00, cash. The price will increase by \$898.75 on the first day of each month following the date of the written offer. Provided that the Association pays the lease rent for the use of the apartment as specified below, the Association will have 24 months from the date of the written offer to accept the offer and close the purchase of the said apartment. During the period from the time that the offer is made by the Developer until the sale is closed the Developer will lease the said apartment to the Association (or its managing agent) for use as a resident

manager's apartment at a monthly lease rent equal to \$8.30 per month for each apartment from time to time existing in the project.

If the Association does not pay the monthly lease rent for the use of the apartment, or having paid such lease rent does not close the purchase the apartment within the 24 month period, then the Developer will have no further obligation to hold any apartment available for the Association and the Developer will be free to dispose of every apartment in the project to third parties.

3. Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as set forth herein. The costs and expenses of every description pertaining to the limited common elements, including, but not limited to, the costs of maintenance, repair, replacement, improvement or additions to the limited common elements shall be charged to all apartment owners as a common expense in proportion to the common interests appurtenant to their respective apartments, except as otherwise provided in this paragraph 3.

(a) Each apartment shall have appurtenant to it as a limited common element the parking stall(s) shown after the number of the apartment to which it is appurtenant on Exhibit B³ attached hereto. The Developer reserves the right to initially assign, in each case with the written consent of the Fee Owner, Lessee and Sublessee, any parking stalls to any apartments by amendment of the Declaration, as provided in Paragraph P, below; and provided further that said right of assignment shall not apply to those stalls, if any, marked on the Condominium Map as "guest" stalls, all of which shall remain common elements, rather than limited common elements. After their initial assignment, stalls may be reassigned from time to time by amendment to this Declaration as provided in Paragraph P, below. All costs and expenses of repairing, restriping or otherwise repairing such parking stalls shall be charged to each owner on a pro-rata basis in direct proportion to the number of parking stalls appurtenant to the Owner's apartment and all other costs and expenses attributable to such parking stalls shall be charged to each owner as a common expense of the Project.

(b) Each apartment shall have appurtenant to it as a limited common element the entry way leading up to its front door as shown on the Condominium Map. The entry way for the Two Bedroom Type X Apartment has a depth of 3 feet 2 inches and a width of 4 feet 2 inches. The entry way for the Two Bedroom Type Y Apartment has a depth of 2 feet 6 inches and a width of 4 feet 2 inches, provided, however that wherever a Two Bedroom Type Y Apartment is adjacent to a One Bedroom Type Z apartment the entry way has a depth of 6 feet 4 inches and a width of 4 feet 2 inches and is a limited common element appurtenant to the Two Bedroom Type Y

Apartment and the One Bedroom Type Z jointly. The cost of routine cleaning and maintenance of the entry ways and the cost of repairing any damage of said entry way caused by the owner or occupant of said apartment or their permittees shall be borne by the owner of said apartment; but the cost of any other repairs to the said entry way shall be borne by all apartment owners as a common expense.

B. COMMON INTEREST. Each apartment shall have appurtenant thereto an undivided interest in all common elements of the project (herein called the "common interest") and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting as follows:

Each One Bedroom Apartment shall have a common interest of .005 (a total of .02 for 4 such apartments);

Each Two Bedroom Apartment shall have a common interest of .007 (a total of .98 for 140 such apartments);
(.012 + .98 = 1.00)

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

1. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment, in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided; and in all other apartments of its building for support.

2. If any part of the common elements encroaches upon any apartment or limited common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. The Association of Apartment Owners of the project shall have the right, to be exercised by its Board of Directors (herein called "the Board") or Managing Agent, to enter any apartments and 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 required to prevent damage to any apartments or common elements or for the installation, repair, or replacement of any common elements.

D. ALTERATION AND TRANSFER OF INTEREST. The common interest and easements appurtenant to each apartment shall have a permanent

character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, or except as otherwise set forth in this Declaration, shall not be separated from each apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Condominium Property Act.

E. USE. The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days, or (b) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration.

F. ADMINISTRATION OF PROJECT. Administration of the project shall be vested in its Association of Apartment Owners, herein called the "Association", consisting of all apartment owners of the project in accordance with the By-Laws of the Association of even date and recorded concurrently herewith. Operation of the project and maintenance, repair, replacement and restoration of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of said Condominium Property Act, this Declaration and the By-Laws, and specifically but without limitation the Association shall:

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

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

3. Well and substantially repair, maintain, amend and keep all common elements of the project, including, without limitation the buildings thereof, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep said land and all adjacent land between any street boundary of the project and the established curb or street line in a neat and attractive condition and all trees, shrubs and grass thereon in good cultivation and

replant the same as may be necessary, and repair and make good all defects in the common elements of the project herein required to be repaired by the Association, of which notice shall be given by any owner or his agent, within thirty (30) days after the giving of such notice.

4. Before commencing or permitting construction of any improvement on the project, obtain and deposit with the Fee Owner (and the Lessee, the Sublessee, and Developer during the continuance in effect of their respective leases) a bond naming as obligees the Fee Owner, the Lessee, the Sublessee, and Developer during the continuance in effect of their respective leases, and collectively all other apartment owners as their interests may appear with a corporate surety and in form acceptable to the Fee Owner guaranteeing completion of such construction without cost to the Fee Owner, the Lessee, the Sublessee, and Developer in accordance with the contract therefor free and clear of all mechanics' and materialmen's liens and shall be in a penal sum not less than 100% of the cost of such construction.

5. Observe any setback lines affecting the project as may be shown on said Condominium Map, and not erect, place or maintain any building or structure whatsoever except approved fences or walls between any street boundary of the project and the setbackline along such boundary.

6. Not erect or place on the project any building or structure including fences and walls, nor make additions or structural alterations to or exterior changes of any common element of the project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications therefor including a detailed plot plan, prepared by a licensed architect if so required by the Fee Owner or the Lessee or the Sublessee or Developer during the continuance in effect of their respective leases first approved in writing by the Fee Owner, the Lessee, the Sublessee, and Developer during the continuance in effect of their respective leases, and also approved by a majority of apartment owners (or such larger percentage as required by law or this Declaration) including all owners of apartments thereby directly affected, and complete any such improvements diligently after the commencement thereof.

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

8. Not erect, place or maintain any television or other antennas on said project visible from any point outside of said project.

G. MANAGING AGENT. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in said Condominium

Property Act. The initial Managing Agent shall be Aaron M. Chaney, Inc., 841 Bishop Street, Honolulu, Hawaii 96813.

H. COMMON EXPENSES. All charges, costs and expenses whatsoever incurred by the Association for or in connection with the administration of the project, including without limitation the operation thereof as provided in the By-Laws shall constitute common expenses of the project. Common expenses shall include without limitation the reserves that may be established by the Board of Directors pursuant to the By-Laws, any maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto, any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon, and any premiums for hazard and liability insurance herein required with respect to the project. All apartment owners shall be severally liable for the common expenses of the project in proportion to their respective common interests. Rent and real property taxes and special assessments referred to in Section 514-A-6, Hawaii Revised Statutes, and separately metered energy system costs, if any, shall not be common expenses of the Condominium Property Regime hereby created and no payments thereof shall be payments of such common expenses. The Board shall from time to time assess the common expenses against all the apartments in their respective proportionate shares, and the unpaid amount of such assessments against any apartment shall constitute a lien against the apartment owner's interest in such apartment which may be foreclosed by the Board or Managing Agent as provided by said Condominium Property Act, provided that thirty (30) days prior written notice of intention to foreclose shall be mailed, postage prepaid, to the Fee Owner, and to the Developer, the Sublessee, and the Lessee during the continuance in effect of their respective leases and all other persons having any interest in such apartment as shown in the Association's record of ownership.

I. COMPLIANCE WITH DECLARATION AND BY-LAWS. All apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the project, shall be bound by and comply strictly with the provisions of this Declaration, the By-Laws of the Association and all agreements, decisions and determinations of the Association as lawfully made or amended from time to time, and failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board or Managing Agent on behalf of the Association, or in a proper case, by any aggrieved apartment owners. Subject to the provisions of Paragraph P of this Declaration any percentage of apartment owner's whose common interest totals in excess of 50% at the time of any vote shall constitute a majority of the apartment owners in the project for the purposes of that vote.

J. INSURANCE. The Association shall procure, purchase, and at all times maintain insurance which covers all buildings, the

common elements and, whether or not part of the common elements, all exterior and interior walls, floors, ceilings, and all exterior glass, in accordance with the as-built condominium plans and specifications, against loss or damage by fire, sufficient to provide for the repair or replacement thereof in the event of such loss or damage. The insurance coverage shall be written in the name of the Association. Premiums shall be common expenses. The insurance policy shall be payable in case of loss to such bank or trust company authorized to do business in Hawaii as the Board shall designate for the custody and disposition as herein provided of all proceeds of such insurance. From time to time, upon receipt thereof, the Board shall cause to be deposited promptly with the Fee Owner and with the Lessee, the Sublessee and the Developer during the continuance in effect of their respective leases, true copies of such insurance policies or current certificates thereof, without prejudice to the right of each apartment owner to insure his apartment for his own benefit. Except as otherwise provided in Paragraph M below, in every case of such loss or damage all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing, or otherwise reinstating the same buildings in a good and substantial manner according to the original plan and elevation thereof or such modified plans conforming to laws and ordinances then in effect as shall be first approved as herein provided, and the Association at its common expense shall make up any deficiency in such insurance proceeds. Every such policy of insurance shall:

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

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

3. Provide that such policy may not be cancelled (whether or not requested by the Board) except by the insurer giving at least thirty (30) days prior written notice thereof to the Board, Fee Owner, the Lessee, the Sublessee and Developer during the continuance in effect of their respective leases, and every other person in interest who shall have requested such notice of the insurer;

4. Contain a waiver by the insurer of any right of subrogation to any right of the Board, Fee Owner, Lessee, Sublessee, Developer, or apartment owners against any of them or any other persons under them;

5. Contain a standard mortgagee clause which shall:

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

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board, Fee Owner, Lessee, Sublessee, Developer, or apartment owners or any persons under any of them;

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

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

6. Cover the common elements and, whether or not part of the common elements, all exterior and interior walls, exterior glass, floors and ceilings.

7. Include all other requirements for insurance under Chapter 514-A of the Hawaii Revised Statutes, or other federal or state law.

The Association as a common expense shall also effect and maintain at all times comprehensive general liability insurance, covering all apartment owners with respect to the project and naming the Fee Owner and the Lessee, the Sublessee, and Developer during the continuance in effect of their respective leases, as additional assured, in an insurance company authorized to do business in Hawaii with minimum limits of not less than \$500,000.00 for injury to one person and \$1,000,000.00 for injury to more than one person in any one accident or occurrence and \$100,000.00 for property damage, or such higher limits as may be required by reasonable and prudent business standards, and from time to time deposit promptly with the Fee Owner, the Lessee, the Sublessee, and Developer during the continuance in effect of their respective leases, current certificates of such insurance, without prejudice to the right of any apartment owners to maintain additional liability insurance for their respective apartments. If the project is located in an identified flood hazard area as designated by the federal Department of Housing and Urban Development, the Association shall procure, purchase and at all times maintain flood insurance under the provisions of the federal Flood Disaster Protection Act of 1973 with the same coverage and terms as required hereunder for fire insurance, but only to the extent required by law or otherwise deemed advisable by the Association. The

Association may also procure insurance against such additional risks as the Association may deem advisable for the protection of the Apartment Owners of a character normally carried with respect to properties of comparable character and use in the State of Hawaii. All insurance required hereunder will be obtained and maintained by the Association acting through the Board.

The Board will 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 each owner of an apartment and his mortgagee who shall request a copy of such report, and also, without any such request, to the Developer, Lessee, the Sublessee, and Fee Owner. The Board will furnish to any mortgagee of an apartment, who shall so request, copies of the policies carried by the Association, together with all mortgagee endorsements. All policies shall include a provision requiring the insurance carrier, at the inception of the policy and on each anniversary date, to provide the Board with a written summary, in laymen's terms, of the policy including the type of policy, a description of the coverage and the limits thereof, amount of annual premium and renewal dates. The Board shall provide this information to each owner.⁴

K. CONDEMNATION. In case at any time or times the project or any part thereof shall be taken or condemned by any authority having the power of eminent domain all compensation and damages for or on account of any land shall be payable to and be the sole property of the Fee Owner, and all compensation and damages for or on account of any improvements on the project shall be payable to such bank or trust company authorized to do business in Hawaii as the Board shall designate as trustee for all apartment owners and mortgagees according to the loss or damage to their respective apartments and appurtenant common interests and except as otherwise provided in paragraph M below, shall be used promptly by the Association to the extent necessary for restoring or replacing such improvements on the remaining land according to plans therefor first approved as herein provided unless such restoration or replacement is impractical in the circumstances. Unless such restoration or replacement is undertaken within a reasonable time after such condemnation the Association at its common expense shall remove all remains of such improvements so taken or condemned and restore the site thereof to good orderly condition and even grade.

L. UNINSURED CASUALTY. Except as otherwise provided in paragraph M below, in case at any time or times any improvements of the project shall be substantially damaged or destroyed by any casualty not herein required to be insured against, the improvements shall be reinstated in good and substantial manner and shall be completed diligently, according to the original plan and elevation thereof or such other plan first approved as provided herein. The cost of restoration of individual apartments (except for the common elements and limited common elements located within such apartments which are a common expense) shall be borne by the owners of the apartment affected. To the extent practicable, the

rebuilding, repair or restoration of individual apartments shall be administered under the direction of the Association and pursuant to the same contract or contracts as pertain(s) to the rebuilding, repair or restoration of the common elements and limited common elements, with provisions for allocation of costs between work applicable to common and limited common elements on the one hand and individual apartments on the other hand. All costs under said contract or contracts (to which the Association is a party as provided in the preceding sentence) properly chargeable to the individual apartments shall be specially assessed to the owners of said apartments by the Association in advance of the work being performed and shall be secured by a lien in the same manner as if the charges were common expenses under paragraph H above. Unless such rebuilding, repair, or restoration is undertaken within a reasonable time after such casualty the Association at its common expense shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good orderly condition and even grade.

M. SUBSTANTIAL DAMAGE OR DESTRUCTION. "Substantial Damage or Destruction" is defined as any damage or destruction to the project:

1. Caused by a casualty not herein required to be insured against whereof the cost of repair would exceed \$1,000,000.00; or,

2. Caused by a casualty herein required to be insured against whereof the cost of repair would exceed \$1,000,000.00 and would exceed 120% of the proceeds of insurance; or,

3. Caused by condemnation whereof the cost of repair would exceed \$1,000,000.00 and would exceed 120% of the condemnation proceeds.

In case at any time or times any improvements of the project shall suffer Substantial Damage or Destruction, whether to rebuild, repair, or restore the project shall be determined by an affirmative vote of seventy-five percent (75%) of the apartment owners.

Any such approved rebuilding, repair or restoration of the common elements and limited common elements shall be completed diligently by the Association at its common expense, and the apartment owners shall be solely responsible for the cost of any restoration of their respective apartments (except for common elements and limited common elements located within said apartments which are a common expense) so damaged or destroyed according to the original plan and elevation thereof or such other plan first approved as provided herein; PROVIDED, HOWEVER, that any insurance proceeds shall be applied to said restoration as provided in paragraph J above; and PROVIDED, FURTHER, that to the extent practicable, the rebuilding, repair or restoration of the individual apartments shall be administered under the direction of

the Association and pursuant to the same contract or contracts as pertain(s) to the rebuilding, repair or restoration of common elements and limited common elements, with provisions for allocation of costs between work applicable to common and limited common elements on one hand and individual apartments on the other hand. All costs under said contract or contracts (to which the Association is a party as provided in the preceding sentence) properly chargeable to the individual apartments shall be specially assessed to the owners of said apartments by the Association in advance of the work being performed and shall be secured by a lien in the same manner as if the charges were common expenses under paragraph H above.

Unless such restoration is undertaken within a reasonable time after such casualty the Association at its common expense shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good orderly condition and even grade.

This paragraph M shall take precedence over any contrary provisions in this Declaration in the event of Substantial Damage or Destruction to the project.

N. ALTERATION OF PROJECT. Restoration or replacement on or appurtenant to the project or any building, or other structure thereof, or construction or structural alteration or addition to any such structure, different in any material respect from said Condominium Map of the project, shall be undertaken by the Association or any apartment owner only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of all the apartment owners and accompanied by the written consent of the holders of all liens (if the lienholders require such consent) affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board, the Fee Owner, the Lessee, the Sublessee, and the Developer during the continuance in effect of their respective leases, and promptly upon completion of such restoration, replacement or construction, the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any provision in this Declaration to the contrary, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall require the written consent thereto and written approval of the apartment owner's plans therefor by only the holders of all liens affecting such apartment (if the lienholders require such consent and approval), the Board of Directors of the Association, all other apartment owners thereby directly affected (as determined by said Board) and the Fee Owner, Lessee, Sublessee and Developer during the continuance in effect of their respective leases, and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the project as so altered.

O. MAINTENANCE RESERVE FUND. The Board may establish and maintain a General Operating Reserve and/or a Capital Improvement Reserve Fund as provided in the By-Laws. As required by Chapter 514A, the Association shall assess the apartment owners to fund the estimated cash reserves and shall compute the estimated cash reserves by a formula which is based on the estimated life and the estimated replacement cost or major maintenance expense of each part of the property for which the Association is responsible. The estimated cash reserves shall include:

- (1) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and
- (2) Separate, designated reserves for each part of the property for which capital expenditures or major maintenance will exceed \$10,000. Parts of the property for which capital expenditures or major maintenance will not exceed \$10,000 may be aggregated in a single designated reserve.⁵

P. AMENDMENT OF DECLARATION. Except as otherwise provided herein or in said Condominium Property Act, this Declaration may be amended by a vote or written consent of the owners of seventy-five percent (75%) of the common interests effective only upon the recording of an instrument setting forth such amendment and vote or written consent, duly executed by the Fee Owner and the Lessee, the Sublessee, and the Developer during the continuance in effect of their respective leases on the property and by the proper officers of the Association. Notwithstanding the foregoing and notwithstanding the sale and conveyance or lease of any of the apartments the Developer, Fee Owner, Lessee and Sublessee, acting collectively, may amend this Declaration and the Condominium Map at any time, by an appropriate instrument recorded in said Bureau of Conveyances as follows: (a) to file the "as built" verified statement(s) (with plans, if applicable) required by Section 514A-12, Hawaii Revised Statutes, so long as (i) such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, apartment numbers, and dimensions of the apartments as built, or (ii) any plans filed therewith do not involve any material changes to the layout, location, apartment numbers, or dimensions of the apartments as built; and (b) to initially assign any unassigned individual parking stalls (except those stalls, if any, marked "guest" on the Condominium Map) to individual apartments. Further, notwithstanding the conveyance or lease of any apartment, the Declaration may be amended from time to time for the purpose of transferring from one apartment to another the parking stalls by a written instrument (which instrument shall also constitute an amendment of the apartment lease of each or the affected apartments), executed by the Fee Owner, the Developer, the lessee under the apartment lease of each of the apartments specifically

affected by the transfer, and the mortgagee(s), if any, of each of said affected apartments, subject to the following conditions:

(i) at all times (or, in the case of exchange between apartments, immediately subsequent to such an exchange) there shall be at least one parking stall appurtenant to each apartment;

(ii) said transfer and amendment of the Declaration and apartment lease shall become effective upon recording said written instrument in the Bureau of Conveyances of the State of Hawaii;

(iii) no consent or joinder of any other person or group shall be required; and,

(iv) a true copy of said written instrument shall be filed with the Association, Fee Owner, Lessee, Sublessee and Developer, within fifteen (15) days after recordation thereof.⁶

Q. RESERVED RIGHTS. In addition to any other rights reserved herein, the Party In Interest (as hereinafter defined) hereby reserves the right for itself and its respective agents, successors, mortgagees and assigns to use all areas of the project to construct the apartments as described in this Declaration; to conduct sales of apartments at the project until apartment leases are issued to apartment purchasers with respect to all apartments in the project. Such rights shall include the right to grade, pave, construct buildings and common elements, display model apartments, operate a sales office, conduct advertising, place signs, use parking spaces and erect lighting in connection with such sales and to do all things necessary or convenient to fully exercise the rights reserved under this Declaration; provided that in exercising such rights the Party In Interest shall not use any apartment (or its common limited elements) with respect to which an apartment lease has been issued to an entity not related to the Party In Interest and provided further, that in exercising such right, the Party In Interest shall not interfere with the rights of any apartment owner to the use of, or access to, his apartment or the limited common elements appurtenant thereto. The Party In Interest shall have, and its respective agents, successors, mortgagees and assigns shall have an easement over and upon the project as may be necessary for the completion of the improvements of the project, and the correction of any defects therein.

The Party In Interest shall be the Developer during the continuance in effect of the Development Lease (but not beyond June 30, 1991); the Sublessee during the continuance in effect of the Sublease (but not beyond June 30, 1991) but only if the Developer is not the Party In Interest; the Lessee during the continuance in effect of the Master Tract Lease (but not beyond December 31, 1991) but only if the Developer or the Sublessee is not the Party In Interest; and the Fee Owner if neither the Developer, the Sublessee

or the Lessee is the Party In Interest but not beyond June 30, 1998.

The Party In Interest shall have the right, without being required to obtain the consent or joinder of any person, group of persons or entity, including any apartment owner or any lien holder (other than a lien holder on the Party In Interest's interest in the Project who may require the right to consent) and other than the consent of the Fee Owner, if the Fee Owner is not the Party In Interest to go and to have its contractor(s) go upon the property and the project as necessary or convenient for the initial construction of the apartments of the project; provided that the Party In Interest and its contractor(s) shall use reasonable efforts, consistent with maintaining the progress of such construction to avoid interference with the use and the enjoyment of the project by the other apartment owners.

The rights reserved to the Developer, the Sublessee, the Lessee and the Fee Owner under this Paragraph may be assigned by them without the consent of any person or entity, except as may be provided in the Master Tract Lease, the Sublease and/or the Development Lease.

The rights to initially construct the apartments of the project are subject to the following terms and conditions:

(a) Construction shall be in accordance with complete plans and specifications therefor prepared by a licensed architect and shall conform with the applicable building and zoning codes, laws, rules and regulations and with all applicable Federal, State and County laws, rules and regulations.

(b) No such plans and specifications shall require the alteration or demolition of any existing apartment or any structure constituting a part of the common elements or limited common elements, except that the Party In Interest shall have the right to utilize, relocate and realign existing, and/or to develop additional installations for services to the apartments for electricity, hot and cold water, air conditioning and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption, other than a very temporary interruption (with due notice) in the service of such utilities to any other part of the project.

(c) The Party In Interest shall pay all costs and expenses of the initial construction of the project and its 144 apartments and will indemnify and hold the Association and each apartment owner harmless from the costs and expenses relating thereto. No apartment shall be assessed for any cost relating to the common elements located in a building in the project until a Certificate of Occupancy has been issued for each apartment contained in such

building. Until such time the Developer shall be responsible for the common expenses relating to the apartments contained in such building.

(d) During the entire course of initial construction of the project the Party In Interest will cause to be maintained at its expense builder's all-risk insurance in an amount not less than the estimated cost of the unfinished construction. The Association shall be named as an additional insured and evidence of such insurance shall be deposited with the Association's Managing Agent.

(e) Prior to the commencement of any such construction, and as a condition thereof, the Party In Interest shall deposit with the Association satisfactory evidence of a Payment and Performance Bond, or an irrevocable letter of credit issued by a bank authorized to do business in the State of Hawaii, naming the Association as a co-obligee, in an amount not less than one hundred percent of the cost of such construction.

(f) The initial offering and sale by the Party in Interest of any apartment shall be in compliance with applicable provisions of the Condominium Act of the State of Hawaii.

(g) The Party In Interest shall not in any manner encumber the project or the land contained in the project in connection with the financing of the construction of the project, provided that the Party In Interest may encumber its interest in any apartment including the common interest appurtenant thereto. The Party In Interest shall be deemed the Owner of each apartment, subject to the provisions hereof, until such time as each such apartment is conveyed.

The provisions of this Paragraph may not amended without the written consent of the Fee Owner (and of the Developer, the Sublessee and the Lessee during any period in which they are, or could be the Party In Interest as provided hereinabove.)

By accepting or acquiring any right, title, estate or interest in the project or in the property subject to this Declaration each apartment owner, lien holder, or any other person obtaining any interest in the project or property agrees:

(1) that the Party In Interest may perform the work necessary to construct the project. This means that the Party In Interest may conduct normal construction activities which may result in inconvenience, noise, dust and other nuisance and shall not be called to task for so doing;

(2) that he or she or it will, if required by law or by the Party In Interest, join in, consent to or execute all instruments or documents necessary or desirable to effect the purposes of this Paragraph.

R. DEFINITIONS. The term "owner" as used in this Declaration and the By-Laws means the Fee Owners; PROVIDED, HOWEVER, that, except as otherwise provided in the following sentence of this Section R, to such extent and for such purposes (including the exercise of voting rights) as shall be provided by a lease registered under Chapter 501, Hawaii Revised Statutes (1976), as amended, or recorded under Chapter 502, Hawaii Revised Statutes (1976), as amended, a lessee of an apartment shall be deemed to be the owner thereof. The purchaser of an apartment pursuant to an agreement of sale registered under Chapter 501, Hawaii Revised Statutes (1976), as amended, or recorded under Chapter 502, Hawaii Revised Statutes (1976), as amended, shall have all of the rights of an apartment owner, including the right to vote; provided, that, to the extent permitted by law, the seller of an apartment pursuant to such an agreement of sale may retain the right to vote on matters substantially affecting his security interest in the apartment. References to "Developer", "Sublessee" and "Lessee" shall refer to said parties, and their respective successors and assigns, only during the term of their respective leasehold interests in the property. Reference to "Fee Owner" shall include Fee Owner's successors and assigns.

S. Notwithstanding any other provision in the Declaration or the By-Laws to the contrary, the Board of Directors shall have the authority to take whatever steps are necessary including expenditure of whatever funds are needed to construct a sprinkler system to serve the landscaping on the common elements. This construction shall not be deemed to constitute an infringement, alteration or transfer of any easement appurtenant to any apartment in violation of Paragraphs C or D, or any subparagraphs thereof, of this Declaration. Further, said construction shall not constitute the restoration on or appurtenant to the project of any building or other structure, or construction or structural alteration or addition to any such structure different in any material respect from the Condominium Map of the project as described in Paragraph N of this Declaration. The approval requirements set forth in Paragraph N of this Declaration shall not apply to the construction of said sprinkler system.⁷

T. Notwithstanding any other provision in the Declaration or the By-Laws to the contrary, the Board of Directors shall have the authority to take whatever steps are necessary including expenditure of whatever funds are needed to construct a sign at the entry way to the project on the common elements to identify the project. This construction shall not be deemed to constitute an infringement, alteration or transfer of any easement appurtenant to any apartment in violation of Paragraphs C or D, or any subparagraphs thereof, of this Declaration. Further, said construction shall not constitute the restoration on or appurtenant to the project of any building or other structure, or construction or structural alteration or addition to any such structure different in any material respect from the Condominium Map of the project as described in Paragraph N of this Declaration. The

approval requirements set forth in Paragraph N of this Declaration shall not apply to the construction of said sign.⁹

IN WITNESS WHEREOF, the parties hereto have executed these presents this 5th day of June, 1994⁵ *oaf*

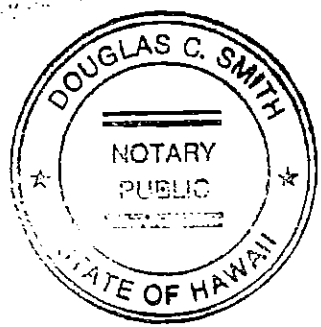
ASSOCIATION OF APARTMENT OWNERS OF
HOKULANI IN KAILUA

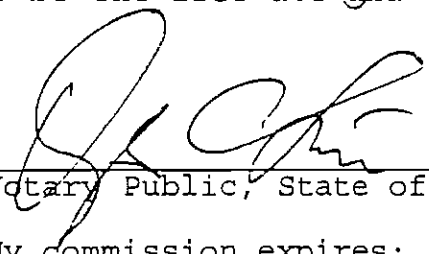
By: Timothy S. Freitas
Type Name: Timothy S. Freitas
Its: President President

By: Jean M. McDermott Valenzuela
Type Name: Jean M. McDermott Valenzuela
Its: Treasurer Treasurer

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

On this 5th day of June, 1998, before me personally appeared Timothy S. Freitas, to me personally known, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association, and that said Timothy S. Freitas acknowledged said instrument to be the free act and deed of said Association.

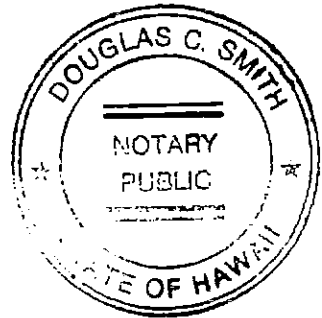


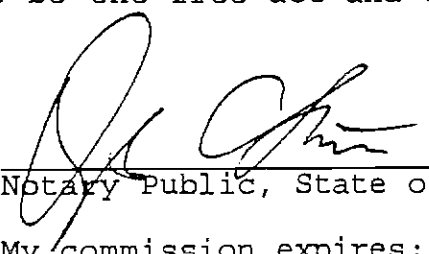


Notary Public, State of Hawaii
My commission expires: 11/03/96

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

On this 5th day of June, 1998, before me personally appeared Tenn M. McDermott Valenzuela, to me personally known, who being by me duly sworn, did say that she is the Treasurer of the ASSOCIATION OF APARTMENT OWNERS OF HOKULANI IN KAILUA and that said instrument was signed in behalf of said Association, and that said Tenn M. McDermott Valenzuela acknowledged said instrument to be the free act and deed of said Association.





Notary Public, State of Hawaii
My commission expires: 11/03/96

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SECOND RESTATEMENT OF DECLARATION OF
CONDOMINIUM PROPERTY REGIME
OF HOKULANI IN KAILUA

ENDNOTES

The following Declaration provisions have been restated for the reasons set forth below:

1. All amendments made by that certain Sixth Amendment to Declaration of Condominium Property Regime of Hokulani in Kailua recorded in the Bureau of Conveyances of the State of Hawaii in Liber 24043 at Page 267 on December 26, 1989, which instrument amended the Declaration in its entirety, have been incorporated without being specifically noted.
2. Paragraph A.2. of the Declaration has been restated in accordance with the instruments which were recorded in the Bureau of Conveyances of the State of Hawaii on February 12, 1993 as Document No. 93-023873 and on June 3, 1994 as Document No. 94-94050.
3. Exhibit "B" (Parking Stalls) to the Declaration has been restated to incorporate the language in the instruments recorded in the Bureau of Conveyances of the State of Hawaii on March 20, 1989 in Liber 22967 at Page 352, on May 26, 1989 in Liber 23229 at Page 127, on December 26, 1989 in Liber 24043 at Page 257 and on August 15, 1990 as Document No. 90-125451; however, Exhibit "B" has not been restated to incorporate any amendments thereto made by apartment owners pursuant to §514A-14, Hawaii Revised Statutes, or Paragraph P of the Declaration.
4. Paragraph J of the Declaration has been restated to conform with Section 514A-86(c), Hawaii Revised Statutes.
5. Paragraph O of the Declaration has been restated to conform with Section 514A-83.6, Hawaii Revised Statutes.
6. Paragraph P of the Declaration has been restated to conform with Section 514A-11(11), Hawaii Revised Statutes.
7. Paragraph S has been added to the Declaration to incorporate the language in the Amendment which was recorded in the Bureau of Conveyances of the State of Hawaii on February 12, 1993 as Document No. 93-023873.
8. Paragraph T has been added to the Declaration to incorporate the language in the Amendment which was recorded in the Bureau of Conveyances of the State of Hawaii on June 3, 1994 as Document No. 94-94050.

EXHIBIT "A"

All of that certain parcel of land situate at Kailua, Koolaupoko, City and County of Honolulu, State of Hawaii, to-wit:

LOT 3, area 233,227 square feet, as delineated on the map entitled "KAILUA GARDENS UNIT I PHASE 2", which said map was filed in the Bureau of Conveyances of the State of Hawaii on November 21, 1980, as File Plan No. 1690.

(Excluding therefrom that portion of the foregoing property described in that certain indenture dated July 21, 1988, recorded in the Bureau of Conveyances of the State of Hawaii in Book 22768, Page 643.)

TOGETHER WITH a non-exclusive easement for roadway purposes and a non-exclusive easement for underground utilities in common with others entitled thereto, over, across, along, through and under the property described in Exhibit "C" attached hereto and made a part hereof by this reference, which easements shall automatically terminate insofar as they affect any portion of said property which is acquired by governmental authority for public roadway purposes at the time of such acquisition by governmental authority.

SUBJECT, HOWEVER, to:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Stream running along the southerly boundary, as per survey of Kataichi Ninomiya, Registered Professional Land Surveyor, Certificate No. 2281, dated August 17, 1988.
3. The terms and provisions of:

LEASE OF RIGHT-OF-WAY

Lessor: Kaneohe Ranch Company, Limited, a Hawaii corporation
Lessee: Hawaiian Electric Company, Inc., a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation
Dated: February 14, 1958

Book: 3414
Page: 39
Term: commencing on the date hereof and expiring on
June 30, 1991
Purpose: Easement for utility purposes over, under,
across and through a portion of the land
herein described

4. Easement 2 (60-feet wide), for roadway purposes, as shown on
File Plan No. 1690.

5. Easement 3 (10-feet wide), for sanitary sewer purposes, as
shown on File Plan No. 1690.

6. Easement 4, for sanitary sewer purposes, as shown on File
Plan No. 1690.

7. Easement 5, for sanitary sewer purposes, as shown on File
Plan No. 1690.

8. Easement 6, for slope purposes, as shown on File Plan No.
1690.

9. GRANT

In Favor Of: City and County of Honolulu
Dated: March 30, 1966
Book: 5343
Page: 284
Purpose: Easement for sanitary sewer purposes over,
under, across and through Easement 5

10. JUDGMENT AND FINAL ORDER OF CONDEMNATION - CIVIL NO. 58288 -
FIRST CIRCUIT COURT

Dated: December 24, 1979
Book: 14379
Page: 641
Purpose: Easement for slope purposes over, under,
across and through Easement 6

11. Restrictions, covenants and conditions as contained in:
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Dated: July 6, 1973
Book: 9371
Page: 352
to which reference is hereby made

12. Restrictions, covenants and conditions as contained in:
SUPPLEMENTARY DECLARATION TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

Dated: February 10, 1982
Book: 16245
Page: 403
to which reference is hereby made

13. The terms and provisions of that certain Agreement dated July 21, 1980, made by and between Lewers & Cooke, Inc., a Hawaii corporation and George Newton, Sue Ellen Newton, and Lillian O. Young, recorded in the Bureau of Conveyances of the State of Hawaii in Book 14949 Page 268, to which reference is hereby made.

14. The terms and provisions as contained in:

LEASE NO. 7020

Lessor: James C. Castle, also known as James Christian Castle, James Gordon McIntosh and Hawaiian Trust Company, Limited, Trustees of the trust estates created by Article Eighth of the Last Will and Testament of Harold K. L. Castle, deceased, and by that certain unrecorded trust agreement dated August 5, 1974, made by Alice Hedemann Castle, as "Settlor", and James C. Castle, as "Individual Trustee"

Lessee: Kailua Gardens Community Association, a Hawaii non-profit corporation

Dated: February 10, 1982

Book: 16245

Page: 409

Term: commencing on the date hereof and ending on December 31, 2052

Purpose: Easement for roadway purposes over, under, cross and through Easement : 2

22. Easement FS-1 as described in that certain indenture dated July 21, 1988, recorded as aforesaid in Book 22768, Page 600.

END OF EXHIBIT "A"

EXHIBIT "B"

HOKULANI IN KAILUA
Parking Stalls

Unit No.	Parking Stall(s)
A-101	7
A-201	8
A-102	5
A-202	6
A-103	3
A-203	4
A-104	1
A-204	2, C-1
B-101	14, C-3
B-201	13
B-102	16, C-2
B-202	15
B-103	18
B-203	17, C-5
B-104	21
B-204	19, C-9
C-101	27
C-201	28
C-102	25
C-202	26
C-103	23, C-7

EXHIBIT "B" (cont'd.)

<u>Unit No.</u>	<u>Parking Stall(s)</u>
C-203	24
C-104	HC 20
C-204	22
D-101	10, C-4
D-201	9
D-102	12, C-8
D-202	11
D-103	30
D-203	29
D-104	32
D-204	31
E-201	50
E-301	51
E-202	48
E-302	52, C-17
E-203	49, C-13
E-303	53, 44
E-204	54
E-304	55
F-201	63
F-301	62, C-16
F-202	61

EXHIBIT "B" (cont'd.)

<u>Unit No.</u>	<u>Parking Stall(s)</u>
F-302	60
F-203	59
F-303	58, C-15
F-204	57
F-304	56
G-101	43
G-201	45
G-102	33
G-202	34
G-103	46
G-203	35, C-12
G-104	47
G-204	36
G-105	37
G-205	38
G-106	39
G-206	40, C-14
G-107	41
G-207	42

EXHIBIT "B" (cont'd.)

<u>Unit No.</u>	<u>Parking Stall(s)</u>
H-101	75, C-27
H-102	76
H-103	79
H-104	80
H-105	72
H-106	73
H-107	67, C-28
H-201	77, C-33
H-202	78
H-203	81, C-34
H-204	74
H-205	68
H-206	69
H-207	70
J-101	97
J-102	96
J-103	93
J-104	92, 71
J-201	95
J-202	94
J-203	91

EXHIBIT "B" (cont'd.)

<u>Unit No.</u>	<u>Parking Stall(s)</u>
J-204	90, 64
K-101	89
K-102	88
K-103	85
K-104	82
K-201	87, 65
K-202	86
K-203	83
K-204	84
L-101	101
L-102	103, C-41
L-103	105
L-104	107
L-201	102, C-37
L-202	104
L-203	106
L-204	108
M-101	HC 112*, C-38
M-102	117, C-39
M-103	119
M-104	121
M-105	123

EXHIBIT "B" (cont'd.)

<u>Unit No.</u>	<u>Parking Stall(s)</u>
M-106	125, C-40
M-107	127
M-201	116
M-202	118, C-43
M-203	120
M-204	122
M-205	124
M-206	126
M-207	128
N-101	138
N-102	136
N-103	134
N-104	132
N-105	130
N-201	137, C-42
N-202	135
N-203	133
N-204	131
N-205	129
P-101	100, C-44
P-102	98
P-103	140, C-46

EXHIBIT "B" (cont'd.)

<u>Unit No.</u>	<u>Parking Stall(s)</u>
P-104	142
P-105	144
P-106	HC 148
P-201	99
P-202	139, 66, C-36, C-35, C-18
P-203	141
P-204	143
P-205	145, C-45
P-206	146
Q-101	114*
Q-102	109
Q-103	111
Q-104	147
Q-201	115*
Q-202	113*
Q-203	110
Q-204	149

* NOTE: The Condominium Map presently shows parking stalls HC 112, 113, 114 and 115 in improper locations. They should be flipped so that HC 112 is actually located where the Map shows 115 to be; 113 is actually located where the Map shows 114 to be; 114 is actually located where the Map shows 113 to be and 115 is actually located where the Map shows HC 112 to be.. The Condominium Map is amended to reflect the foregoing and this will be reflected on an "as built" map filed with the "as built" certificate.

End of Exhibit "B"

/

EXHIBIT "C"

PARCEL 1:

All of that certain parcel of land situate at Kailua, Koolaupoko, City and County of Honolulu, State of Hawaii, to-wit:

Lot 7, area 66,192 square feet, as delineated on the map entitled "KAILUA GARDENS UNIT 1", which said map was filed in the Bureau of Conveyances of the State of Hawaii, as File Plan No. 1283.

PARCEL 2:

All of that certain parcel of land (being a portion of Royal Patent 7983, Land Commission Award 4452, Apana 12 to H. Kalama including Lot 13, Kailua Apartment Lots, File Plan 594), and more particularly described as follows:

Beginning at the Northwest corner of this easement, being also the Northwest corner of Lot 13, and the Northwest corner of Lot E, Kailua Apartment Lots, File Plan 594, on the Southerly side of Kailua Road, and running by azimuths measured clockwise from true South:

1. 288° 06' 120.00 feet along the Southerly side of Kailua Road;

Thence along Lot 9, Kailua Apartment Lots, File Plan 594, on a curve to the left with a radius of 30.00 feet, the chord azimuth and distance being:

2. 63° 06' 42.43 feet;
3. 18° 06' 230.00 feet along remainder of L. C. Aw. 4452, Apana 12 to H. Kalama (partly along Lot 9, Kailua Apartment Lots, File Plan 594 and remainder of Parcel D) to the boundary of Parcel B;
4. 108° 06' 60.00 feet along remainder of L. C. Aw. 4452, Apana 12 to H. Kalama, along Parcel B;

EXHIBIT "C" (CONTINUED)

5. 198° 06' 230.00 feet along remainder of L. C. Aw. 4452, Apana 12 to H. Kalama (along remainder of Parcel D and partly along Lot 8, Kailua Apartment Lots, File Plan 594);

Thence along Lot 8, Kailua Apartment Lots, File Plan 594, on a curve to the left with a radius of 30.00 feet, the chord azimuth and distance being:

6. 153° 06' 42.43 feet to the point of beginning and containing an area of 15,986 square feet, more or less.

PARCEL 3:

Easement 2 (60 feet wide) situate along the northerly boundary of Lot 3 as shown on File Plan 1690.

END OF EXHIBIT "C"

