

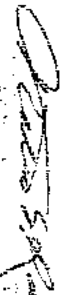
Title Guaranty Escrow Services, Inc.

140242-16

DOC NO. 833597

STATE OF HAWAII
LAND COURT

77 SEP 6 AM: 01


1983

RECORDATION REQUESTED BY:

AFTER RECORDATION RETURN TO:

RETURN BY: MAIL PICKUP

DECLARATION OF HORIZONTAL PROPERTY REGIME

OF

WAIKIKI LANAIS

WHEREAS, EDWARD TAI KIM AU, husband of Olivia Sing Pang Au; FRANCIS TAI CHUNG AU and CORA MAE LEE AU, husband and wife; MARGARET LEONG LAU and OLIVIA SING PANG AU, as Successor Trustees for Leslie Au, Alissa Au, Vincent Au and Maylene Au, under Trust Indenture dated December 28, 1967, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 434719; FRANK KUEI CHENG AU, unmarried, RONALD KUEI JUNG AU, unmarried, and LEE KUEI WEN AU, unmarried, herein called the "Owners", own in fee simple the real property situated at Waikiki, City and County of Honolulu, State of Hawaii, more particularly described by Exhibit A attached hereto and made a part hereof; and

WHEREAS, WAIKIKI LANAIS CORPORATION, a Hawaii corporation whose place of business and post office address is 841 Bishop Street, Honolulu, Hawaii, herein called the "Lessee", is the Master Lessee and has undertaken to improve said real property pursuant to the terms of that certain Master Lease dated August 2, 1976, by and between Owners and Lessee recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 775822, and is the holder of certain development rights for the said real property pursuant to that certain unrecorded Development Agreement dated August 2, 1976, and pursuant to the terms of said lease and said Development Agreement has undertaken to improve said real property by the construction thereon of certain improvements hereinafter described in accordance with plans incorporated herein by reference and recorded in said Office as Condominium Map No. 312.

NOW, THEREFORE, in order to create a condominium project consisting of said real property and improvements, (herein called the "Project"), to be known as "WAIKIKI LANAIS", the Owners and Lessee hereby submit said property to the Horizontal Property Regime established by the Horizontal Property Act, Chapter 514, 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 real property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the 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 freehold estates:

1. Apartments. One hundred sixty (160) freehold estates are hereby designated in the spaces within the perimeter walls, floors and ceilings of each of the 160 apartment units of the Project. Said spaces together with lanai, (hereinafter called "apartments"), are included on sixteen (16) floors in one (1) building consisting of twenty-one (21) floors, without a basement, constructed principally of reinforced concrete, glass and appropriate trim. The apartments are designated on said Condominium Map and are described as follows:

(a) Apartment Designations. Each apartment is identified by a three or four digit number. The first digit for three digit numbers or the first two digits for four digit numbers designate the floor of the building, except that the top apartment floor of the project is designated "PH" and numbered respectively "PH" "1" through "10". The last two digits identify the apartment location on each floor, as shown on the Condominium Map. For numbering purposes, the thirteenth floor is omitted.

(b) Apartment Types. There are eleven (11) types of apartments consisting of the following:

(i) Ewa Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 01. Each has six (6) rooms including a living-dining area, kitchen, two bedrooms, a bathroom and a half bathroom.

(ii) Ocean A Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 02. Each has five (5) rooms including a living-dining area, kitchen, two bedrooms and a bathroom.

(iii) Ocean B Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 03. Each has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

(iv) Ocean C Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 04. Each has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

(v) Ocean D Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 05. Each has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

(vi) Mountain A Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 06. Each has five (5) rooms, including a living-dining area, kitchen, two bedrooms and a bathroom.

(vii) Mountain B Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 07. Each has four (4) rooms including a living-dining area, kitchen, one bedroom and a bathroom.

(viii) Mountain C Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 08. Each has four (4) rooms including a living-dining area, kitchen, one bedroom and a bathroom.

(ix) Mountain D Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 09. Each has four (4) rooms including a living-dining area, kitchen, one bedroom and a bathroom.

(x) Diamond Head Units. There are fifteen (15) units of this type, each of which is designated by the floor number followed by the numbers 10. Each has 6 rooms, including a living-dining area, kitchen, two bedrooms, a bathroom and a half bathroom.

(xi) Diamond Head-Pool Unit. There is one (1) unit of this type designated number 610. It has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

All units have a lanai. The square foot area of the living area and the lanai of each apartment is shown in Exhibit B.

(c) Access. Each apartment has immediate access to its entries, and to the corridors, walkways, stairways, and elevators appurtenant to such apartment and connecting it to the common elements and parking areas of the Project and the public street.

(d) Area of Apartments. The apartment number, floor area in square feet, the floor area of the lanai in square feet, and the total floor area of each apartment in square feet within the Project, is as described by Exhibit B attached hereto and made a part hereof. The floor area of each apartment shown on Exhibit B includes a portion of the common elements and is measured as follows:

Each apartment floor area includes all the walls and partitions within its perimeter walls, any glass windows or panels along the perimeter; the entirety of perimeter non-party walls, and the interior half of the perimeter party walls, whether load bearing or non-load bearing, the inner decorated or finished surfaces of the floors and ceilings, and any adjacent lanai shown on said Condominium Map.

(e) Limits of Apartments. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as herein-after provided. Each apartment shall include the adjacent lanai, shown on said Condominium Map. Each apartment shall be deemed to include all walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed therein, including, without limitation, all electrical and plumbing fixtures, range with hood, refrigerator/freezer, garbage disposal unit, dishwasher, wall-to-wall carpeting in the living room, bedroom(s) and hallway areas, tile in the kitchen and bathroom(s), and drapes at all windows and sliding glass doors.

2. Common Elements. One (1) freehold estate is hereby designated in all of the remaining portions and appurtenances of the Project, (herein called the "common elements"), including specifically, but not limited to:

(a) Said land in fee simple;

(b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, roofs, stairways, corridors, elevators, elevator lobbys, shafts and walls and walkways around said building;

(c) All yards, grounds, landscaping, garden areas, mail boxes, refuse facilities, restrooms for common use; and the transformer vault room, switch room, waiting room, delivery corridor, maintenance equipment room, mail room, and all recreation facilities;

(d) All parking spaces (which include one hundred sixty (160) spaces appurtenant to the apartments as described below, eight (8) spaces which shall be available for such use as the Association may determine and fourteen (14) additional spaces to be used as described in subparagraph 3(b) below), driveways, ramps and loading areas;

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

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

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

(a) One (1) automobile parking space shall be appurtenant to and for the exclusive use of each apartment. The Owners and Lessee reserve the right to designate by amendment to this Declaration the particular parking space or spaces appurtenant to each apartment. Each apartment shall always have at least one (1) parking space appurtenant to it but otherwise any parking space easement may be transferred from apartment to apartment in the Project by written amendment to this Declaration and the apartment leases involved, executed by the apartment owners involved with the written consent of the Owners and any mortgagee or mortgagees of such leases. Such transfer shall be effective only upon the filing of instruments in said Office of the Assistant Registrar of the Land Court setting forth such transfer and amendments.

(b) In addition to the parking spaces designated in subparagraph 3(a), above, fourteen (14) exclusive easements to use fourteen (14) additional parking spaces are hereby set aside and reserved as hereinbelow described: The Owners and Lessee reserve the right to designate by amendment to this Declaration the parking spaces so set aside and designated. The Owners and Lessee shall exercise such right to designate the apartments to which such parking stalls are appurtenant before execution of the first apartment lease. The easement to use any such space shall be transferred only to an owner of an apartment on such terms and conditions as may be agreed upon by such owner and Lessee. Upon any such transfer, the parking space shall become an exclusive appurtenance to the apartment held by the owner thereto and may be transferred only as provided in this Declaration. The Lessee reserves the right at any time and from time to time to transfer any or all of such easements which have not been transferred by the Lessee to the Association for its use and upon such transfer, all such spaces shall be deemed to be a common element of the Project. All apartment owners who purchase apartments subject to this Declaration hereby agree to any such transfer of easements to the Association and hereby grant to the Lessee a power of attorney to execute any and all instruments which may be necessary in order to effectuate such transfer, which power of attorney, being coupled with an interest, is irrevocable.

B. Common Interest. Each apartment and each of the 14 parking stalls described in paragraph A 3 (b), supra, shall have appurtenant thereto an undivided percentage interest as set out by Exhibit B in the common elements of the Project (herein referred to as the "common interest") and the same proportionate share in all common profits and expenses of the Project, and for all other purposes including voting.

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

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

(b) If any part of the common elements now or hereafter encroach upon any apartment or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event the apartment building shall be partially or totally destroyed and then rebuilt, minor encroachments of any part of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

D. Alteration and Transfer of Interests. Except as otherwise provided herein, the common interest and easements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amendment to this Declaration duly recorded or, except as otherwise set forth in this Declaration, shall not be separated from such 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, excepting, however, the exclusive easements for the use of parking spaces which shall be transferred in accordance with subparagraph 3(a), above. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.

E. Use. The owners of the respective apartments shall have the absolute right to occupy, lease or rent such apartments for any lawful residential condominium use including hotel use, subject to all provisions of this Declaration. Notwithstanding the foregoing, the Lessee may engage in real estate sales activities in such apartments and on the premises of the Project for the purpose of selling such apartments. Such activities may continue only until all such apartments have been initially sold by the Lessee.

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 Bylaws of the Association attached hereto as Exhibit C and made a part hereof. Operation of the Project and maintenance, repair, replacement and restoration of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of said Horizontal Property Act, this Declaration and the Bylaws, and specifically, but without limitation, the Association shall:

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

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

(c) Well and substantially repair, maintain, amend and keep all common elements of the Project, including, without limitation, the building 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;

(d) Before commencing or permitting construction of any improvements on the Project, obtain and deposit with the Owners a bond or certificate thereof naming as obligees the Owners and collectively all other apartment owners as their interests may appear, in a penal sum not less than the cost of such construction and with a corporate surety authorized to do business in Hawaii, guaranteeing completion of, and payment for, such construction free and clear of all mechanics' and materialmen's liens;

(e) 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 setback line along such boundary;

(f) Have the right to be exercised by its Board of Directors, (herein called "the Board"), or its designee to enter any apartment and limited common element 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;

(g) Not erect or place on the Project any building or structure, including fences and walls, nor make additions or structural alterations to, or exterior changes of, any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications, including detailed plot plan, prepared by a licensed architect if so required by the Owners, first approved in writing by the Owners and also approved by a majority of apartment owners (or such larger percentage as required by law or this Declaration) including all owners of apartments thereby directly affected, as determined by the Board, and complete any such improvements diligently after the commencement thereof;

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

(i) Indemnify Owners against all actions, suits, damages and claims by whomsoever, brought or made by reason of the nonobservance or nonperformance of said laws, or rules and regulations.

(j) Not commit or suffer any act or neglect whereby said premises or any improvement thereon shall be subject to any attachment, judgment, lien, charge or encumbrance whatsoever except as specifically otherwise provided herein.

(k) Not erect, place or maintain any television or other antennas on said Project visible from any point outside of any building of said Project.

G. Managing Agent; Service of Process. 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 Bylaws and approved by the Owners. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in said Horizontal Property Act. The initial Managing Agent shall be HAWAIIANA MANAGEMENT COMPANY, a Hawaii corporation, whose principal place of business is Suite 400, 1860 Ala Moana Boulevard, Honolulu, Hawaii 96815.

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, 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 shall constitute common expenses of the Project for which all apartment owners shall be severally liable in proportion to their respective common interests. Rent and real property taxes and special assessments referred to in Section 514-23, Hawaii Revised Statutes, as amended, and charges, including those for

utilities which are separately metered, shall not be common expenses of the horizontal property regime hereby created and no payments thereof shall be payments of such common expenses except that electricity, water and gas supplied to the Project shall be by way of a common meter and the charges resulting therefrom shall be treated as a common expense. The Board of Directors of the Association (herein called 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 such apartment which may be foreclosed by the Board or Managing Agent as provided by said Horizontal Property Act, provided that thirty (30) days' prior written notice of intention to foreclose shall be mailed, postage prepaid, to the Owners and all other persons having any interest in such apartment as shown in the Association's record of ownership.

Utility gas service for appliances installed in the Project shall be provided pursuant to the terms and conditions of that certain contract between Gasco, Inc. and the Lessee dated October 10, 1976, a copy of which is attached hereto as Exhibit D.

I. Compliance with Declaration and Bylaws. 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 Bylaws for 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 for injunctive relief, or for all of them, maintainable by the Board or Managing Agent on behalf of the Association, or, in a proper case, by any aggrieved apartment owner.

J. Insurance. The Board on behalf of the Association at its common expense shall at all times keep the building of the Project, all common elements, and whether or not part of the common elements, all exterior and interior walls, exterior glass, floors and ceilings, insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in Hawaii, and in time of war against war damage to the extent such governmental insurance is obtainable at reasonable cost, and also insured under a miscellaneous boiler and machinery policy covering air conditioning systems and all other electrical apparatus normally excluded under a fire and extended coverage policy, in an amount as near as practicable to the full replacement cost thereof without deduction for depreciation, in the joint names of the Owners and the Board as trustee for all apartment owners and mortgagees according to the loss or damage to their respective apartments and appurtenant common interests and payable in case of loss to such bank or trust company qualified to do business in Hawaii and having its principal office in Honolulu, as the Board shall designate for the custody and disposition as herein provided of all proceeds of such insurance, and from time to time upon receipt thereof cause to be deposited promptly with the Owners 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. In every case of such loss or damage all insurance proceeds shall be used with all reasonable speed by the Association for

rebuilding, repairing or otherwise reinstating the building, in a good and substantial manner according to the original plan and elevation thereof or such modified plans conforming to laws and regulations then in effect as shall be first approved by the Owners as herein provided, and the Association at its common expense, shall make up any deficiency in such insurance proceeds, provided, however, that if substantial destruction of any building shall occur during the last ten (10) years of the term of the Master Lease the Board on behalf of the Association shall have the right upon the affirmative vote of apartment owners who in the aggregate own 80% or more of the interests in the common elements in a meeting called within thirty (30) days of such casualty, within sixty (60) days after such casualty to remove all debris and remains of the damaged buildings and restore the demised land to good orderly condition and even grade, using the proceeds of insurance to the extent necessary therefor, and each apartment owner may thereupon surrender his apartment lease and thereby be relieved of any further obligation, subject to the payment to Owners of all rent then accrued and taxes hereunder payable for the full current year and subject also to the contemporaneous surrender and termination of all other existing apartment leases and/or apartment subleases and upon such surrender all remaining proceeds of insurance shall be divided between Owners and each apartment owner and/or mortgagee as of the date of such casualty according to the ratios that the then expired and unexpired portions, respectively, of said term after the date of original completion of said buildings bear to the sum of said portions.

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

(c) Provide that such policy may not be cancelled (whether or not requested by the Board) except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board and Owners, and every other person in interest who shall have requested such notice of the insurer;

(d) Contain a provision requiring the insurance carrier, at the inception of the policy and on each anniversary date thereof, to provide the Board of Directors with a written summary, in layman's terms, of the policy. The summary shall include the type of policy, a description of the coverage and the limits thereof, the amount of annual premium and the renewal dates. The Board of Directors shall provide this information to each apartment owner.

(e) Contain a waiver by the insurer of any right of subrogation to any right of the Board and Owners or apartment owners against any of them or any other persons under either of them;

(f) Contain a standard mortgagee clause which shall:

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

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

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

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

The Board on behalf of the Association at its common expense shall also effect and maintain at all times comprehensive general liability insurance, covering all apartment owners with respect to the Project and naming the Owners as additional assureds, 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 in any one accident or occurrence, and \$1,000,000.00 for injury to more than one person in any one accident and \$500,000.00 for property damage, or such higher minimum limits as Owners may from time to time establish with due regard to then prevailing prudent business practices in the State of Hawaii as the Owners may determine to be reasonably adequate for their protection, and from time to time upon receipt thereof deposit promptly with the Owners current certificates of such insurance, without prejudice to the right of any apartment owners to maintain additional liability insurance for their respective apartment.

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, or shall be sold to such authority under threat of condemnation, all compensation and damages for or on account of any land shall be payable to and be the sole property of the Owners, and all compensation and damages for or on account of any improvements of 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 shall be used promptly by the Association to the extent necessary for restoring or replacing such improvements on the remaining land according to plans therefore 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 taking, condemnation or sale, the Association at its common expense shall remove all remains of such improvements on the remaining land and restore the site thereof to good orderly condition and even grade.

L. Uninsured Casualty. 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, such improvements shall be rebuilt, repaired or restored unless eighty percent (80%) of the apartment owners vote against such rebuilding, repairing or restoration. Any such approved restoration of the common elements shall be completed diligently by the Association at its common expense, and the apartment owners shall be solely responsible for any restoration of their respective apartments so damaged or destroyed according to the original plan and elevation thereof or such other plan first approved as provided herein. 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.

M. Alteration of Project. Restoration or replacement of the Project or of any building or other facility thereof or construction of any additional building or structural alteration or addition to any building different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association 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 affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Owners and the Board, 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. 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 the written approval of the apartment owner's plans therefor by only the holders of all liens affecting such apartment (if the lien holders require such consent and approval), the Board of Directors of the Association, all other apartment owners thereby directly affected (as determined by said Board) and the Owners, 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.

N. Maintenance Reserve Fund. The Board shall establish and maintain a Common Maintenance Reserve Fund by the assessment of and payment by all apartment owners in monthly installments of their respective proportionate shares of such reasonable annual amount as the Board may estimate as adequate to cover each apartment owner's obligations to provide for common utilities, insurance, maintenance, replacement and repair of the common elements and other expenses of administration of the Project, which shall be deemed conclusively to be a common expense of the Project. The Board may include reserves for contingencies in such assessment, and such assessment may from time to time be increased or reduced in the discretion of the Board. The proportionate interest of each apartment owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such apartment even though not expressly mentioned or described in the conveyance thereof. In case the Horizontal Property Regime hereby created shall be terminated or waived, said Fund remaining after full payment of all common expenses of the Association shall be distributed by the Board to all apartment owners in their respective proportionate shares except for the owners of any apartments then reconstituted as a new Horizontal Property Regime.

O. Amendment. Except as otherwise provided herein or in said Horizontal Property Act, this Declaration may be amended at a duly constituted meeting of the Association of Apartment Owners by affirmative vote of seventy-five percent (75%) of all apartment owners and shall be effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such owners or by the proper officers of the Association.

Notwithstanding the foregoing and notwithstanding the lease of any of the said apartments by the Owners, the Owners and Lessee may amend this Declaration to file a statement designating the particular parking space or spaces appurtenant to each apartment as provided by paragraphs 3(a) and 3(b), above, and to file the "as built" verified statement (with plans, if applicable) required by Section 514.13, Hawaii Revised Statutes, (1) so long as 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 (2) so long as any plans filed therewith involve only immaterial changes to the layout, location, apartment numbers, parking stall numbers or dimensions of the apartments as built.

P. Joinder of Fee Simple Owner. In recognition of the status of Owners as being lessors only without control over the project and in order to induce Owners to consent to the submission of its fee simple interest to a Horizontal Property Regime and to issue separate apartment leases in substitution of the Master Lease, Lessee does hereby agree with Owners that notwithstanding the cancellation of the Master Lease as contemplated herein it shall, and its successors in interest shall,

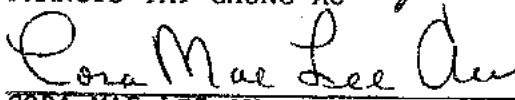
indemnify and hold harmless at all times hereafter Owners against any and all claims, suits, demands and costs and expenses, including reasonable attorney's fees, which now or hereafter may arise out of any offer or sale of an apartment in the project by Lessee and any and all representations and warranties, either express or implied by law, which have been or hereafter may be made by Lessee to any person in respect thereto.

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

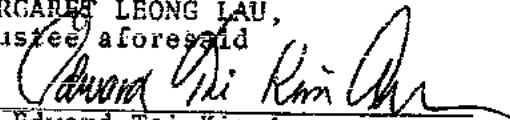
IN WITNESS WHEREOF, the parties hereto have executed these presents this 9th day of August, 1977.


EDWARD TAI KIM AU



FRANCIS TAI CHUNG AU


CORA MAE LEE AU


MARGARET LEONG LAU,
Trustee aforesaid

By 
Edward Tai Kim Au
Her Attorney-in-Fact

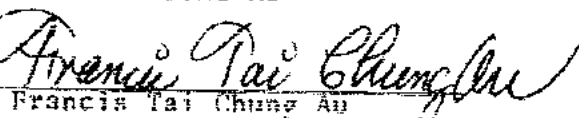
OLIVIA SING PANG AU, Individually
and as Trustee aforesaid

By 
Francis Tai Chung Au
Her Attorney-in-Fact

FRANK KUEI CHENG AU

By 
Francis Tai Chung Au
His Attorney-in-Fact

RONALD KUEI JUNG AU

By 
Francis Tai Chung Au
His Attorney-in-Fact

LEE KUEI WEN AU

By Francis Tai Chung Au
Francis Tai Chung Au
His Attorney-in-Fact

Owners

WAIKIKI LANAIS CORPORATION

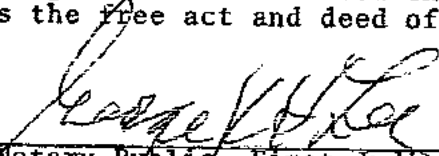
By Raymond L. Cornwell
President-Treasurer

By Leola L. Cornwell
Vice President-Secretary

Lessee

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

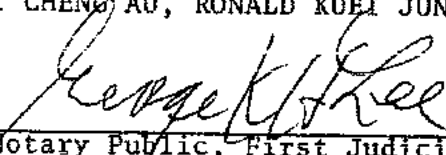
On this 9th day of August, 1977, before me personally appeared EDWARD TAI WIM AU, individually and as Attorney-in-Fact for MARGARET LEONG LAU, to me known to be the person described in and who executed the foregoing instrument, individually and as Attorney-in-Fact for said MARGARET LEONG LAU, and acknowledged that he executed the same as his free act and deed and as the free act and deed of said MARGARET LEONG LAU.


Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 8/1/79

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

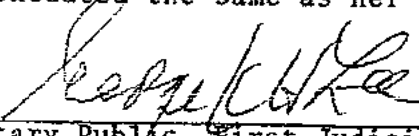
On this 9th day of August, 1977, before me personally appeared FRANCIS TAI CHUNG AU, individually and as Attorney-in-Fact for OLIVIA SING PANG AU, FRANK KUEI CHENG AU, RONALD KUEI JUNG AU, and LEE KUEI WEN AU, to me known to be the person described in and who executed the foregoing instrument, individually and as Attorney-in-Fact for said OLIVIA SING PANG AU, FRANK KUEI CHENG AU, RONALD KUEI JUNG AU, and LEE KUEI WEN AU, and acknowledged that he executed the same as his free act and deed and as the free act and deed of said OLIVIA SING PANG AU, FRANK KUEI CHENG AU, RONALD KUEI JUNG AU, and LEE KUEI WEN AU.


Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 8/1/79

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

On this 9th day of August, 1977, before me personally appeared CORA MAE LEE AU, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.


Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 8/1/79

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 17 day of August, 19 72, before me appeared RALPH D. CORNUELLE and CAROLE L. CORNUELLE, to me personally known, who, being by me duly sworn, did say that they are the President and Treasurer and Vice-President and Secretary, respectively, of WAIKIKI LANAIS CORPORATION, a Hawaii corporation; and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said RALPH D. CORNUELLE and CAROLE L. CORNUELLE acknowledged said instrument to be the free act and deed of said corporation.



Notary Public, First Circuit,
State of Hawaii

My commission expires: 11/11/79

All of those certain parcels of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

FIRST: LOTS: 1B, area 267.0 square feet, and
 15-A, area 3,588.0 square feet, as
shown on Map 2, filed in the Office of the Assistant Registrar
of the Land Court of the State of Hawaii Office with Land
Court Application No. 615.

SECOND: LOTS: 24, area 20,070.0 square feet, and
 69, area 6,310.0 square feet, as shown
on Map 3, filed in said Office with Land Court Application No.
350.

BEING the same premises described in Transfer Certificate of Title No. 195280.

SUBJECT, HOWEVER, to the terms and provisions of that certain Trust Indenture dated December 28, 1967, filed in said Office as Document No. 434719, as amended by instrument dated October 17, 1974, filed in said Office as Document No. 700770.

EXHIBIT B

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
601	Ewa	760	191	951	.724
602	Ocean A	839	125	964	.799
603	Ocean B	558	98	656	.532
604	Ocean C	514	98	612	.490
605	Ocean D	654	74	728	.623
606	Mountain A	807	125	932	.770
607	Mountain B	558	98	656	.532
608	Mountain C	523	98	621	.499
609	Mountain D	593	74	667	.565
610	Diamond Head-Pool	510	131	641	.486
701	Ewa	760	191	951	.724
702	Ocean A	839	125	964	.799
703	Ocean B	558	98	656	.532
704	Ocean C	514	98	612	.490
705	Ocean D	654	74	728	.623
706	Mountain A	807	125	932	.770
707	Mountain B	558	98	656	.532
708	Mountain C	523	98	621	.499
709	Mountain D	593	74	667	.565
710	Diamond Head	743	191	934	.708
801	Ewa	760	191	951	.724
802	Ocean A	839	125	964	.799
803	Ocean B	558	98	656	.532
804	Ocean C	514	98	612	.490
805	Ocean D	654	74	728	.623
806	Mountain A	807	125	932	.770
807	Mountain B	558	98	656	.532
808	Mountain C	523	98	621	.499
809	Mountain D	593	74	667	.565
810	Diamond Head	743	191	934	.708
901	Ewa	760	191	951	.724
902	Ocean A	839	125	964	.799
903	Ocean B	558	98	656	.532
904	Ocean C	514	98	612	.490
905	Ocean D	654	74	728	.623
906	Mountain A	807	125	932	.770
907	Mountain B	558	98	656	.532
908	Mountain C	523	98	621	.499
909	Mountain D	593	74	667	.565
910	Diamond Head	743	191	934	.708

EXHIBIT B

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
1001	Ewa	760	191	951	.724
1002	Ocean A	839	125	964	.799
1003	Ocean B	558	98	656	.532
1004	Ocean C	514	98	612	.490
1005	Ocean D	654	74	728	.623
1006	Mountain A	807	125	932	.770
1007	Mountain B	558	98	656	.532
1008	Mountain C	523	98	621	.499
1009	Mountain D	593	74	667	.565
1010	Diamond Head	743	191	934	.708
1101	Ewa	760	191	951	.724
1102	Ocean A	839	125	964	.799
1103	Ocean B	558	98	656	.532
1104	Ocean C	514	98	612	.490
1105	Ocean D	654	74	728	.623
1106	Mountain A	807	125	932	.770
1107	Mountain B	558	98	656	.532
1108	Mountain C	523	98	621	.499
1109	Mountain D	593	74	667	.565
1110	Diamond Head	743	191	934	.708
1201	Ewa	760	191	951	.724
1202	Ocean A	839	125	964	.799
1203	Ocean B	558	98	656	.532
1204	Ocean C	514	98	612	.490
1205	Ocean D	654	74	728	.623
1206	Mountain A	807	125	932	.770
1207	Mountain B	558	98	656	.532
1208	Mountain C	523	98	621	.499
1209	Mountain D	593	74	667	.565
1210	Diamond Head	743	191	934	.708
1401	Ewa	760	191	951	.724
1402	Ocean A	839	125	964	.799
1403	Ocean B	558	98	656	.532
1404	Ocean C	514	98	612	.490
1405	Ocean D	654	74	728	.623
1406	Mountain A	807	125	932	.770
1407	Mountain B	558	98	656	.532
1408	Mountain C	523	98	621	.499
1409	Mountain D	593	74	667	.565
1410	Diamond Head	743	191	934	.708

EXHIBIT B

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
1501	Ewa	760	191	951	.724
1502	Ocean A	839	125	964	.799
1503	Ocean B	558	98	656	.532
1504	Ocean C	514	98	612	.490
1505	Ocean D	654	74	728	.623
1506	Mountain A	807	125	932	.770
1507	Mountain B	558	98	656	.532
1508	Mountain C	523	98	621	.499
1509	Mountain D	593	74	667	.565
1510	Diamond Head	743	191	934	.708
1601	Ewa	760	191	951	.724
1602	Ocean A	839	125	964	.799
1603	Ocean B	558	98	656	.532
1604	Ocean C	514	98	612	.490
1605	Ocean D	654	74	728	.623
1606	Mountain A	807	125	932	.770
1607	Mountain B	558	98	656	.532
1608	Mountain C	523	98	621	.499
1609	Mountain D	593	74	667	.565
1610	Diamond Head	743	191	934	.708
1701	Ewa	760	191	951	.724
1702	Ocean A	839	125	964	.799
1703	Ocean B	558	98	656	.532
1704	Ocean C	514	98	612	.490
1705	Ocean D	654	74	728	.623
1706	Mountain A	807	125	932	.770
1707	Mountain B	558	98	656	.532
1708	Mountain C	523	98	621	.499
1709	Mountain D	593	74	667	.565
1710	Diamond Head	743	191	934	.708
1801	Ewa	760	191	951	.724
1802	Ocean A	839	125	964	.799
1803	Ocean B	558	98	656	.532
1804	Ocean C	514	98	612	.490
1805	Ocean D	654	74	728	.623
1806	Mountain A	807	125	932	.770
1807	Mountain B	558	98	656	.532
1808	Mountain C	523	98	621	.499
1809	Mountain D	593	74	667	.565
1810	Diamond Head	743	191	934	.708

EXHIBIT B

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
1901	Ewa	760	191	951	.724
1902	Ocean A	839	125	964	.799
1903	Ocean B	558	98	656	.532
1904	Ocean C	514	98	612	.490
1905	Ocean D	654	74	728	.623
1906	Mountain A	807	125	932	.770
1907	Mountain B	558	98	656	.532
1908	Mountain C	523	98	621	.499
1909	Mountain D	593	74	667	.565
1910	Diamond Head	743	191	934	.708
2001	Ewa	760	191	951	.724
2002	Ocean A	839	125	964	.799
2003	Ocean B	558	98	656	.532
2004	Ocean C	514	98	612	.490
2005	Ocean D	654	74	728	.623
2006	Mountain A	807	125	932	.770
2007	Mountain B	558	98	656	.532
2008	Mountain C	523	98	621	.499
2009	Mountain D	593	74	667	.565
2010	Diamond Head	743	191	934	.708
2101	Ewa	760	191	951	.724
2102	Ocean A	839	125	964	.799
2103	Ocean B	558	98	656	.532
2104	Ocean C	514	98	612	.490
2105	Ocean D	654	74	728	.623
2106	Mountain A	807	125	932	.770
2107	Mountain B	558	98	656	.532
2108	Mountain C	523	98	621	.499
2109	Mountain D	593	74	667	.565
2110	Diamond Head	743	191	934	.708
PH 1	Ewa	760	191	951	.724
PH 2	Ocean A	839	125	964	.799
PH 3	Ocean B	558	98	656	.532
PH 4	Ocean C	514	98	612	.490
PH 5	Ocean D	654	74	728	.623
PH 6	Mountain A	807	125	932	.770
PH 7	Mountain B	558	98	656	.532
PH 8	Mountain C	523	98	621	.499
PH 9	Mountain D	593	74	667	.565
PH 10	Diamond Head	743	191	934	.708

Each of 14 Additional Parking Stalls have a Common Interest Percentage of .025.