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Castle & Cooke Land Company
for Castle & Cooke Homes Hawaii, Inc.
680 Iwilei Road, Suite 510
Honolulu, HI 96817
C. Kurasaki (548-2909)

This document
contains 99 pages

(2)
A/S

Tax Map Key Nos.: (1) 9-4-006-091 and 219

DECLARATION OF CONDOMINIUM PROPERTY REGIME

OF

MAU LOA AT KOA RIDGE

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WHEREAS, CASTLE & COOKE HOMES HAWAII, INC., a Hawaii corporation, whose principal place of business is 680 Iwilei Road, Suite 510, Honolulu, Hawaii 96817, and whose post office address is 680 Iwilei Road, Box 510, Honolulu, Hawaii 96817, hereinafter referred to as the "Developer", is the owner in fee simple of certain real property situated at Waipio, Ewa, Oahu, State of Hawaii, hereinafter referred to as the "Land", as more particularly described in Exhibit "A" attached hereto and hereby made a part hereof; and

WHEREAS, Developer intends to develop the Land with certain improvements in accordance with that certain condominium file plan recorded in the Bureau of Conveyances of the State of Hawaii (hereinafter referred to as the "Bureau of Conveyances") as Condominium File Plan 4053, hereinafter referred to as the "Condominium Map", which Condominium Map is hereby incorporated herein by reference;

NOW, THEREFORE, in order to create a condominium project consisting of said Land and those certain improvements constructed or to be constructed thereon (hereinafter called the "Project"), the Developer hereby submits said property and all of its interest therein to a Condominium Property Regime established by the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended, hereinafter sometimes referred to as the "Condominium Property Act", and in furtherance thereof makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and hereby declares and agrees that said property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the declarations, restrictions and conditions set forth herein and in the By-Laws of the Association of Unit Owners of Mau Loa at Koa Ridge (hereinafter referred to as the "By-Laws") recorded in the Bureau of Conveyances concurrently herewith, as the same may be amended from time to time, which declarations, restrictions, and conditions shall constitute covenants running with the land and equitable servitudes and liens upon the land, and shall be binding on and for the benefit of the Developer and its successors and assigns, and all subsequent owners, lessees and sublessees of all or any part of the Project and their respective heirs, devisees, personal representatives, successors and assigns:

A. NAME OF PROJECT. The Condominium Property Regime established hereby shall be known as "MAU LOA AT KOA RIDGE".

B. DESCRIPTION OF LAND. All of the Land described in Exhibit "A" attached hereto is hereby submitted to the Condominium Property Regime; excluding and reserving unto the Developer, however, all of the rights of the grantee under each of the following (collectively referred to as the "Sanitary Sewer Easements"):

1. Agreement and Grant of Sanitary Sewer Easement dated December 16, 2016, recorded in the Bureau of Conveyances as Document No. A-61941186,

by and between Ford Island Ventures, LLC, a Delaware limited liability company, as Grantor, and the Developer, as Grantee, as amended from time to time; and

2. Agreement and Grant of Sanitary Sewer Easement dated December 27, 2016, recorded as Document No. A-62210793, by and between Celebrations At Waikele Community Association, a Hawaii nonprofit corporation, as Grantor, and the Developer, as Grantee, as amended from time to time.

C. DESCRIPTION OF BUILDINGS There will be constructed on the Land, six (6) separate one-story single family residential buildings, without basements, designated as Units 41, 42, 44, 45, 47, and 48, and forty-five (45) separate two-story residential buildings, without basements, designated as Units 1 through 40, inclusive, 43, 46, and 49 through 51, inclusive, as shown on the Condominium Map. Each building will consist of one (1) residential unit. The units are identified in Exhibit "B" attached hereto and hereby made a part hereof.

D. DIVISION OF PROJECT. The Project is hereby divided into the following separate freehold estates:

1. Units. Fifty-one (51) separate freehold estates are hereby established in the spaces within the underside of the concrete slabs, the outside of the roofs and the outer surfaces of the perimeter walls and floors of each of the fifty-one (51) units in the Project, as shown on the Condominium Map.

(a) Location of Units. The fifty-one (51) units in the Project are identified by unit number and unit type on the Condominium Map and are located in the Project as shown on the Condominium Map.

(b) Floor Plans of Units. There are six (6) three bedroom/two bath units, six (6) three bedroom/two and one-half bath units, twelve (12) four bedroom/three bath units and twenty-seven (27) four bedroom/three and one-half bath units. The floor plans of each of the units are as shown on the Condominium Map. Subject to the provisions of Section R of this Declaration, the units are described as follows:

Each Type 1AR and Type 1B unit is a one-story unit which will have three (3) bedrooms, two (2) bathrooms, a living/dining room, a kitchen, a laundry room, a two-car garage, a foyer, a covered entry and a covered lanai.

Each Type 2A, Type 2AR, Type 2B and Type 2BR unit is a two-story unit which will have a living/dining room, a kitchen, a powder room (½ bathroom), a two-car garage, a foyer, a covered entry and a covered

lanai on the first floor, and three (3) bedrooms, a family room, two (2) storage rooms and two (2) bathrooms on the second floor.

Each Type 3A, Type 3AR, Type 3B and Type 3BR unit is a two-story unit which will have a living room, a kitchen, a family room, a bedroom, a bathroom, a two-car garage, a covered entry and a covered lanai on the first floor, and three (3) bedrooms, two (2) bathrooms, a family room, a laundry room and a storage room on the second floor.

Each Type 4A, Type 4AR and Type 4B unit is a two-story unit which will have a living room, a kitchen, a great room, a bedroom, a family room, a bathroom and a powder room (½ bathroom), a laundry room, a two-car garage, a covered entry and a covered lanai on the first floor, and three (3) bedrooms, two (2) bathrooms and a family room on the second floor.

Each Type 5A, Type 5AR, Type 5B and Type 5BR unit is a two-story unit which will have a bedroom, a bathroom and a powder room (½ bathroom), a living room, a kitchen and a pantry, a great room, a two-car garage, a covered entry and a covered lanai on the first floor, and three (3) bedrooms, two (2) bathrooms, a storage room, a family room and a laundry room on the second floor.

(c) Net Floor Areas of Units. Subject to the provisions of Section R of this Declaration, each unit will have the approximate net living floor area in square feet (exclusive of garages, covered entries, covered lanais and low storage rooms, if any), approximate net garage floor area in square feet, approximate net covered entry floor area in square feet, approximate net covered lanai floor area in square feet, and approximate net low storage room floor area in square feet (if any), as set forth in Exhibit "B". The approximate net living floor areas set forth in Exhibit "B" are based on measurements taken from the interior surface of all perimeter walls of the living areas at the floor of each unit and shall exclude any area occupied by a load bearing structure, except that no reduction is made to account for interior non-load bearing walls, ducts, vents, shafts, stairways and the like located within the perimeter walls. In a double construction wall, the perimeter wall means the inside double wall. The approximate net garage floor areas set forth in Exhibit "B" are based on measurements taken from the interior surface of all perimeter walls of the garages, and from the interior edge of the garage doors or other exterior boundaries of the garages. The approximate net covered entry floor areas set forth in Exhibit "B" are based on measurements taken from the interior surface of all perimeter walls of the covered entries, and from the interior edge of the railings or other exterior boundaries of the covered entries. The

approximate net covered lanai floor areas set forth in Exhibit "B" are based on measurements taken from the interior surface of all perimeter walls of the covered lanais, and from the interior edge of the slabs or other exterior boundaries of the covered lanais.

(d) Computation of Floor Areas. All floor areas set forth in Exhibit "B" are not exact but are approximations based on the floor plans of each type of unit. All floor areas set forth in Exhibit "B" have also been rounded to the next lowest full square foot where the approximation of such floor areas exceed a square foot by any fraction of a square foot. The measurements set forth in Exhibit "B" do not follow the designation of the limits of the units (the legally designated areas of the units) set forth below and the floor areas set forth in Exhibit "B" may be greater or less than the floor areas of the units as so designated and described below.

(e) Access to Common Elements. Each of the units will have immediate access to the driveway area and the yard area appurtenant to said unit, as shown on the Condominium Map, which lead to roads and/or the public roads.

(f) Limits of Units. Notwithstanding any other provision in this Declaration to the contrary, the floor areas set forth in Exhibit "B" and the manner in which such floor areas are measured, the respective units shall not be deemed to include any pipes, cables, conduits, chutes, flues, ducts, wires, vents, shafts, other utility or service lines or any other fixture running through or otherwise located within such unit which are utilized for or serve more than one unit, all of which are deemed common elements as hereinafter provided. Each unit shall be deemed to include the following:

i. the perimeter walls, foundations, columns, girders, beams, floor slabs, footings, supports, stairways, roofs, skylights (if any), ceilings and floors located at the perimeter of or surrounding such unit;

ii. the walls and partitions within the unit;

iii. the windows, window frames, louvers, shutters (if any), doors and door frames along the perimeter of the unit;

iv. the garage, the covered entry, the covered lanai and the low storage room (if any) as shown on the Condominium Map;

v. all mechanical, electrical, heating, incinerating and refrigeration equipment originally installed and utilized for or serving only such unit;

vi. any pipes, cables, conduits, chutes, flues, ducts, wires, vents, shafts, other utility or service lines or any other fixture running through or otherwise located within such unit, which are utilized for or serve only such unit; and

vii. all of the fixtures and appliances originally installed therein.

(g) Condominium Map Controls over Declaration. Should the descriptions and divisions set forth in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, boundaries, dimensions and numbers of the units and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

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

(a) Said Land in fee simple;

(b) All pipes, cables, conduits, chutes, flues, ducts, wires, vents, shafts, other utility or service lines or any other fixtures, electrical equipment or other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one unit for services such as electricity, gas, water, sewer, telephone and television signal distribution (if any) and telecommunications (if any);

(c) The Mail Kiosk, as shown on the Condominium Map;

(d) Each of the Landscape Areas within the Project, designated on the Condominium Map as Landscape Areas 1 to 4, inclusive;

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

(f) The limited common elements described in Paragraph 3 of Section D hereinbelow.

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 units, and such units shall have

appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) Each of the yard areas within the Project, designated on the Condominium Map as Yard Areas Y-1 to Y-51, inclusive, together with all walkways, fences (if any), walls (if any), yards, grounds, landscaping, refuse areas (if any), located thereon or therein, and all utility facilities and utility equipment located thereon or therein which serve only the unit located upon said yard area, shall be a limited common element appurtenant to and reserved for the exclusive use of the unit to which it is assigned, as set forth in Exhibit "B";

(b) Each of the driveway areas within the Project, designated on the Condominium Map as Driveway Areas DW-1 to DW-51, inclusive, shall be a limited common element appurtenant to and reserved for the exclusive use of the unit to which it is assigned, as set forth in Exhibit "B";

(c) Any pipe, cable, conduit, chute, flue, duct, wire, vent, shaft or other utility, service line and any other fixture located within the Project which serves only one (1) unit (the "Limited Common Element Utility Facilities"), shall be a limited common element appurtenant to and reserved for the exclusive use of such unit regardless of its location within the Project;

(d) Any walkway, entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific unit or units shall be a limited common element appurtenant to and reserved for the exclusive use of such unit or units;

(e) Any mailbox assigned to a unit by the Developer or the Association of Unit Owners of the Project shall be a limited common element appurtenant to and reserved for the exclusive use of such unit.

E. COMMON INTEREST. Except as otherwise provided in any other section of this Declaration, each unit shall have appurtenant thereto an undivided percentage interest in the common elements of the Project, hereinafter 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, as set forth in Exhibit "B" attached hereto. The percentages of common interests appurtenant to the various units in the Project were determined by dividing 1 by the total number of units in the Project and then translating each quotient into its percentage equivalent. Slight adjustments were then made in the percentages assigned to certain of the units so as to yield percentage interests totaling 100%.

F. EASEMENTS. In addition to any easements described in Exhibit "A" attached hereto and to the exclusive easements established in the limited common elements, the units and common elements shall also have and be subject to the following easements:

1. Each unit shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support, maintenance and repair of such unit and the limited common elements appurtenant thereto to be maintained by such unit owner; and in the other common elements for use according to their respective purposes.

2. Each unit shall have appurtenant thereto nonexclusive easements in the limited common elements appurtenant to another unit for maintenance and repair of the Limited Common Element Utility Facilities appurtenant to such unit; provided that after any maintenance or repair of the Limited Common Element Utility Facilities, such unit owner restore the surface of the limited common elements as nearly as is reasonably possible to its condition existing immediately prior to such work being initiated.

3. If, due to the unintentional placement or settling or shifting of an improvement now or hereafter located on a yard area appurtenant to and reserved for the exclusive use of a unit, such improvement now or hereafter encroaches upon a yard area appurtenant to and reserved for the exclusive use of another unit, to a distance of not more than one (1) foot, as measured from any point on the common boundary between the yard areas, along a line perpendicular to such boundary at such point, a valid easement for such encroachment and the maintenance thereof shall and does exist so long as such encroachment continues; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to the willful and knowing conduct on the part of a unit owner, an occupant or the Association of Unit Owners of the Project.

4. The Association of Unit Owners of the Project shall have the irrevocable right, to be exercised by its Board of Directors or the Managing Agent, to have access to the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project, for making emergency repairs therein necessary to prevent damage to any units or common elements or for the inspection, installation, repair, maintenance or replacement of any common elements.

5. The Association of Unit Owners of the Project shall have the right, exercisable by its Board of Directors, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the common elements of the Project for any reasonable purpose, which may include,

but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any unit, the common elements or any easements for utilities or for any public purpose.

6. The Association of Unit Owners of the Project shall have the right, exercisable by its Board of Directors, to transfer, cancel, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include, but shall not be limited to, any of the same purposes set forth in Paragraph 5 of Section F hereof or for the reason that any owner of any such lands adjacent to the Project exercises any right to require the relocation of any such easement.

7. The Association of Unit Owners of the Project shall have the irrevocable right, to be exercised by its Board of Directors or the Managing Agent, which right may be delegated to the unit owners pursuant to this Declaration, the By-Laws or otherwise, to enter upon the land between the street boundary of the Project and the established curb or street line (the "Road Right of Way") as may be necessary for the inspection, installation, repair, maintenance or replacement of the planting strip located therein (other than trees that have been placed within said land area in accordance with the requirements of the City or other governmental entity or agency (the "Street Trees")).

8. Until December 31, 2033, the Developer shall have the right to conduct extensive sales activities within the Project utilizing the common elements and any unit(s) still owned by the Developer, including the use of model units, sales and management offices, and extensive sales displays, signage and activities.

9. Until December 31, 2033, the Developer, its agents, employees, contractors, licensees, successors and assigns shall have a nonexclusive easement over the common elements of the Project, as may be reasonably necessary for the completion of any improvements to and correction of defects and other punchlist items in the common elements.

10. The Developer, its successors and assigns shall have the right to amend, transfer, cancel, relocate and otherwise deal with any easement, license or other rights or interests, including, without limitation, the Sanitary Sewer Easements, over, under, across, along, upon and through any lands adjacent to or in the vicinity of the Project, which would be or may be appurtenant to the Land, for access purposes, for electrical, gas, telephone, telecommunication (including cable television, high speed data/Internet/intranet services, cellular telephone, and satellite television) and other utility purposes, for sanitary sewer, drainage and drainline, water, waterline, irrigation and flowage purposes, for drainage control,

erosion control and storm water system purposes, for landscape purposes, to access and read utility meters, and for all other related purposes.

11. The Developer, its successors and assigns shall have a nonexclusive easement for access, walkway, pathway and trail purposes over, across, along, upon and through the common elements of the Project, together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the owner or owners from time to time of all or any portion of the lands adjacent to or in the vicinity of the Project, the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements for such access, walkway, pathway and trail purposes over, across, along, upon and through the common elements of the Project.

12. The Developer, its successors and assigns shall have a nonexclusive easement for tree trimming purposes over, across, along, upon and through the Road Right of Way, including, without limitation, the planting strip located therein, together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements for such tree trimming purposes.

13. The Developer, its successors and assigns shall have a nonexclusive easement for access purposes over, across, along, upon and through the common elements of the Project, including the limited common elements appurtenant to the unit(s), from time to time during reasonable hours as may be necessary to read utility meters and sub-meters, together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to any public or private utility or other limited liability company, corporation, partnership, individual or entity, easements for such access purposes.

14. The Developer, its successors and assigns shall have nonexclusive easements for electrical purposes over, under, across, along, upon and through Easement "E-48", Easement "E-49", Easement "E-50", Easement "E-51", Easement "E-52", and Easement "E-53" as more particularly described in Exhibit "A", together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the owner or owners from time to time of all or any portion of the lands adjacent to or in the vicinity of the Project, any limited liability company, corporation, partnership, individual or entity, easements and/or licenses, including rights of entry, for such electrical purposes.

15. The Developer, its successors and assigns shall have nonexclusive easements for mailbox purposes over, under, across, along, upon and through Easement "MB-18", as more particularly described in Exhibit "A", together with the right to designate easements for the aforesaid purposes, and together also with

the right to grant to the owner or owners from time to time of all or any portion of the lands adjacent to or in the vicinity of the Project, the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements and/or licenses, including rights of entry, for such mailbox purposes.

16. The Developer, its successors and assigns shall have nonexclusive easements for electrical, gas, telephone, telecommunication (including cable television, high speed data/Internet/intranet services, cellular telephone, and satellite television) and other utility purposes, easements for photovoltaic purposes, easements for sanitary sewer, drainage and drainline, water, waterline, irrigation and flowage purposes, easements for drainage control, erosion control and storm water system purposes, easements for landscape purposes, easements to access and read utility meters, and easements for all other purposes over, under, across, along, upon and through the Land, including but not limited to any and all easements now or hereafter designated on any subdivision map or file plan or identified in any document referred to in Exhibit "A", together with the right to designate easements for the aforesaid purposes, if necessary or desirable, subject to the reasonable consent of the Association of Unit Owners of the Project as to location, and together also with rights of reasonable access thereto in connection with the exercise of said easement rights, and to grant to the owner or owners from time to time of all or any portion of the lands adjacent to or in the vicinity of the Project, the State of Hawaii, the City and County of Honolulu, the Board of Water Supply of the City and County of Honolulu, any other appropriate governmental entity or agency, the Koa Ridge Owners Association and/or any other public or private utility or other limited liability company, corporation, partnership, individual or entity, easements for such purposes over, under, across, along, upon and through the Land under the usual terms and conditions required by the grantee of such easement rights, and together also with the right to delete or cancel designated or granted easements that are not required or no longer serve the aforesaid purposes; provided, however, that such easement rights must be exercised in such manner as to not unreasonably interfere with the use of the Land by the unit owners and those claiming by, through or under the unit owners, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements the Land shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the condition of the Land immediately prior to the exercise thereof; and the acceptance or acquisition by any party of any interest in the Project shall constitute an undertaking and agreement by such party (a) to join in and execute, upon request, any and all documents designating and/or granting any such easements, and (b) to perform and carry out at such party's expense, or to cause the Association of Unit Owners of the Project to perform and carry out as a common expense, any obligation in any such grant of easement rights, or in any grant of

easement specifically referred to in this Declaration, any obligation with respect to providing and maintaining any screening or landscaping or similar requirement as to facilities within the Land which may now or hereafter be required by law, ordinance or governmental entity or agency, subject to the conditions of the condominium unit deed conveying the unit.

G. ALTERATION AND TRANSFER OF INTERESTS. Except as otherwise provided in any other section of this Declaration, the common interest and easements appurtenant to each unit shall have a permanent character, shall not be altered without the consent of all owners of units affected thereby as expressed in an amendment to this Declaration duly recorded in the Bureau of Conveyances, shall not be separated from the unit to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such unit even though not expressly mentioned or described in the conveyance or other instrument. Except as provided by said Condominium Property Act, the common elements shall remain undivided, and no right shall exist to partition or divide any part thereof.

H. PURPOSES AND RESTRICTIONS AS TO USE.

1. Residential Use. Each unit shall be occupied and used for residential purposes only. If a unit owner rents his or her unit to any third party, the unit owner shall provide each tenant with a copy of this Declaration, the By-Laws and the Rules and Regulations. An owner who rents his or her unit shall at all times remain primarily and severally liable to all other unit owners and to the Association of Unit Owners of the Project for any failure on the part of such owner's tenant(s) to observe and comply with all provisions of this Declaration, the By-Laws, the Rules and Regulations and all other applicable laws. Notwithstanding any other provision contained in this Declaration or the By-Laws to the contrary, no unit shall be used for bed and breakfast establishment purposes, boarding facilities, rooming or lodging houses, group living facilities, the promotion or sale of timeshare, fractional ownership, exchange (whether the program is based on direct exchange of occupancy rights, cash payments, reward programs or other point or accrual systems) or other membership programs, plans or arrangements through which a participant in the program, plan or arrangement acquires an ownership interest in the unit with attendant rights of periodic use and occupancy or acquires contract rights to such periodic use and occupancy of the unit or acquires contract rights to a portfolio of accommodations including the unit (an "Occupancy Plan"), or for the operation of any business that directly or indirectly promotes the sale of an Occupancy Plan. Other than the foregoing restrictions (including restrictions contained in the condominium unit deed conveying a unit), the owners of the respective units shall have the right to lease the same, provided that such lease is in writing and for a term of not less than thirty (30) days, is in accordance with all applicable laws, and is expressly made

subject to the covenants and restrictions contained in this Declaration, the By-Laws and the Rules and Regulations.

2. Unpermitted Acts. The Association of Unit Owners of the Project and any unit owner shall not suffer anything to be done or kept in his or her unit or elsewhere in the Project which may (a) jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement, as reasonably determined by the Board, (b) interfere with or otherwise unreasonably disturb the rights of other owners and occupants, or (c) increase the rate of property insurance on any building or the contents thereof.

3. Alterations. Except as otherwise expressly provided in Section R of this Declaration, a unit owner shall not, without the prior written consent of the Board of Directors of the Association of Unit Owners of the Project, make any alterations in or alterations to the exterior of the unit or to any other portion or portions of the common elements.

4. Developer's Rights. Notwithstanding anything contained hereinabove to the contrary, the Developer, its agents, employees, successors and assigns shall have the right to conduct extensive sales activities at and in the Project, including the use of model units, sales and management offices, and extensive sales displays, signage and activities as set forth in Paragraph 8 of Section F of this Declaration.

5. Owners with Disabilities. Notwithstanding anything to the contrary contained in this Declaration, the By-Laws or the Rules and Regulations, owners with disabilities shall be allowed reasonable exemptions from this Declaration, the By-Laws and the Rules and Regulations, when necessary to enable them to use and enjoy their units and the common elements, provided that any owner with a disability desiring such an exemption shall make such request, in writing, to the Board. The request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to be granted such an exemption. The Board shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof, or within forty-five (45) days of the Board's receipt of additional information reasonably required by the Board in order to consider such request, whichever shall last occur.

I. ADMINISTRATION OF PROJECT. Administration of the Project shall be vested in its Association of Unit Owners, herein called the "Association", consisting of all unit owners of the Project, in accordance with the By-Laws of the Association. Operation of the Project and maintenance, repair, replacement and restoration of the units, 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, curbs and sidewalks which may be required by law to be made, built, maintained and repaired, or for the protection of the Project (as determined by the Board), 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 clean 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; provided, however, that the owner of each unit shall be primarily responsible to keep (i) such unit, (ii) the yard area appurtenant to such unit, (iii) the driveway area appurtenant to such unit, and (iv) the Road Right of Way in front of, on the side of, or in the back of the yard area appurtenant to such unit owner's unit, including the planting strip located therein, in such clean condition.

3. Well and substantially repair, maintain, amend and keep all common elements of the Project with all necessary reparations and amendments whatsoever in good order and condition, except as otherwise provided herein; provided, however, that the owner of each unit shall be primarily responsible to well and substantially repair, maintain, amend and keep (i) such unit, (ii) the yard area appurtenant to such unit, (iii) the driveway area appurtenant to such unit, (iv) the Limited Common Element Utility Facilities appurtenant to such unit, and (v) the Road Right of Way in front of, on the side of, or in the back of the yard area appurtenant to such owner's unit, including the planting strip located therein (other than the Street Trees except that the unit owner shall water such Street Trees), with all such necessary reparations and amendments whatsoever in good order and condition. If a unit owner's yard area initially contains Developer-installed temporary fencing for silt or sedimentation control (a "Silt Fence"), the unit owner shall maintain the Silt Fence in good working condition during the installation of said unit owner's yard area landscaping, and shall take other reasonable measures as may be necessary to prevent silt or sedimentation intrusion onto the common elements of the Project or onto the Road Right of Way. After completion of his or her permanent landscaping installation, said unit owner shall remove and properly dispose of the Silt Fence.

4. 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 Section R of this Declaration and in accordance with plans and specifications, including detailed plot plan, prepared by a licensed architect, if so required by the Board of Directors

of the Association, and approved by the Board of Directors of the Association, and complete any such improvements diligently after commencement thereof.

5. Before commencing or permitting construction of any improvement on or to the Project where the cost thereof exceeds Twenty-Five Thousand and No/100 Dollars ($25,000.00) or such other amount as may be determined by the Board of Directors from time to time, obtain a performance and lien payment bond naming as obligees, the Board of Directors of the Association, the Association, and collectively all unit owners and their respective mortgagees of record, as their respective interests may appear, with a responsible corporate surety authorized to do business in the State of Hawaii, guaranteeing the full and faithful performance of the contract for such construction free and clear of all mechanics' and materialmen's liens for such construction and the payment of all subcontractors, labor and materialmen, for a penal sum of not less than one hundred percent (100%) of the cost of such construction.

6. Have the irrevocable right, to be exercised by its Board of Directors or Managing Agent, to have access to the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein required to prevent damage to any units or common elements or for the installation, repair or replacement of any common elements.

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

8. Not commit any act or neglect whereby the Project or any part thereof at any time becomes subject to any attachment, judgment, lien, charge or encumbrance whatsoever.

9. Comply with all encumbrances, restrictive covenants and agreements, and setback lines affecting the use of the Land upon which the Project is situated which are referred to or described in Exhibit "A" or otherwise affect the Land from time to time.

10. Be bound by the waivers of claims, rights of action and suits against the Developer, its successors and assigns, contained in the unit conveyances by the Developer to purchasers of units in the Project, and the Association shall not bring against the Developer, its successors and assigns, any claim or right of action or suit relating to any of the matters waived by the purchasers in such unit conveyances.

11. Observe and comply with all applicable provisions of, exercise the Association's rights of, and observe and comply with the Association's obligations under, the Koa Ridge Covenants.

J. MANAGING AGENT AND SERVICE OF PROCESS. Operation of the Project shall be conducted for the Association by a responsible Managing Agent which shall be appointed by the Association in accordance with the By-Laws, except that the initial Managing Agent shall be appointed by the Developer. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in said Condominium Property Act. In addition, process may be served upon any member of the Board of Directors of the Association who has a residence or place of business within the City and County of Honolulu, State of Hawaii. Troy T. Fukuhara, whose principal place of business is at 680 Iwilei Road, Suite 510, Honolulu, Hawaii 96817, and whose post office address is 680 Iwilei Road, Box 510, Honolulu, Hawaii 96817, is hereby designated as the agent to receive service of process until such time the Developer designates a successor agent to receive service of process or such time as the Board of Directors of the Association is elected, whichever shall first occur.

K. COMMON EXPENSES.

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

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

2. No unit owner may exempt the unit owner from liability for the unit owner's contribution toward the common expenses or limited common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of such owner's unit.

3. The Board of Directors of the Association shall from time to time assess the common expenses and limited common expenses against all the units in their respective proportionate shares as set forth in this Section K. All sums assessed by the Association but unpaid for the share of common expenses or limited common expenses chargeable to any unit shall constitute a lien on the unit with priority over all other liens, except: (a) liens for real property taxes and assessments lawfully imposed by governmental authority against such unit; and (b) except as provided in the Condominium Property Act, all sums unpaid on any mortgage of record that was recorded prior to the recordation of a notice of a lien by the Association, and costs and expenses including attorneys' fees provided in such mortgages; provided that a lien recorded by the Association for unpaid assessments shall expire six (6) years from the date of recordation unless proceedings to enforce the lien are instituted prior to the expiration of the lien; provided further that the expiration of a recorded lien shall in no way affect the Association's automatic lien that arises pursuant to this section or any other provision of this Declaration or the By-Laws. Any proceedings to enforce the Association's lien for any assessment shall be instituted within six (6) years after the assessment becomes due; provided that if the owner of a unit subject to a lien of the Association files a petition for relief under the United States Bankruptcy Code (11 U.S.C. §101 et seq.), the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under Section 362 of the United States Bankruptcy

Code. The lien of the Association may be foreclosed by action or by nonjudicial or power of sale foreclosure by the Managing Agent or the Board, acting on behalf of the Association and in the name of the Association, subject to the provisions of the Condominium Property Act. In any such foreclosure, the unit owner shall be required to pay a reasonable rental for the unit, and the plaintiff in the foreclosure shall be entitled to the appointment of a receiver to collect the rental owed by the unit owner or any tenant of the unit. The Managing Agent or the Board, acting on behalf of the Association and in the name of the Association, may bid on the unit at such foreclosure sale, and acquire and hold, lease, mortgage and convey the unit. Action to recover a money judgment for unpaid common expenses or limited common expenses shall be maintainable without foreclosing or waiving the lien securing the unpaid common expenses or limited common expenses owed.

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

5. Except as provided in the Condominium Property Act, when the mortgagee of a mortgage of record or other purchaser of a unit obtains title to the unit as a result of foreclosure of the mortgage, the acquirer of title and the acquirer's successors and assigns shall not be liable for the share of the common expenses, limited common expenses or assessments by the Association chargeable to the unit that became due prior to the acquisition of title to the unit by the acquirer. The unpaid share of common expenses, limited common expenses and assessments shall be deemed common expenses collectible from all unit owners, including the acquirer and the acquirer's successors and assigns. The mortgagee of record or other purchaser of the unit shall be deemed to acquire title and shall be required to pay the unit's share of common expenses, limited common expenses and assessments beginning: (a) thirty-six (36) days after the order confirming the sale to the purchaser has been filed with the court; (b) sixty (60) days after the hearing at which the court grants the motion to confirm the sale to the purchaser; (c) thirty (30) days after the public sale in a nonjudicial power of sale foreclosure conducted pursuant to Chapter 667 of the Hawaii Revised

Statutes, as amended; or (d) upon the recording of the instrument of conveyance, whichever occurs first; provided that the mortgagee of record or other purchaser of the unit shall not be deemed to acquire title under paragraph (a), (b), or (c), if transfer of title is delayed past the thirty-six (36) days specified in paragraph (a), the sixty (60) days specified in paragraph (b), or the thirty (30) days specified in paragraph (c), when a person who appears at the hearing on the motion or a party to the foreclosure action requests reconsideration of the motion or order to confirm sale, objects to the form of the proposed order to confirm sale, appeals the decision of the court to grant the motion to confirm sale, or the debtor or mortgagor declares bankruptcy or is involuntarily placed into bankruptcy. In any such case, the mortgagee of record or other purchaser of the unit shall be deemed to acquire title upon recordation of the instrument of conveyance.

6. A unit owner who receives a demand for payment from the Association and disputes the amount of an assessment may request a written statement clearly indicating:

(a) The amount of common expenses or limited common expenses included in the assessment, including the due date of each amount claimed;

(b) The amount of any penalty or fine, late fee, lien filing fee, and any other charge included in the assessment that is not imposed on all unit owners as a common expense or a limited common expense; and

(c) The amount of attorneys' fees and costs, if any, included in the assessment.

7. A unit owner who disputes the information in the written statement received from the Association pursuant to Paragraph 6 of Section K may request a subsequent written statement that additionally informs the unit owner that:

(a) Under Hawaii law, a unit owner has no right to withhold assessments for common expenses or limited common expenses for any reason;

(b) A unit owner has a right to demand mediation or arbitration to resolve disputes about the amount or validity of the Association's assessment for common expenses or limited common expenses, provided that the unit owner immediately pays the assessment for common expenses or limited common expenses in full and keeps the assessments for common expenses or limited common expenses current;

(c) Payment in full of the assessments for common expenses or limited common expenses shall not prevent the owner from contesting the assessments for common expenses or limited common expenses or receiving a refund of amounts not owed; and

(d) If the unit owner contests any penalty or fine, late fee, lien filing fee, or other charges included in the assessment, except assessments for common expenses or limited common expenses, the unit owner may demand mediation prior to paying those charges.

8. No unit owner shall withhold any assessments for common expenses or limited common expenses claimed by the Association. Nothing in this section shall limit the rights of an owner to the protection of all fair debt collection procedures mandated under federal and state law.

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

10. A unit owner who contests the amount of any attorneys' fees and costs, penalties or fines, late fees, lien filing fees, or any other charges, except assessments for common expenses or limited common expenses, may make a demand in writing for mediation on the validity of those charges. The unit owner has thirty (30) days from the date of the written statement requested under Paragraph 7 of Section K to file demand for mediation on the disputed charges, other than assessments for common expenses or limited common expenses. If the unit owner fails to file for mediation within thirty (30) days of the date of the

written statement requested under Paragraph 7 of Section K, the Association may proceed with collection of the charges. If the unit owner makes a request for mediation within thirty (30) days, the Association shall be prohibited from attempting to collect any of the disputed charges until the Association has participated in the mediation. The mediation shall be completed within sixty (60) days of the unit owner's request for mediation; provided that if the mediation is not completed within sixty (60) days or the parties are unable to resolve the dispute by mediation, the Association may proceed with collection of all amounts due from the unit owner for attorneys' fees and costs, penalties or fines, late fees, lien filing fees, or any other charge that is not imposed on all unit owners as a common expense or a limited common expense.

L. INSURANCE – PROPERTY AND LIABILITY.

1. The Association, as a common expense, shall purchase and at all times maintain the following:

(a) Property insurance (i) on the common elements (other than the limited common elements), and common personal property of the Association, (ii) providing coverage for special form causes of loss; and (iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements, at the time the insurance is purchased and at each renewal date. If available, the property insurance also shall include an agreed amount endorsement and an inflation guard endorsement. The property insurance shall be in the name of the Association.

(b) Commercial general liability insurance written on an occurrence form to include coverage for claims and liabilities arising in connection with the ownership, existence, use or management of the Project, coverage for premises and operations, products and completed operations, personal and advertising injury, blanket contractual liability, lawsuits related to employment contracts, and fire legal liability with the following minimum limits:

Bodily Injury and Property Damage

$1,000,000 per occurrence
$2,000,000 general aggregate
$1,000,000 products and completed operations

Personal and Advertising Injury

$1,000,000 per person/organization
$1,000,000 general aggregate

Fire Legal Liability

$100,000 any one fire
$100,000 general aggregate

The liability insurance policy shall insure the Board, the Association, all unit owners, the Managing Agent and its employees, and the employees of the Association with respect to the Project.

(c) A fidelity bond covering the Managing Agent and all directors, officers, trustees, employees and volunteers who control or disburse funds belonging to or administered by the Association, naming the Association as the insured and providing coverage in such amounts as the Board deems adequate, but in no event in any amount less than (i) the estimated maximum funds (including reserve funds) that will be in the custody of the Association or the Managing Agent at any time; (ii) a sum equal to three (3) months' aggregate assessments on all units (including reserve funds); or (iii) any minimum amount required under the Condominium Property Act. Every such bond shall contain a waiver of any defense based upon the exclusion of persons who serve without compensation from any definition of the term "employee" or similar term, and, by appropriate endorsement, provide coverage for any such persons not otherwise covered.

(d) Directors and officers liability coverage at a level deemed reasonable by the Board.

(e) Flood insurance if the property is located in a special flood hazard area as delineated on flood maps issued by the Federal Emergency Management Agency. The flood insurance shall comply with the requirements of the National Flood Insurance Program and the Federal Insurance Administration.

2. The Board, in the case of a claim for damage to the common elements (other than the limited common elements), may: (a) pay the deductible amount as a common expense; or (b) after notice and an opportunity for a hearing, assess the deductible amount against the owners who caused the damage or from whose units the damage or cause of loss originated.

3. The Board of Directors of the Association may also procure insurance against such additional risks as the Board of Directors considers

appropriate to protect the Association, the unit owners, or officers, directors or agents of the Association, of a character normally carried with respect to properties of comparable character and use in the State of Hawaii.

4. The Board of Directors of the Association will review not less frequently than annually the adequacy of its insurance program and shall report in writing its conclusions and action taken on such review to each unit owner and to each mortgagee of record of any interest in a unit which shall have requested a copy of such report. In conducting the review discussed in the immediately prior sentence, the Board of Directors may consult with its insurer or other insurance consultant. The Board of Directors of the Association shall increase the limits of all insurance from time to time so that the same are not less than such limits as are being carried generally for similar properties in the area.

5. Copies of every policy of insurance procured by the Board of Directors of the Association shall be available for inspection by any unit owner (or purchaser holding a contract to purchase an interest in a unit) at the office of the Managing Agent, and certificates of insurance shall be issued to each unit owner and mortgagee upon request.

6. Any insurance coverage required in this Section L shall be subject to availability with responsible insurance companies authorized to do business in the State of Hawaii. Where such coverage is not available, or is not available at a reasonable cost, then the Board shall substitute such other insurance coverage as is acceptable to institutional lenders for units in projects similar in construction, location and use.

7. Insurance policies carried pursuant to this section shall include each of the following provisions:

(a) If obtainable at reasonable cost, provide that the liability of the insurer thereunder shall be primary and shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of any other insurance obtained by or for any unit owner;

(b) If obtainable at reasonable cost, 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 of Directors of the Association, the Managing Agent, any unit owner or any other persons under any of them or because of any breach of warranty or condition or any other act or neglect by the Board of Directors of the Association, the Managing Agent, any unit owner or any other persons under any of them;

(c) If obtainable at reasonable cost, provide that such policy may not be canceled or reduced by amount or type of coverage, whether or not requested by the Board of Directors of the Association, except by the insurer's giving at least sixty (60) days' prior written notice thereof to the Board of Directors of the Association and any mortgagee of record of any interest in any unit;

(d) If obtainable at reasonable cost, contain a waiver by the insurer of any right to deny liability because of vacancy of any unit or units;

(e) If obtainable at reasonable cost, contain a "severability of interest" endorsement precluding the insurer from denying the claim of the Board of Directors of the Association, the Association, the Managing Agent, or any unit owner because of negligent acts of any of the others;

(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, insurers and guarantors of mortgages of any unit of the Project, their respective successors and assigns, 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, the Association, the Managing Agent, any unit owner or any other persons under any of them; and

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;

(g) If obtainable at reasonable cost, contain a provision waiving any right of the insurer to repair, rebuild or replace if a decision is made pursuant to this Declaration and the By-Laws not to reinstate, rebuild or restore the damage or destruction;

(h) Satisfy all other requirements for insurance (i) under the Condominium Property Act, (ii) under other applicable federal, state or local law, or (iii) by any purchaser, insurer or guarantor of loans, including, for example, the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or

the Department of Veterans Affairs, to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the units;

(i) If obtainable at reasonable cost, contain a waiver of subrogation by the insurer as to any and all claims against the Association, Developer and any unit owner and their respective agents, employees or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

8. Each unit owner shall be responsible for insuring such owner's unit, the limited common elements appurtenant thereto, and the contents thereof for such unit owner's own benefit and at such unit owner's own expense. Said insurance shall include such coverage and limits as shall be reasonably required by the Board of Directors, taking into account the coverage and limits as are being carried generally for similar properties in the area. Upon taking title to the unit, and thereafter not less than ten (10) days prior to the expiration dates of expiring policies, certificates of all policies in form acceptable to the Association, shall be deposited with the Association. If the unit owner fails to carry such insurance or fails to deliver the certificates to the Association, then the Association, at its option but without being obligated to do so, may procure such insurance from year to year and pay the premiums therefor, and the cost thereof shall be charged to the unit owner as a special assessment secured by the lien created under Section K.

M. INSURED CASUALTY.

1. Any loss covered by the property insurance policy maintained by the Association under Section L shall be adjusted by and with the Association. The insurance proceeds for that loss shall be payable to the Association, or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association shall hold any insurance proceeds in trust for unit owners and secured parties as their interests may appear.

2. If the Project is damaged by fire or other casualty which is insured against by the property insurance policy under Section L, the Board of Directors of the Association shall thereupon contract to repair or rebuild the damaged portions of the Project, in accordance with plans and specifications therefor which will restore the same to the design immediately prior to destruction, or if reconstruction in accordance with said design is not permissible under the laws then in force, in accordance with such modified plans as shall be previously approved by the Board of Directors of the Association, any mortgagee of record of any interest in a unit directly affected thereby, and the eligible holders of first mortgages (as defined in Section T of this Declaration) on units to which at least fifty-one percent (51%) of the votes of units subject to mortgages held by such eligible holders of first mortgages are allocated; provided that in the event said modified plans eliminate

any unit and such unit is not reconstructed the trustee shall pay the owner of said unit and any mortgagee of record of any interest in said unit, as their interests may appear, the portion of said insurance proceeds allocable to said unit (less the proportionate share of said unit in the cost of debris removal) and shall disburse the balance of insurance proceeds as hereinafter provided for the disbursement of insurance proceeds.

3. Prior to the commencement of any rebuilding or repair pursuant to this Section M, the Board of Directors or the unit owner contracting for such rebuilding or repair shall comply with all of the requirements of Paragraph 4 of Section I of this Declaration.

4. The insurance proceeds received by the Association shall be paid by the Association or insurance trustee to the contractor employed for such work, in accordance with the terms of the contract for such construction and in accordance with the terms of this Section M. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding any common elements other than the limited common elements, the Board of Directors of the Association shall levy a special assessment on the owners of all units in proportion to their respective common interests.

5. The cost of the work (as estimated by the Board of Directors of the Association) contracted by the Board shall be paid out from time to time at the direction of the Board of Directors as the work progresses, but subject to the following conditions:

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

(b) Each request for payment shall be made on seven (7) days' prior notice to the Association or insurance trustee and shall be accompanied by a certificate to be made by such architect or engineer stating that all of the work completed has been done in compliance with the approved plans and specifications and that the sum requested is justly required to reimburse the Board for payments by the Board of Directors to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services or materials), and that when added to all sums previously paid out by the Association or insurance trustee the sum requested does not exceed the value of the work done to the date of such certificate;

(c) Each request shall be accompanied by waivers of liens satisfactory to the Association or insurance trustee, covering that part of the

work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Association or insurance trustee, that there has not been recorded with respect to the premises any mechanics' or other lien or instrument for the retention of title with respect to any part of the work not discharged of record;

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

(e) The fees and expenses of the insurance trustee, if any, as determined by the Board of Directors and the insurance trustee shall be paid by the Association as common expenses, and such fees and expenses may be deducted from any proceeds at any time in the hands of the insurance trustee; and

(f) Such other conditions not inconsistent with the foregoing as the Association or insurance trustee may reasonably request.

6. Upon completion of the work and payment in full therefor, any remaining proceeds of insurance then or thereafter in the hands of the Board of Directors of the Association or insurance trustee shall be paid or credited to the owners of the units and the holders of any mortgages on the units, as their interests may appear, in proportion to the respective common interests appurtenant to each unit.

7. To the extent that any loss, damage or destruction to any buildings or other property is covered by (or, under Paragraph 1 of Section L of this Declaration, should have been covered by) insurance procured by the Board of Directors of the Association, the Board of Directors of the Association shall have no claim or cause of action for such loss, damage or destruction against any unit owner (other than for any special assessment levied pursuant to Paragraph 4 of this Section M). To the extent that any loss, damage or destruction to the property of any unit owner is covered by (or, under Section L of this Declaration, should have been covered by) insurance procured by such unit owner, such unit owner shall have no claim or cause of action for such loss, damage or destruction against the Board of Directors of the Association, the Managing Agent, or any other unit owner or any person claiming under any of them.

N. UNINSURED CASUALTY. In case at any time or times any improvements within the common elements (other than the limited common elements) of the Project shall be substantially damaged or destroyed by any casualty not insured against, such improvements shall be rebuilt, repaired or restored unless not less than

sixty-seven percent (67%) of all unit owners vote not to rebuild, repair or restore. Any such restoration of the common elements other than the limited common elements shall be completed diligently by the Association at its common expense and the unit owners shall be solely responsible for any restoration of their respective units and limited common elements appurtenant thereto so damaged or destroyed, according to the original plans and specifications thereof or such other plans and specifications first approved in the same manner as provided in Paragraph 4 of Section I of this Declaration. 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 order and condition and even grade.

O. CONDEMNATION.

1. 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 payable for or on account of the Land, the buildings and other improvements of the Project shall be payable to the Association or such bank or trust company authorized to do business in the State of Hawaii as the Board shall designate as trustee for all unit owners and mortgagees of record affected thereby, according to the loss or damage to their respective units and appurtenant common interests, and shall be used promptly by the Association to the extent necessary for restoring or replacing said buildings and other improvements on the remaining Land according to modified plans and specifications therefor first approved as herein provided, unless such restoration or replacement is impractical in the circumstances. In the event of a partial taking in which any unit is eliminated or not restored, the Association or the trustee shall disburse the portion of the proceeds of such award allocable to said unit less the proportionate share of said unit in the cost of debris removal, to the owner and mortgagee, if any, of said unit, as their interests may appear. The Association or the trustee shall disburse the remainder of the proceeds of such award payable for or on account of said buildings and other improvements to the contractor engaged in such repair and restoration in the same manner funds are disbursed for repair and restoration work under Section M above, and in the event such proceeds are insufficient to pay the costs thereof the Board of Directors of the Association shall levy a special assessment or assessments on the owners of the units in the same manner as set forth in Paragraph 4 of Section M hereof in case of damage by fire or other casualty and said special assessment or assessments shall be secured by the lien created under Section K hereof. 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 order and condition and even grade. In the event the sums received by the Association or trustee are in excess

of the cost of repairing, restoring or removing said buildings and other improvements, such excess proceeds shall be divided between the owners of the units and any mortgagees of the units, as their interests may appear.

2. In case at any time or times only a leasehold interest in 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, then and in every such case, notwithstanding the foregoing provisions of Paragraph 1 of this Section O, all compensation and damages payable for or on account of such leasehold interest shall be payable to the unit owners affected by such taking or condemnation and any mortgagees of such units; provided, however, that such taking or condemnation shall not affect the obligations of such unit owners under this Declaration.

P. PARTIAL RESTORATION. Restoration of the Project with less than all of the units after casualty or condemnation may be undertaken by the Association only pursuant to an amended declaration, duly adopted by the affirmative vote of all of the unit owners and by all holders of liens affecting all or any part of the Project, (1) removing the Project from the condominium property regime established by the execution and recordation of this Declaration, (2) reconstituting all of the remaining units and common elements to be restored as a new condominium property regime, and (3) providing for payment to the owner of each unit not to be restored the agreed value of such unit and the common interest appurtenant thereto.

Q. DETERMINATION AGAINST RESTORATION. When an election is permissible under the terms of this Declaration, the Project shall be repaired, rebuilt or restored in the event of damage or destruction to all or any part of the buildings and common elements, unless, within ninety (90) days after such damage or destruction, it is determined by the vote of not less than sixty-seven percent (67%) of the unit owners (including the owners of not less than sixty-seven percent (67%) of the damaged or destroyed units) that the Project not be so repaired, rebuilt or restored.

R. ALTERATION OF PROJECT.

1. General. Except as otherwise provided herein or in the By-Laws, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any unit owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote or written consent of not less than sixty-seven percent (67%) of the unit owners and accompanied by the written consent of all unit owners whose units or appurtenant limited common elements are directly affected, as determined in a reasonable manner by the Board, and in accordance with all of the

requirements of Paragraph 4 of Section I of this Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall duly 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 other provision in this Declaration to the contrary, the owner of a unit may make any interior alterations within a unit so long as such owner obtains written approval thereof, including approval of the unit owner's plans therefor, by the holders of first mortgage liens affecting such unit (if the lien holders require such approval), and by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, and such alterations may be undertaken without an amendment to this Declaration or recording of a complete set of floor plans of the Project as so altered unless required by the Condominium Property Act, in which case the unit owner shall have the right to amend the Declaration (including the Condominium Map) as provided in Paragraph 3 of Section T of this Declaration; PROVIDED, FURTHER, HOWEVER, that notwithstanding any other provision in this Declaration to the contrary, the owners of Unit Nos. 1 through 35, inclusive, may rebuild or restore the exterior of such owner's unit or make any alterations or additions to the exterior of such owner's unit within the yard area appurtenant to and for the exclusive use of such unit or construct or alter one or more fences or walls or other improvements within the yard area appurtenant to and for the exclusive use of such unit so long as such rebuilding, restoration, alterations, additions or construction: (a) do not, in total at any time, increase the total area that the Original Unit (as defined hereinbelow), covers on the yard area appurtenant to and for the exclusive use of such unit (also known as the "building footprint") by more than 175 square feet; (b) do not, in total at any time, increase the total square footage of living area of the Original Unit by more than 350 square feet; (c) do not result in a total height of the unit from finish grade to the highest point of the unit, of more than 25 feet; (d) except for fences, walls, hardscape or landscaping, are not constructed or installed within five (5) feet of any boundary of the yard area; and (e) are constructed or installed entirely within a yard area and are not located upon or across the boundary of a yard area, e.g., shared fences and walls are specifically prohibited, and the owners of Unit Nos. 36 through 51, inclusive, may rebuild or restore the exterior of such owner's unit or make any alterations or additions to the exterior of such owner's unit within the yard area appurtenant to and for the exclusive use of such unit or construct or alter one or more fences or walls or other improvements within the yard area appurtenant to and for the exclusive use of such unit so long as such rebuilding, restoration, alterations, additions or construction: (a) do not, in total at any time, increase the total area that the Original Unit (as defined hereinbelow), covers on the yard area appurtenant to and for the exclusive use of such unit (also known as the "building footprint") by more than 100 square feet; (b) do not, in total at any time, increase the total square footage of living area of the Original Unit by more

than 200 square feet; (c) do not result in a total height of the unit from finish grade to the highest point of the unit, of more than 25 feet; (d) except for fences, walls, hardscape or landscaping, are not constructed or installed within five (5) feet of any boundary of the yard area; and (e) are constructed or installed entirely within a yard area and are not located upon or across the boundary of a yard area, e.g., shared fences and walls are specifically prohibited. The rebuilding, restoration, alterations, additions or construction of or to the exterior of a unit or within a yard area permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the unit owner's plans therefor, by the holders of first mortgage liens affecting such unit (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other unit owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association), and such alterations or additions may be undertaken without an amendment to the Declaration or recording of a complete set of floor plans of the Project as so altered unless required by the Condominium Property Act, in which case the unit owner shall have the right to amend this Declaration (including the Condominium Map) as provided in Paragraph 3 of Section T of this Declaration. As used herein, the term "Original Unit" shall mean and refer to the unit as originally constructed by the Developer, including without limitation, the garage, the covered entry and the covered lanai, if any, as originally constructed by the Developer, and with respect to those unit types for which optional floor plans are offered by the Developer, as described in Paragraph 2(d) of Section R of this Declaration, the term "Original Unit" shall include any optional floor plans actually incorporated into the unit, provided that the optional floor plans shall be as provided in Paragraph 2(d) of Section R of this Declaration, and as shown on the Condominium Map. The expansion limits set forth in this section are maximum amounts only and for various reasons, including, without limitation, the size and configuration of the yard area appurtenant to a unit, a unit may not be expanded to the limits set forth in this section.

2. Developer's Rights.

(a) Notwithstanding any other provision in this Declaration to the contrary and without limiting any other rights reserved to the Developer, prior to (i) the time that all units in the Project have been sold and recorded and (ii) the recordation by the Developer of the "as-built" statement (with plans, if applicable) if required pursuant to Section 514B-34 of the Condominium Property Act (but in no event later than December 31, 2033), the Developer shall have the right to make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) without

the approval, consent or joinder of any unit owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any unit (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any unit owner, which make minor changes in any unit in the Project or the common elements which do not affect the physical location, design or size of any unit which has been sold and recorded, including, without limitation, changes to the metes and bounds or dimensions of the common elements, including the limited common elements, and installation or removal of gates within the Project; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 4 of Section T of this Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of units in the Project and the recordation in the Bureau of Conveyances of unit conveyances transferring interests in the units from the Developer to parties not signatory to this Declaration.

(b) Notwithstanding any other provision in this Declaration to the contrary, prior to the time that all units in the Project have been sold and recorded, the Developer shall have the right to make alterations in the Project (and to amend this Declaration, the By-Laws and the Condominium Map accordingly) without the approval, consent or joinder of any unit owner, which consist of changing the unit type of any of the units in the Project; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 5 of Section T of this Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of units in the Project and the recordation in the Bureau of Conveyances of unit conveyances transferring interests in the units from the Developer to parties not signatory to this Declaration.

(c) Notwithstanding any other provision in this Declaration to the contrary (but in no event later than December 31, 2033), the Developer shall have the right to make alterations in the Project (and to amend this Declaration, the By-Laws and the Condominium Map accordingly) without the approval, consent or joinder of any unit owner, as may be appropriate or necessary, as determined by the Developer in its sole and absolute discretion, in order for the Project, the Association or the Developer, to be in compliance with laws applicable to the Project, including, without limitation, the Fair Housing Act, as amended, 42 U.S.C. Section 3601 et seq., including any and all rules and regulations promulgated thereunder (the "Fair Housing Act"), and the Americans With Disabilities Act, as

amended, 42 U.S.C. Section 12101 et seq., including any and all rules and regulations promulgated thereunder (the "ADA"); PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 6 of Section T of this Declaration.

(d) Initial purchasers of the following unit types will be offered certain options:

i. The Type 1AR units in the Project will be offered to initial purchasers with: (a) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom ("Option 1AR-1"); (b) an optional floor plan which deletes a bedroom and adds a den in lieu thereof ("Option 1AR-2"); and (c) an optional floor option which adds a deck to the main bedroom ("Option 1AR-3").

ii. The Type 1B units in the Project will be offered to initial purchasers with: (a) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom ("Option 1B-1"); (b) an optional floor plan which deletes a bedroom and adds a den in lieu thereof ("Option 1B-2"); and (c) an optional floor option which adds a deck to the main bedroom ("Option 1B-3").

iii. The Type 2A unit in the Project will be offered to initial purchasers with: (a) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 2A-1") and (b) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 2A-2").

iv. The Type 2AR units in the Project will be offered to initial purchasers with: (a) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 2AR-1") and (b) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 2AR-2").

v. The Type 2B unit in the Project will be offered to initial purchasers with: (a) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 2B-1") and (b) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 2B-2").

vi. The Type 2BR unit in the Project will be offered to initial purchasers with: (a) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 2BR-1") and (b) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 2BR-2").

vii. The Type 3A units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 3A-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 3A-2"); (c) an optional floor plan which adds a family room on the second floor ("Option 3A-3"); (d) an optional floor plan which adds a bedroom on the second floor ("Option 3A-4"); (e) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 3A-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 3A-6").

viii. The Type 3AR units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 3AR-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 3AR-2"); (c) an optional floor plan which adds a family room on the second floor ("Option 3AR-3"); (d) an optional floor plan which adds a bedroom on the second floor ("Option 3AR-4"); (e) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 3AR-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 3AR-6").

ix. The Type 3B units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 3B-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 3B-2"); (c) an optional floor plan which adds a family room on the second floor ("Option 3B-3"); (d) an optional floor plan which adds a bedroom on the second floor ("Option 3B-4"); (e) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 3B-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 3B-6").

x. The Type 3BR units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 3BR-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 3BR-2"); (c) an optional floor plan which adds a family room on the second floor ("Option 3BR-3"); (d) an optional floor plan which adds a bedroom on the second floor ("Option 3BR-4"); (e) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 3BR-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 3BR-6").

xi. The Type 4A units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 4A-1"); (b) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 4A-2"); (c) an optional floor plan which adds a bedroom on the second floor ("Option 4A-3"); (d) an optional floor plan which enlarges the family room on the second floor ("Option 4A-4"); (e) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 4A-5"); and (f) an optional floor plan which removes the hallway closet and adds a door to the family room on the first floor ("Option 4A-6").

xii. The Type 4AR units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 4AR-1"); (b) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 4AR-2"); (c) an optional floor plan which adds a bedroom on the second floor ("Option 4AR-3"); (d) an optional floor plan which enlarges the family room on the second floor ("Option 4AR-4"); (e) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 4AR-5"); and (f) an optional floor plan which removes the hallway closet and adds a door to the family room on the first floor ("Option 4AR-6").

xiii. The Type 4B units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 4B-1"); (b) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 4B-2"); (c) an optional floor plan which adds a bedroom on the second floor ("Option 4B-3"); (d) an optional floor plan which enlarges the family room on the second floor ("Option 4B-4"); (e) an optional floor plan

which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 4B-5"); and (f) an optional floor plan which removes the hallway closet and adds a door to the family room on the first floor ("Option 4B-6").

xiv. The Type 5A unit in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 5A-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 5A-2"); (c) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 5A-3"); (d) an optional floor plan which deletes a bedroom and adds a family room in lieu thereof on the second floor ("Option 5A-4"); (e) an optional floor plan which deletes a bedroom and adds an enlarged family room on the second floor ("Option 5A-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 5A-6").

xv. The Type 5AR units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 5AR-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 5AR-2"); (c) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 5AR-3"); (d) an optional floor plan which deletes a bedroom and adds a family room in lieu thereof on the second floor ("Option 5AR-4"); (e) an optional floor plan which deletes a bedroom and adds an enlarged family room on the second floor ("Option 5AR-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 5AR-6").

xvi. The Type 5B units in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 5B-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 5B-2"); (c) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 5B-3"); (d) an optional floor plan which deletes a bedroom and adds a family room in lieu thereof on the second floor ("Option 5B-4"); (e) an optional floor plan which deletes a bedroom and adds an enlarged family room on the second floor ("Option 5B-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 5B-6").

xvii. The Type 5BR unit in the Project will be offered to initial purchasers with: (a) an optional floor plan which enlarges the Covered Lanai ("Option 5BR-1"); (b) an optional floor plan which deletes the laundry room and adds a storage room in lieu thereof and moves the washer and dryer to the garage ("Option 5BR-2"); (c) an optional floor plan which deletes the family room and adds a bedroom in lieu thereof on the second floor ("Option 5BR-3"); (d) an optional floor plan which deletes a bedroom and adds a family room in lieu thereof on the second floor ("Option 5BR-4"); (e) an optional floor plan which deletes a bedroom and adds an enlarged family room on the second floor ("Option 5BR-5"); and (f) an optional floor plan which deletes the shower and adds a closet in lieu thereof in the main bathroom on the second floor ("Option 5BR-6").

The basic floor plans and the optional floor plans are shown or described on the Condominium Map. Notwithstanding any other provision in this Declaration to the contrary, prior to the time that all units in the Project have been sold and recorded and construction of all of the units in the Project has been completed by the Developer, the Developer shall have the right to make alterations in the Project (and to amend this Declaration, the By-Laws and the Condominium Map accordingly) without the approval, consent or joinder of any unit owner, to construct or modify the units in accordance with the optional floor plans shown or described on the Condominium Map; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 7 of Section T of this Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of units in the Project and the recordation in the Bureau of Conveyances of unit conveyances transferring interests in the units from the Developer to parties not signatory to this Declaration.

3. Board's Rights. Notwithstanding any other provision in this Declaration to the contrary:

(a) The Board shall have the authority to install or cause the installation of antennas, conduits, chases, cables, wires, and other television signal distribution and telecommunications equipment upon the common elements of the Project; provided that the same shall not be installed upon any limited common element without the consent of the owner or owners of the unit or units for the use of which the limited common element is reserved; and the installation of antennas, conduits, chases, cables, wires, and other television signal distribution and telecommunications equipment upon the common elements by the Board shall not be deemed to alter, impair, or diminish the common interest, common elements, and easements

appurtenant to each unit, or to be a structural alteration or addition to any building constituting a material change in the plans of the Project filed in accordance with the Condominium Property Act; provided that no such installation shall directly affect any nonconsenting unit owner.

(b) The Board shall be authorized to abandon or change the use of any television signal distribution and telecommunications equipment due to technological or economic obsolescence or to provide an equivalent function by different means or methods; and the abandonment or change of use of any television signal distribution or telecommunications equipment by the Board due to technological or economic obsolescence or to provide an equivalent function by different means or methods shall not be deemed to alter, impair or diminish the common interest, common elements, and easements appurtenant to each unit or to be a structural alteration or addition to any building constituting a material change in the plans of the Project filed in accordance with the Condominium Property Act.

(c) The Board shall have the authority to install or cause the installation of, or lease or license common elements for the installation of solar energy devices and wind energy devices on the common elements of the Project; provided that solar or wind energy devices shall not be installed upon any limited common element without the consent of the owner or owners of the unit or units for which use of the limited common element is reserved; and the installation of solar energy devices and wind energy devices on the common elements of the Project by the Board shall not be deemed to alter, impair, or diminish the common interest, common elements, or easements appurtenant to each unit or to be a structural alteration or addition to any building constituting a material change in the plans of the Project filed in accordance with the Condominium Property Act; provided that the installation does not directly affect any nonconsenting unit owner.

(d) As used in this Paragraph 3 of this Section R, the terms "directly affect", "solar energy device", "television signal distribution", "telecommunications equipment" and "wind energy device" shall have the meanings given to them in the Condominium Property Act.

S. [RESERVED].

T. AMENDMENT OF DECLARATION.

1. Except as otherwise provided herein or in said Condominium Property Act, this Declaration may be amended by the affirmative vote or written consent of the owners of units to which are appurtenant at least sixty-seven

percent (67%) of the common interests, and shall be effective only upon the recordation in the Bureau of Conveyances of an instrument setting forth such amendment and vote or written consent duly executed by the proper officers of the Association; provided, however, as follows:

(a) This Section T and any other provision herein which gives the Developer any right or authority can be amended only if, in addition to such vote or written consent of the unit owners, the Developer or its successors or assigns gives written consent to such amendment.

(b) The requirements set forth in Section U of this Declaration, if applicable, have also been satisfied.

(c) The approval of eligible holders of first mortgages (as defined below) on units to which at least fifty-one percent (51%) of the votes of units subject to mortgages held by such eligible holders of first mortgages are allocated shall be required for "Amendments of a Material Nature". "Amendments of a Material Nature" shall consist of a change to any of the provisions governing the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the common elements; (iv) insurance or fidelity bonds; (v) rights to use of the common elements; (vi) responsibility for the maintenance and repair of the several portions of the Project; (vii) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (viii) boundaries of any unit; (ix) the interests in the common elements or the limited common elements; (x) convertibility of units into common elements or of common elements into units; (xi) leasing of units; (xii) imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer or otherwise convey his or her unit; (xiii) establishment of self-management by the Association where professional management has been required previously by this Declaration or the By-Laws or by an eligible holder of first mortgage; (xiv) any provision that expressly benefits holders, insurers or guarantors of mortgages on units in the Project; (xv) restoration or repair of the Project after a partial condemnation or damage due to an insurable hazard in a manner other than that specified in this Declaration and in accordance with the plans and specifications therefor which will restore the same to the design immediately prior to condemnation or damage; (xvi) any election to terminate the legal status of the Project as a condominium property regime after substantial destruction or a substantial taking in condemnation of the Project; (xvii) reallocation of the interests in the common elements after a partial condemnation or a partial destruction of the Project in a manner other than that specified in this Declaration or by

applicable law. To qualify as an "eligible holder of first mortgage", a first mortgagee must have made a written request to the Association for timely written notice of proposed amendments to the condominium instruments. In the event that an eligible holder of first mortgage fails to appear at a meeting of the Association at which amendments to this Declaration are proposed and considered, or fails to file a written response with the Association within sixty (60) days after it receives proper notice of the proposed amendment, delivered by certified or registered mail, with a "return receipt" requested, then and in any such event the approval of such amendments by such eligible holder of first mortgage shall be conclusively assumed.

(d) The approval of eligible holders of first mortgages on units to which at least sixty-seven percent (67%) of the votes of units subject to mortgages held by such eligible holders of first mortgages are allocated shall be required to terminate the legal status of the Project as a condominium property regime for reasons other than substantial destruction or a substantial taking in condemnation of the Project.

(e) Until the Developer Control Period Termination Date (as defined in Section BB of this Declaration), any amendments to this Declaration, the By-Laws, or the Condominium Map must be approved by the Department of Veterans Affairs, if the Department of Veterans Affairs has guaranteed any loans secured by units in the Project; provided, however, that approval shall not be required for amendments which annex additional phases to the Project in accordance with a development plan previously accepted by the Department of Veterans Affairs.

Notwithstanding the foregoing, at any time prior to the recordation in the Bureau of Conveyances of unit conveyances with respect to all of the units in the Project in favor of a party not a signatory to this Declaration, the Developer hereby reserves the right to amend this Declaration, the By-Laws and the Condominium Map in any manner, without the approval, consent or joinder of any other person.

2. Notwithstanding the foregoing and until the recordation in the Bureau of Conveyances of unit conveyances or agreements of sale with respect to all of the units in the Project, in favor of parties not a signatory to this Declaration, the Developer hereby reserves the right to amend this Declaration, the By-Laws and the Condominium Map, without the approval, consent or joinder of any purchaser of a unit or any of the persons then owning or leasing any unit, to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the units, by any institutional lender lending funds on the security of the Project or any of the units, by any purchaser, insurer or guarantor of

loans, including, for example, the United States Department of Housing and Urban Development, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Department of Veterans Affairs, to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the units, by any governmental entity or agency, or to clarify or correct technical, typographical or scrivener's errors; provided, however, that, except as otherwise provided herein, no such amendment which would change the common interest appurtenant to a unit or substantially change the design, location or size of a unit or the building in which it is located shall be made without the consent to such amendment by all persons having an interest in such unit.

3. Notwithstanding the foregoing and notwithstanding the recordation of any unit conveyances or agreements of sale with respect to any or all of the units in favor of any person, each unit owner shall have the right to successively amend this Declaration (including the By-Laws and, when applicable, the Condominium Map), without the approval, consent or joinder of any purchaser of a unit or any of the persons then owning or leasing any unit, or any other person, to make such amendments necessary or appropriate to reflect such alterations in the Project which the unit owner is permitted to make in accordance with Paragraph 1 of Section R of this Declaration.

4. Notwithstanding the foregoing and notwithstanding the recordation of any unit conveyances or agreements of sale with respect to any or all of the units in favor of any person, the Developer hereby reserves the right to successively amend this Declaration (including the By-Laws and, when applicable, the Condominium Map), without the approval, consent or joinder of any purchaser of a unit or any of the persons then owning or leasing any unit, or any other person, to record the "as built" statement (with plans, if applicable) required by the Condominium Property Act (a) so long as such statement is merely a certification of a licensed architect, engineer or surveyor certifying that the Condominium Map previously filed, as amended by the revised pages filed with the amendment, if any, fully and accurately depicts the layout, location, boundaries, dimensions, and numbers of the units substantially as built, or (b) so long as any plans filed therewith involve only changes to the units and common elements as built which the Developer is permitted to make in accordance with Paragraph 2(a) of Section R of this Declaration.

5. Notwithstanding the foregoing and notwithstanding the recordation of any unit conveyances or agreements of sale with respect to any or all of the units in favor of any person, the Developer hereby reserves the right to successively amend this Declaration (including the By-Laws and, when applicable, the Condominium Map), without the approval, consent or joinder of any purchaser of a unit or any of the persons then owning or leasing any unit, or

any other person, to make such amendments necessary or appropriate to reflect such alterations in the Project which the Developer is permitted to make in accordance with Paragraph 2(b) of Section R of this Declaration.

6. Notwithstanding the foregoing and notwithstanding the recordation of any unit conveyances or agreements of sale with respect to any or all of the units in favor of any person, the Developer hereby reserves the right to successively amend this Declaration (including the By-Laws and, when applicable, the Condominium Map), without the approval, consent or joinder of any purchaser of a unit or any of the persons then owning or leasing any unit, or any other person, (a) to make such amendments necessary or appropriate to reflect such alterations in the Project which the Developer is permitted to make in accordance with Paragraph 2(c) of Section R of this Declaration, and (b) to make such other amendments to this Declaration (including the By-Laws and, when applicable, the Condominium Map) relating to, among other things, changing the use of certain portions of the Project, in order for the Project, the Association or the Developer, to be in compliance with laws applicable to the Project, including, without limitation, the Fair Housing Act and the ADA.

7. Notwithstanding the foregoing and notwithstanding the recordation of any unit conveyances or agreements of sale with respect to any or all of the units in favor of any person, the Developer hereby reserves the right to successively amend this Declaration (including the By-Laws and, when applicable, the Condominium Map), without the approval, consent or joinder of any purchaser of a unit or any of the persons then owning or leasing any unit, or any other person, to make such amendments necessary or appropriate to reflect such alterations in the Project which the Developer is permitted to make in accordance with Paragraph 2(d) of Section R of this Declaration.

8. Notwithstanding the foregoing and notwithstanding the recordation of any unit conveyances or agreements of sale with respect to any or all of the units in favor of any person, the Developer hereby reserves the right to successively amend this Declaration (including the By-Laws and, when applicable, the Condominium Map), without the approval, consent or joinder of any purchaser of a unit or any of the persons then owning or leasing any unit, or any other person, to make such amendments necessary or appropriate to reflect such alterations in the Project which the Developer is permitted to make in accordance with Paragraph 11 of Section V of this Declaration.

U. APPROVALS OF MATERIAL AMENDMENTS AND EXTRAORDINARY ACTIONS.

1. "Material Amendments" or "Extraordinary Actions" must be approved by (a) members entitled to cast at least sixty-seven percent (67%) of the votes of members present, in person or by proxy, and voting at any meeting of the Association, such vote including at least a majority of the votes of all members present, in person or by proxy, and voting at any meeting of the Association other than the Developer, or (b) at least sixty-seven percent (67%) of the total authorized votes of all members of the Association, including the vote of a majority of all of the members other than the Developer.

2. "Material Amendments" shall include the adding, deleting or modifying of any provision regarding the following: (a) assessment basis or assessment liens; (b) any method of imposing or determining any charges to be levied against individual unit owners; (c) reserves for maintenance, repair or replacement of the common elements; (d) maintenance obligations; (e) allocation of rights to use common elements; (f) any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of improvements on units; (g) reduction of insurance requirements; (h) restoration or repair of the common elements; (i) the addition, annexation or withdrawal of land to or from the Project; (j) voting rights; (k) restrictions affecting leasing or sale of a unit; or (l) any provision which is for the express benefit of mortgagees.

3. "Extraordinary Actions" shall include: (a) merging or consolidating the Association (other than a merger or consolidation with another non-profit entity formed for purposes similar to the Association); (b) determining not to require professional management of the Project; (c) expanding the Project to include land which increases the overall land area of the Project or number of units by more than ten percent (10%); (d) abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating boundaries of the common elements (except for granting easements which are not inconsistent with or which do not interfere with the intended common element use, dedicating common elements as required by a public authority or transferring common elements pursuant to a merger or consolidation with another non-profit entity formed for purposes similar to the Association); (e) using insurance proceeds for purposes other than construction or repair of the insured improvements; or (f) making capital expenditures (other than for repair or replacement of existing improvements) during any period of twelve (12) consecutive months costing more than twenty percent (20%) of the annual operating budget.

4. The following "Material Amendments" and "Extraordinary Actions" must be approved by members entitled to cast at least sixty-seven percent (67%) of the total authorized votes of all members of the Association, including at least a

majority of the total authorized votes entitled to be cast by members other than the Developer: (a) termination of the Declaration; (b) dissolution of the Association except pursuant to a consolidation or merger; and (c) the conveyance of all common elements.

5. Until the Developer Control Period Termination Date, all Material Amendments and Extraordinary Actions must be approved by the Department of Veterans Affairs, if the Department of Veterans Affairs has guaranteed any loans secured by units in the Project.

V. DEVELOPER'S RESERVED RIGHTS. The Developer's reserved rights include the following:

1. Easement and Other Rights. The Developer shall have the easement and other rights as provided in Section F of this Declaration.

2. Alteration Rights. The Developer shall have the alteration rights as provided in Section R of this Declaration.

3. Amendment Rights. The Developer shall have the amendment rights as provided in Section T of this Declaration.

4. Building Permit Rights. The Developer shall have the rights to apply for and obtain the Permits as provided in Section W of this Declaration.

5. Pre-Organization Period Rights. The Developer shall have the Pre-Organization Period rights as provided in Section AA of this Declaration.

6. Developer Control Period Rights. During the Developer Control Period, the Developer shall have the rights as provided in Section BB of this Declaration.

7. Cost Sharing Agreements. The Developer shall have the rights to enter into cost sharing agreements as provided in Section CC of this Declaration.

8. All Other Rights. The Developer shall have all other rights as provided in this Declaration, the By-Laws, the Rules and Regulations or any unit conveyance.

9. Project Development Permits, Agreements and Rules. The Project and the development thereof are or will be subject to various permits, agreements and rules that are applicable to the Project (collectively, the "Project Development Permits, Agreements and Rules"), including, without limitation, that certain Unilateral Agreement and Declaration for Conditional Zoning dated November 6, 2013, by Castle & Cooke Homes Hawaii, Inc., recorded as Document No. A-

50580557. The Developer reserves the right, without the approval, consent or joinder of any unit owner, to execute and record (if appropriate) such documents or instruments, including, without limitation, amendments to this Declaration, the By-Laws and the Condominium Map, and to do all things that may be reasonably necessary or appropriate to obtain such further permits and/or agreements as may be required by any of the Project Development Permits, Agreements and Rules, and to comply with all applicable permits, laws, rules, ordinances and other governmental requirements that pertain to the Project or the development thereof; provided, however, that, except as otherwise provided herein, no such amendment which would change the common interest appurtenant to a unit or substantially change the design, location or size of a unit shall be made without the consent to such amendment by all persons having an interest in such unit.

Without limiting the generality of the foregoing, the Project Development Permits, Agreements and Rules shall include one or more declarations regarding the operation and maintenance of permanent storm water post-construction best management practices, recorded or to be recorded against the Project pursuant to the provisions of the "Rules Relating to Water Quality" Chapter 3, Title 20 of the Administrative Rules for the City and County of Honolulu Department of Planning and Permitting ("Storm Water Declaration"). The Association shall be subject to and responsible for compliance with the Storm Water Declaration, the cost and expense of which shall be a common expense.

10. Archaeological Issues. The Developer reserves the right, without the approval, consent or joinder of any unit owner, to respond to and address any inadvertent discovery of human skeletal remains or burial goods, or other historic or archeological finds during the site preparation and construction of the Project in compliance with applicable Hawaii law and the Koa Ridge Covenants, and the determinations made by the State Historic Preservation District ("SHPD") by (a) designating one or more common elements, including areas designated as open space pursuant to the Project Development Permits, Agreements and Rules as burial preserve areas; (b) executing and recording such documents or instruments related to the preservation or relocation of any burials or artifacts, including, without limitation, binding short-term and long-term measures such as fencing, buffers, landscaping, access easements, plaques and other identifying features; (c) relocating or preserving in place at any portion of the Project any remains, burial goods or artifacts that may be found during the site preparation and construction of the Project, (d) making alterations to the common elements and limited common elements as may be necessary or appropriate to accommodate the foregoing and executing and recording such amendments of this Declaration, the By-Laws and/or the Condominium Map as may be necessary or appropriate to reflect such alterations, (e) entering into any agreements and preparing any reports necessary or appropriate to document the decisions and requirements of any

governmental entity or agency, including, without limitation, SHPD, the Developer's agreements related to such decisions or requirements, or as required by applicable law, which may include, without limitation, preservation plans, archaeological data recovery plans, mitigation plans, monitoring plans and in site burial agreements, and (f) to do all things that may be reasonably necessary or appropriate to respond to and address such matters and to comply with all applicable laws, rules, ordinances and other governmental requirements pertaining thereto. Notwithstanding the foregoing, no action shall be taken to change the common interest appurtenant to a unit or substantially change the design, location or size of a unit shall be made without the consent to such amendment by all persons having an interest in such unit. The Association shall be subject to and responsible for compliance with all such plans, agreements and easements, the cost and expense of which shall be a common expense. All persons who are classified as recognized cultural or lineal descendants by SHPD or the Oahu Burial Council with relation to the Project shall have a reasonable right of entry and access over, across and through the common elements to gain access to and for visitation of any burial preserve area so created, subject to reasonable rules and policies established from time to time by the Developer and/or the Board relating to hours of visitation and security procedures for visitation; provided, however, that no such rules and policies shall at any time unreasonably hinder, impair or interfere with the rights of recognized cultural or lineal descendants to the visit any burial area.

11. Subdivision of Land and Removal from Project. In connection with the development of the Project, the land of the Project will be located adjacent to or in the vicinity of a community park. The land described in Exhibit "A" ("Lot Y-2") may be subdivided into two (2) or more lots in order to have Landscape Area 1, as shown on the Condominium Map, become part of the community park. The Developer, its successors and assigns, reserves the right to amend this Declaration (including the By-Laws and, as applicable, the Condominium Map), in order to revise the description of the land of the Project, remove Landscape Area 1 from the Condominium Property Act, and release and discharge Landscape Area 1 from this Declaration, the By-Laws and the Condominium Map.

W. BUILDING PERMITS AND OTHER AUTHORIZATIONS.

1. Notwithstanding any other provision in this Declaration or the By-Laws to the contrary, each unit owner shall have the right and authority, on behalf of all of the unit owners and all other persons with an interest in the Project, to apply for and obtain building permits and other governmental authorizations (the "Permits") from the City and County of Honolulu, the State of Hawaii or any other governmental entity or agency, if such entities or agencies so require, to make additions and/or alterations to said owner's unit, the yard area appurtenant to said

owner's unit or other limited common elements appurtenant to said owner's unit, in accordance with this Declaration and the By-Laws. The acceptance or acquisition by any party of any interest in the Project shall constitute (a) an agreement and consent by such party to the right of the unit owner to obtain the Permits, all without any further approval, consent or joinder of such party, (b) an agreement to cooperate with the unit owner, as may be reasonably necessary or appropriate, to enable that owner to obtain the Permits for said unit owner's additions and/or alterations, and (c) an appointment by such party of said unit owner as the true and lawful attorney-in-fact of such party to obtain the Permits for said unit owner's additions and/or alterations. Said power of attorney shall be coupled with an interest and irrevocable, and shall not be affected by the disability of such party.

2. Notwithstanding any other provision in this Declaration or the By-Laws to the contrary, the Association, upon the approval of the Board, shall have the right and authority, on behalf of all of the owners and others with an interest in the Project, to apply for and obtain the Permits to make additions and/or alterations to the common elements in accordance with this Declaration and the By-Laws.

3. Notwithstanding any other provision in this Declaration or the By-Laws to the contrary, the Developer shall have the right and authority, on behalf of all of the owners and others with an interest in the Project, to apply for and obtain the Permits to make additions and/or alterations to the common elements in accordance with this Declaration and the By-Laws.

X. COMPLIANCE WITH DECLARATION, BY-LAWS AND KOA RIDGE COVENANTS. All unit owners, their tenants, lessees, families, servants, guests, invitees, licensees, employees, and any other persons who may in any manner use the Project, or any part thereof, shall be bound by and subject to the provisions of said Condominium Property Act and to 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. All unit owners, their tenants, lessees, families, servants, guests, invitees, licensees, employees, and any other persons who in any manner use the Project, or any part thereof, shall comply strictly with the By-Laws and with the Rules and Regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration. 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 Managing Agent or the Board of Directors of the Association on behalf of the Association or by the Developer or, in a proper case, by an aggrieved unit owner.

In addition, the Association, all unit owners, their tenants, lessees, families, servants, guests, invitees, licensees, employees, and any other persons who may in any manner use the Project, or any part thereof, shall be bound by and subject to the provisions of the Koa Ridge Covenants.

In the event of the failure of any unit owner to comply fully with any of the foregoing within thirty (30) days after written demand therefor by the Board of Directors of the Association, the Board of Directors shall promptly give written notice of such failure to the holder of any mortgage of such unit as shown in the Association's record of ownership or who has given the Board of Directors notice of its interest through the Secretary of the Association or the Managing Agent.

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

1. collecting any delinquent assessments against any owner's unit; or

2. foreclosing any lien thereon; or

3. enforcing any provision of the Koa Ridge Covenants, this Declaration, the By-Laws and/or the Rules and Regulations adopted pursuant to the By-Laws or said Condominium Property Act; or

4. enforcing the rules of the Real Estate Commission of the State of Hawaii;

against an owner, occupant, tenant, employee of an owner, or any other person who may in any manner use the Project shall be promptly paid on demand to the Association by the person or persons; provided that if the claims upon which the Association or Board of Directors takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees, incurred by any applicable person or persons as a result of the action of the Association or Board of Directors, shall be promptly paid on demand to the person or persons by the Association.

If any claim by an owner is substantiated in any action against the Association, any of its officers or directors, or the Board of Directors to enforce any provision of this Declaration, the By-Laws of the Association, the Rules and Regulations adopted pursuant thereto, or the Condominium Property Act, then all reasonable and necessary expenses, costs and attorneys' fees incurred by the owner shall be awarded to such owner; provided that no such award shall be made in any derivative action unless: (a) the owner first shall have demanded and allowed reasonable time for the Board of Directors to pursue such enforcement; or (b) the owner demonstrates to the satisfaction of the court that a demand for enforcement made to the Board of Directors would have been fruitless.

If any claim by a unit owner is not substantiated in any court action against the Association, any officer or director of the Association, or the Board to enforce any provision of this Declaration, the By-Laws, the Rules and Regulations or the Condominium Property Act, then all reasonable and necessary expenses, costs and attorneys' fees incurred by the Association shall be awarded to the Association, unless before filing the action in court the unit owner has first submitted the claim to mediation, or to arbitration under the Condominium Property Act, and made a good faith effort to resolve the dispute under any of those procedures.

The acceptance of a unit conveyance, agreement of sale, mortgage or rental agreement, or the entering into occupancy of any unit in the Project, shall constitute an agreement that the provisions of the Koa Ridge Covenants, this Declaration, the By-Laws of the Association and the Rules and Regulations adopted pursuant thereto, as each may be amended from time to time, are accepted, ratified and will be strictly complied with by a unit owner, such unit owner's tenants, lessees, family, servants, guests, invitees, licensees and employees, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were recited and stipulated at length in each and every unit conveyance, agreement of sale, mortgage or rental agreement thereof.

The Association shall be bound by the waivers of claims, rights of action and suits against the Developer, its successors and assigns, contained in the unit conveyances by the Developer to purchasers of units in the Project, and the Association shall not bring against the Developer, its successors and assigns, any claim or right of action or suit relating to any of the matters waived by the purchasers in such unit conveyances.

Y. SECURITY. Neither the Developer nor the Association shall be considered in any way an insurer or guarantor of security within the Project and each unit owner agrees not to hold the Developer or the Association liable for any loss or damage such unit owner or anyone else may suffer by reason of a failure to provide adequate security or from the ineffectiveness of any security measurers undertaken at the Project. Each unit owner assumes all risk of injury, loss or damage that may arise due to a failure to provide adequate security or from the ineffectiveness of any security measures undertaken at the Project. By acquiring an interest in a unit in the Project, each unit owner acknowledges and agrees that neither the Developer nor the Association has made any representations or warranties, either express or implied, about any security measures at the Project and such unit owner has not relied upon any such representations or warranties.

Z. MEDIATION/ARBITRATION OF CERTAIN DISPUTES INVOLVING THE DEVELOPER OR DEVELOPMENT TEAM MEMBERS.

1. Any and all claims or disputes in any way connected with the design, development, construction, sale, marketing, financing, warranties, or any other activity or matter relating to the Project, between the Association, on the one hand, and the Developer and/or the Developer's affiliates, on the other hand (a "Dispute"), that are unable to be resolved through negotiation shall be submitted to mediation and if applicable, final and binding arbitration, as provided in this Section Z.

2. If the Dispute is governed by the Hawaii Contractor Repair Act, Chapter 672E of the Hawaii Revised Statutes ("Contractor Repair Act"), the parties shall comply with the requirements of the Contractor Repair Act. The provisions of this Section Z are intended to comply with (and shall be construed consistent with) the requirements of the Contractor Repair Act and any applicable law. In the event of an irreconcilable conflict between the foregoing provisions and the provisions of said Contractor Repair Act, the provisions of the Contractor Repair Act and any applicable law shall govern and control.

3. At the Developer's option, the mediation and/or arbitration shall include all or any of the Developer's agents, architects, consultants, engineers, contractors, subcontractors, suppliers, representatives or other third parties ("Related Parties"), and any action by the Association against any of the Related Parties (and not directly against the Developer) in respect of the Project which the Developer shall determine directly or indirectly affects the Developer, shall at the Developer's option, be subject to these mediation and arbitration provisions.

4. The parties shall attempt in good faith to settle the Dispute by non-binding mediation. The mediation shall be conducted in Honolulu, Hawaii, and shall be administered by Dispute Prevention & Resolution, Inc. (the "Service"), in accordance with its Mediation Rules, Procedures and Protocols, except as may be inconsistent with this section. The parties may agree on the selection of a single mediator instead of having a mediator appointed by the Service, and the parties may agree to use a recognized mediation service other than the Service. If the Service is not available, the parties may agree on the selection of a single mediator and if they are unable to agree on the selection of a single mediator, then any party may petition a judge of the First Circuit Court, State of Hawaii, for the appointment of a mediator or all parties may agree to waive mediation and have the Dispute decided by arbitration as provided below. At the Developer's option, the mediation shall include all or any Related Parties as parties. Either party may notify the other party in writing of its request to commence mediation. Prior to the commencement of mediation, the Association agrees to provide Developer, the Related Parties and their consultants with reasonable access to those portions of

the Project that are the subject of the Dispute. The parties may agree on the date of commencement of the mediation; provided, however, that (a) if the parties are unable to agree on the date of commencement of the mediation and the mediation does not include Related Parties, then unless the parties otherwise agree, the mediation shall commence within thirty (30) calendar days after the request to commence mediation is made by one party to the other party or as soon thereafter as permitted by the mediator's schedule, or (b) if the parties are unable to agree on the date of commencement of the mediation and the mediation does include Related Parties, then unless the parties otherwise agree, the mediation shall commence within sixty (60) calendar days after the request to commence mediation is made by one party to the other party or as soon thereafter as permitted by the mediator's schedule. The costs for the mediator shall be shared equally by the parties, and each party shall be responsible to pay all other fees and costs, including attorneys' fees, that it incurs in connection with the mediation.

5. If the parties are unable to resolve the claim or dispute through mediation as provided in the preceding section, then such claim or dispute shall be decided by arbitration. The arbitration shall be held in Honolulu, Hawaii, shall be determined by a single arbitrator and shall be administered by the Service, in accordance with its Arbitration Rules, Procedures & Protocols (the "DPR Arbitration Rules"), except as may be inconsistent with this section. The parties may agree on the selection of a single arbitrator instead of having an arbitrator appointed by the Service, and the parties may agree to use a recognized arbitration service other than the Service. If the Service is not available, the parties may agree on the selection of a single arbitrator and if they are unable to agree on the selection of a single arbitrator, then a party may request that a judge of the United States District Court for the District of Hawaii select the arbitrator. At the Developer's option, the arbitration shall include any of the Related Parties as parties. Notwithstanding anything herein, in the DPR Arbitration Rules or in the rules of any other arbitration service used for the arbitration (the "Other Rules"), the costs for the arbitrator shall be shared equally by the parties, and each party shall be responsible to pay all other fees and costs, including attorneys' fees, that it incurs in connection with the arbitration. This arbitration provision and the rights and liabilities of the parties with respect to this arbitration provision shall be governed by, and construed and interpreted in accordance with the Federal Arbitration Act, as amended from time to time, to the exclusion of any state law, regulation or judicial decision. The award of the arbitrator shall be final and binding upon the parties and judgment on the award rendered by the arbitrator may be entered in any federal court of competent jurisdiction in the State of Hawaii. All judicial proceedings brought against any of the parties arising out of or relating to this arbitration provision shall be brought in any federal court of competent jurisdiction in the State of Hawaii.

AA. PRE-ORGANIZATION PERIOD. From the date of the recordation of the Declaration until the initial Board of Directors of the Association is elected at the first annual meeting of the Association (the "Pre-Organization Period"), the Developer shall have the right to exercise all of the powers of the Association and the Board of Directors and officers of the Association, including voting.

BB. DEVELOPER CONTROL PERIOD.

1. From the date that the initial Board of Directors is elected at the first annual meeting of the Association to the Developer Control Period Termination Date (the "Developer Control Period"), the Developer shall have the right to appoint and remove two (2) of the director positions on the Board. "Developer Control Period Termination Date" means the earliest of the following: (a) sixty (60) days after conveyance of seventy-five percent (75%) of the common interest appurtenant to units to unit owners other than the Developer or an affiliate of the Developer; (b) two (2) years after the Developer has ceased to offer units for sale in the ordinary course of business; (c) the date the Developer, after giving written notice to unit owners, records an instrument voluntarily surrendering all rights to control activities of the Association; and (d) seven (7) years from the date of recordation of the Declaration.

2. After the Developer Control Period, the Developer, as the owner of any unsold units, shall be entitled to vote the interest of each such unit.

CC. DEVELOPER'S RESERVED RIGHTS REGARDING COST SHARING AGREEMENTS. The Developer, its successors and assigns shall have the right, but not the obligation, without the approval, consent or joinder of any unit owner or any other person with an interest in a unit, from time to time to enter into, execute and record one or more cost sharing agreements with the Koa Ridge Owners Association, and any amendments and/or modifications thereto, relating to shared facilities within the Project, and the Association, through the Board, shall observe and comply with all applicable provisions of the agreements, as amended or modified from time to time.

DD. INCORPORATION OF PROVISIONS OF THE BY-LAWS. The provisions of the By-Laws which are set forth in Exhibit "C" attached hereto are hereby incorporated by reference and made a part hereof. In the event of conflict between the By-Laws and the provisions of the By-Laws as set forth in Exhibit "C", the terms of the By-Laws shall prevail.

EE. MORTGAGE SUBORDINATION. Any mortgage or deed of trust affecting any portion of the Project shall at all times be subject and subordinate to the terms of this Declaration, regardless of the order of recording, and any party foreclosing any such mortgage or deed of trust or acquiring title by deed in lieu of foreclosure or

trustee sale shall acquire title subject to all of the terms and provisions of this Declaration.

FF. CONFLICTS; CHANGES IN LAW. In the event of any conflict or inconsistency between the provisions of this Declaration and the Condominium Property Act, the provisions of the Condominium Property Act shall prevail. In the event any change in the Condominium Property Act shall result in a conflict or inconsistency between the provisions of this Declaration and the Condominium Property Act, the provisions of the Condominium Property Act shall prevail.

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

HH. WAIVER. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

II. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

JJ. DEFINED TERMS. The terms used in this Declaration shall have the meanings given to them in the Condominium Property Act, except as otherwise expressly provided in this Declaration. Unless clearly repugnant to the context, the following terms, whenever used in this Declaration, shall be given the following meanings:

1. "Board of Directors" or "Board" means the Board of Directors of the Association.

2. "Developer" means Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, its successors and assigns.

3. "Koa Ridge Covenants" means that certain Declaration of Community Covenants for Koa Ridge dated June 8, 2020, recorded in the Bureau of Conveyances as Document No. A-74660352, as amended, restated and supplemented from time to time.

4. "Koa Ridge Owners Association" means the Koa Ridge Owners Association, a Hawaii nonprofit corporation.

5. "Majority" or "majority of unit owners" means the owners of units to which are appurtenant more than fifty percent (50%) of the common interests as established by the Declaration.

6. "Unit conveyance" means a condominium unit deed conveying a unit in the Project, together with the common interest appurtenant thereto, to a purchaser thereof.

[Signatures on the following page]

IN WITNESS WHEREOF, the Developer has executed these presents as of the _____ day of AUG 27 2026, 2026.

CASTLE & COOKE HOMES HAWAII, INC.

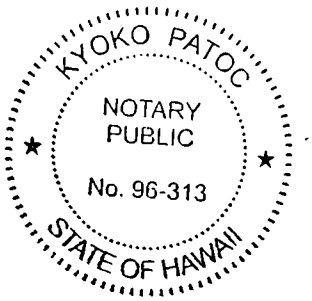
By _____
Name: Alan Arakawa
Title: Vice President – Residential Operations

By _____
Name: Lauralei Tanaka
Title: Vice Pres., Controller & Asst. Treasurer

Developer

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

On this 27th day of August, 2026, before me personally appeared ALAN ARAKAWA, and LAURALEI TANAKA, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed this 99-page Declaration of Condominium Property Regime of Mau Loa at Koa Ridge dated AUG 27 2026, 2026, in the First Circuit of the State of Hawaii, as the free act and deed of such persons, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.



Name: KYOKO PATOC
Notary Public, State of Hawaii

My commission expires: June 14, 2028

EXHIBIT "A"

– Parcel First (LOT Y-2) –

All of that certain parcel of land (being a portion of Royal Patent Number 5732, Land Commission Award Number 8241 to Ioane Ii, comprising of a portion of old Kamehameha Highway being a portion of Exclusion 18 as shown on Map 1 of Land Court Application Number 1000, Lots 110-A and 110-B as shown on Map 1096 of Land Court Application Number 1000, said Lots 110-A and 110-B having been deregistered from the Land Court System pursuant to instruments recorded in the Bureau of Conveyances of the State of Hawaii on December 7, 2017, as Document Numbers A-65500664 and A-65500665, Lots 14676-A-1 and 14676-A-3 as shown on Map 1092 of Land Court Application Number 1000, said Lots 14676-A-1 and 14676-A-3 having been deregistered from the Land Court System pursuant to instruments recorded in the Bureau of Conveyances of the State of Hawaii on December 7, 2017, as Document Numbers A-65500660 and A-65500661, Lot 14676-A-2 as shown on Map 1092 of Land Court Application Number 1000, said Lot 14676-A-2 having been deregistered from the Land Court System pursuant to instruments recorded in the Bureau of Conveyances of the State of Hawaii on December 7, 2017, as Document Numbers A-65500666 and A-65500667, Parcel 1 as shown on DPP File Number 2003/SUB-193, Parcel A as shown on C.S.F. 13,593, Parcel A-1 as described and recorded in Document Number 2002-209952 and a portion of Parcel Ninth, Part 2 of Liber 2563, Page 9) situate, lying and being at Waipio, Ewa, Honolulu, City and County of Honolulu, State of Hawaii, being LOT Y-2, containing an area of 2.137 acres, more or less, of the "KOA RIDGE ROAD AA, PHASE 1 SUBDIVISION", as shown on map dated June 9, 2026, approved by the City and County of Honolulu, Department of Planning and Permitting, File Number 2025/SUB-178, on July 2, 2026.

Beginning at the southerly corner of this parcel of land, on the easterly side of Lot Y-1 (roadway) of said Koa Ridge Road AA, Phase 1 Subdivision, being a concave curve to the northeast with a radius of 362.50 feet, its curve center bears: 275° 47' 20", the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAIPIO UKA" being 5,478.79 feet south and 1,125.16 feet east, thence running by azimuths measured clockwise from True South:

1. 185° 44' 183.36 feet along said Lot Y-1 (roadway);

2. Thence along the same, on a curve to the right with a radius of 957.00 feet, the chord azimuth and distance being: 203° 25' 30" 581.65 feet;

3. 221° 07' 465.98 feet along the same;

4. Thence along the same, on a curve to the left with a radius of 833.00 feet, the chord azimuth and distance being: 215° 27' 164.50 feet;

5. 29° 47' 1,218.70 feet along Lot Q-2 of the Koa Ridge Road G, Phase 2 Subdivision as shown on DPP File No 2022/SUB-169;

6. Thence along the same, on a curve to the left with a radius of 362.50 feet, the chord azimuth and distance being:

17° 47' 10" 150.70 feet, to the point of beginning and containing an area of 2.137 acres, more or less.

– Parcel Second (LOT Y-3) –

All of that certain parcel of land (being a portion of Royal Patent Number 5732, Land Commission Award Number 8241 to Ioane Ii, comprising of a portion of old Kamehameha Highway being a portion of Exclusion 18 as shown on Map 1 of Land Court Application Number 1000, Lots 110-A and 110-B as shown on Map 1096 of Land Court Application Number 1000, said Lots 110-A and 110-B having been deregistered from the Land Court System pursuant to instruments recorded in the Bureau of Conveyances of the State of Hawaii on December 7, 2017, as Document Numbers A-65500664 and A-65500665, Lots 14676-A-1 and 14676-A-3 as shown on Map 1092 of Land Court Application Number 1000, said Lots 14676-A-1 and 14676-A-3 having been deregistered from the Land Court System pursuant to instruments recorded in the Bureau of Conveyances of the State of Hawaii on December 7, 2017, as Document Numbers A-65500660 and A-65500661, Lot 14676-A-2 as shown on Map 1092 of Land Court Application Number 1000, said Lot 14676-A-2 having been deregistered from the Land Court System pursuant to instruments recorded in the Bureau of Conveyances of the State of Hawaii on December 7, 2017, as Document Numbers A-65500666 and A-65500667, Parcel 1 as shown on DPP File Number 2003/SUB-193, Parcel A as shown on C.S.F. 13,593, Parcel A-1 as described and recorded in Document Number 2002-209952 and a portion of Parcel Ninth, Part 2 of Liber 2563, Page 9) situate, lying and being at Waipio, Ewa, Honolulu, City and County of Honolulu, State of Hawaii, being LOT Y-3, containing an area of 4.058 acres, more or less, of the "KOA RIDGE ROAD AA, PHASE 1 SUBDIVISION", as shown on map dated June 9, 2026, approved by the City and County of Honolulu, Department of Planning and Permitting, File Number 2025/SUB-178, on July 2, 2026.

Beginning at the southwesterly corner of this parcel of land, being also the southeasterly corner of Lot Y-6 of said Koa Ridge Road AA, Phase 1 Subdivision, and

along the northerly side of Lot Y-4 of said Koa Ridge Road AA, Phase 1 Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAIPIO UKA" being 5,492.77 feet south and 1,002.74 feet east, thence running by azimuths measured clockwise from true South:

1.	168°	40'	95.24	feet along said Lot Y-6;
2.	175°	17'	50.84	feet along the same;
3.	195°	05'	50.17	feet along the same;
4.	190°	36'	52.16	feet along the same;
5.	183°	12'	52.97	feet along the same;
6.	179°	32'	55.64	feet along the same;
7.	188°	07'	111.41	feet along the same;
8.	206°	20'	32.91	feet along the same;
9.	205°	27'	191.29	feet along the same;
10.	230°	12'	77.96	feet along the same;
11.	221°	56'	54.52	feet along the same;
12.	207°	30'	37.14	feet along the same;
13.	221°	07'	104.84	feet along the same;
14.	220°	19'	51.00	feet along the same;
15.	221°	07'	102.00	feet along the same;
16.	245°	48'	24.36	feet along the same;
17.	221°	07'	52.95	feet along the same;
18.	194°	59'	27.76	feet along the same;
19.	212°	55'	50.52	feet along the same;
20.	225°	55'	100.35	feet along the same;
21.	231°	59'	96.40	feet along the same;

22. 216° 16' 43.80 feet along the same;

23. 215° 51' 89.54 feet along the same;

24. 218° 18' 104.46 feet along the same;

25. 199° 48' 67.05 feet along the same;

26. 191° 31' 92.10 feet along the same;

27. 187° 36' 62.00 feet along the same;

28. 212° 47' 50.48 feet along the same;

29. 198° 21' 80.15 feet along the same;

30. 228° 56' 66.78 feet along the same;

31. 244° 00' 106.16 feet along the same;

32. 324° 12' 100.97 feet along the same, to a non-tangent curve to the left with a radius of 733.00 feet, its curve center bears: 324° 12';

33. Thence along said non-tangent curve to the left with a radius of 733.00 feet, along Lot Y-1 (roadway) of said Koa Ridge Road AA, Phase 1 Subdivision, the chord azimuth and distance being:

41° 59' 30" 310.01 feet;

34. 29° 47' 327.81 feet along the same;

35. Thence along the same, on a curve to the right with a radius of 767.00 feet, the chord azimuth and distance being:

35° 27' 151.47 feet;

36. 41° 07' 465.98 feet along the same;

37. Thence along the same, on a curve to the left with a radius of 1,023.00 feet, the chord azimuth and distance being:

23° 25' 30" 621.77 feet;

38.	5°	44'		199.57	feet along the same;
39.	Thence along the same, on a curve to the left with a radius of 403.00 feet, the chord azimuth and distance being:				
	5°	08'	42.5"	8.27	feet;
40.	94°	00'		54.53	feet along said Lot Y-4, to the point of beginning and containing an area of 4.058 acres, more or less.

Said above described parcel of land having been acquired as follows:

1. By Castle & Cooke Hawaii, Inc., a Hawaii corporation, by Deed of Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, dated December 8, 1995, filed as Document No. 2277107 and also recorded as Document No. 95-159451;

2. By Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, by Quitclaim Deed of the State of Hawaii, by its Board of Land and Natural Resources, acting pursuant to Section 171-52, Hawaii Revised Statutes, dated effective as of November 21, 2002, recorded as Document No. 2002-209952;

3. By Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, by Quitclaim Deed of the State of Hawaii, by its Board of Land and Natural Resources, acting pursuant to Section 171-52, Hawaii Revised Statutes, dated effective as of June 25, 2003, recorded as Document No. 2003-130707; and

4. By Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, by Quitclaim Deed of the State of Hawaii, by its Board of Land and Natural Resources, acting pursuant to Section 171-52, Hawaii Revised Statutes, dated effective as of August 18, 2005, recorded as Document No. 2005-164713.

TOGETHER WITH a nonexclusive appurtenant easement for vehicular access over, across, along and upon Lot Y-1 as shown on survey map dated June 9, 2026, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2025/SUB-178, on July 2,2026; Lot 9-G as shown on survey map dated October 5, 2020, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2019/SUB-70, on October 2, 2020; Lot J-1 as shown on survey map dated November 2, 2021, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2020/SUB-208, on November 19, 2021; Lot E-1 as shown on survey map dated October 1, 2020, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2019/SUB-10, on October 9, 2020; Lot C-1 as shown on survey map dated March 12, 2020, approved by the City and County of Honolulu, Department of Planning

and Permitting, DPP File Number 2018/SUB-54, on March 13, 2020; and Lot 9467-B-4 as shown on Map 863 filed with Land Court Application 1000, pursuant to Developer's reserved rights in Deed dated June 4, 1986, filed as Land Court Document No. 1382431 (the "Roadway Lots"), as may be necessary and designated by Developer from time to time for access to a public road;

RESERVING to Developer, however, the right to relocate said access to such other location as Developer may from time to time designate in writing by recordation of any instrument designating the relocation of such access (without necessity of amending the deed); PROVIDED, HOWEVER, that in the event that any portion or all of the Roadway Lots or other designated access areas are conveyed to the State of Hawaii, the City and County of Honolulu, or any other appropriate governmental authority, said easement as to the area so conveyed shall immediately terminate.

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature.

2. The terms and provisions contained in Declaration of Conditions dated August 10, 2012, recorded as Document No. A-46100932.

3. The terms and provisions contained in Unilateral Agreement and Declaration for Conditional Zoning dated November 6, 2013, recorded as Document No. A-50580557.

4. Terms and provisions contained in Agreement and Grant of Sanitary Sewer Easement dated December 16, 2016, recorded as Document No. A-61941186.

5. Terms and provisions contained in Agreement and Grant of Sanitary Sewer Easement dated December 27, 2016, recorded as Document No. A-62210793.

6. AS TO PARCEL FIRST ONLY:

   a. Grant to Hawaiian Electric Company, Limited, now known as Hawaiian Electric Company, Inc. dated November 30, 1961, filed as Land Court Document No. 283541, recorded in Liber 4184 at Page 290, of a right and easement for utility purposes as shown on the map attached thereto.

   b. Designation of Easements "E-48", "E-49", and "E-50" for electrical purposes, referenced on subdivision map prepared by Kevin A. Rapoza, Land Surveyor, with ParEn, Inc., dba Park Engineering, dated June 9, 2026, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2025/SUB-178, on July 2, 2026.

c. Designation of Easement "MB-18", for mailbox purposes, referenced on subdivision map prepared by Kevin A. Rapoza, Land Surveyor, with ParEn, Inc., dba Park Engineering, dated June 9, 2026, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2025/SUB-178, on July 2, 2026.

7. AS TO PARCEL SECOND ONLY:

a. Designation of Easements "E-51", "E-52", and "E-53" for electrical purposes, referenced on subdivision map prepared by Kevin A. Rapoza, Land Surveyor, with ParEn, Inc., dba Park Engineering, dated June 9, 2026, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2025/SUB-178, on July 2, 2026.

8. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in that certain Declaration of Community Covenants for Koa Ridge dated June 8, 2020, recorded as Document No. A-74660352, as amended, restated and supplemented from time to time, including, without limitation, by that certain First Amendment to Declaration of Community Covenants for Koa Ridge dated July 17, 2020, recorded as Document No. A-75070350, and that certain Supplemental Declaration Annexing Property (Mau Loa at Koa Ridge) dated August 27, 2026, recorded as Document No. ____ Doc A - 9739000437 _____.

EXHIBIT "B"

Unit No.	Unit Type	Yard Area No.	Driveway Area No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.	Common Interest
1	2AR	Y-1	DW-1	1,602	427	64	177	1.96078%
2	3BR	Y-2	DW-2	1,927	384	76	190	1.96078%
3	5A	Y-3	DW-3	2,271	402	90	227	1.96079%
4	3AR	Y-4	DW-4	1,927	384	76	190	1.96078%
5	5B	Y-5	DW-5	2,271	402	90	227	1.96079%
6	5AR	Y-6	DW-6	2,271	402	90	227	1.96079%
7	4B	Y-7	DW-7	2,238	391	91	159	1.96079%
8	5BR	Y-8	DW-8	2,271	402	90	227	1.96079%
9	4A	Y-9	DW-9	2,236	391	91	159	1.96078%
10	5AR	Y-10	DW-10	2,271	402	90	227	1.96079%
11	4A	Y-11	DW-11	2,236	391	91	159	1.96078%
12	5BR	Y-12	DW-12	2,271	402	90	227	1.96079%
13	4B	Y-13	DW-13	2,238	391	91	159	1.96079%
14	3AR	Y-14	DW-14	1,927	384	76	190	1.96078%

Unit No.	Unit Type	Yard Area No.	Driveway Area No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.	Common Interest
15	3B	Y-15	DW-15	1,927	384	76	190	1.96078%
16	5AR	Y-16	DW-16	2,271	402	90	227	1.96079%
17	5B	Y-17	DW-17	2,271	402	90	227	1.96079%
18	3AR	Y-18	DW-18	1,927	384	76	190	1.96078%
19	3B	Y-19	DW-19	1,927	384	76	190	1.96078%
20	3AR	Y-20	DW-20	1,927	384	76	190	1.96078%
21	3A	Y-21	DW-21	1,927	384	76	190	1.96078%
22	3BR	Y-22	DW-22	1,927	384	76	190	1.96078%
23	4A	Y-23	DW-23	2,236	391	91	159	1.96078%
24	5AR	Y-24	DW-24	2,271	402	90	227	1.96079%
25	4B	Y-25	DW-25	2,238	391	91	159	1.96079%
26	3AR	Y-26	DW-26	1,927	384	76	190	1.96078%
27	2A	Y-27	DW-27	1,602	427	64	177	1.96078%
28	2BR	Y-28	DW-28	1,602	427	64	177	1.96079%
29	2AR	Y-29	DW-29	1,602	427	64	177	1.96078%
30	5B	Y-30	DW-30	2,271	402	90	227	1.96079%

Unit No.	Unit Type	Yard Area No.	Driveway Area No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.	Common Interest
31	5AR	Y-31	DW-31	2,271	402	90	227	1.96079%
32	4B	Y-32	DW-32	2,238	391	91	159	1.96079%
33	5BR	Y-33	DW-33	2,271	402	90	227	1.96079%
34	4A	Y-34	DW-34	2,236	391	91	159	1.96078%
35	5AR	Y-35	DW-35	2,271	402	90	227	1.96079%
36	2AR	Y-36	DW-36	1,602	427	64	177	1.96078%
37	3BR	Y-37	DW-37	1,927	384	76	190	1.96078%
38	5B	Y-38	DW-38	2,271	402	90	227	1.96079%
39	4AR	Y-39	DW-39	2,236	391	91	159	1.96078%
40	4B	Y-40	DW-40	2,238	391	91	159	1.96079%
41	1AR	Y-41	DW-41	1,539	409	25	91	1.96078%
42	1B	Y-42	DW-42	1,535	409	25	91	1.96078%
43	4AR	Y-43	DW-43	2,236	391	91	159	1.96078%
44	1B	Y-44	DW-44	1,535	409	25	91	1.96078%
45	1AR	Y-45	DW-45	1,539	409	25	91	1.96078%
46	4B	Y-46	DW-46	2,238	391	91	159	1.96079%

Unit No.	Unit Type	Yard Area No.	Driveway Area No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.	Common Interest
47	1AR	Y-47	DW-47	1,539	409	25	91	1.96078%
48	1B	Y-48	DW-48	1,535	409	25	91	1.96078%
49	4AR	Y-49	DW-49	2,236	391	91	159	1.96078%
50	3A	Y-50	DW-50	1,927	384	76	190	1.96078%
51	2B	Y-51	DW-51	1,602	427	64	177	1.96079%

The approximate net living floor areas, approximate net garage floor areas, approximate net covered entry floor areas, approximate net covered lanai floor areas and approximate net low storage floor areas (if any) for the units in the Project are based upon the basic floor plans (without the options) for these unit types. In the event that the units are built according to their optional floor plans, the approximate net living floor areas, approximate net garage floor areas, approximate net covered entry floor areas, approximate net covered lanai floor areas and approximate net low storage floor areas shall be as follows:

Option No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.
1AR-1	1,539	409	25	91
1AR-2	1,539	409	25	91
1AR-3	1,539	409	25	91
1B-1	1,535	409	25	91
1B-2	1,535	409	25	91
1B-3	1,535	409	25	91
2A-1	1,602	427	64	177
2A-2	1,602	427	64	177
2AR-1	1,602	427	64	177
2AR-2	1,602	427	64	177
2B-1	1,602	427	64	177
2B-2	1,602	427	64	177
2BR-1	1,602	427	64	177
2BR-2	1,602	427	64	177
3A-1	1,927	384	76	286
3A-2	1,910	400	76	190
3A-3	2,140	384	76	190
3A-4	2,140	384	76	190

Option No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.
3A-5	1,927	384	76	190
3A-6	1,927	384	76	190
3AR-1	1,927	384	76	286
3AR-2	1,910	400	76	190
3AR-3	2,140	384	76	190
3AR-4	2,140	384	76	190
3AR-5	1,927	384	76	190
3AR-6	1,927	384	76	190
3B-1	1,927	384	76	286
3B-2	1,910	400	76	190
3B-3	2,140	384	76	190
3B-4	2,140	384	76	190
3B-5	1,927	384	76	190
3B-6	1,927	384	76	190
3BR-1	1,927	384	76	286
3BR-2	1,910	400	76	190
3BR-3	2,140	384	76	190
3BR-4	2,140	384	76	190
3BR-5	1,927	384	76	190
3BR-6	1,927	384	76	190
4A-1	2,236	391	91	286
4A-2	2,233	391	91	159
4A-3	2,503	391	91	159
4A-4	2,503	391	91	159

Option No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.
4A-5	2,236	391	91	159
4A-6	2,236	391	91	159
4AR-1	2,236	391	91	286
4AR-2	2,233	391	91	159
4AR-3	2,503	391	91	159
4AR-4	2,503	391	91	159
4AR-5	2,236	391	91	159
4AR-6	2,236	391	91	159
4B-1	2,238	391	91	286
4B-2	2,235	391	91	159
4B-3	2,505	391	91	159
4B-4	2,505	391	91	159
4B-5	2,238	391	91	159
4B-6	2,238	391	91	159
5A-1	2,271	402	90	358
5A-2	2,271	402	90	227
5A-3	2,271	402	90	227
5A-4	2,273	402	90	227
5A-5	2,464	402	90	227
5A-6	2,271	402	90	227
5AR-1	2,271	402	90	358
5AR-2	2,271	402	90	227
5AR-3	2,271	402	90	227
5AR-4	2,273	402	90	227

Option No.	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Garage Floor Area in Sq. Ft.	Approx. Net Covered Entry Floor Area in Sq. Ft.	Approx. Net Covered Lanai Floor Area in Sq. Ft.
5AR-5	2,464	402	90	227
5AR-6	2,271	402	90	227
5B-1	2,271	402	90	358
5B-2	2,271	402	90	227
5B-3	2,271	402	90	227
5B-4	2,273	402	90	227
5B-5	2,464	402	90	227
5B-6	2,271	402	90	227
5BR-1	2,271	402	90	358
5BR-2	2,271	402	90	227
5BR-3	2,271	402	90	227
5BR-4	2,273	402	90	227
5BR-5	2,464	402	90	227
5BR-6	2,271	402	90	227

EXHIBIT "C"

Article II, Article III, Article VII and Article VIII of the By-Laws of the Association of Unit Owners of Mau Loa at Koa Ridge, as set forth below, are hereby incorporated into the Declaration.

ARTICLE II

ASSOCIATION OF UNIT OWNERS

Section 1. Membership. All owners of units in the Project shall constitute the Association. The owner of any unit upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his or her ownership of such unit ceases for any reason, at which time his or her membership in the Association shall automatically cease.

Section 2. Powers of the Association. The Association shall have all of the powers with respect to the operation and regulation of the Project conferred upon the Association by, or which may be conferred upon the association of unit owners of a condominium project pursuant to the provisions of, the Condominium Property Act, including without limiting the generality of the foregoing:

(a) The election of a Board of Directors.

(b) The management, maintenance, acquisition, construction and care of the Association property. As used herein, the term "Association property" includes the common elements of the Project, property held by the Association, property commonly held by its members, property within the Project privately held by its members but which may be subject to a common maintenance assessment by the Association for such purposes as insurance, and property owned by any governmental agency or private or public utility and used for the benefit of the Association's members.

(c) The collection of common expenses and limited common expenses from the owners.

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

(e) The establishment of such restrictions and requirements not inconsistent with the Declaration, the Condominium Property Act or these By-Laws regarding the use and maintenance of the units and the use of the common elements.

(f) The amendment of these By-Laws in accordance with the Declaration, Article IX, Section 10 hereof, and the Condominium Property Act.

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

Nothing in this Section 2 shall prohibit the delegation by the Association of any of its powers in accordance with these By-Laws, as amended from time to time. Notwithstanding anything to the contrary provided herein, from the date of the recordation of the Declaration until the initial Board of Directors of the Association is elected at the first meeting of the Association, the Developer shall have the right to exercise all of the powers of the Association and the Board of Directors and officers of the Association, including voting.

Section 3. Meetings. The first meeting of the Association shall be held upon the call of the Developer not later than the first to occur of (a) one hundred eighty (180) days after recordation of the first unit conveyance, provided that forty percent (40%) or more of the Project has been sold and recorded, or (b) one hundred twenty (120) days after the date seventy-five percent (75%) of the total number of units has been sold and recorded. If forty percent (40%) of the Project is not sold and recorded at the end of one (1) year after recordation of the first unit conveyance, an annual meeting shall be called if ten percent (10%) of the owners so request. The term "sold and recorded" shall mean and refer to the sale of units in the Project, and the recordation of unit conveyances transferring interests in the units from the Developer to parties not signatory to the Declaration. Thereafter, annual meetings of the Association shall be held within one hundred twenty (120) days following the close of the fiscal year of the Association as selected by the Board of Directors, on such date as the Board of Directors may designate, or if the Board of Directors shall fail to designate such date by the sixtieth (60th) day following the close of said fiscal year, then on the third Tuesday in the fourth calendar month following the close of said fiscal year. Each annual meeting shall be a general meeting, and at such meeting any business within the powers of the Association, without special notice of such business, may be transacted except as limited by law, the Declaration or these By-Laws. Special meetings of the Association may be called by the President, a majority of the Board, or by a petition to the Secretary or the Managing Agent signed and dated by no less than twenty-five percent (25%) of the unit owners as shown in the Association's record of ownership; provided that if the Secretary or Managing Agent fails to send out the notices for the special meeting within fourteen (14) days of receipt of the petition, the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices and proxies for the special meeting at the Association's expense in accordance with these By-Laws and the Condominium Property Act; provided further that a special meeting based upon a petition to the Secretary or Managing Agent shall be set no later than sixty (60) days from receipt of the petition. The petition shall be valid only if submitted within one hundred twenty (120) days of the earliest signature. At any special meeting only such business shall be

transacted as shall have been indicated by a specific or general description in the notice of such meeting. All meetings of the Association, except those where all persons attend by electronic means, shall be held at the address of the Project or such other suitable place within the State of Hawaii as determined by the Board of Directors; provided that in the event of a natural disaster, an Association meeting may be held outside the State of Hawaii.

Section 4. [RESERVED].

Section 5. Notice of Meetings. Any notices permitted or required to be given herein must be in writing and may be: (a) hand-delivered; (b) sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner; or (c) at the option of the unit owner, expressed in writing, by electronic mail to the electronic mailing address designated in writing by the unit owner. The notice of any meeting of the Association shall state the date, time, and place of the meeting, and the items on the agenda, including the general nature and rationale of any proposed amendment to the Declaration or these By-Laws, and any proposal to remove a member of the Board; provided that this section shall not preclude any unit owner from proposing an amendment to the Declaration or these By-Laws or to remove a member of the Board at any annual Association meeting. Notices of all Association meetings, whether annual or special, shall be given at least fourteen (14) days before the date of the meeting. Notwithstanding the foregoing, (a) notices of a special meeting to approve Material Amendments or Extraordinary Actions, as described in Section U of the Declaration, shall be given at least twenty-five (25) days before the date of the meeting, shall state the purpose of the meeting and contain a summary of the proposed Material Amendments or Extraordinary Actions and shall include a copy of the proxy form that may be used in lieu of attendance at the meeting, and (b) notices of a special meeting to fill vacancies in the Board of Directors shall include notice of the election to fill the vacancy and the meeting date shall be set on a date that allows sufficient time for owners to declare their intentions to run for election and to solicit proxies for that purpose. If delivery is made by mail, the notice shall be deemed to have been given twenty-four (24) hours after a copy of it has been deposited in the United States mail, postage prepaid, addressed to the person to whom the notice is to be given at the address given by such person to the Board of Directors from time to time, in writing, or to the unit which such person owns if no address has been given to the Board of Directors. Upon written request for notice delivered to the Board of Directors, the holder of any duly recorded mortgage against any unit shall promptly be furnished a copy of any and all notices permitted or required herein to be made to the owner or owners whose unit is subject to such mortgage and which notices are specifically requested by the holder of such mortgage. Said request for notice need not be renewed and shall entitle the holder of such mortgage requesting such notice to receive all notices sent to the owner or owners whose unit is subject to said mortgage from and after the date of said request until said request is withdrawn or the mortgage is discharged of record. If notice is given pursuant

to the provisions of this section, the failure of any unit owner to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. The presence of all owners, in person or by proxy, at any meeting shall render the same a valid meeting notwithstanding that notice thereof was not given or was improper, unless any owner shall at the opening of such meeting object to the holding of such meeting because of the failure to comply with the provisions of this section.

Section 6. Quorum. The presence at any meeting in person or by proxy of at least thirty-five percent (35%) of the owners shall constitute a quorum, and the acts of a majority of the owners present at any meeting at which a quorum is present shall be the acts of the Association except as otherwise provided herein. The term "thirty-five percent (35%) of the owners" herein means the owners of units to which are appurtenant thirty-five percent (35%) of the common interests as established by the Declaration. The term "majority of the owners present at any meeting" shall mean owners of units to which are appurtenant more than fifty percent (50%) of the aggregate common interests appurtenant to units owned by those present at the meeting. Any other specified percentage of the owners means the owners of units to which are appurtenant such percentage of the common interests.

Section 7. Voting. All owners shall be members of the Association and shall be entitled to vote at meetings thereof. Voting shall be on a percentage basis with the percentage of the total vote to which each unit is entitled being the same as the percentage of the common interests assigned to such unit in the Declaration. The vote for any unit owned of record by two or more persons may be exercised either collectively by all co-owners, or individually by any one of them present at any meeting in the absence of protest by the other co-owner or co-owners. In no event, however, shall the percentage of vote for any unit be fractionalized. Votes may be cast in person or pursuant to a proxy duly executed by a unit owner. A unit owner may vote by mail or electronic transmission through a duly executed proxy. If the unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. In the absence of protest, any owner may cast the votes allocated to the unit by proxy. A unit owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the Secretary or the Managing Agent. A proxy is void if it purports to be revocable without notice. A personal representative, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any unit owned or controlled by him or her in such capacity, whether or not the same shall have been transferred to his or her name in the Association's record of ownership, provided that he or she shall first present evidence satisfactory to the Secretary that he or she owns or controls such unit in such capacity. The purchaser of a unit under any agreement of sale recorded in the Bureau of Conveyances shall have all the rights of an owner, including the right to vote, unless the seller under such agreement of sale retains the right to vote pursuant to the Condominium

Property Act. No votes allocated to a unit owned by the Association may be cast for the election or re-election of directors.

Section 8. Proxies and Pledges. The authority given by any unit owner to another person to represent him or her at meetings of the Association shall be in writing.

(a) A proxy, to be valid, shall: (i) be delivered to the Secretary or the Managing Agent no later than 4:30 p.m. Hawaii-Aleutian Standard Time on the second business day prior to the date of the meeting to which it pertains; and (ii) contain at least the name of the Association, the date of the meeting of the Association, the printed names and signatures of the persons giving the proxy, the unit numbers for which the proxy is given, the names of the persons to whom the proxy is given, and the date that the proxy is given.

(b) If a proxy is a standard proxy form authorized by the Association, the proxy shall comply with the following additional requirements: (i) the proxy shall contain boxes wherein the owner may indicate that the proxy is given: (A) for quorum purposes only; (B) to the individual whose name is printed on a line next to this box; (C) to the Board of Directors as a whole and that the vote be made on the basis of the preference of the majority of the directors present at the meeting; or (D) to those directors present at the meeting with the vote to be shared with each director receiving an equal percentage; provided that if the proxy is returned with no box or more than one of the boxes in subsection (A) through (D) checked, the proxy shall be counted for quorum purposes only; and (ii) the proxy form shall also contain a box wherein the owner may indicate that the owner wishes to obtain a copy of the annual audit report.

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

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

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

(f) With respect to the use of Association funds to distribute proxies: (i) if the Board intends to use Association funds to distribute proxies, including the standard proxy form referred to in this section, the Board shall first post notice of its intent to distribute proxies in prominent locations within the Project at least twenty-one

(21) days before its distribution of proxies. If the Board receives within seven (7) days of the posted notice a request by any unit owner for use of Association funds to solicit proxies accompanied by a statement, the Board shall mail to all unit owners either: (A) a proxy form containing the names of all unit owners who have requested the use of Association funds for soliciting proxies accompanied by their statements; or (B) a proxy form containing no names, but accompanied by a list of names of all owners who have requested the use of Association funds for soliciting proxies and their statements. The statement, which shall be limited to black text on white paper, shall not exceed one single-sided 8-1/2" x 11" page, indicating the owner's qualifications to serve on the Board or reasons for wanting to receive proxies; and (ii) the Board or member of the Board may use Association funds to solicit proxies as part of the distribution of proxies. If a member of the Board, as an individual, seeks to solicit proxies using Association funds, the Board member shall proceed as a unit owner under subpart (i) of this subsection.

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

(h) The Board shall not adopt any rule prohibiting the solicitation of proxies or distribution of materials relating to Association matters on the common elements by unit owners; provided that the Board may adopt rules regulating reasonable time, place, and manner of the solicitations or distributions, or both.

Section 9. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the owners present, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 10. Order of Business. The order of business at all meetings of the Association shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Report of officers.

(e) Report of Board of Directors.

(f) Report of committees.

(g) Election of directors (when so required).

(h) Appointment of Auditor.

(i) Unfinished business.

(j) New business.

Section 11. Conduct of Meetings. All meetings of the Association shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised. Notwithstanding any provision to the contrary in the Declaration or these By-Laws, for the first meeting of the Association and any annual meeting or special meeting thereafter during the Developer Control Period, electronic meetings, electronic voting, and mail voting may be authorized by the Board in its sole discretion as may be permitted from time to time under the Condominium Property Act, as amended, under the conditions, if any, set forth in the Condominium Property Act. From and after the first annual meeting or special meeting of the Association after directors other than Developer directors have been elected by the members, the elected Board may authorize meetings of the Association to be conducted by any means that allow participation by all unit owners in any deliberation or discussion. For any electronic meeting, electronic voting, and mail voting, the voting deadline shall be within sixty (60) days of the date the notice was first sent. The Board on behalf of the Association shall implement reasonable measures to verify that each person permitted to vote is a member of the Association or proxy of a member. As used in this section, "mail voting" includes sending or receiving written ballots via mail, courier or electronic transmission; provided that the transmission is a complete reproduction of the original.

Section 12. Minutes of Meetings. The minutes of meetings of the Association shall be approved at the next succeeding annual meeting or by the Board, if authorized by the unit owners at an annual meeting. If approved by the Board, unit owners shall be given a copy of the approved minutes or notified of the availability of the minutes within thirty (30) days after approval. Minutes of all meetings of the Association shall be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within sixty (60) days after the meeting. An owner shall be allowed to offer corrections to the minutes at an Association meeting.

Section 13. Committees. The Association may create and appoint such general or special committees as the affairs of the Association may require and define the authority and duties of such committees.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of three (3) directors; provided, that during the Developer Control Period, the Developer shall have the right to appoint and remove two (2) of the director positions on the Board. Members of the Board shall be unit owners or co-owners, vendees under an agreement of sale, a trustee of a trust which owns a unit, or an officer, partner, member or other person authorized to act on behalf of any other legal entity which owns a unit. There shall not be more than one representative on the Board of Directors from any one unit. No resident manager or employee of the Project or tenant occupying a dwelling unit for dwelling purposes who is not also an owner of a dwelling unit in the Project, shall serve on the Board of Directors. Except as specifically authorized by the Association at an annual or special meeting, no director shall receive any compensation from the Association for acting as such, but may be reimbursed for actual expenses incurred in the course of acting as such director.

Section 2. Election and Term. Election of directors other than the Developer directors shall be by cumulative voting by secret ballot at each annual meeting and each special meeting called for that purpose. The Developer directors shall be appointed at the first meeting of the Association and shall serve at the pleasure of the Developer. Directors other than the Developer directors shall hold office for a period of two (2) years and until their respective successors have been elected, subject to removal as herein provided; provided that at the first annual meeting or special meeting of the Association after the Developer Control Period in which Board members shall be elected, one (1) of the directors shall be elected for one (1) year and the other elected director(s) shall be elected for two (2) years in order to provide for staggered terms. Directors shall be elected at each annual meeting to fill the vacancy in the office of director occurring as of the time of such meeting. The term "cumulative voting" as used herein means that each owner may cast for any one or more candidates for to the Board a vote equivalent to the vote which such owner is entitled to multiplied by the number of directors to be elected, and each owner shall be entitled to cumulate his or her votes and give all thereof to one candidate or to distribute his or her votes in such manner as he or she shall determine among any or all of the candidates, and the candidates receiving the highest number of votes on the foregoing basis, up to the total number of directors to be elected, shall be deemed elected and shall be given the longest term.

Section 3. Vacancies. Any vacancies in the Board of Directors other than a vacancy of the Developer director positions, a vacancy caused by the natural expiration of the term of a director or the 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 serve until his or her successor is elected at the

next annual or duly noticed special meeting of the Association. A vacancy of the Developer director positions shall be filled by the Developer within sixty (60) days of the vacancy; provided, that if the Developer directors are not initially appointed by the first meeting of the Association or the Developer director positions become vacant and are not filled by the Developer within said 60-day period, the Developer director positions 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 serve until replaced by the Developer directors appointed by the Developer. Death, incapacity or resignation of any director, or his or her ceasing to be the owner or co-owner of record of a unit, a vendee of a unit under an agreement of sale, a trustee of a trust which owns a unit, or an officer, partner, member or other person authorized to act on behalf of any other legal entity which owns a unit, shall cause his or her office to become vacant.

Section 4. Removal of Directors. At any annual or special meeting of the Association duly called, any member of the Board other than the Developer directors may be removed and successors shall be elected for the remainder of the term to fill the vacancies thus created. The removal and replacement shall be by a vote of a majority of the unit owners and, otherwise, in accordance with all applicable requirements and procedures in these By-Laws for the removal and replacement of directors, and, if removal and replacement is to occur at a special meeting, Article II, Section 3 of these By-Laws. Any director whose removal has been proposed by the unit owners shall be given an opportunity to be heard at such meeting.

Any director other than the Developer directors who shall miss three (3) consecutive meetings of the Board may be removed by vote of a majority of the remaining directors, even though they may constitute less than a quorum; provided, however, that this right of removal shall be without prejudice to the unit owners' right to remove directors as provided in this Section 4. The replacement of the director removed by the Board shall be in accordance with all applicable requirements and procedures in these By-Laws for the replacement of directors. Any director removed by the Board shall not be eligible for reelection to the Board for a period of one (1) year after such director's removal.

Section 5. Organizational Meetings. The first meeting of the Board of Directors shall be held at the place of and immediately following each annual meeting of the Association, and no notice shall be necessary to any directors in order validly to constitute such meeting, provided that a majority of the whole Board shall be present. At such meeting the Board shall elect the officers of the Association for the ensuing year.

Section 6. Regular Meetings. The Board of Directors shall meet at least once a year. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one such meeting shall be held during each calendar year. Notice of regular meetings of

the Board shall be given to each director in a reasonable manner at least fourteen (14) days, if practicable, prior to the date of the meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least three (3) days' notice to each director, given personally or by telephone, or facsimile transmission, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two (2) directors.

Section 8. Conduct of Meetings.

(a) All meetings of the Board of Directors, other than executive sessions, shall be open to all members of the Association, and Association members who are not on the Board of Directors shall be permitted to participate in any deliberation or discussion, other than executive sessions, pursuant to owner participation rules adopted by the Board of Directors.

(b) The Board of Directors may establish rules for owner participation in any deliberation or discussion at Board of Directors meetings, other than executive sessions, provided that the Board of Directors: (i) shall notify all owners of the rules; and (ii) may amend the rules at any regular or duly noticed special meeting of the Board of Directors provided that all owners are notified of any adopted amendments. The Board may make the rules available to owners on an Association website.

(c) The Board of Directors, by majority vote, may adjourn a meeting and reconvene in executive session to discuss and vote upon matters: (i) concerning personnel; (ii) concerning litigation in which the Association is or may become involved; (iii) necessary to protect the attorney-client privilege of the Association; or (iv) necessary to protect the interests of the Association while negotiating contracts, leases, and other commercial transactions. The general nature of any business to be considered in executive session shall first be announced in open session.

(d) All meetings of the Board of Directors (whether organizational, regular or special) shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

(e) A director shall not vote by proxy at Board meetings.

Section 9. Notices; Waiver of Notice. Notice of all Board meetings and other notices to the directors shall be given to each director by the Secretary or the person or persons calling the meeting. Notice of all Board meetings shall be posted by the Managing Agent, resident manager, if any, or a member of the Board, in prominent locations within the Project seventy-two (72) hours prior to the meeting or

simultaneously with notice to the Board of Directors. The notice shall include a list of business items expected to be on the meeting agenda. Before or at any meeting of the Board of Directors, any director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice to him or her of such meeting. If all the directors are present at any meeting of the Board, no notice thereof shall be required, and any business may be transacted at such meeting.

Section 10. Quorum of Board. At all meetings of the Board of Directors a majority of the total number of directors established by these By-Laws shall constitute a quorum for the transaction of business, and action by a majority of the directors present at any meeting at which a quorum is present shall constitute action by the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Powers and Duties of the Board. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts or things set forth in the Condominium Property Act, the Declaration and these By-Laws to be done by the Board of Directors, except as otherwise expressly prohibited.

Section 12. [RESERVED].

Section 13. Conflicts of Interest.

(a) A director shall not vote at any Board meeting on any issue in which the director has a conflict of interest. A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made. "Conflict of interest", as used in this section, means an issue in which a director has a direct personal or pecuniary interest not common to other members of the Association.

(b) An owner shall not act as an officer of the Association and an employee of the Managing Agent. An owner who is a Board member and an employee of the Managing Agent shall not participate in any discussion regarding a management contract at a Board meeting and shall be excluded from any executive session of the Board in which the management contract or the Managing Agent will be discussed.

Section 14. Minutes of Meetings.

(a) The minutes of the meetings of the Board of Directors shall include the recorded vote of each Board member on all motions except motions voted on in executive session.

(b) Minutes of the meetings of the Board of Directors shall be approved no later than the second succeeding regular meeting.

(c) Minutes of the meetings of the Board of Directors shall be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within thirty (30) days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session.

Section 15. Action By Directors Without Meeting. Any action required or permitted to be taken at any meeting of the directors or of a committee of the directors may be taken without a meeting if all of the directors or all of the members of the committee, as the case may be, sign a written consent setting forth the action taken or to be taken at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the directors' meetings or committee meetings as the case may be and shall have the same effect as a unanimous vote.

Section 16. Communications Means for Directors' Meetings. Subject to the notice requirements contained in these By-Laws, members of the Board of Directors or any committee designated thereby may permit any meeting to be conducted by any means of communication through which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting. If permitted by the Board, any unit owner may participate in a meeting conducted by a means of communication through which all participants may simultaneously hear each other during the meeting, provided that the Board may require that the unit owner pay for the costs associated with the participation.

Section 17. Duty of Directors. In the performance of their duties, each member of the Board of Directors shall owe the Association a fiduciary duty and exercise the degree of care and loyalty required of a director of a corporation organized under Chapter 414D of the Hawaii Revised Statutes, as amended. Any violation of the mandatory provisions of Section 514B-161 or 514B-162 of the Condominium Property Act by the Board of Directors, or a member of the Board of Directors, may constitute a violation of this fiduciary duty; provided that a Board member may avoid liability under this section by indicating disagreement with such Board action in writing or by rescinding or withdrawing the violating conduct within forty-five (45) days of the occurrence of the initial violation.

Section 18. Copies of Documents. The Association at its expense shall provide all Board members with a current copy of the Declaration, By-Laws, Rules and Regulations, and, annually, a copy of the Condominium Property Act.

Section 19. Expenditure of Association Funds.

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

(b) Directors may expend Association funds, which shall not be deemed to be compensation to the directors, to educate and train themselves in subject areas directly related to their duties and responsibilities as directors; provided that the approved annual operating budget shall include these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for economy travel expenses within the State of Hawaii, all other travel expenses incurred under this subpart shall be subject to the requirements of the foregoing subpart (a) of this section.

ARTICLE VII

COMMON EXPENSES, UNIT EXPENSES, BUDGETS AND RESERVES, AND TAXES

Section 1. Common Expenses, Budgets and Reserves.

(a) The Association shall assess each unit owner for, and each unit owner shall be liable for and pay, a share of the common expenses in proportion to the common interest appurtenant to his or her unit. In addition to the items otherwise designated in these By-Laws as common expenses, the common expenses of the Project shall include all sums designated as common expenses in Section K of the Declaration. The common expenses may also include such amounts as the Board of Directors may deem appropriate to make up any deficit in the common expenses for any prior year and a replacement reserves fund for the Project. The common expenses may also include such amounts as may be required, by special assessment, for the purchase or lease of any unit by the Board or its nominee, corporate or otherwise, on behalf of the Association, as permitted under Hawaii law or these By-Laws.

Assessments of common expenses shall be payable in monthly installments on the first day of each month, commencing with respect to each unit on the first day of

the first month following the issuance by the appropriate county agencies of a temporary or permanent certificate of occupancy for such unit (or if no certificate of occupancy will be issued, the first day of the first month following the date that the Developer determines that such unit is complete enough to be occupied). Payments of assessments for common expenses shall be made to the Association (through the Managing Agent). The Developer shall fix the rate of monthly installments of common expenses until such rate shall be redetermined by the Board of Directors. The Board may from time to time during any year increase the assessment rate or impose a special assessment to make up any existing deficiency whenever for any reason the rate then in effect shall prove inadequate, provided that the Board, either directly or through the Managing Agent or resident manager, if any, shall send to all unit owners thereby affected written notice of any such increase or special assessment not less than thirty (30) days before the effective date of such increase or assessment. Assessments of limited common expenses shall be payable on the first day of the month following the month in which the notice of the assessment is given to the owner of the unit subject to such assessment.

If, at the end of any year, there should be any excess unspent funds collected by assessments, the same shall be used or applied by the Board, in its sole discretion, (i) to pay common expenses in the following year; or (ii) to be placed in the replacement reserves.

The Developer may assume all the actual common expenses of the Project by stating in the Developer's public report that the unit owner shall not be obligated for the payment of the owner's share of the common expenses until such time the Developer sends the owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units. If the Developer elects to assume the actual common expenses of the Project as aforesaid, then, notwithstanding any other provisions in these By-Laws to the contrary, the Developer shall have no obligation to pay for any replacement reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

(b) The Board of Directors shall prepare and adopt an annual operating budget, and within thirty (30) days after the adoption of the budget, the Board shall make available a copy of the budget to all the unit owners and shall notify each unit owner that the unit owner may request a copy of the budget. The budget shall include a summary with at least the following details:

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

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

(iii) The estimated costs of fire safety equipment or installations that meet the requirements of a building fire and life safety evaluation required by the applicable county for any building located in a county with a population greater than five hundred thousand; provided that the reserve study may forecast a loan or special assessment to fund building fire and life safety components or installation;

(iv) The balance of the total replacement reserves fund of the Association as of the date of the budget;

(v) The estimated replacement reserves assessments the Association will require to maintain the Project based on a reserve study performed by or on behalf of the Association; provided that the reserve study, if not prepared by an independent reserve study preparer, shall be reviewed by an independent reserve study preparer no less than every three (3) years; provided further that a managing agent with industry reserve study designations shall not be considered as having a conflict of interest for the purposes of this subpart (v);

(vi) A general explanation of how the estimated replacement reserves assessments are computed and detailing:

(A) The identity, qualifications, and potential conflicts of interest of the person or entity performing the reserve study, update, or any review thereof;

(B) Disclosure of any component of Association property omitted from the reserve study and the basis for the omission;

(C) Planned increases in the estimated replacement reserve assessments over the thirty-year plan;

(D) Whether the actual estimated replacement reserves assessments for the prior year as defined in the study were less than the assessments provided for in the reserve study, and, if so, by how much, and explaining the impact of the lesser assessments on future estimated replacement reserves assessments;

(E) Any updates made to the reserve study and descriptions of and explanation for the updates or a statement that no updates were made;

(F) A public accountant's findings about the adequacy of reserves or a statement that no findings were made; and

(G) Where a unit owner may examine the supporting completed reserve study or request a copy of same;

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

(viii) Information as to whether the amount the Association must collect for the fiscal year to fund the estimated replacement reserves assessments was calculated using a percent funded or cash flow plan. The method or plan shall not circumvent the estimated replacement reserves amount determined by the reserve study pursuant to subpart (v). The budget summary shall contain all required information without referring the reader to other portions of the budget.

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

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

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

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

(e) Neither the Association, nor the Developer, nor any entity that, and no person who, makes a good faith effort to calculate the estimated replacement reserves assessments required by this Section shall be liable in the event that the estimate subsequently proves incorrect.

(f) Except in emergency situations or with the approval of a majority of the unit owners, the Board may not exceed its total adopted annual operating budget by more than twenty percent (20%) during the fiscal year to which the budget relates. Before imposing or collecting an assessment under this subsection that has not been approved by a majority of the unit owners, the Board shall adopt a resolution containing written findings as to the necessity of the extraordinary expense involved and why the

expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the unit owners with the notice of assessment.

(g) The requirements of this section shall override any requirements in the Declaration, these By-Laws or any other Association documents relating to preparation of budgets, calculations of replacement reserve requirements, assessments and funding of replacement reserves, and expenditures from replacement reserves with the exception of:

(i) Any requirements in the Declaration, these By-Laws or any other Association documents that require the Association to collect more than fifty percent (50%) of replacement reserve requirements; or

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

(h) The terms "capital expenditure", "cash flow plan", "emergency situation", "independent reserve study preparer", "major maintenance", "replacement reserves" and "reserve study" shall have the meanings given to them in the Condominium Property Act and in the Condominium Administrative Rules.

(i) The funds in the general operating account shall not be commingled with funds of other activities such as lease rent collections and rental operations, nor shall the Managing Agent commingle any Association funds with the Managing Agent's own funds.

(j) All funds collected by the Association, or by the Managing Agent for the Association, shall be:

(i) Deposited in a financial institution, including a federal or community credit union, located in the State of Hawaii, pursuant to a resolution adopted by the Board, and whose deposits are insured by an agency of the United States government;

(ii) Held by a corporation authorized to do business under Article 8 of Chapter 412 of the Hawaii Revised Statutes, as amended;

(iii) Held by the United States Treasury;

(iv) Purchased in the name of and held for the benefit of the Association through a securities broker that is registered with the Securities and Exchange Commission, that has an office in the State of Hawaii, and the accounts of which are held by member firms of the New York Stock Exchange or the National Association of Securities Dealers and insured by the Securities Insurance Protection Corporation; or

(v) Placed through a federally insured financial institution located in the State of Hawaii for investment in certificates of deposit issued through the Certificate of Deposit Account Registry Service in federally insured financial institutions located in the United States.

(k) All funds collected by the Association or the Managing Agent for the Association shall be invested only in:

(i) Deposits, investment certificates, savings accounts and certificates of deposit;

(ii) Obligations of the United States government, the State of Hawaii, or their respective agencies; provided that those obligations shall have stated maturity dates no more than ten (10) years after the purchase date unless approved otherwise by a majority vote of the unit owners at an annual meeting or special meeting of the Association or by written consent of a majority of the unit owners;

(iii) Mutual funds comprised solely of investments in the obligations of the United States government, the State of Hawaii, or their respective agencies; government money market funds (as defined in the Condominium Property Act); or shares or units of another mutual fund satisfying the requirements of this subsection; provided that those obligations shall have stated maturity dates no more than ten (10) years after the purchase date unless approved otherwise by a majority vote of the unit owners at an annual meeting or special meeting of the Association or by written consent of a majority of the unit owners; or

(iv) Certificates of deposit issued through the Certificate of Deposit Account Registry Service in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with the depository;

provided that before any investment longer than one (1) year is made by the Association, the Board must approve the action; and provided further that the Board must clearly disclose to owners all investments longer than one (1) year at each annual meeting.

(l) All funds collected by the Association shall only be disbursed by employees of the Association under the supervision of the Board. All funds collected by the Managing Agent from the Association shall be held in a client trust fund account and shall be disbursed only by the Managing Agent or the Managing Agent's employees under the supervision of the Board.

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

(n) The Managing Agent shall keep and disburse funds collected on behalf of the Association in strict compliance with the property management contract, Chapter 467 of the Hawaii Revised Statutes, as amended, the rules of the Real Estate Commission, and all other applicable laws.

Section 2. Payment as Agent. The Board will pay or cause to be paid, on behalf of the owners all common expenses and limited common expenses. Each owner, as principal, shall be liable for and pay his or her share, determined as provided in the Declaration and these By-Laws, of all such expenses; and the Board shall be responsible, as agent for each owner, only to transmit the payments made by the owner to third persons to whom such payment must be made by the owner. The Board may require the Managing Agent to assist it in its duties hereunder. The Board or Managing Agent collecting the expenses shall not be liable for payment of such expenses as principal but only as the agent of all owners to transmit said payments to third persons to whom such payments must be made by the owners.

Section 3. Taxes and Assessments. Each owner of a unit shall be obligated to have the real property taxes for such unit and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of all such real property taxes so determined. The foregoing sentence shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each unit and the common interest in the common elements appertaining thereto or the personal property or any other interest of the owner. Each owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes and assessments. Each owner shall be obligated to pay to the Board his or her proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire Project or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire Project or any part of the common elements, the Board may pay such taxes or assessments as part of the common expenses. Such assessments by the Board shall be secured by the lien created by Article VII, Section 4 hereof.

Section 4. Default in Payment of Assessments. Each monthly assessment, each limited common expense assessment, and each special assessment shall be the separate, distinct and personal debt and obligation, as of the date of assessment, of the owner against whom the same are assessed and, in the case of a unit owned by more than one person, shall be the joint and several obligation of such co-owners. Any assessment not paid within ten (10) days after the due date thereof shall bear interest at the rate of one percent (1%) per month from such due date until paid and also shall be subject to a late payment charge in such amount as shall be established from time to time by the Board of Directors. The Board of Directors may adopt a policy whereby payments

received from unit owners shall be applied toward the indebtedness of such unit owners to the Association in such order as the Board of Directors shall determine. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies the Board of Directors may have, the Board of Directors may enforce each such obligation as follows:

(a) By suit or suits at law to enforce such assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special meeting thereof, and any such suit may be instituted by any one (1) member of the Board or by the Managing Agent if the latter is so authorized in writing. Each such action shall be brought by the Board in the name of the Board and the Association, and the Board shall be deemed to be acting on behalf of the Association. Any judgment rendered in any such action shall include, where permissible under any law, a sum for attorneys' fees in such amount as the court may adjudge against such defaulting owner. Upon full satisfaction of any such judgment, it shall be the duty of the Board to authorize any two (2) members thereof, acting in the name of the Board and the Association, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time after the occurrence of any such default, the Board (acting upon the authorization of the majority thereof at any regular or special meeting) may give a notice to the defaulting owner (with a copy to the mortgagee of such owner if such mortgagee has furnished its name and address to the Board) stating the date of the delinquency, the amount of the delinquency and making demand for payment thereof. If such delinquency is not paid within ten (10) days after delivery of such notice, the Board may file a claim of lien against the unit of such delinquent owner. Such claim of lien shall state (i) the name of the delinquent owner, (ii) a designation of the unit against which the claim of lien is made, (iii) the amount claimed to be due and owing (after the allowance of any proper offset), (iv) that the claim of lien is made by the Board pursuant to the terms of these By-Laws and the Condominium Property Act, and (v) that a lien is claimed against such unit in an amount equal to the net amount of the stated delinquency plus any accrued interest and costs of enforcement, including attorneys' fees, if any. Any such claim of lien shall be signed and acknowledged by any two (2) or more members of the Board, by the attorney for the Association or by the Managing Agent and shall be dated as of the date of the execution by such attorney or the Managing Agent or the last such Board member to execute such claim of lien. Upon recordation of a duly executed original or copy of such claim of lien in the Bureau of Conveyances, the Board shall have all remedies provided in the Condominium Property Act. Each default shall constitute a separate basis for a claim of lien, but a single claim of lien may be recorded with respect to more than one default. The owner of a unit against which such lien of the Association is foreclosed shall pay a reasonable rental for such unit and the plaintiff in such a foreclosure shall be entitled to a receiver to collect the rental owed by the unit owner or any tenant of the unit.

(c) For the purposes of this Section 4, a certificate executed and acknowledged or made under penalty of perjury by any two (2) members of the Board or the Managing Agent shall be conclusive upon the Board and the owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his or her unit (or the fact that all assessments due are paid if such is the case) within fifteen (15) days after demand therefor and upon payment of a reasonable fee or service charge, in an amount fixed from time to time by the Board. If any claim of lien is recorded as aforesaid and thereafter the Board receives payment in full of the amount claimed to be due and owing (including accrued interest and any costs of enforcement), then upon demand of the owner and payment of a reasonable fee, the Board, acting by any two (2) members, shall execute, acknowledge and deliver to the owner a release of lien, stating the date of the original claim of lien, the amount claimed, the date, and the document number where the claim of lien is recorded in the Bureau of Conveyances, and that the lien is fully satisfied, released and discharged.

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

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

Section 5. Collection from Tenant.

(a) If the owner of a unit rents or leases the unit and is in default for thirty (30) days or more in the payment of the unit's share of the common expenses or the limited common expenses, the Board of Directors, for as long as the default continues, may demand in writing and receive each month from any tenant occupying the unit, or rental agent renting the unit, an amount sufficient to pay all sums due from the unit owner to the Association, including interest, if any, but the amount shall not exceed the tenant's rent due each month. The tenant's payment under this section shall discharge that amount of payment from the tenant's rent obligation, and any contractual provision to the contrary shall be void as a matter of law.

(b) Before taking any action under this section, the Board shall give to the delinquent unit owner written notice of its intent to collect the rent owed. The notice shall: (i) be sent both by first-class and certified mail; (ii) set forth the exact amount the Association claims is due and owing by the unit owner; and (iii) indicate the intent of the Board to collect such amount from the rent, along with any other amounts that become due and remain unpaid.

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

(d) The payment of any portion of the unit's share of common expenses and/or limited common expenses by the tenant pursuant to a written demand by the Board is a complete defense, to the extent of the amount demanded and paid by the tenant, in an action for nonpayment of rent brought by the unit owner against a tenant.

(e) The Board may not demand payment from the tenant pursuant to this section if: (i) a commissioner or receiver has been appointed to take charge of the premises pending a mortgage foreclosure; (ii) a mortgagee is in possession pending a mortgage foreclosure; or (iii) the tenant is served with a court order directing payment to a third party.

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

(g) Before the Board may take the actions permitted under subsection (a), the Board shall adopt a written policy providing for the actions and have the policy approved by a majority vote of the unit owners at an annual or special meeting of the Association or by the written consent of a majority of the unit owners.

Section 6. Application of Payments. Any payments made by or on behalf of a unit owner shall first be applied to outstanding common expenses that are assessed to all unit owners in proportion to the common interest appurtenant to their respective units. Only after the outstanding common expenses have been paid in full may the payments be applied to other charges owed to the Association, including assessed charges to the unit such as utility sub-metering, insurance deductibles and cable. After these charges are paid, other charges, including unpaid late fees, legal fees, fines, and interest, may be assessed in accordance with an application of payment policy adopted by the Board; provided that if a unit owner has designated that any payment is for a specific charge that

is not a common expense as described in this section, the payment may be applied in accordance with the unit owner's designation even if common expenses remain outstanding.

ARTICLE VIII

MORTGAGES AND MORTGAGEES

Section 1. Notice to Board of Directors. Any unit owner who mortgages his or her interest in a unit shall notify the Association (through the Board of Directors or the Managing Agent) of the name and address of his or her mortgagee and shall file a conformed copy of his or her mortgage with the Association within ten (10) days after the execution of same. The Association shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Expenses. The Association, whenever so requested in writing by an owner or holder, insurer or guarantor of a mortgage of a unit and upon payment of a reasonable fee or service charge by the unit owner, in an amount fixed from time to time by the Board, shall promptly report any then unpaid assessments of common expenses or limited common expenses due from the unit owner involved, and if no request is made then notice shall be given as provided in Article V, Section 1(p) hereof.

Section 3. Notice of Default. The Board, when giving notice to a unit owner of a default in paying common expenses or limited common expenses or any other default in performance of any obligations under the Declaration, these By-Laws, the Rules and Regulations or other document of the Association, shall send a copy of such notice to each mortgagee of such unit whose name and address has theretofore been furnished to the Association.

Section 4. Examination of Books. Each mortgagee and each insurer and guarantor of first mortgages that are secured by one or more units in the Project shall be permitted to examine the books and records of the Association at convenient hours of business days.

Section 5. Annual Financial Statement. Any holder, insurer or guarantor of a first mortgage on any unit or any interest therein may request and the Association shall provide said holder, insurer or guarantor with a copy of any such annual financial statement within ninety (90) days following the end of any fiscal year of the Association, upon payment by the holder, insurer or guarantor of a fee equal to the cost of reproduction and postage for mailing of such statement.

Section 6. Right of Access. Each mortgagee and its agents shall have a right of access through the common elements (other than the limited common elements)

of the Project for the purpose of passage to any unit on which it holds a mortgage, provided that entry into any such unit or the limited common elements appurtenant thereto by the mortgagee or its agents shall be at the sole risk of the mortgagee and shall be made strictly in accordance with and subject to the terms of its mortgage.

Section 7. Mortgage Protection. Notwithstanding any other provision contained in these By-Laws or the Declaration:

(a) Liens in favor of the Association on any unit and its appurtenant interest in the common elements created by the Declaration, these By-Laws or the Condominium Property Act, shall be subject and subordinate to the rights of the holder of any indebtedness secured by any recorded mortgage of such interests, made for value, that was recorded prior to the recordation of the notice or notices of such liens by the Association, provided that after the foreclosure of any such mortgage there shall be a lien upon the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed to such unit, if falling due after the date of the acquisition of title (as defined in Section K of the Declaration) or pursuant to the Condominium Property Act, which lien shall have the same effect and be enforced in the same manner as provided in Article VII, Section 4 hereof.

(b) All taxes, assessments and charges which may become liens prior to any first mortgage under the laws of the State of Hawaii shall relate only to the individual units and not to the condominium project as a whole.

(c) The Declaration and these By-Laws shall not affect the rights of a unit owner with respect to the rights of first mortgagees of units pursuant to their mortgages in the case of a distribution made in accordance with the Declaration and these By-Laws to unit owners of insurance proceeds or condemnation awards for losses to or a taking of units and/or common elements.

(d) No amendment to this Article VIII shall affect the rights of the holder of any first mortgage recorded in the Bureau of Conveyances who does not join in the execution thereof if such mortgage was recorded prior to the recordation of such amendment.

(e) Any holder, insurer or guarantor of a mortgage of a unit or any interest therein whose interest appears in the record of ownership of or who has otherwise delivered a written request to the Association shall be entitled to:

(i) Timely written notice of any proposed amendment to the Declaration or these By-Laws effecting a change in the boundaries of any unit or the exclusive easement rights pertaining thereto, the common interests or liability for common expenses, number of votes appertaining to any unit or the purposes to which any unit or common elements are restricted;

(ii) Timely written notice of any proposed termination of the Condominium Property Regime at least thirty (30) days before any action is taken;

(iii) Timely written notice of any condemnation loss or any casualty loss or eminent domain proceeding affecting a material portion of the Project or common elements resulting in losses greater than ten percent (10%) of the annual budget or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(iv) Timely written notice of any default of the unit owner which is not cured within sixty (60) days;

(v) Upon request therefor and the payment by the unit owner or such person of the fee or service charge mentioned in Section 2 above, a statement of any then unpaid assessments for common expenses and limited common expenses due from the owner of the unit involved;

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

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

(viii) Timely written notice of at least ten (10) days of a lapse, cancellation, or material modification of any insurance policy maintained by the Association;

(ix) Timely written notice of proposed amendments to the Declaration or these By-Laws that are Amendments of a Material Nature, Material Amendments or Extraordinary Actions;

(x) Demand an audit of the Association's financial records, if a majority of eligible holders of first mortgages on units so demand; and

(xi) Timely written notice of any proposed action that requires the consent of a specified percentage of mortgagees under the Declaration or these By-Laws.

Section 8. Release of Information. To the extent permitted by applicable law, the Board of Directors may provide any information available to it pertaining to a

unit or the Project to a mortgagee of such unit and such mortgagee may provide any information to the Board of Directors regarding the mortgagor, the mortgagor's loan and the status of such loan.