

The Vacation Ownership Plan Rules and Regulations, which appear below, were amended to change the name "Starwood Vacation Network" to "Vistana Signature Network" and are effective immediately.

VACATION OWNERSHIP PLAN RULES AND REGULATIONS OF OCEAN RESORT VILLAS

Welcome to resort living at its very best. We want your use of your Vacation Ownership Interest to be a satisfying experience. The following Rules and Regulations have been established for the benefit of all Owners. These Rules and Regulations supplement the Vacation Plan Declaration and Vacation Plan Documents, as they may be amended from time to time, but do not change your obligations as an Owner under either the Vacation Ownership Plan or Vacation Plan Documents. These Rules and Regulations may be amended from time to time by the Board of Directors of the Vacation Ownership Plan (the "Board"). Compliance by you, your family and your guests with these Rules and Regulations will permit the Vacation Ownership Plan at the Ocean Resort Villas to run smoothly and efficiently. The Vacation Plan is located in the Ocean Resort Villas, a fee simple Condominium (the "Resort"), all references to the Resort include the Vacation Plan, Condominium and Master Condominium.

Each Owner shall be governed by and shall comply with these Rules and Regulations, the Master Declaration, the Condominium Declaration, the Vacation Plan Documents (as defined in the Vacation Ownership Plan) and the ~~Vistana SignatureStarwood Vacation~~ Network Documents (as defined in the Vacation Ownership Plan). These documents are collectively referred to as the Governing Documents. Please note that failure by you or your guests to comply with these documents shall entitle the Vacation Owners Association ("Association") to pursue any and all legal and equitable remedies to enforce the rules and may result in the suspension of your rights and privileges as an Owner.

Antennas. No antennas of any type shall be allowed on the Resort, except as may be provided by the Board to serve as a master antenna for the benefit and use of the condominiums within the Resort. No electrical or other equipment may be operated on the Resort which interferes with television signal reception.

Barbecue Grills. No barbecue grills may be used on the Resort, except in areas, if any, specifically designated by the Board, or the Board of the Master Association or Condominium Association, for such use.

Biennials. Owners of biennial Vacation Ownership Interests may be required to pay a \$20.00 bookkeeping charge per year to offset the Association's extra processing costs.

Children. Owners are responsible for the conduct of their children or children in their care. Children are not permitted to play in corridors, parking areas, the lobby, pool areas, spas or any other common areas not designed for children's recreation. Children under thirteen (13) years of age must be accompanied by an adult. Owners will be held financially responsible for disturbance or damage caused their minor children or children under their care. Failure to pay for damages caused by such behavior may affect the Owner's use privileges.

Common Elements. Common elements of the Resort shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of and use by the Owners and others as permitted by the Governing Documents.

Damage. No Owner or guest, invitee, or lessee of such Owner shall deface, mar, or otherwise damage any part of the Resort. In the event of such damage, the Owner shall be liable for the cost of repair. If a Vacation Unit or facility is rendered unusable due to the intentional or negligent act or omission of an Owner, guest, invitee, or lessee of such Owner, the Owner also shall be responsible for the cost of securing alternative accommodations or facilities of comparable quality and location until the damaged accommodations or facilities are repaired.

Decoration of Units; Additions, Alterations, and Renovations. No Owner, guest, invitee, or lessee shall alter the furnishings, appliances, personal property, or decor of any Vacation Unit. No Owner, guest, invitee, or lessee shall paint or otherwise decorate or change the appearance of any portion of the Resort. The Board shall determine the interior color scheme, decor, and furnishings of each Vacation Unit as well as the proper time for redecorating and renovating such Unit and its contents. Except for Commercial Unit Owners as to the Commercial Unit owned and

Owners of Units which are not committed to the Vacation Ownership Plan as to those Units, no Owner, guest, invitee, or lessee shall make any additions, alterations, or renovations to any part of the Resort.

No Domiciliary Intent. No person may enter, stay, or dwell on or about a Vacation Unit with the intent or desire to be or become a legal domiciliary of the State of Hawaii or any political subdivision thereof, and all persons waive, release, and remise any such intent or desire. No person may enter, stay, or dwell on or about a Vacation Unit with the intent that the Unit be or become that person's principal dwelling, and all persons shall maintain a principal dwelling at all times at a location other than within a Vacation Unit.

Emergencies and Fire Safety. In the event of an emergency, contact the Resort Operator by dialing "0," or contact the appropriate authority by dialing "9" for an outside line, then dialing "911." After dialing "911," contact the Resort Operator so that emergency vehicles can be directed appropriately. The Association has posted in conspicuous places throughout the Resort fire regulations that must be adhered to by Owners and guests during their stay at the Resort. Your conscientious compliance with these rules and regulations will help maintain the beauty of the Resort.

Enforcement of Rules. The Association expects all Owners and their guests to adhere to the requirements set forth in the Rules and Regulations and the Vacation Ownership Declaration. To assist the Association in the enforcement of the provisions of these two documents, the Association has delegated enforcement authority to the Managing Agent. Any Owner or guest who has been advised by the Managing Agent that they are in violation of the Rules and Regulations or the Vacation Ownership Declaration will immediately cease and desist that activity.

If any Owner or his guest, after being notified by the Managing Agent that he is in violation of the Rules and Regulations or Vacation Ownership Declaration, fails to comply with the Managing Agent's direction, the matter will be referred to the Board of Directors of the Association for consideration of the assessment of penalties by reason of such person's non-compliance. The Owner against whom such action is proposed to be taken has the right to appear before the Board of Directors at its next regularly scheduled meeting to contest such action, all as provided in the Bylaws and the Vacation Ownership Plan Declaration.

Guests. You may permit another person to occupy your Assigned Unit during your Use Period(s) without charge by the Association subject to the following restrictions: (i) the maximum allowable occupancy limits may not be exceeded, (ii) guests must observe the Check-In and Check-Out procedures. If you intend for a person other than yourself to use your Use Period or to accompany you during your Regular Use reservation, you must provide the Managing Agent with the name and address of such person(s) in writing not less than three days prior to commencement of the occupancy period. You will be responsible for all personal charges and/or damages to the Unit you have occupied resulting from use by your guests. Persons under twenty-one (21) years of age must be accompanied by you or a guest twenty-one (21) years of age or older. Additional rules and regulations governing the recreational areas and the use of such areas by guests will be adopted by the Association and/or the Managing Agent, and may be amended from time to time.

Holdover Owners. If any Owner or the guest, invitee, or lessee of such Owner fails to vacate a Vacation Ownership Unit at the expiration of the Use Period reserved, such Owner shall be deemed a "holdover owner." The Association shall take steps as may be necessary to remove a holdover owner from the Unit. The Association also shall assist the holder of a subsequent reservation who may be affected by the holdover owner's failure to vacate, in finding alternate accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Association shall use reasonable efforts to remove the holdover owner and/or secure, at its expense, alternate accommodations for any holder of a subsequent reserved use period who may not occupy the Unit due to the failure to vacate of any holdover owner. Such accommodations shall be as near in value as possible to the Unit owned. The holdover owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to his failure to vacate, and a fine during this period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover owner, although the fine shall cease on actual vacating by the holdover owner, or the guest, invitee, or lessee of such Owner. The Association shall submit a bill to the holdover owner in accordance with the Declaration.

The foregoing provisions shall not abridge the Association's right to take such other action against a holdover owner as is permitted by law including eviction proceedings. Further, the foregoing provisions shall not limit the Association's right to take any action permitted by Hawaii law against trespassers who are not Owners.

Housekeeping. The time between Check-Out Time and Check-In Time is reserved exclusively for the cleaning, inventory, repair and maintenance of units by the housekeeping and maintenance personnel. Currently, a full cleaning will be provided prior to Check-In in addition to a mid-week full clean. However, the mid-week full clean is subject to change or deletion at the discretion of the Board. Additional housekeeping services are available by contacting the front desk. A charge for additional housekeeping services will be made and must be paid prior to your departure.

Lawful Use. No immoral, improper, offensive or unlawful use shall be made on or of the Resort, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

Nuisances. No nuisance shall be allowed on the Resort, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Resort by the Owners. All parts of the Resort shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. All common elements shall be kept free for their intended use, and shall in no event be used as storage areas, either on a temporary or permanent basis. No clothing towels, bedding, or other similar items may be dried or aired in any outdoor area or hung over or on balconies. No Owner shall make or cause to be made any noises, or use musical instruments, radios, televisions, amplifiers, or other such equipment in a manner that may tend to disturb other Owners. No Owner shall permit any use of the Condominium Property that will increase the cost of insurance on the Condominium Property.

Occupancy and Check-In/Check-Out. Check-In begins at 4:00 p.m. on the first day of a Use Period and Check-Out is at 10:00 a.m. on the last day of the Use Period. In addition to these times, the Board reserves the right to designate an alternative Check-In time for specific Vacation Units. No Owner shall be admitted into a Vacation Unit until the check-in process is complete at the reception desk designated for such purpose. The Board may from time to time change the check-in/check-out times, and such change shall not require an amendment to the Vacation Ownership Plan Declaration. The maximum occupancy for One Bedroom Accommodations is four (4) persons. The maximum occupancy for Two Bedroom Accommodations is eight (8) persons.

Parking. Commercial trucks, oversized vehicles, trailers, motorcycles, and bicycles shall not be parked on the Condominium Property except in those areas, if any, designated by the Board.

Personal Charges. The Association will charge a minimum fee of \$10.00 for any personal charges required to be billed to an Owner after Check-Out. All Personal Charges, including, but not limited to, extra services or damages, for guests are considered the responsibility of the Owner who requested access for such guest. If an Owner has no valid credit card, or is not in residence at the resort, all goods and services must be paid for in cash or by accepted credit cards at the time goods or services are purchased. Any unpaid Personal Charges payable to the Association will bear interest at the maximum rate specified in the Vacation Ownership Declaration.

Personal Use Restriction. Each Vacation Unit shall be occupied only as vacation accommodations. No Owner may occupy a Vacation Unit or use any facilities of the Resort at any time other than during the Vacation Week owned or reserved in accordance with the Governing Instruments. Use of all Vacation Ownership Units and the facilities of the Resort by Owners is limited solely to the personal use of Owners, their guests, invitees, and lessees and for recreational uses by corporations and other entities owning Vacation Ownership Weeks. Use of Vacation Units or the facilities of the Resort by Owners for commercial purposes or any purposes other than the personal use described in the Governing Instruments is expressly prohibited. "Commercial purpose" includes a pattern of rental activity or other occupancy by an Owner that the Association, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. This paragraph shall not apply to Units or Vacation Ownership Weeks owned by the Developer or to Commercial Units.

The Board reserves the right to charge a fee for Permitted Users to utilize the common area amenities on a daily basis during the hours established by the Board for such day use privileges. The Board, in its sole and absolute discretion, may promulgate rules and regulations regarding day use of the common area amenities, as well as

delegate the responsibility for enforcing the rules and regulations to such third parties as the Board sees fit from time to time.

Pets. No pets of any type are allowed on the Resort, unless required pursuant to the Americans With Disabilities Act. This restriction includes all Vacation Units.

Reservation Procedures. Your use rights depend on the type of Vacation Ownership Interest you own as specified on your grant deed. Please refer to the Vacation Plan Declaration, Disclosure Statement and Network Documents for further information on reservation procedures.

Reservation requests will be confirmed by mail or, when time is limited, by telephone or fax; provided, however, that the Managing Agent shall have the discretion to limit the method by which confirmations are made to one or more of the foregoing methods or provide for an alternate method of confirmation. No reservation request will be honored unless it has been confirmed by the Association.

Regardless of whether you own an Ultra, Event, Ultra Premium, Fixed or Floating Vacation Ownership Interest, your reservation request will not be confirmed nor will you be allowed to occupy an Assigned Unit for which you have an existing reservation if (a) you are delinquent in the payment of any amounts owed to the Association, or (b) your use rights have been suspended by the Board.

You may cancel a reservation which you made by giving notice to the Managing Agent at least thirty (30) prior to the Check-In Time for the reserved Use Period. A cancellation fee will be charged if you cancel your reservation. Your ability to make another reservation will be subject to remaining availability in the current Use Year and cannot be guaranteed. If you make a reservation less than thirty (30) days in advance, you may not cancel this reservation.

Signs. No sign, notice, other display, or advertising may be posted, displayed, maintained, inscribed, painted, or affixed on any part of the Resort Property without the prior written approval of the Board, except for those displayed by or on behalf of Developer in accordance with the Declaration.

Smoking. No owner, tenant, invitee, guest, friend, family member, occupant, or any other person is allowed to smoke within the property or throughout the resort except as set forth herein. Smoking is prohibited everywhere within the property and throughout the resort, including, but not limited to, within individual units, patios, balconies, and similar structures, grounds, parking areas, pool decks, all enclosed and open pool and recreation areas, all children's play and activity areas, and all other condominium and association property, except those areas specifically designated and marked as an approved smoking area. Smoking shall include the inhaling, breathing, carrying, or possession of any lighted cigarette, cigar, pipe, other product containing any amount of tobacco, or any other type of heated or lit product. The use of electronic cigarettes is also prohibited. Owners who violate this rule are subject to additional cleaning charges as determined by the Management Company or the Board.¹

Solicitation. No solicitation of any kind, whether commercial, religious, educational, or otherwise, shall be conducted anywhere on the Condominium Property unless specifically authorized in advance and in writing by the Board, except for the activity permitted to be performed by Developer or its designees in accordance with the Declaration.

Telephone. Each unit is furnished with a private telephone. A record of all calls will be maintained by the Association. Any calls made during an Owner's Use Period which are not charged as directed above, will be charged to the Owner at check-out. The Association may impose reasonable charges for local and long-distance telephone calls, whether or not such calls are collect, billed to a credit card, billed to your home phone or billed to your business number.

¹ The "Smoking policy has been revised and will go into effect January 1, 2014.

Watercraft. No boats, jet skis, wave runners, or other watercraft of any kind whatsoever shall be used, stored, or brought onto the Resort Property without the prior written consent of the Board, and, if such consent is given, shall only be placed in the those areas designated by the Board for such time as designated by the Board.

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(June 2016 Version)

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DISCLOSURE STATEMENT

ON

Ocean Resort Villas

Name of Time Share Plan or Building

Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761

Location

**READ THIS
DISCLOSURE STATEMENT
BEFORE SIGNING
ANYTHING**

The disclosure statement is prepared and issued by the developer of the time share plan. It is NOT prepared or issued by the State of Hawaii. THE STATE OF HAWAII HAS NOT PASSED ON THE MERITS OF THE TIME SHARE PLAN DESCRIBED HEREIN.

Ocean Resort Villas

INTRODUCTION

In this Disclosure Statement, the Developer is sometimes referred to as “we”, and Buyers are sometimes referred to as “you”. Capitalized terms not otherwise defined in this Disclosure Statement have the meanings given to them in the Vacation Plan Documents. The Vacation Plan Documents are listed in Exhibit “A”.

1. DEVELOPER

VSE PACIFIC, INC, a Florida corporation. Its address is 9002 San Marco Court, Orlando, Florida 32819, Telephone (407) 903-4000.

2. PLAN MANAGER

VISTANA HAWAII MANAGEMENT, INC., a Hawaii corporation. Its address is 6 Kai Ala Drive, Lahaina, Maui, Hawaii 96761, Telephone (808) 667-3361. Its Responsible Managing Employee is Angela Nolan. Her address and telephone number is the same as for the Plan Manager. The Plan Manager’s responsibilities, duties and authority are described later in Section 15.

3. TIME SHARE PLAN

Welcome to Westin Ka’anapali Ocean Resort Villas Vacation Ownership Plan. We have worked hard to create a vacation plan that will provide you with enjoyable vacation experiences for many years to come. Here is how it works:

3.1. INTRODUCTION.

The name of the plan is Ocean Resort Villas Vacation Ownership Plan. For convenience we will call it the “*Vacation Ownership Plan*” or just the “*Plan*” in this document.

The basic idea of the Plan is that the Owners will share the ownership and use of certain condominium apartments and will also share the cost of operating the Plan and maintaining those apartments and their furnishings, and the condominium project.

The property included in the Plan consists of certain apartments located in a beachfront condominium project on Maui named Ocean Resort Villas (the “*Condominium*” or the “*Project*”). The Condominium is located at Six Kai Ala Drive, Lahaina,

Maui, Hawaii 96761. The apartments included in the Plan are called “*Vacation Units*” and they are listed in Exhibit “B”.

Each Buyer will receive a deed of an interest in a Vacation Unit. The deed will be recorded in the real estate records of the State of Hawaii. Each Buyer will also receive a policy of title insurance. It insures his or her real estate ownership. Because the Buyer will receive a real estate deed, under Hawaii law the Plan is an “ownership” plan.

The nature of the Plan and the rights and duties of the Developer, the Buyers, and anyone else who participates in the Plan or who has an interest in it, are governed by the Vacation Plan Documents.

Under the Vacation Plan Documents, you and every other Owner will have the right to reserve the use of a Vacation Unit included in the Plan. The Vacation Unit you may reserve, and the times you may use it, are established in the Vacation Plan Documents. The Vacation Plan Documents also explain your other rights and duties as an Owner including your duty to pay your “Fair Share” of the costs of owning the Vacation Units and operating the Plan. For your convenience, we will discuss or summarize some of the key points in these documents later on, but you should make time to read them yourself so that you fully understand your rights and duties.

To widen your vacation opportunities, the Developer has arranged for the Plan to join the Vistana Pacific Vacation Club (the “*Club*”). The Club is an exchange program designed to link vacation plans together through a central reservation system. This gives the members of each of the linked vacation plans the opportunity to request a reservation in the other participating resorts.

The Club has been designed so that many different resorts can be included in the Club. Each vacation plan included in the Club is called a “*Club Vacation Plan*” and each resort is called a “*Club Resort*”. The Plan was the first vacation plan to join the Club. The Ocean Resort Villas North Vacation Ownership Plan also joined the Club; however, it is a completely separate plan consisting of units in a neighboring condominium project. There are presently no other Club Resorts and neither Developer nor anyone else can make promises about any future Club Resorts.

However, the Club provides access to the Vistana Vacation Network (the “*Network*”). The Network is another exchange program. It links the Club with other vacation clubs and provides exchange services to owners in other vacation plans. This allows you to exchange your use rights for the right to use property in other Network Resorts.

The Network currently includes various Westin and Sheraton vacation ownership resorts located in Hawaii, the Bahamas, the U.S. Virgin Islands, Florida, Colorado, California, Arizona, South Carolina, and other locations. Other vacation plans or vacation clubs may also join but neither the Developer nor anyone else can make any promises about that. Each resort included in the Network is called a “*Network Resort*”.

Finally, the Network provides access to the Interval International, Inc. (“*Interval International*”) exchange program. It provides you the opportunity to reserve a unit at nearly two thousand different vacation ownership resorts around the world.

So as an Owner in the Westin Ka’anapali Ocean Resort Villas Vacation Ownership Plan, you will have the opportunity to reserve:

- ❖ A Unit in the Plan;
- ❖ A unit in other Club Resorts, if any, or in other Network Resorts; or
- ❖ A unit in the nearly two thousand resorts available through Interval International, Inc.

So far, we have only given you an overview of the Plan, the Club and the Network. Now let’s get down to the details of what you are buying and how the Plan works.

3.2. WHAT AM I BUYING?

You are buying a “*Vacation Ownership Interest*”. It includes:

- ❖ An undivided 1/52nd or a 1/104th interest in a Vacation Unit.
- ❖ A membership in the Ocean Resort Villas Vacation Owners Association (the “*Association*”).
- ❖ The right to reserve the use of a Vacation Unit for one “*Use Week*”.
- ❖ The right to use a Vacation Unit and its furnishings during the Use Week that you reserve (your “*Vacation Period*”).

Your Vacation Ownership Interest comes with a membership in the Club. As a Club Member, you will have the right to request a reservation for units included in other Club Vacation Plans, if any.

Since the Club is part of the Network, you will also have access to the Network. As a member of the Network (“*Network Member*”), you will have the right to request a reservation for units in other Network Resorts. You will also have the opportunity to take advantage of any of the other benefits offered by the owner of the Network (the “*Network Operator*”) from time to time. This includes, for example, use of the Interval International exchange program.

Your rights in the Club and in the Network are described in greater detail in the Vistana Signature Network Disclosure Guide. The Interval International exchange program is described in its own exchange program disclosure statement. The Developer will give you a copy of both of these documents.

As a co-owner of an apartment in the Condominium, you will also be a member of the Association of Apartment Owners of the Ocean Resort Villas condominium (the “*Condominium Association*”). See Section **Error! Reference source not found.** for details.

In addition, all resort apartment owners, including you, are members of the Ocean Resort Master Association (the “*Master Association*”) and will have the right to use certain amenities owned or controlled by the Master Association. See Section **Error! Reference source not found.** for details.

3.3. WHAT ARE MY BASIC RIGHTS AND DUTIES?

First and foremost, you will be a member of the Plan. Members of the Plan are given an advantage in reserving a Vacation Unit in the Ocean Resort Villas Condominium. The period during which you have this advantage is the best time to make reservations because during this time period, you compete for reservations on a first-come, first-served basis only with the other Owners of Vacation Ownership Interests in this Plan.

Here is how you and the other Owners share the use of the Vacation Units:

A. TIME PERIODS. For reservation and use purposes, time is divided into “*Use Years*” with 52 “*Use Weeks*” per Use Year (except that in certain years with 53 weeks, there are 53 Use Weeks). Each Use Year begins on one of the first seven days of the calendar year and ends on one of the first seven days of the next calendar year.

B. WHAT IS A USE WEEK? A “*Use Week*” is a one-week period starting at “*check-in time*” in the afternoon and ending at “*check-out time*” in the morning one week later. Each year, the Plan Operator will prepare a “*Vacation Calendar*”. The Vacation Calendar will divide the Use Year into Use Weeks and it will also show the Check-In/Check-Out Day for each Vacation Unit. Unless the Reservation Rules say otherwise, the Check-In/Check-Out Day will be a Friday, Saturday, or Sunday. The Check-In/Check-Out Day may be different for different Vacation Units and may be changed from time to time. The exact time of day for Check-In and Check-Out will be stated in the Association Rules, which now state that check-out time is 10:00 a.m., and check-in time is 4:00 p.m.

The Use Weeks are numbered from 1 to 52 (or 53). Some Use Weeks, called “*Event Weeks*”, also have a name. The Event Weeks are: (i) “*New Years*”, which means the last Use Week of the Use Year; “*Christmas*”, which means the next to last Use

Week of the Use Year; “*Golden Week*”, which means the Use Week during which occurs the most number of those days (April 29, and May 3 – 5) in the Japanese national holiday called “*Golden Week*”; and “*Obon Week*”, which means the Use Week that includes August 15, a religious holiday in Japan. When August 15 falls on a Check-In/Check-Out Day, the Vacation Calendar will state which Use Week will be Obon Week.

The time between Check-Out Time and Check-In Time later that day is called a “*Minor Service Period*.” The Association will provide housekeeping and other services during this time.

In addition, each year, the Association may choose up to three Use Nights per Vacation Unit to be the “*Major Service Period*” for that Vacation Unit. If needed to maintain or upgrade the Vacation Units and if the Plan’s vacancy rate is high enough to permit it, the Association may set aside additional time for Major Service Periods. Although all Use Weeks of the Use Year may be sold, Hawaii law permits the Association to rely on normal vacancy factors to provide time for Major Service Periods.

C. HOW OFTEN CAN I RESERVE A USE WEEK? You can purchase the right to reserve and use a Use Week every year or every other year.

If you choose every year, then you will own an “*Every-Year Vacation Ownership Interest*”. It gives you the right to reserve the use of a Vacation Unit for one Use Week in every Use Year. In that case, you will own an undivided 1/52nd interest in Your Vacation Unit.

If you prefer every other year use rights then you will own an “*Every-Other-Year Vacation Ownership Interest*.” In that case, you will own an undivided 1/104th interest in Your Vacation Unit. There are two kinds of Every-Other-Year Vacation Ownership Interests:

If you choose an “*Even-Year Vacation Ownership Interest*”, then you will have the right to reserve the use of a Vacation Unit for one Use Week in each even-numbered Use Year (for example, 2008, 2010, and so on.)

If you choose an “*Odd-Year Vacation Ownership Interest*”, then you will have the right to reserve the use of a Vacation Unit for one Use Week in each odd-numbered Use Year (for example, 2007, 2009, and so on.)

D. WHAT USE WEEK CAN I USE? The Use Week you use depends on the reservation rights you choose for your Vacation Ownership Interest. You can choose from a *Fixed Vacation Period*, a *Floating Vacation Period*, an *Event Vacation Period*, or an *Ultra Premium Vacation Period*. Here are the key features of each:

1) **Floating Vacation Period.** If you choose a Floating Vacation Period, then you may reserve any Use Week that is not already reserved and that no other persons have the exclusive right to reserve. The Use Week that you may reserve

is called “*Your Use Week*.” To reserve a Use Week, you must follow the procedures in the current Reservation Rules. You cannot, of course, reserve a time period set aside for use by the Association for maintenance, repairs, and so on.

2) **Fixed Vacation Period.** If you choose a Fixed Vacation Period, then you will have the exclusive right (meaning the first chance) to reserve a specific Use Week. The Use Week that you may reserve is called “*Your Use Week*” or “*Your Fixed Vacation Period*”. You must reserve it by the deadline stated in the Reservation Rules (currently about 10 months before Your Use Week starts). If you do not, then you will have the right to reserve a different Use Week (subject to availability) just as if you had a Floating Vacation Period.

3) **Ultra Premium Vacation Period.** If you choose an Ultra Premium Vacation Period, then a specific Use Week automatically will be reserved for use by you. The Use Week reserved for you is called “*Your Use Week*” or “*Your Ultra Premium Vacation Period*.”

4) **Event Vacation Period.** If you choose an Event Vacation Period, then a specific Event Week automatically will be reserved for use by you. The Event Week reserved for you is called “*Your Use Week*” or “*Your Event Vacation Period*.”

5) **Temporary Floating Use.** The Reservation Rules may permit the Owner of a Fixed, Event or Ultra Premium Vacation Period to give up his or her special reservation rights for that Use Year and instead be treated as if the Owner had a Floating Vacation Period for that Use Year. In that case, the Owner will have the same reservation and use rights as an Owner of a Floating Vacation Period for that particular Use Year. The Reservation Rules may impose conditions or limitations on the ability of an Owner to do this. The current Reservation Rules permit Owners having Event or Ultra Premium Vacation Periods to do this subject to certain conditions.

6) **Split Week Use.** “*Split Week*” means a period of less than seven consecutive Use Nights. A “*Use Night*” is a period beginning at Check-In Time on one day and ending at Check-Out Time the next day. Instead of reserving an entire Use Week, an Owner can reserve up to a total of seven Use Nights as Split Week Use Periods. An Owner may do this only if and to the extent that the Reservation Rules permit it. The current Reservation Rules permit this subject to certain conditions.

7) **Check-In/Check-Out Day.** The Check-In and Check-Out Days for the Use Weeks may change from time to time. This is true whether you have a Floating, Fixed, Event or Ultra Premium Vacation Period.

E. WHAT UNIT MAY I USE? The Unit you use depends on whether your Vacation Ownership Interest has a “*Floating Unit Use Right*” or a “*Fixed Unit Use Right*”.

1) **Unit Types.** The Vacation Plan Documents divide the Vacation Units into different groups or “Unit Types.” Right now there are eight Unit Types: One Bedroom Island View, One Bedroom Ocean View, Two Bedroom Island View, Two Bedroom Ocean View, Two Bedroom Ocean Front, Two Bedroom Deluxe Island View, Two Bedroom Deluxe Ocean View, and Two Bedroom Deluxe Ocean Front. Your Unit will be one of these eight Unit Types. This is called “Your Unit Type”. The list of Vacation Units attached as Exhibit “B” states the Unit Type for each Vacation Unit currently included in the Plan.

2) **Floating Unit Use Right.** If you choose a Floating Unit Use Right, then you have the right to reserve any Vacation Unit that is the same Unit Type as your own Vacation Unit. You cannot, however, reserve a Vacation Unit that is already reserved by someone else or that any other persons have the exclusive right to reserve, and you will not have the right to reserve any specific Vacation Unit even though you own an interest in a specific Vacation Unit.

3) **Fixed Unit Use Right.** If your Vacation Ownership Interest has a Fixed, Event or Ultra Premium Vacation Period, then it may have a Floating Unit Use Right or a Fixed Unit Use Right. If it has a Fixed Unit Use Right then you will have the right to use your own Vacation Unit during Your Use Week. You automatically give up your Fixed Unit Use Right if:

- ❖ You have a Fixed Vacation Period but you do not reserve Your Use Week by the deadline stated in the Reservation Rules.
- ❖ You choose to convert your special reservation rights as the Owner of a Fixed, Event or Ultra Premium Vacation Period for the right to be treated as if you had a Floating Vacation Period for that Use Year as discussed in Section **Error! Reference source not found.**, above.

4) **Lock-Off Use.** Some of the Vacation Units (called “Lock-Off Units”) have been designed so that they can be used either as a whole unit or on a “lock-off” basis. For example, a Two-Bedroom Ocean View Unit can be used as a two-bedroom apartment. But it may also be used as two separate units: a one-bedroom unit and a studio unit, each having its own separate front door that can be locked.

When a Vacation Unit is used as a whole unit, it is called a “Full Unit”. When it is used as two separate units on a lock-off basis, then the larger unit is called the “Deluxe Side” and the other unit is called the “Guest Side.” The Reservation Rules may permit an Owner who has the right to use a Lock-Off Unit for one Use Week to choose either (a) to use a Full Unit for one Use Week, or (b) to use a Deluxe Side for one Use Week and a Guest Side for another Use Week.

The Reservation Rules may also permit an Owner to use the Deluxe Side of a Lock-Off Unit during his or her Fixed, Event, or Ultra Premium Vacation Period and to give up the right to

use the Guest Side during that time period for that Use Year. In that case, the Owner would have the right to reserve the Guest Side of a Lock-Off Unit (that is the same Unit Type as the Owner’s Unit) in that same Use Year just as if he or she had a Floating Vacation Period during that Use Year. The Reservation Rules may also do the reverse (i.e., permit an Owner to use the Guest Side of a Lock-Off Unit during the Fixed, Event or Ultra Premium Vacation Period, and to reserve the Deluxe Side of a Lock-Off Unit that is the same Unit Type on a floating basis).

The Reservation Rules may place restrictions on Lock-Off use, including how far in advance an Owner may reserve just one side of a Lock-Off Unit.

5) **Assigned Unit.** If you have a Floating Unit Use Right, the Plan Manager will assign a Vacation Unit for your use. That Unit is called your “Assigned Unit”. If you have a Fixed Unit Use Right, your own Vacation Unit is called your “Assigned Unit”. If you choose to reserve part of a Vacation Unit on a Lock-Off basis, then the Deluxe Side or the Guest Side that you use will be your “Assigned Unit”.

3.4. HOW DO I MAKE A RESERVATION?

A. **RESERVATION RULES.** The Plan is currently part of the Vistana Pacific Vacation Club. The Club is owned and operated by Vistana Hawaii Management, Inc., a Hawaii corporation (the “Club Operator”). The Club Operator provides a reservation system for Owners who wish to reserve a Vacation Unit in the Plan.

To use a Unit, you must reserve a Use Period in the manner provided by the Reservation Rules adopted by the Plan Operator. “Plan Operator” means the Club Operator at any time when the Plan is part of the Club. If the Plan is no longer part of the Club, then “Plan Operator” means the Association.

This means that while the Plan is part of the Club, the Club Operator will manage the reservation and use of the Use Periods through the Club. During such time, you must make your reservations through the Club Operator’s reservation system. You must also make all exchange requests through the Club Operator.

If the Plan is no longer part of the Club, then the Association becomes the Plan Operator. It must create a reservation system and adopt its own Reservation Rules.

The current Reservation Rules are attached to the Vistana Signature Network Disclosure Guide. They are called the “Vistana Signature Network Rules and Regulations.” The Club Operator has adopted them as the Reservation Rules.

Note: At any time when the Plan is part of the Club, the Club Operator may delegate or assign some or all of its rights and duties as Plan Operator to someone else. It may also contract with someone else to perform its duties as the Plan Operator.

B. POINTS SYSTEM. The Club is part of the Network. The Network is owned and operated by Vistana Signature Network, Inc., a Delaware corporation (the “*Network Operator*”). The Network is an Exchange Program. It allows you and other Owners to use units in other Network Resorts in exchange for your use rights in the Plan.

Network Resorts are located in different places. For instance, the Network includes resorts in Florida, the Bahamas, South Carolina, Colorado, Arizona, California, and elsewhere. Network Resorts tend to have different features from one resort to the next, and the units may also differ. The demand for Network Resorts may differ based on their location, the time of year, and other factors. For example, the demand for a Network Unit in Colorado may be very high during the ski season.

To reflect these differences, the Network Operator has adopted a “points” system to allocate reservation and use rights among the Network Members. The Club Operator has also adopted a points system to allocate reservation and use rights among members of the Club. The Vacation Plan Documents expressly authorize the Club Operator to do this but it is not required.

The Club Operator’s points system is used not only to reserve Vacation Units in this Plan but also to exchange use rights in this Plan for the right to use units in other Club Resorts. The Network Operator’s points system provides a way to exchange use rights in this Plan for the right to use units in other Network Resorts.

The points system is described in greater detail in the Vistana Signature Network Disclosure Guide and the Reservation Rules. For your convenience, however, some of the key points are summarized here.

C. WHAT ARE POINTS AND HOW DO THEY WORK? “*Points*”, also called “*StarOptions*”, represent each Owner’s reservation and use rights. Each year, the Plan Operator assigns a certain number of Points to you and every other Club Member. You may “spend” your Points to reserve a Vacation Unit in the Plan or in another Club Resort. Every night in every Club Unit is given a “*Point Value*” - the price of staying in that unit or kind of unit for that night. Subject to the priorities, limitations and restrictions in the Reservation Rules, you may reserve any Vacation Unit or any other Club Unit for any Use Period so long as the Unit and Use Period is available and so long as you have enough Points to pay the Point Value.

In some ways, Points are like miles in a frequent flyer program. In a frequent flyer program, you use your miles to get tickets for airline flights. In the Club, you use your Points to reserve a Unit in the Plan or in another Club Resort.

The Network works in essentially the same way. Your Club Points are converted to Network Points and you may then use them to reserve a unit in a Network Resort.

D. WHERE DO POINTS COME FROM? Each year, the Plan Operator assigns a Point Value to each Use

Period in each Club Unit (including the units in this Plan) and the Network Operator does the same for each Use Period in each unit at a Network Resort that is available for reservation by Network Members through the Network program (“*Network Unit*”). In setting Point Values, they may consider all factors that they consider relevant. For example, they may consider (i) the location, size, capacity, furnishings and other features of a unit or Unit Type, (ii) the location, views, recreational and other features of the resort in which a unit is located, (iii) demand and availability for purchaser use, (iv) the cost to buy, build, operate, or maintain a particular unit or resort, and (v) anything else that may be relevant in their opinion.

In setting the Point Values, the Plan Operator does not have to compare each Unit separately. Instead, it can divide the Units into different groups or types of units. The groups may be limited to a single resort or may be used throughout the system. The Plan Operator may then assign Points based on a comparison of the different unit types. Note that the Plan Operator can change the unit groupings from time to time based on any factors that are relevant in the Plan Operator’s opinion.

Likewise, the Plan Operator does not have to compare each Use Night against every other Use Night. Instead, it may divide the calendar year into different periods, called “*Seasons*” and divide the Use Nights among the Seasons. It may then set Point Values by making comparisons between Seasons. The Seasons do not have to be the same for each resort and the Plan Operator may change the Seasons for a resort based on any factors that are relevant in the Plan Operator’s opinion.

The Plan Operator may draw other distinctions when assigning Points. It may do so in order to recognize new classes of memberships or reservation and use rights created from time to time, or to enhance the administration and operation of the system, or for any other purpose that is relevant in the Plan Operator’s opinion.

The Plan Operator can change the Point Value of a Use Period from time to time in its sole discretion. It may also change them as required by law or by any governmental agency. At least yearly, the Plan Operator will prepare a “Points Chart” or “Starpoints Chart” listing the Point Value for each Use Night available for reservation. It may update the Points Chart during the Use Year. For example, it might do so to reflect things like the addition or deletion of units or resorts, the creation of new unit types, and so on.

To protect your reservation rights, the Vacation Plan Documents provide that the total number of Points assigned to all persons receiving Points must not exceed the total of all the Point Values for all Use Periods to which Points are assigned.

If a Unit can be used as a Lock-Off Unit, then the Points Chart will list its Unit Type as a Full Unit and also the Unit Type of each Lock-Off Unit. Separate Point Values may be created for each. The sum of the Point Values for the Deluxe Side and the Guest Side may be higher than the Point Value for the Full

Unit. This is because breaking up a unit into two Lock-Off Units may mean that one of the Lock-Off Units may go unused. As a result, the Plan Operator may choose to reflect this fact in setting the Point Values for use of Lock-Off Units.

Likewise, the sum of the Point Values for each Use Night in a Use Week may be higher than the Point Value for the full Use Week. This is because breaking up a Use Week into smaller Use Periods may mean that some of the Use Nights may go unused. As a result, the Plan Operator may choose to reflect this fact in setting the Point Values for use of the individual Use Nights making up a Use Week.

The decisions of the Plan Operator and the Network Operator on Point assignments are final. However, to protect your reservation and use rights, the Declaration provides that the total number of Points assigned to all of the persons to whom Points are assigned must not exceed the total of all the Point Values for all Use Periods to which Points are assigned.

E. HOW MANY POINTS DO I GET? Each year, the Plan Operator will assign to each Vacation Ownership Interest the number of Points equal to the Point Value of the Owner's Vacation Ownership Interest as shown on the Points Chart for that Use Year.

The Plan Operator will assign Points to Odd-Year Vacation Ownership Interests only for use during Use Years ending in an odd number. Likewise, the Plan Operator will assign Points to Even-Year Vacation Ownership Interests only for use during Use Years ending in an even number.

The number of Points assigned to you will not be based on the use of Lock-Off Units but rather on use of a Full Unit (unless an Owner's use rights are limited to one side of a Lock-Off Unit). The number of Points assigned to you will not be based on individual Use Nights but on full Use Weeks.

A copy of the StarOptions and Starpoints Charts are given to Owners at the time of purchase.

F. HOW DO I MAKE A RESERVATION? To make a reservation, you must first check the Points Chart to find the Point Value of the Use Period and kind of Unit that you want to reserve. Then check to be sure that you have enough Points to reserve it. You must then follow the rules for making reservations contained in the Reservation Rules. If you are unsure about any of these things, just call Owner Services. "Owner Services" is a place you can call for help in making reservations. Its phone number is (888) 986-9637.

G. WHEN CAN I MAKE A RESERVATION? The Reservation Rules create a "Reservation Window" for each Use Period. This is a time when an Owner, a Club Member, a Network Member, the Developer, the Club Operator, or someone else may request a reservation. Currently, the Reservation Rules provide that the Reservation Window for a Use Period begins one year before the Check-In Day for that Use Period. This means that the Plan Operator would begin taking reservations for a Use Week that starts on July 1, 2004

on the first day of July, 2003. You cannot reserve a Use Period before the start of the Reservation Window for that Use Period.

The Reservation Rules further divide the Reservation Window for a Use Period into different "Reservation Periods". A "Reservation Period" is a part of a Reservation Window. The dates when Reservation Periods start or end may be different for different Club Resorts or Club Vacation Plans, or at other Network Resorts.

1) There must be at least one Home Resort Reservation Period and there may be more. A "Home Resort Reservation Period" is a Reservation Period when only Owners in this Plan may reserve a Use Period in a Vacation Unit included in this Plan. The Reservation Rules may give different names to the Home Resort Reservation Periods. For now, there are two Home Resort Reservation Periods (although this may change):

- ❖ The "Home Resort Fixed Priority Period" begins one (1) year before the Check-In Day of a given Use Period and lasts two (2) months. During the Home Resort Fixed Priority Period:
 - An Owner having a Fixed Vacation Period has the exclusive right to reserve his or her Fixed Vacation Period without competition from other Club Members or Network Members, subject to any limitations in the Vacation Plan Documents and Network Rules, and
 - Owners having Floating Vacation Periods in the Plan may reserve Use Periods in the Plan, subject to any limitations in the Vacation Plan Documents and Network Rules. Other Club Members and Network Members cannot reserve a Use Period in the Plan during this time.
- ❖ The "Home Resort Float Period" begins immediately after the Home Resort Fixed Priority Period and ends eight (8) months before the Check-in Day of the Use Period. During the Home Resort Float Period, all Owners in this Plan have the exclusive right to compete to reserve the use of unreserved Use Periods in this Plan, subject to any limitations in the Vacation Plan Documents and the Reservation Rules.

Network Members at other Network Resorts are likely to have similar rights with respect to their own Home Resort.

2) A "Network Reservation Period" is a Reservation Period when Network Members (including Owners in this Plan) may use the Network to reserve a Use Period in a Network Unit, including but not limited to a Vacation Unit in this Plan. For now, there are two Network Reservation Periods (although this may change):

- ❖ The "Network Float Period." It begins eight (8) months prior to the Check-in Day for a given Use Period and ends sixty (60) days before the Check-in Day. During the

Network Float Period, all Network Members compete for a reservation on a space available, first-come, first-served basis to reserve the use of one or more Use Periods for which the Network Member holds enough Points, subject to the Network Rules. In addition, they have limited rights to Borrow Points and reserve Split Vacation Periods, subject to the Network Rules.

- ❖ The “*Network Priority Period*.” It is the sixty (60)-day period immediately preceding the Check-in Day of a given Use Period. During the Network Priority Period, Network Members have limited rights to reserve one or more Use Periods, subject to the Network Rules. In addition, during the Network Priority Period the Developer and, to the extent permitted by law, the Club Operator have the right to reserve Use Periods for their own use such as for rental to the public or for other purposes.

3) There may be other Reservation Periods in addition to these. For example, the Club may set up one or more “*Club Reservation Periods*” when only Club Members can make reservations. New Reservation Periods may also appear when, for example, the Developer, the Club Operator, or the Network Operator creates new kinds of memberships or new unit types. For example, suppose the Developer decides to add a group of units and to create a new kind of Vacation Ownership Interest that gives certain Owners the first chance to reserve those units at certain times such as Aloha Week. If so, the Developer might create a new Reservation Period when only those Owners can reserve one of those units for Aloha Week. This Reservation Period might be one of the Home Resort Reservation Periods. It might begin and end before the start of any other Home Resort Reservation Periods, but it would not have to do so. This is called a “*Special Reservation Period*” because it is a time when only Owners having certain special reservation rights may make a reservation.

By the way, it is possible that different Network Resorts may choose different Network Reservation Periods. For example, our Network Float Period may start eight months in advance of check-in while the Network Float Period for, say, one of the Florida vacation clubs may start 15 months in advance of check-in. In that case, the Network Operator will not allow members of that Florida vacation club to make reservations of Vacation Units in this Plan until this Plan’s Network Float Period starts. Likewise, members of this Plan would not be able to make reservations in the Florida vacation club until this Plan’s Network Float Period starts. This is just an example; the Network Float Period is currently the same for all Network Resorts.

3.5. WHAT SHOULD I KNOW ABOUT THE RESERVATION RULES?

Everything! You should read them and take time to understand them. Here are some of the things we thought you might want to know about:

A. RESERVATIONS. So long as the Plan is part of the Club, all requests for reservations to use the Vacation Units in this Plan must be made through the Club Operator in its role as the Plan Operator. If the Club Operator delegates its duties as Plan Operator to the Network Operator, then all reservation requests must be made through the Network Operator.

B. EXCHANGE. So long as the Plan is part of the Club, all Owners must make their exchange requests through the Club Operator in its role as the Plan Operator. If the Club Operator delegates its duties as Plan Operator to the Network Operator, then all exchange requests must be made through the Network Operator.

C. DELINQUENT OWNERS. An Owner is not allowed to reserve, use or exchange a Vacation Unit if (i) the Owner has not paid any Regular Assessment, Special Assessment, Personal Charge, or Club Fees due or past due, or (ii) the Plan Operator learns that the Owner has not paid any amounts due under any note or mortgage made by the Owner in favor of the Developer. The Plan Operator may cancel a reservation held by an Owner if that Owner does not pay any Regular Assessment, Special Assessment Personal Charge, or Club Fees due or past due.

D. OTHER RESERVATION RULES. The Reservation Rules may contain other rules. For example, they may (1) designate some or all units as no-smoking units, (2) limit the number of Split Weeks that an Owner may reserve or the times when an Owner may reserve them, (3) limit how far in advance an Owner may reserve a Split Week or a Lock-Off Unit, (4) limit or prohibit an Owner from reserving only the Deluxe Side or the Guest Side of a Lock-Off Unit for less than a full Use Week, (5) require that reservations be for a minimum or maximum number of Use Nights, (6) limit the time period within which an Owner may cancel a reservation without losing some or all of his or her Points or reservation or use rights, (7) limit an Owner’s reservation rights if the Owner had a confirmed reservation in that Use Year but changed it, or (8) permit the Plan Operator to cancel a reservation if an Owner’s reservation or use rights have been suspended or have ended. Currently the Reservation Rules permit reservations for Split Week use only during the Network Options Period.

E. RESERVATION PRIORITIES. The Reservation Rules may create other reservation priorities. For example, they may give priority to the reservation requests of: (1) an Owner requesting two or more Use Weeks in a row over an Owner requesting a single Use Week; (2) an Owner requesting a reservation of two Units for the same Use Week over an Owner requesting only a single Unit for that Use Week (or *vice versa*); (3) an Owner owning more Vacation Ownership Interests over an Owner owning fewer Vacation Ownership Interests; (4) an Owner owning an Every-Year Vacation Ownership Interest over an Owner owning an Every-Other-Year Vacation Ownership Interest; (5) an Owner requesting a Full Unit over an Owner requesting either the Deluxe Side or the Guest Side; (6) an Owner requesting a full Use Week over an Owner requesting a Split Week. The

Reservation Rules may also provide for rotating the use of Use Periods in great demand, such as holiday Use Periods, and for waiting lists. Currently the Reservation Rules do some, but not all, of these things.

F. BORROWING. The Reservation Rules currently permit Owners to borrow Points from the next Use Year for use in the current Use Year, subject to certain limitations.

G. TRANSACTION FEES. The Reservation Rules may require that the Owners pay Transaction Fees. "Transaction Fees" are reasonable fees charged to an Owner by the Plan Operator and that relate to the manner in which an Owner uses his or her Points or use rights. For example, the Plan Operator may charge Transaction Fees (i) for making multiple reservations, (ii) for banking or borrowing Points or use rights, (iii) for canceling or changing reservations, (iv) for bonus week reservations and other special reservation or use requests, or (v) to cover the added housekeeping and reservation costs of permitting an Owner to use a Split Week or a Lock-Off unit. The rules may require that these fees be paid in money or may be paid using Points. The current Transaction Fees are shown in the Chart for Vistana Signature Network Fees which appears in the Vistana Signature Network Disclosure Guide. The fees may change from time to time.

H. OTHER RESERVATION SYSTEM FEATURES. The Club Operator has the option, from time to time, to enter into one or more special exchange relationships with any entity other than an exchange company pursuant to which Club Members will have access to selected non-Club resorts and non-Club owners will have access to Club Units after one or more of the Home Resort Reservation Periods have expired. The Club Operator is not obligated to make any of these exchange programs available to Owners, and the Plan and the Owners are not obligated to participate in any of these programs unless the Association's board of directors consents. The Club Operator may delegate its authority to enter into special exchange relationships to the Network Operator. In addition, as permitted by The Reservation Rules, Network Members may save their unused use rights or Points from one Use Year to the next (called "banking"), to let another Network Member use some of their Points temporarily (called "sharing"), to reserve Use Periods that nobody else has reserved as of a certain period (which may not be more than 60 days) before the Check-In Day (called "bonus use"), or to rent Points from the Network Operator.

I. CHANGES IN THE RESERVATION RULES. The Plan Operator may change the Reservation Rules from time to time in the manner and under the circumstances provided in them. The Plan Operator must give notice of any change to the Owners. See the Vistana Signature Network Rules and Regulations attached to the Vistana Signature Network Disclosure Guide for details.

3.6. WHAT ARE MY USE RIGHTS?

During your Vacation Period, you have the exclusive right to use your Assigned Unit and the furnishings in it (the "Common Furnishings"). You also have the right to use (i) the common elements of the Condominium, (ii) the Master Association Amenities to the extent permitted under the Master Association Documents, and (iii) any Ka'anapali North Beach Amenities to the extent permitted under the Ka'anapali North Beach Documents. The Master Association Documents and Ka'anapali North Beach Documents are described in Exhibit "A".

You must take care of your Assigned Unit and the Common Furnishings. You must leave them in good condition except for ordinary wear and tear. You must pay for any damage and any items that are lost or missing after your Vacation Period. You must also remove all personal effects at the end of your Vacation Period or you risk losing them.

You may reserve a Vacation Unit so that your children, parents, relatives, a friend, or just about anyone else (except a competitor of the Developer) can use it. You may also rent your Vacation Period. However, you cannot join a "rental pool" or similar arrangement where your Vacation Period is placed together in a pool with other Owners' Vacation Periods and rented, or where rental income and/or expenses are shared in some other way.

You will be responsible for your Guests and Renters. You must pay any charges they owe to the Association if they do not pay them. For example, if they do not pay their long distance telephone charges, you must pay them. You will also be responsible for their misconduct and for any loss or damage that they cause.

Except for your Assigned Unit during your Vacation Period, you may not use or occupy a Vacation Unit or its furnishings. Likewise, except during your Vacation Period you may not use any of the common elements of the Condominium, the Master Association Amenities, or any Ka'anapali North Beach Amenities unless they are open to the general public or unless the Board decides to permit Day Use. "Day Use" means that Owners may come onto the Condominium at times other than their Vacation Period. Day Use is still subject to any limitations imposed by the Governing Documents. The Plan Operator must limit Day Use so that it does not unreasonably burden or interfere with the use of the Condominium, the Master Association Amenities, or any Ka'anapali North Beach Amenities.

You may only use the Vacation Units as vacation lodgings. You may not use them for any commercial purpose.

Persons with handicaps or disabilities may keep specially trained animals in their Assigned Unit or elsewhere on the Condominium as permitted by the Governing Documents or by law. No other pets or animals of any kind may be allowed or kept in any Vacation Unit or elsewhere on the Condominium except as explicitly provided in the Association Rules.

Anyone who fails to check out on time or who damages a Vacation Unit or its furnishings so that it cannot be used will be subject to sanctions, including eviction and payment of all damages resulting from the misconduct. Such a person must also pay an amount equal to twice the daily rental value of the Vacation Unit for each day or part of a day that it is unavailable.

3.7. WHAT SHOULD I KNOW ABOUT THE CLUB AND THE NETWORK?

The Club and the Network are described in more detail in the Vistana Signature Network Disclosure Guide. You should make time to read it. Here are a few key points.

A. RESERVATIONS BY NETWORK MEMBERS. During the Network Reservation Periods, Network Members (not just Owners in this Plan) will be able to reserve a Vacation Unit in this Plan on a space available, first-come, first-served basis subject to the priority rights established in favor of each Owner and the reservation and exchange rules and regulations stated in any documents that govern the Network and any changes and additions made to any of them from time to time ("*Network Documents*") and the Club Documents. Likewise, an Owner in this Plan will be able to reserve the use of Network Units at other Network Resorts subject to similar restrictions and limitations.

B. NETWORK POINTS. If you request a reservation of a Network Unit other than a Vacation Unit in this Plan, the Network Operator will convert your Club Points to Network Points pursuant to the Network Documents. For now, there is no difference between Club Points and Network Points. This could change so that your Club Points may be worth more or fewer Network Points at some future date. This would not affect your rights to make a reservation during the Home Resort Reservation Periods.

C. OTHER CLUB OR NETWORK RESORTS. New units or resorts may be included in the Club or the Network from time to time. Specific units and even whole resorts may be removed from the Club or the Network from time to time. Also, a member resort (including the Plan) may withdraw from the Club or the Network if its affiliation agreement expires or otherwise ends.

D. AFFILIATION AGREEMENT. The Association has entered into an agreement (the "*Club Affiliation Agreement*") with the Club Operator. The Club Affiliation Agreement provides that the Plan and each Owner will be part of the Club.

The Club Affiliation Agreement has a term of 5 years from the date when the first deed of a Vacation Ownership Interest is recorded. The Association may terminate the Club Affiliation Agreement whenever the Club Operator violates a material part of it and fails to cure its violation within the time permitted by the Club Affiliation Agreement or any longer time permitted by the Board. After the first term and each later term ends, the

Club Affiliation Agreement automatically will be renewed for additional five year terms unless a written notice canceling it is sent by either party at least 30 days before the renewal date. The Association may give that notice only if a majority of the Owners who cast votes or ballots on the matter vote to give the notice, and this may be difficult to do. They may do so by written ballot or at a meeting of the Association. In either case, the ballot or meeting must be held not more than one hundred and twenty (120) nor less than thirty (30) days before the renewal date. The decision not to renew will be effective only if (i) at least thirty percent (30%) of the Owners (not counting the Developer's Vacation Ownership Interests and votes) are present at the meeting, in person or by proxy or participate in the voting by ballot, and (ii) the Owners voting or casting ballots in favor of not renewing the Club Affiliation Agreement hold at least twenty-five percent (25%) of the total number of votes for all Vacation Ownership Interests (not counting the Developer's Vacation Ownership Interests and votes). A decision not to renew the Club Affiliation Agreement cannot be made by the Board alone. The Developer must abstain from the vote, and the Developer's votes will not be considered when determining whether a Majority of the Owners Voting have voted or cast ballots in favor of giving the notice.

The Club Operator and the Network Operator have entered into a separate agreement (the "*Network Affiliation Agreement*"). The Club Operator may assign its rights and duties under the Club Affiliation Agreement, and it has assigned some or all of them to the Network Operator in the Network Affiliation Agreement. The Network Operator may assign its rights and duties under the Network Affiliation Agreement. You should not purchase in reliance that the Club Operator or the Network Operator will continue to operate the Club or the Network.

3.8. INTERVAL INTERNATIONAL. The Network Operator has entered into a contract (an "*Exchange Contract*") with Interval International to make its exchange program available to Network Members. For a description of the Interval International Exchange Program, please consult the Interval International Exchange Directory. Representations or promises about Interval International's Exchange Program are limited to the materials provided by Interval International. If you have questions about its Exchange Program, you should contact Interval International directly.

Access to Interval International is provided through the Network and Network Members do not have to pay a separate annual membership fee for access to the Interval International program. Network Members who use Interval International are charged applicable exchange and/or service fees for the Interval International Exchange Program.

While the Network Operator expects that its relationship with Interval International will continue, there is no assurance that it will do so for any particular time period. Your decision to buy your Vacation Ownership Interests should be based primarily on the use of your own use rights in the Plan and not on the Network or Interval International Exchange Programs.

3.9. **RELATIONSHIP OF DEVELOPER, PLAN MANAGER, NETWORK OPERATOR, INTERVAL INTERNATIONAL AND INTERVAL LEISURE GROUP.**

The Developer, the Plan Manager, the Club Operator, the Network Operator, and Interval International are direct or indirect subsidiaries of Interval Leisure Group ("ILG"). ILG is a leading global provider of non-traditional lodging, encompassing a portfolio of leisure businesses from exchange and vacation rental to vacation ownership.

Although they are affiliates, the Developer, the Plan Manager, the Club Operator, the Network Operator, Interval International and ILG are all legally separate companies. None of them can make promises binding on any of the others. The Network Operator is only responsible for the representations contained in the written materials supplied by the Network Operator and that the salespeople provided to you. Likewise, Interval International is only responsible for the representations contained in the written materials supplied by it and that the salespeople provide to you.

3.10. **SPECIAL RIGHTS OF THE DEVELOPER, THE CLUB OPERATOR, AND THE NETWORK OPERATOR.**

The Developer is the Owner of all unsold Vacation Ownership Interests. The Developer's unsold Vacation Ownership Interests will be treated as though they had Floating Unit Use Rights and a Floating Vacation Period. The Developer generally has the same rights and duties as other Owners to reserve and use Use Periods for the Vacation Ownership Interests that it owns. Additionally, the Developer will have special use and other rights, called "*Developer's Reserved Rights*," that other Owners do not. The Club Operator and the Network Operator also have special rights. The special or reserved rights of the Developer, the Club Operator, and the Network Operator are described in Exhibit "C". You should understand, and by signing your Purchase Agreement, Buyer's Certification, and Deed, you accept and agree that the Developer, the Club Operator, and the Network Operator have and may exercise and assign these special rights.

3.11. **ENFORCEMENT OF OWNERS' RESPONSIBILITIES.**

As members of, and acting through the Association, the Owners have the right to enforce the Vacation Plan Documents. The Association may take any action permitted by the Vacation Plan Documents or by law. For example, it may try to stop any improper activity, suspend your rights as an Owner (such as your voting rights and your rights to make a reservation or an exchange), refuse to let you check in, charge a fine, or foreclose on and sell your Vacation Ownership Interest and use the money from the sale to pay your debts. The Association may also use your reservation rights to reserve a Unit, rent it, and then use the rent money to pay your debts to the Association. The Association may also take legal action. For example, it may file a lawsuit to collect money or seek a court order.

4. **DESCRIPTION OF TIME SHARE UNITS, BUILDING, LOCATION, ETC.**

4.1. **LOCATION OF THE CONDOMINIUM.** The Units now in the Plan, as well as those that may be added to the Plan later, are part of the Ocean Resort Villas condominium. The Condominium is located on a wide sandy beach fronting on the Pacific Ocean. It is a fee simple condominium situated on 13.998 acres of land in Ka'anapali North Beach, on the Island of Maui ("*Lot 98*"). The address of the Condominium is Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761.

4.2. **CONSTRUCTION AND PHASED DEVELOPMENT PLANS.**

The Developer plans to develop the Project in stages. Each stage is called a "*phase*" or an "*increment*". Each phase may include apartments and other improvements. The phases are described as follows:

PHASE 1. The first phase consists of the Halekipa Building, the Kahakai Building, the Snack Bar Building, the Courtyard, the Tennis Courts and Tennis Pavilion, and related Improvements. The Courtyard contains the pool, waterslide, slide mountain, and various other amenities that are part of the Master Association Amenities.

- ◆ The Kahakai Building is a six-story building with a basement. It is constructed principally of steel-reinforced concrete, gypsum board, and glass. It contains 103 resort apartments, one whole commercial apartment (the "*Master Association Apartment*"), and part of another one (Apartment 101).
- ◆ The Halekipa Building is a one-story building with a basement. It is constructed principally of steel-reinforced concrete, gypsum board, and glass. It contains part of one commercial apartment (Apartment 101).
- ◆ The Snack Bar Building is a one-story building that has no basement. It is constructed principally of concrete, steel, concrete masonry unit blocks, wood, and gypsum board. It contains part of a commercial apartment (Apartment 101).

PHASE 2. The second phase consists of the Makani Kai Building and related Improvements. The Makani Kai Building is a six-story building with a basement. It is constructed principally of steel-reinforced concrete, gypsum board, and glass. It contains 107 resort apartments and part of a commercial apartment (Apartment 101).

PHASE 3. The third phase consists of the Ahelani Building and related Improvements. The Ahelani Building is a six-story building with a basement. It is constructed principally of steel-reinforced concrete, gypsum board, and glass. It contains 70 resort apartments.

PHASE 4. The fourth phase, if it is constructed, is presently planned to consist of a Gazebo. The Gazebo is likely to consist of a concrete slab floor, wood roof framing, and

concrete masonry unit block columns. It contains one Commercial Apartment (the Gazebo Apartment). The Developer is not currently planning to construct the Gazebo Apartment, although this may change. If the Gazebo is constructed, it will be used for commercial purposes.

COGENERATION SYSTEM. The Project has an electric power cogeneration system that is owned by the Master Association and located on Master Association property by the service area near the loading dock. The system is anchored by electric power producing Cummins Diesel engines. The engines provide approximately 70 percent of the electric power of the resort and we harvest the heat produced by the engines to heat domestic water, pool water and spa water as well as chilled water for producing air conditioning. A portion of the electric power needs are supplied by the customary electric grid through the MECO Maui Electric.

Note: Webcams may be in use in the common/amenity areas of the Condominium. Webcams provide a panoramic view of certain amenities (i.e. the pool area). These images may be viewed on a real time basis via the worldwide web/internet.

ORDER OF DEVELOPMENT. The Developer has completed construction of phases 1, 2 and 3. No date has been set for construction of the Gazebo Apartment (phase 4). The Developer may change its plan of development without the consent or approval of anyone else. For example, the Developer may choose to speed the construction of one building or slow construction of another.

STATUS OF CONSTRUCTION. The 103 resort apartments in the Kahakai Building (phase 1) were constructed, furnished and available for occupancy starting in the fall of 2003. The 177 resort apartments in the Makani Kai Building (phase 2) and the Ahelani Building (phase 3) were constructed, furnished and available for occupancy starting in the summer of 2005.

4.3. **APARTMENTS.** Although the Condominium Documents may divide the apartments differently, for purposes of the Vacation Ownership Plan, the apartments included in the Plan at the outset fall into one of eight Unit Types: One Bedroom Island View, One Bedroom Ocean View, Two Bedroom Island View, Two Bedroom Ocean View, Two Bedroom Ocean Front, Two Bedroom Deluxe Island View, Two Bedroom Deluxe Ocean View, and Two Bedroom Deluxe Ocean Front. They are described as follows:

A. *“One Bedroom Ocean View”* and *“One Bedroom Island View”* apartments have one bedroom, one bathroom, a combination living room and dining room, a kitchen, a foyer, and a lanai. These apartments have an interior area of about 904-909 square feet plus a lanai of about 87-101 square feet.

B. *“Two Bedroom Ocean View”* and *“Two Bedroom Island View”* apartments have one master bedroom, one

combination bedroom and living area, two bathrooms, a combination living room and dining room, a kitchen, a foyer, and two lanais. These apartments have an interior area of about 1370-1383 square feet plus lanais totaling about 96-233 square feet.

C. *“Two Bedroom Ocean Front”* apartments have one master bedroom, one combination bedroom and living area, two bathrooms, a combination living room and dining room, a kitchen, a foyer, and two lanais. These apartments have an interior area of about 1371 square feet and lanais totaling about 330 - 334 square feet.

D. *“Two Bedroom Deluxe Ocean Front”*, *“Two Bedroom Deluxe Ocean View”*, and *“Two Bedroom Deluxe Island View”* apartments have one master bedroom, one combination bedroom and living area, two bathrooms, a combination living room and dining room, a kitchen, a foyer, and two lanais. These apartments have an interior area of about 1547-1550 square feet plus lanais totaling about 256-271 square feet.

Note: The floor areas for the Resort Apartments are all approximate. The Developer makes no representations or warranties as to the actual area of any particular Apartment. The areas of particular Apartments are likely to vary.

4.4. **UNITS IN THE PLAN.** The Developer may remove apartments from the Plan so long as the Developer owns all of the Vacation Ownership Interests in them. The Developer may also add apartments back into the Plan, or add any other apartments, at any time and without the consent of any Owner or anyone else. The Developer is not promising to add more apartments to the Plan.

When the Developer adds apartments to the Plan, it may create new Unit Types or new kinds of Vacation Ownership Interests. If the Developer creates a new Unit Type or new kinds of Vacation Ownership Interest, or if the Developer owns all of the Vacation Units of a particular Unit Type, then the Developer may change the Vacation Plan Documents with respect to that Unit Type. For example, the Developer could create new kinds of Vacation Ownership Interests that give the Owners of them the first chance or the exclusive right to reserve certain Vacation Units.

These rights of the Developer are subject to certain limits. For example, the Developer cannot change the rights of existing Owners to reserve and use the Vacation Units already included in the Plan (except for Units owned entirely by the Developer). And the Developer cannot give more than one vote to any new kind of Every-Other-Year Vacation Ownership Interest, nor more than two votes to any new kind of Every-Year Vacation Ownership Interest.

4.5. **MASTER ASSOCIATION.** The Developer decided to provide a way for the owners and occupants of the Condominium and some or all of the other projects in Ka’anapali North Beach to share the use of certain amenities

located on the grounds of this Condominium, the Ocean Resort Villas North condominium, and perhaps some other projects in the area (the "Master Association Amenities"). The Developer also wants to be sure that the amenities and landscaping of the Condominium, the Ocean Resort Villas North condominium, and perhaps some other projects provide similar or complementary vacation ambience consistent with a first class destination resort, and that they can be updated and enhanced over the years to keep up with modern trends for first class destination resorts.

This Condominium has a pool, waterslide, slide mountain, tennis courts, ponds, and other amenities which may be available for your use. These amenities are part of the Master Association Amenities. The Developer has also constructed the Ocean Resort Villas North condominium on the land next door to this Condominium. The Ocean Resort Villas North condominium also has things that are part of the Master Association Amenities, such as pools and landscaping. The Developer may also develop other hotels or condominium, vacation ownership, time share, or fractional ownership projects elsewhere in Ka'anapali North Beach which will have things that are part of the Master Association Amenities.

In addition, the Developer wants to be able to use the Master Association Amenities for its own purposes. For example, it wants to be able to do these things:

- It wants to be able to show the amenities and the grounds to persons who might buy an apartment or Vacation Ownership Interest in the Condominium or an apartment, time share interest, or fractional ownership interest in other Ka'anapali North Beach projects.
- It wants to be able to offer activities to these prospective purchasers.
- It wants to be able to establish booths or concessions for the sale of food, beverages, tourist activities or other incentives intended to encourage prospective purchasers to attend a sales presentation.
- It wants to be able to conduct receptions for purchasers and prospective purchasers for the purpose of promoting the sales of apartments or Vacation Ownership Interests in the Project or apartments or time share interests or fractional ownership interests in other Ka'anapali North Beach projects.

To accomplish these things, the Developer created the Ocean Resort Master Association, a non-profit corporation, and special apartments in the Condominium and the Ocean Resort Villas North condominium called the "*Master Association Apartment*." The Developer has deeded to the Master Association the Master Association Apartment in this Condominium and the Master Association Apartment in the Ocean Resort Villas North condominium. The amenities and most landscaping of the Condominium and the Ocean Resort Villas North condominium are limited common elements of

these apartments. These include, for example, the various waterfalls, water slide, slide mountain, swimming pools, koi ponds, spa, pool decks, pool bathrooms, beach and pool showers, fitness center, late departure guest lounge, and tennis courts and a tennis pavilion, among other things. They also include most of the landscaping and grounds of the Condominium and the Ocean Resort Villas North condominium.

This means that the Master Association will control most or all of the amenities and landscaping of the Project. It also means that persons who are not Owners or occupants of the Condominium may have the right to use these amenities. Each Owner will also be a member of the Master Association and may use the amenities as permitted by the documents that established and that govern the Master Association. These documents, called the "*Master Association Documents*", are listed in Exhibit "A".

The Master Association Documents require that each Owner pay a share of the costs to operate, maintain, repair, replace, change, and upgrade the Master Association Amenities and other Master Association property, and the costs to operate and maintain the Master Association. All other Master Association Members must also pay a share of these costs as provided in the Master Association Declaration. Each owner of a resort apartment (including Owners of Vacation Ownership Interests) must pay the fees, charges, and expenses charged by the Master Association in accordance with the Master Association Documents. Because the owners of the Condominium's commercial apartments will not be participating in the Master Association, they do not generally have the right to use the Master Association Amenities and they will not share in the costs of owning, operating, and maintaining the property owned by the Master Association. The Developer, however, has certain easements to use the Master Association's property.

The Developer has the right to add to the Master Association Amenities any amenities located on any other project participating in the Master Association, but the Developer does not promise to do so. The Master Association has the rights stated in the Master Association Declaration to add, continue, change or remove any of the Master Association Amenities. This includes the right to change any Master Association Amenities located on the Condominium. For example, it may install, change and remove landscaping, waterfalls, ponds, streams, foot bridges, benches, tiki torches, walkways, water slides, and pools. It may add new amenities, remove or change old ones, and so on. The Master Association also maintains certain on-site and off-site landscaping and storm water runoff drainage facilities serving the Condominium and other properties.

4.6. KA'ANAPALI NORTH BEACH. The Condominium is part of a larger community known as Ka'anapali North Beach. The former owner of the land of the Project recorded the Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach (the "*Ka'anapali North Beach Declaration*") against all of the lands

in Ka'anapali North Beach to ensure that such lands would be used and developed in accordance with the standards and restrictions described in the Ka'anapali North Beach Declaration. The Ka'anapali North Beach Declaration applies to the Project and to all owners of apartments or time share interests in the Project.

The Ka'anapali North Beach Declaration provides for the use, administration, repair and maintenance of the "Common Area." This includes two parks, a roadway, an area set aside for public open space, and so on. It also provides for the implementation of a monitoring program for Hawksbill turtles in the Shoreline Setback Area. These functions will be performed by the Ka'anapali North Beach Master Association, Inc., a non-profit Hawaii corporation (the "*Ka'anapali North Beach Association*") whose members consist of the owners of the lands in the Ka'anapali North Beach Area.

Each owner of an apartment or Vacation Ownership Interest in the Project will be a member of the Ka'anapali North Beach Association. Members may use the Common Areas of Ka'anapali North Beach subject to the conditions and restrictions imposed by the Ka'anapali North Beach Declaration, rules and regulations adopted by the Ka'anapali North Beach Association, and other documents and laws. The Condominium Association, not the individual apartment owners, has the right to vote in the Ka'anapali North Beach Association. The Condominium Association must pay the amounts charged to it by the Ka'anapali North Beach Association. Those amounts will be a common expense of the Condominium and each Owner will pay a share of it.

4.7 **NO WARRANTIES.** The Seller is the developer of the Condominium but it is not related to the general contractors who built the buildings.

The Condominium consists of fully built and existing buildings. Certificates of occupancy were issued for the Kahakai and Halekipa buildings in 2003, and for the Ahelani and Makani Kai buildings in 2005, and all warranties have now expired.

Except for the warranty of title, the Developer makes no warranties, express or implied, about your Vacation Ownership Interest(s), the Apartment, the Condominium, or anything installed or contained in them. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular use or sufficiency of design. THE PROPERTY IS TRANSFERRED TO YOU "AS IS" AND WITH ALL DEFECTS, WHETHER VISIBLE OR HIDDEN, AND WHETHER KNOWN OR NOT. This means, among other things, that the Developer does not have to correct or fix any defect no matter what causes it or when it is discovered.

You also give up (or, in legal terms, "waive and release") all rights and claims against the Developer and its officers, directors, agents and employees for (i) any defects in the Apartment or the Condominium or anything installed or contained in them, and (ii) for injury to persons or property

arising from any such defects. This means that the Developer will not have to pay for any injury or damage to people or things as a result of any defect.

Finally, without limiting the other parts of this Section 4.7, the Condominium Map is not intended to be and does not create any representation or warranty by the Developer.

4.8. **HAZARD AND LIABILITY INSURANCE.**

You should read Chapter 15 of the Vacation Plan Declaration and Section 13 of the Condominium Declaration for a discussion of insurance coverages that the Association and the Condominium Association are supposed to have. Although the Association will attempt to obtain these coverages, it may obtain less insurance if certain coverage is not reasonably available or if the Board decides that it is too expensive. The following is a brief summary of the coverages required by the Condominium Documents and/or the Vacation Plan Documents:

A. PROPERTY INSURANCE. The Association or the Condominium Association must buy a policy of property insurance that covers fire, lightning, windstorm and hail, smoke, explosion, riot, civil commotion, aircraft and vehicle damage, and so on. If it is available at a reasonable cost, the insurance must cover 100% of the cost of replacing the property (except for things like the foundation) without deductions for depreciation.

B. LIABILITY INSURANCE. The Association or the Condominium Association must buy a commercial general liability insurance policy and, if necessary, commercial umbrella insurance. The policy must cover all Owners, the Board, the Association, the Developer, the Managing Agent, the Plan Manager, and their officers, directors, agents, and employees against claims for personal injury, bodily injury, death, and property damage. The policy limits must not be less than \$3,000,000 for personal injury, bodily injury and death, and \$1,000,000 for property damage.

The Association must also buy a commercial automobile liability policy of insurance if the Association owns or leases any motor vehicles. The policy limits may not be less than \$1,000,000 for bodily injury or death or property damage arising out of a single accident or occurrence.

You should note that the insurance policies are subject to various deductibles and that the Association and the Condominium Association may decide not to create reserves to pay the amount of the deductibles. If there is a loss, the Association or the Condominium Association may have to pay the amount of the deductibles from other funds.

You should review (or have a qualified insurance agent review) the insurance requirements stated in the Governing Documents, as well as the policies obtained by the various associations, to decide whether or not to buy more insurance for yourself. You are free to do so. You and the various associations are also free to buy insurance from any company licensed to do business in

the State of Hawaii. Since insurance is the responsibility of these associations and the individual Owners, the Developer makes no guarantee that insurance will be available, or available at a reasonable cost, or adequate.

4.9. **ADDITIONAL INFORMATION.**

A. The property is subject to that certain Special Management Area (SMA) Permit 88/SM1-023 and Shoreline Setback Variance (SSV) 88/SSV-002 dated July 19, 1988, issued by the County of Maui, as confirmed by letter of July 22, 1988, issued by Christopher L. Hart, Planning Director. The property is also subject to Special Management Area Permit SM1 970006 issued by the County of Maui, having an effective date of December 14, 1998.

Copies of these permits are available for inspection by purchasers and prospective purchasers. The Condominium is subject to these permits. Owners and/or the owners associations must comply with these permits on an ongoing basis. The permits require, among other things, that the Condominium Association buy and maintain comprehensive liability insurance of at least one million dollars naming the County of Maui as an additional insured. The policy must cover all claims or demands for property damage, personal injury and/or death arising out of the permits. The cost of the policy will be a common expense.

B. The property is located in a tsunami inundation area. It is also located in a flood zone and flood control measures may be required. Certain areas in the Shoreline Setback Area (as that term is defined in the Condominium Documents) have been designated and must be preserved as wetlands.

C. The County of Maui has not made a determination as to whether any portions of the Project may contain historical sites. The Project is subject to certain public access requirements providing access to the beach in front of the Project. The Project is also subject to a 150 foot setback from the ocean. Please note that any further development may require additional Special Management Area approval by the County of Maui.

D. The Nanea Ocean Villas project is being constructed on a nearby parcel in Ka'anapali North Beach. In addition, while most of the Honua Kai Condominium at the north end of Ka'anapali North Beach has been completed, three phases planned to contain a total of about 72 townhouse units and related improvements have not yet been constructed. The construction of Nanea Ocean Villas and the remainder of the Honua Kai Condominium may create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards. The Developer is developing Nanea Ocean Villas but is not responsible in any way for the development of the Honua Kai Condominium.

E. The Condominium and the Plan will be operated as a "Westin" and/or "Vistana" resort under certain License

Agreements as described in Section 20.1 of this Disclosure Statement. The License Agreements can be terminated if the Condominium or the Plan is not maintained consistent with the terms of the License Agreements. The Westin Brand, Westin Marks, Vistana Brand, Vistana Marks, and License Agreements are not part of the Condominium, the Plan or the Vacation Ownership Interests and Buyers have no right, title or interest in them.

5. **MULTIPLE LOCATION TIME SHARE PLAN**

Not applicable. The Plan includes only Units in the Condominium.

6. **TIME SHARE PLAN IN A CONDOMINIUM**

6.1. **CONDOMINIUM LEGAL STRUCTURE.**

The Vacation Ownership Plan is located in the Ocean Resort Villas Condominium. The Condominium was created when the Condominium Documents were recorded (officially filed) in the real estate records of the State of Hawaii. The Condominium Documents are listed in Exhibit "A".

The Condominium Property Act (Chapter 514A, HRS) and the Condominium Documents control the rights and obligations of the apartment owners with respect to the Condominium and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

The Condominium Documents divide the Condominium into apartments and common elements. "*Common elements*" means all parts of the Condominium except for the apartments. For example, the land of the Condominium is a common element. So are the driveways. Some common elements are set aside for the use of particular apartments. These are called "*limited common elements*." The limited common elements are described in section 5.4 on page 18 of the Amended and Restated Condominium Declaration. Apartment 101 and the Master Association Apartments have particularly extensive limited common elements.

Each apartment comes with an ownership share, called a "*common interest*" in the common elements. This means that the owners can own their own apartments separately but that all of the apartment owners own the common elements together. The common interests for the Vacation Units are shown in Exhibit "B".

The Association of Apartment Owners of Ocean Resort Villas is an unincorporated association of the owners of apartments in the Condominium. It is responsible for the management of the common elements and the overall operations of the Condominium. Each owner of an apartment in the Condominium (including Owners of Vacation Ownership

Interests in the Plan) is a member of the Condominium Association.

The apartment owners elect a board of directors to manage the Condominium. The board of directors is the governing body of the Condominium Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the Condominium will in most cases be limited to your right to vote as an Owner. The board of directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

The board of directors hires a Managing Agent to provide essentially all management services needed by the Condominium Association. The Developer has appointed the initial Managing Agent of the Condominium and it is the same company that serves as Plan Manager of the Plan.

Common expenses of the Condominium are divided among the apartments according to their common interests as are voting rights. The term "*common expenses*" means the expenses of operating the Condominium and all other amounts designated as common expenses under the Condominium Documents or under the Hawaii Condominium Property Act. Note that under the Hawaii Condominium Law, charges for common expenses to an apartment do not begin until the County issues a certificate of occupancy for that apartment.

Each apartment owner (including each Owner of a Vacation Ownership Interest) is responsible to pay the common expenses for his or her apartment. The Condominium Association has a lien on each apartment to secure payment of that apartment's share of the common expenses. If the common expenses are not paid, an apartment can be taken from its owners and sold by foreclosure. The Condominium Association can also sue the apartment owners for the amounts due.

The Condominium Association and its Managing Agent may enter any apartment as needed to operate the Condominium or to make emergency repairs.

The Developer has various special rights, called the "*Developer's Reserved Rights*", under the Condominium Documents. These are described in Exhibit "D".

6.2. **EASEMENTS.** "*Easement*" is a legal term. In general, it refers to the right of one person to use property in the possession of someone else. The Condominium Documents create various easements. Some of them can be summarized as follows:

A. The Shoreline Setback Area is subject to an existing easement. This easement requires that the Shoreline Setback Area remain open and available to the public as open space, for recreational access and passive recreational uses, and for Native Hawaiian use for traditional and customary uses of

the shoreline and near-shore ocean waters. The Native Hawaiian uses include fishing, diving, ho'okupu ceremonies (ritual prayers on the shoreline) and gathering.

B. The Project is located adjacent to Kahekili Park which is open to the public for beach access, park use, and other purposes.

C. Employees, customers, and so on, of a commercial apartment, can come onto the Condominium, park in unassigned parking stalls, make deliveries, make casual use (such as after dinner strolls) of the walkways, and do other things reasonably necessary in connection with the ordinary conduct of business operations.

D. Persons authorized by the Master Association may come onto the Condominium as necessary or convenient to use, operate, maintain, add to, install, or replace the Master Association's properties. They may also park in unassigned parking stalls, make deliveries, and use the Shoreline Setback Area and any other recreation areas and facilities adjacent to the beach (e.g., showers).

E. The Developer and persons authorized by it may use the limited common elements of the Master Association Apartment to conduct educational, cultural, entertainment or sporting events, and other activities of general community interest.

F. The Developer and persons authorized by it have the exclusive right and an easement to conduct extensive marketing and sales activities on the common elements (including but not limited to the limited common elements of the resort apartments and the limited common elements of the Master Association Apartment) and from any apartment owned by it. This right includes but it is not limited to the right to permit purchasers and prospective purchasers to come onto the project and to park in unassigned parking stalls, the right to show the project to those persons, the right to use apartments owned by the Developer as model apartments, sales, management, and/or administrative offices, the right to establish and operate tour or activity desks or other businesses intended to promote sales, and the right to use banners, signs or other extensive sales displays and activities at the Condominium.

This easement applies to activities conducted in connection with the initial sale and/or any resale of (i) one or more apartments and/or Vacation Ownership Interests in the Condominium, and (ii) one or more apartments, time share interests and/or fractional ownership interests in any adjacent projects.

G. The Developer and persons authorized by it have an easement as may be reasonably necessary or convenient to complete any improvements and to correct any defects and other punchlist items in the common elements or any apartment or to use any of the other Developer's Reserved Rights.

H. The Owner of Apartment 101 has the exclusive right (but no duty) to provide (i) bellhop service, (ii) room service, (iii) valet parking service, and (iv) food and beverage services in the Courtyard of the Condominium.

I. The Developer and the Master Association have the right (but no duty) to operate one or more children's programs. They may make these programs available to children of Owners, occupants, other Master Association Members and occupants of their property, potential Master Association Members, and guests of any of these persons. The programs may involve use of the amenities of the Master Association or the Condominium, the Shoreline Setback Area (subject to the requirements of the SMA Permits), and the beach.

J. The Developer and persons authorized by it have an easement to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the use of its other easement rights, (b) the development of any Adjacent Parcel, or (c) the use of the Developer's Reserved Rights or any other rights of the Developer described in the Condominium Declaration.

K. The Developer has the right to establish, operate and maintain in the Shoreline Setback Area no more than three beach or beach side (meaning on the parts of the Condominium near the beach) concession stands. (The Developer also has the right to additional concession stands in the Courtyard and the other limited common elements of the Master Association Apartment.)

L. The Master Association has an easement appurtenant to the lot on which this Condominium is located as well as the adjacent lot on which the Ocean Resort Villas North condominium is located (i) for off-site storm water runoff retention and storage purposes consistent with certain drainage requirements, and (ii) for the maintenance, inspection, observation and/or repair by the Master Association of certain retention basins.

Each person who has any interest in the Condominium (i) understands, acknowledges and accepts that some or all of these easements activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that he or she may have, now or in the future, against the Developer and various other persons. Each Owner and every other interested party assumes the risk of any property damage, personal injury or loss in property value arising from the exercise of these easements.

7. RESTRAINTS ON TRANSFER OF BUYER'S INTEREST

7.1. UNDER THE VACATION PLAN DECLARATION.

A. **GENERAL RULE.** One of the many benefits of owning a Vacation Ownership Interest is that you can transfer it to your children, a friend, or just about anyone else. Because it is a real estate interest, you can also mortgage your Vacation Ownership Interest. If you own more than one Vacation Ownership Interest, you may transfer or mortgage each of them separately. However you cannot transfer or mortgage less than an entire Vacation Ownership Interest. There are two exceptions (i) you can pledge or transfer your voting rights to a lender having a mortgage on your Vacation Ownership Interest (or for whom someone else holds a mortgage on your Vacation Ownership Interest); and (ii) the seller under an agreement of sale may retain legal title and the right to vote on certain matters. The Buyer may transfer his or her entire interest under the agreement of sale, but nothing less. The Association has a lien on each Vacation Ownership Interest for all amounts charged to it or to its Owner. This is discussed in Section 12.

B. **NOTICE OF TRANSFER.** The Vacation Plan Declaration requires that notice of any transfer must be given to the Association. If notice is not given, neither the Association nor the Plan Operator have to recognize the transfer, and the person making the transfer will remain liable to the Association for charges for the Vacation Ownership Interest. The Association and the Plan Operator may charge a reasonable service charge to register the change in ownership on their records.

7.2. WHEN THE DEVELOPER'S CONSENT IS REQUIRED.

A. The Developer's consent is required if you want to transfer your Purchase Contract before Closing, or to transfer a Vacation Ownership Interest that is mortgaged to the Developer. If the Developer assigns the mortgage to someone else, that person's consent will also be necessary.

B. Without the Developer's written consent, you cannot transfer, lease, rent, or otherwise contribute your Vacation Ownership Interest or its use rights, Points or Vacation Period to (i) another vacation ownership or time share plan or program, (ii) a fractional ownership plan, or (iii) a Competitor of the Developer (but this does not prevent an Owner from participating in a "Traditional Exchange Program", as that term is defined in the Vacation Plan Documents, or any Exchange Program available through the Club Operator or the Network Operator). Any attempt to do so will not be effective; it will be void. The Developer may withhold its consent in its sole discretion. Also, Competitors of the Developer are not allowed to own any interest in the Property. If a Competitor acquires any interest in a Vacation Ownership Interest without the Developer's consent, or if anyone who has any interest in a Vacation Ownership Interest becomes a Competitor without the Developer's written consent, that interest will return to the Developer automatically. The Developer may withhold its consent in its sole discretion.

A “*Competitor*” is anyone who is: the developer of another time share plan or fractional ownership plan; any marketer or sales agent of another time share plan or fractional ownership plan (including but not limited to any OPC); the manager of another time share plan or fractional ownership plan; an exchange company other than the Club or the Network; any other competitor of the developer; any officer, director, agent, employee, independent contractor, partner, co-venturer, attorney, or affiliate of (i) a developer, marketer, sales agent, or manager of another time share plan or fractional ownership plan, or (ii) an exchange company other than the Club or the Network, or (iii) any officer, director, agent, employee, independent contractor, partner, co-venturer, attorney, or affiliate of anyone listed above, or (iv) anyone collaborating with anyone listed in items (i) to (iii). The Developer may cancel your Purchase Contract if you are a Competitor.

C. RIGHT OF FIRST REFUSAL TO PURCHASE. If you receive an offer to buy (the “*Offer to Buy*”) your Vacation Ownership Interest and if you want to accept it, you must first notify the Developer before accepting the offer and must provide a complete copy of the Offer to Buy. The Developer will then have the right and an option to buy your Vacation Ownership Interest at the same price and on the same terms contained in the Offer to Buy. If the Developer decides to buy it, then the Developer will send you written notice of that decision within ten (10) business days after the Developer receives your notice of the Offer to Buy. The Developer’s notice will create a binding contract between you and the Developer to buy your Vacation Ownership Interest on the terms stated in the Offer to Buy (subject, however, to a reasonable extension of the closing date). If the Developer does not send notice of its decision to buy the Vacation Ownership Interest within the ten (10) business day period, then you may sell your Vacation Ownership Interest to the person who submitted the Offer to Buy. If the Offer to Buy is changed in any way (for example, a reduction in the price, a change in the Buyer or an assignment of the Buyer’s rights to someone else), or if the sale does not close within ninety days, then the Offer to Buy will be considered a new Offer to Buy and you must re-submit it to the Developer and the requirements of this section will apply again. If the Developer chooses not to buy the Vacation Ownership Interest, this will not constitute consent by the Developer of a sale or other transfer of the Vacation Ownership Interest to a Competitor.

8. MUTUAL RECISSION PROVISION

You and the Developer both have the right to cancel your Purchase Contract without penalty by giving the other party written notice within seven calendar days after: (1) signing the contract; or (2) you receive this disclosure statement, whichever is later. The seven-day period is called the “*Seven-Day Cancellation Period*”. You will receive a form of Notice of Cancellation [Form TS-10 of the Department of Commerce and Consumer Affairs of the State of Hawaii (“*DCCA*”)] with all pertinent information filled in at the time that you sign your

Purchase Contract. If you cancel, then, within 15 business days all of your payments must be returned to you.

9. TITLE DEFECTS OR ENCUMBRANCES

“*Encumbrances*” are interests in or claims on property held by someone other than the owner of that property. They also include duties imposed by certain documents that affect the property and its owner. For example, a document giving the telephone company a right to install telephone lines across the land of a resort is an encumbrance.

Your Vacation Ownership Interests will be deeded to you subject to the encumbrances listed in Exhibit “A” and to (i) any mortgage signed by you, and (ii) any other encumbrances that do not make your title unmarketable. These are called the “*Permitted Encumbrances*.”

The Condominium Documents, the Master Association Documents, and the Vacation Plan Documents are Permitted Encumbrances. The Developer has certain special and reserved rights, called the “*Developer’s Reserved Rights*”, under these documents. Some of those rights are described in Exhibits “C” and “D”. When you sign your Vacation Ownership Deed, you consent to, accept, approve, and make the agreements about the Developer’s Reserved Rights as discussed in those exhibits. You also give to the Developer the right of first refusal described in Section **Error! Reference source not found.**, above. These consents, acceptances, approvals, agreements, and the right of first refusal will also be encumbrances on your Vacation Ownership Interest. You should read your Vacation Ownership Deed and your Purchase Contract with care.

10. PENDING OR ANTICIPATED SUITS

Not applicable. There are now no suits pending or anticipated that are material to the Vacation Ownership Interests or the Plan of which the Developer has or should have knowledge. But see Section 12.3.C., below.

11. FINANCIAL OBLIGATION OF PURCHASERS

11.1. **PURCHASE OBLIGATION.** You must pay the Purchase Price stated in your Purchase Contract. You may pay it at once in cash or over time on credit from the Developer. If you buy on credit then you must make monthly loan payments both before and after Closing. See your Closing Disclosure for the annual percentage rate and other information. The Developer is not arranging, and has no duty to arrange, outside financing for any Buyer. If you buy on credit, you must pay all costs of the collection agent to whom your payments are made. You must also pay closing costs in the amount listed on your Purchase Contract as the “*Administrative Fee*”. The Developer will pay all closing costs beyond that except that you must pay

any title insurance premiums in excess of \$100. See Exhibit "E" for information about sales prices, installment purchase terms and closing costs. All amounts are in United States dollars. Be sure to ask about special purchase prices and terms that may be offered from time to time. The Developer has the right to change Exhibit "E" from time to time.

11.2. **ASSOCIATION CHARGES.** As an Owner, you must pay all amounts charged to you by the Association, the Condominium Association, and the Master Association. See Section 12.

11.3. **ENFORCEMENT.** You should be aware that if you do not pay or keep the promises you make in your Purchase Contract (or in any note and mortgage that you sign), the Developer may take any action permitted by the Purchase Contract (or note and mortgage) and allowed by law. Among other things, the Purchase Contract allows the Developer to keep any payments made by a Buyer who defaults, and the mortgage permits the Developer to foreclose. You should read these documents carefully.

12. ESTIMATE OF DUES, MAINTENANCE FEES, REAL PROPERTY TAXES, ETC.

12.1. **ASSESSMENTS.** After Closing, you must pay your Assessments and Personal Charges. The current amount of assessments is shown in Exhibit "F". Assessments are set in this way:

A. **PLAN EXPENSES.** The Association pays all costs of operating the Plan and maintaining, repairing and replacing the Vacation Property. These expenses are called "*Plan Expenses*". You and every other Owner must pay a share of the Plan Expenses. Among other things, these are Plan Expenses:

- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Vacation Property.
- ❖ The cost of buying insurance required or permitted by the Vacation Plan Documents.
- ❖ All amounts charged to the Vacation Units by the Master Association, the Condominium Association or the Ka'anapali North Beach Association (except amounts separately charged to individual Owners). This includes, for example, the expenses of operating and maintaining the Condominium or the Master Association Amenities.
- ❖ Any real property taxes and other government taxes and charges on the Units (except amounts separately charged to individual Owners).

- ❖ Amounts needed for the Reserve Accounts. These are savings accounts of the Association. The money is used to pay for Capital Improvements. "*Capital Improvements*" are things like replacing the carpeting or appliances, other major repairs and remodeling, or replacing the Vacation Units or Common Furnishings.
- ❖ Any amounts due from the Association under the Club Affiliation Agreement, including but not limited to the Annual Club Dues for each Owner (unless separately charged to the individual Owners).
- ❖ Housekeeping and cleaning fees, and other expenses necessary to maintain, repair, manage and operate the Vacation Property.

B. **YOUR SHARE OF PLAN EXPENSES.** Each Owner must pay a share of the Plan Expenses (called a "*Fair Share*"). Your Fair Share of Plan Expenses depends on the Unit Type of Your Unit. It works like this:

1) **Relative Valuation.** The Developer sets a Relative Valuation for each Unit Type. *Relative Valuation* refers to the idea that each Vacation Unit's share of the Plan Expenses should be based on a comparison of that Vacation Unit to other Vacation Units included in the Plan. While some time share plans compare the size of apartments to determine their share of the plan's expenses, this does not necessarily result in a fair division of maintenance fees among the apartments. For example, the cost of sending a newsletter or notice of an Association meeting to an Owner is the same whether the Owner's unit is a one-bedroom unit or a larger two-bedroom unit.

As a result, the Developer has adopted a plan for dividing Plan Expenses among the Vacation Units based on their "*Relative Valuation*". The Developer determines a Relative Valuation for each Unit Type based on the size of the Vacation Unit, the estimated maintenance and expense burden, sleeping capacity, and other relevant factors as determined by the Developer in its sole discretion. The Relative Valuation for Vacation Units currently included in the Plan is listed in Exhibit "B".

Note that Relative Valuation is not intended to reflect the fair market value of (i) Vacation Units that are a particular Unit Type, or (ii) Vacation Ownership Interests in Vacation Units of a particular Unit Type. The Relative Valuation for a Unit Type will not change based on changes in market conditions.

2) **Fair Share.** "*Fair Share*" means a share based on a comparison of the Relative Valuation of one Vacation Unit to the total of the Relative Valuations for all of the Vacation Units, as follows:

- ❖ The Fair Share for each Every-Year Vacation Ownership Interest in a Vacation Unit is 1/52nd of the following fraction:

The Relative Valuation of that Vacation Unit

The Sum of the Relative Valuations
For All Vacation Units for Which
Assessments Have Begun

- ❖ The Fair Share for each Every-Other-Year Vacation Ownership Interest in a Vacation Unit is 1/104th of the same fraction. In other words, the Fair Share for an Every-Other-Year Vacation Ownership Interest is one half of the Fair Share of an Every-Year Vacation Ownership in the same Unit Type.

3) **When Assessments Begin.** For any Vacation Unit, Assessments begin on the later of (i) first day of the month after a deed transferring a Vacation Ownership Interest in that Vacation Unit is recorded, or (ii) the date when the County of Maui issues a temporary or permanent certificate of occupancy for that Vacation Unit. From then on, the Owner of each Vacation Ownership Interest in that Vacation Unit, whether it is the Developer or someone else, must pay a Fair Share of the Plan Expenses.

C. REGULAR ASSESSMENTS. Every year, the Association adopts a budget showing the Plan Expenses for the coming year. The budget reflects Plan Expenses based on the property that is expected to be included in the Plan by the start of the coming year. Of course, the actual expenses may vary, especially as additional property is included in the Plan. A copy of the current budget of Plan Expenses is attached as Exhibit "G" to this Disclosure Statement. You must pay your Fair Share of the Plan Expenses. This is called your "*Regular Assessment*".

D. SPECIAL ASSESSMENTS. If there is a shortfall in the budget or if the Vacation Property is damaged or destroyed, the Board may adopt a special budget to deal with the problem. You must pay your Fair Share of that budget. This is called a "*Special Assessment*".

E. LIMITS ON INCREASING ASSESSMENTS. Unless a majority of the Owners casting votes (not counting the Developer's votes) approve the increase, the Board may not increase the Regular Assessment on any Vacation Ownership Interest by more than 20% in any fiscal year, or charge a Special Assessment of more than 5% of the Regular Assessment (10% for repairing damaged or destroyed property) in any fiscal year. There are some limited exceptions to these rules for things like increases in taxes or utility expenses, emergencies, and so on.

F. PROGRAM EXPENSES. The Regular Assessment will be \$1,407.03 per year for an Every-Year Vacation Ownership Interest in a One-Bedroom Unit, \$1,640.65 per year for an Every-Year Vacation Ownership Interest in a Two-Bedroom Unit, and \$2,205.60 per year for an Every-Year Vacation Ownership Interest in a Two-Bedroom Deluxe Unit. The Developer must pay Assessments on unsold Vacation Ownership Interests in Vacation Units for which Assessments have begun.

G. PERSONAL CHARGES. A "*Personal Charge*" is an expense not covered by Assessments. This includes expenses that result from the act, failure to act, or other conduct of an Owner, Occupant or an Occupant's Guest. It also includes charges for extra services requested or used by Owners, Occupants or their Guests. Personal charges include, for example:

- ❖ Food and beverage charges; telephone charges; extra housekeeping services.
- ❖ Charges for use or rental of sports supplies or other recreational equipment, or any amenities (for example, a spa) of the Condominium, the Master Association or Ka'anapali North Beach.
- ❖ The cost to repair any damage (except for ordinary wear and tear and unavoidable accidents) to Vacation Units or their furnishings, or to replace any missing items.
- ❖ Expenses to any other Owner or the Association due to a Person's intentional or negligent Act or failure to Act.
- ❖ Expenses resulting from any intentional or negligent violation of the Ka'anapali North Beach documents, the Master Association Documents, the Condominium Documents, or the Vacation Plan Documents.
- ❖ Costs of and charges, including fines, for enforcing the Vacation Plan Documents; and late charges and interest on, and all costs of collecting Assessments and Personal Charges, including court costs and legal fees.
- ❖ Any late charges and interest on overdue payments.
- ❖ So long as the Plan is part of the Club, any Club Fees charged to the Association or to any Owner by the Club Operator (except for Club Fees that are Plan Expenses).

An Owner is fully responsible for the Personal Charges of his or her Guests. An Owner is not responsible, however, for the Personal Charges of anyone who uses his or her use rights through an exchange program, including the Club and the Network.

H. OTHER FEES AND ASSESSMENTS. So long as the Plan is part of the Club, you must also pay any Club Fees charged to you by the Club Operator. So long as the Plan is part of the Club and the Club is part of the Network, you must pay any Network Fees charged to you by the Network Operator. These fees are Personal Charges. See the Chart for Vistana Signature Network Fees which appears in the Vistana Signature Network Disclosure Guide for details on Club Fees and the Network Fees. These amounts may change. The Chart for Vistana Signature Network Fees also lists the Transaction Fees which you may be required to pay in certain circumstances.

In addition to your Fair Share of the Plan Expenses, you must also pay a share of the regular and special assessments charged

to Your Unit by the Condominium Association and the Master Association. The regular assessments charged by the Condominium Association are \$382.92 per year for an Every-Year Vacation Ownership Interest in a One-Bedroom Unit, \$453.85 per year for an Every-Year Vacation Ownership Interest in a Two-Bedroom Unit, and \$625.37 per year for an Every-Year Vacation Ownership Interest in a Two-Bedroom Deluxe Unit. The regular assessments charged by the Master Association are \$267.06 per year for an Every-Year Vacation Ownership Interest in a One-Bedroom Unit, \$316.53 per year for an Every-Year Vacation Ownership Interest in a Two-Bedroom Unit, and \$436.16 per year for an Every-Year Vacation Ownership Interest in a Two-Bedroom Deluxe Unit. These assessments are shown in Exhibits "H" and "I".

12.2. ENFORCEMENT OF FINANCIAL DUTIES.

To collect all money you owe, the Association may charge late fees and interest. It also has a lien on your Vacation Ownership Interest. It may foreclose on that lien and sell your Vacation Ownership Interest to someone else. If the money from the foreclosure sale is not enough to pay all amounts due plus legal fees and costs, you must pay the shortfall. You may not avoid paying by not using your Vacation Ownership Interest, by abandoning it or by giving it to someone else.

If you are in default, the Association may also refuse to allow you to make a reservation or to check in. It may also suspend services to your Vacation Unit or even file a lawsuit.

If you do not pay your Club Fees or the Network Fees, then the Club Operator and/or the Network Operator may charge late fees and interest. Also, they will not process or confirm your reservation or exchange requests until you pay all amounts due.

12.3. TAXES.

A. The State of Hawaii taxes the occupancy of time share units. The rate is 8.25% of the fair market rental value until January 1, 2017, when it will change to 9.25%. By law, the "fair market rental value" is one-half of the gross daily maintenance fees paid by the owner and attributable to the time share unit. Because the period of time used by each Owner may vary due to the number of Points they have and the difference in Point Values of different Use Periods, Owners should ask for the estimated occupancy tax amount from Owner Services at the time when they request a reservation.

B. The State of Hawaii also charges a general excise tax on amounts collected by the Master Association or the Association, including Regular and Special Assessments, and Personal Charges. Although the tax rate is currently 4.0%, the charge for the tax will be higher (currently 4.166%) to ensure that the Association and the Master Association each receive the amount they need, net after taxes.

C. **The Vacation Units are subject to real property taxes levied by the County of Maui. Currently timeshare properties are taxed at a tax rate significantly higher than other tax classifications. Therefore, the Ocean**

Resort Villas Vacation Owners Association and Ocean Resort Villas North Vacation Owners Association ("Associations") have filed a lawsuit to challenge the excessive tax rates which have been set by the Maui County Council against the Associations and their owners. Costs to fund this litigation are included in each owner's Assessments.

D. The State of Hawaii may increase or decrease the occupancy tax and /or the general excise tax from time to time, and may extend the general excise tax to amounts collected by the Condominium Association and Master Association. The County of Maui may increase or decrease real property taxes from time to time. The Developer makes no representations as to the taxes that may be charged by the County or State in the future.

13. ESCROW ACCOUNT

The Hawaii "Time Share Law" is contained in Chapter 514E, Hawaii Revised Statutes, and Chapter 16-106, Hawaii Administrative Rules. It requires that: (a) Buyer's Funds, Notes, and Loan Documents be put in escrow before closing and that the Buyer's Funds be refunded if the Buyer cancels as explained in Section **Error! Reference source not found.** above; (b) Buyer's Funds must be refunded in the other circumstances explained in Section **Error! Reference source not found.**; and (c) Closing cannot occur until the Buyer is protected from Blanket Liens.

"Funds" means money. "Notes" means any "negotiable instrument" as defined in the Time Share Law. A check is an example of a negotiable instrument. A "negotiable instrument" generally is a document that the Developer could give to someone else who could then force the Buyer to keep his or her promise to pay free from any claim or defense that the Buyer might have against the Developer. "Loan Documents" means any "purchase money contract" as defined in the Time Share Law. In general, "purchase money contract" refers to things like a promissory note, an agreement of sale, or other contract in which the Buyer agrees to repay a loan made to finance the Buyer's purchase of a Vacation Ownership Interest and made to the Buyer by the Developer or by a lender that is (i) affiliated with the Developer or (ii) to whom the Developer referred the Buyer.

"Closing" refers to completing the sale of a Vacation Ownership Interest. This normally includes recording your Vacation Ownership Deed and any mortgage that you sign, and payment to the Developer of all sums due under your Purchase Contract.

"Blanket liens" are certain kinds of encumbrances (for example, a mortgage) as defined in the Time Share Law that affect two or more Vacation Ownership Interests.

An escrow account for the Developer and its sales agents has been established with Hawaii Resort Escrow, Inc. (the "Escrow

Agent"). Its address, telephone and fax numbers are 810 Richards Street, Suite 770, Honolulu, Hawaii 96813. Telephone: (404) 954-9831; Fax No. (404) 954-9898.

The Developer or the sales agent must give each Buyer's Funds, Notes and Loan Documents to the Escrow Agent to hold in this account. But, as permitted by Hawaii's Time Share Law, the Developer or any sales agent may initially hold all Notes (such as a Buyer's check) and Loan Documents (a) that are payable to the Escrow Agent, or (b) that are not negotiable instruments, until: (1) the Seven-Day Cancellation Period expires; and (2) the expiration of any longer period stated in the Purchase Contract in which a Buyer may cancel.

14. ESCROW AGREEMENT

The Escrow Agreement is dated August 12, 2003, and it applies to all sales made on or after that date. When you sign your Purchase Contract, you also adopt the Escrow Agreement, just as if you had signed it yourself. Be sure to read it. The Escrow Agreement contains the Developer's and your instructions for the handling of your Funds, Notes and Loan Documents, and for Closing your purchase. Some of the key provisions of the Escrow Agreement may be summarized as follows:

14.1. **RELEASE OF BUYER'S FUNDS.** No matter what else the contract documents say, the Escrow Agent may not release your Funds, Notes or Loan Documents to the Developer or a sales agent, or to someone else for the benefit of the Developer or a sales agent, until the last of these events occurs:

A. The Hawaii Real Estate Commission has issued an effective date for a Final Condominium Public Report. This has already happened for phases 1, 2 and 3 of the Condominium. Real Estate Commission Registration No. 4652 covers phase 1 of the Condominium and Registration No. 5129 covers phases 2 and 3 of the Condominium.

B. Your Purchase Contract "has become binding, and the requirements of sections 514A-40, 514A-39.5 and 514A-63 have been met" as that phrase is used in Section 514A-65 of the Hawaii Condominium Property Act.

C. The Escrow Agent has received a copy of a receipt for the Hawaii Disclosure Statement signed by you.

D. Your Seven-Day Cancellation Period has expired.

E. If and only if (i) your Purchase Agreement was made before the date when the Hawaii Real Estate Commission issues an effective date for a Final Condominium Public Report on the phase in which your Unit is located, and (ii) the Hawaii Real Estate Commission does not issue an effective date for a Final Condominium Public Report on that phase by the date on which the Contingent Final Public Report for that phase expires, then these conditions must be met:

- ❖ The Seller has given you written notice, by certified mail, that you have the right to rescind because the Real Estate Commission did not issue an effective date for a Final Public Report on the phase containing your Unit by the date on which the Contingent Final Public Report for that phase expired, and
- ❖ Both you and the Seller sign documents giving up (in legal terms, "waiving") your rights to rescind.

F. The Escrow Agent receives a sworn statement from the Developer stating, among other things, that the Developer has not received a valid notice of cancellation from you.

14.2. **CLOSING DATE.** The Developer must pick the day for the closing. That date is called the "Closing Date". It must occur within 90 days after the Closing Conditions are met. The Developer, however, can postpone the closing if it wishes to do so. Neither the Developer nor the Escrow Agent have to give you notice of the Closing Date.

14.3. **CLOSING CONDITIONS.** The Escrow Agent will close the sale on the Closing Date if all of the "Closing Conditions" listed in the Escrow Agreement (including the following, among others) have happened:

A. The Escrow Agent has not received notice that the Developer or you have cancelled your Purchase Contract in the manner provided in the Escrow Agreement.

B. The Escrow Agent has received all necessary closing documents and money.

C. A title insurance company authorized to do business in Hawaii is committed to issue, after your Vacation Ownership Deed is recorded, a policy of title insurance on your Vacation Ownership Interest.

1) The title policy must insure that your Vacation Ownership Interest is subject only to any Mortgage signed by you, the Permitted Encumbrances, and anything else that doesn't make your title unmarketable.

D. As to each existing Blanket Lien, (i) the Escrow Agent is prepared to record or can confirm that someone else has already recorded a release of your Vacation Ownership Interest from the Blanket Lien, or (ii) in the case of mechanics' or materialmens' lien, your title policy includes an endorsement providing coverage against such liens.

E. The requirements described in section **Error! Reference source not found.**, above, have been met.

14.4. FUNDS IN ESCROW.

A. The Escrow Agreement provides that any interest earned on Funds in escrow will belong to the Developer.

B. The Escrow Agent may release a Buyer's Funds to the Developer prior to Closing if, as then permitted by law or by the Director pursuant to law, the Developer posts a bond, letter of credit, or other financial assurance that assures repayment to the Escrow Agent of any refund due the Buyer prior to Closing.

14.5. **REFUNDS.** The Escrow Agent will refund your Funds (without interest) if and only if:

A. You or the Developer give a valid notice of cancellation during the Seven-Day Cancellation Period (this applies only if your offer and sale was made wholly or partly in Hawaii).

B. You give a valid notice of rescission under Section 514A-64.5 of the Condominium Property Act. This applies only if (i) your Purchase Agreement was made before the date when the Hawaii Real Estate Commission issued an effective date for a Final Condominium Public Report on the phase of the Condominium in which your Unit is located, and (ii) the Hawaii Real Estate Commission did not issue an effective date for a Final Condominium Public Report on that phase by the date on which the Contingent Final Public Report expired.

C. You give a valid notice of cancellation under Section 514A-63 of the Condominium Property Act.

D. The Developer gives notice to the Escrow Agent that you have used any right to cancel that you have under the Purchase Agreement (other than the rights described in paragraphs A, B, or C, above). In that case, the Escrow Agent will refund your funds.

E. You give notice to the Escrow Agent that you have exercised any right to cancel that you have under the Purchase Agreement (other than the rights described in paragraphs A, B, or C, above). In that case, the Escrow Agent will notify the Developer of your decision to cancel. If the Developer approves your cancellation in writing, then your Funds, less any escrow cancellation fee, will be refunded. Otherwise, the Escrow Agent may deposit your money in court.

F. If the Developer instructs the Escrow Agent to do so, the Escrow Agent will refund your Funds.

14.6. **CANCELLATION BECAUSE THE BUYER DEFAULTS.** If you default and the Developer cancels your Purchase Agreement then your Funds will be delivered as provided in your Purchase Agreement. If the Purchase Agreement provides that your Funds are to be paid to the Developer as liquidated damages, then before doing so the Escrow Agent must give you notice, by registered or certified mail, stating that the Developer has declared that you are in default. If the Escrow Agent receives an objection from you within thirty (30) days after sending the notice to you, then the Escrow Agent may deposit your Funds in court. Otherwise, the Escrow Agent may pay your Funds to the Developer.

14.7. **PROTECTION OF THE ESCROW AGENT.** The Escrow Agreement contains various protections for the Escrow Agent such as the following:

A. If there is any dispute or conflicting claims, the Escrow Agent may deposit your Funds with a court. The court would resolve the dispute or conflict.

B. Both the Developer and you agree to protect and pay (or, in legal terms, "indemnify") the Escrow Agent for losses it suffers for acting as instructed in the Escrow Agreement. But this indemnity does not include losses due to the Escrow Agent's negligence or misconduct.

15. ESTABLISHMENT OF A NON-PROFIT CORPORATION, ASSOCIATION MEMBERSHIP

15.1. **FORMATION OF THE ASSOCIATION.** Ocean Resort Villas Vacation Owners Association was formed on July 3, 2001. Everyone who owns a Vacation Ownership Interest is a member of the Association. This includes the Developer as to all unsold Vacation Ownership Interests.

15.2. **THE ASSOCIATION'S PURPOSES AND DUTIES, IN GENERAL.** The Association is the association of persons who own Vacation Ownership Interests in the Plan as required by the Hawaii Time Share Law. It has all of the powers and must perform all of the duties listed in the Vacation Plan Documents. For example:

- ◆ It pays the Plan Expenses and manages the financial affairs of the Plan. This includes preparing annual budgets, collecting Assessments and Personal Charges, and so on.
- ◆ It manages and maintains the Vacation Property, and provides check-in, check-out, and housekeeping services.
- ◆ It signed an Affiliation Agreement with the Club which requires that the Club Operator provide reservation services for the Plan. If that arrangement ends, then the Association would provide reservation services for the Plan.
- ◆ It enforces the Vacation Plan Documents.

The Association is not responsible for the acts and omissions of Owners and Occupants. However it does have the right to remove Occupants who fail to leave their Assigned Unit on time.

15.3. **OPERATION OF THE ASSOCIATION.** Members participate in the administration and management of the program through their membership and voting in the Association, and their election of Directors to govern it. Each Owner of a Vacation Ownership Interest is automatically a Member of the Association, and only Owners are Members.

The Association meets at least once every year and may meet more often by having special meetings. To have a meeting, Members owning at least 15% of the total number of votes in the Association (not counting the votes of the Developer) must be present. Generally, a majority of the votes cast at any meeting will control, unless a higher percentage is required by the Vacation Plan Documents. The Developer's votes are included unless the Vacation Plan Documents expressly state that the Developer is not included.

The Bylaws of the Association contain, among other things, the rules for running the Association. For example, they include rules: (1) on how to call and run meetings; (2) on how members and Directors will vote and how decisions will be made; (3) on how Directors and officers will be elected or appointed; (4) governing the actions of Directors, officers and committees; and (5) on how to handle books and records. The Bylaws also provide Directors, officers and other Association agents protections on claims made against them because they acted for the Association.

15.4. **VOTING.** The Owner of each Every-Year Vacation Ownership Interest has two votes and the Owner of each Every-Other-Year Vacation Ownership Interest has one vote. When a Vacation Ownership Interest is owned by more than one person, its co-Owners do not each receive one or two votes. Instead, the co-Owners of that Vacation Ownership Interest must share the one or two votes for that Vacation Ownership Interest. Only one vote may be cast for each Every-Other-Year Vacation Ownership Interest, and only two votes may be cast for each Every-Year Vacation Ownership Interest. The Developer may cast the vote of any Vacation Ownership Interests it owns, but in some cases the votes of the Developer are not counted. When electing Directors, Owners have two votes (one for an Every-Other-Year Vacation Ownership Interest) for each Director to be elected. The Owners may give all of their votes to one candidate or distribute them among several candidates.

All Owners are encouraged to participate actively in the Association. So long as there is any substantial number of unsold Vacation Ownership Interests, as a practical matter the Developer may have significant voting power and therefore control over the Association and the Board, especially if other Owners do not participate.

15.5. **THE BOARD OF DIRECTORS.** The Board of Directors may exercise all powers and perform all duties of the Association. However the Board may not do anything that, by law or under the Vacation Plan Documents, can only be done by the Owners.

The Board consists of five Directors although this can be changed. The Directors will be elected by vote of the members, including the Developer except that at least one Director must be elected by members other than the Developer. The initial Directors, however, were appointed by the Developer and were employees or agents of the Developer.

The Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association. The Board must hire a Plan Manager for the Plan.

On conflicts of interest, the Bylaws provide as follows: Except as otherwise provided by law, any member of the Board, any officer of the Association and any member of any Association committee (i.e. an "interested party") may be present at any Board or committee meeting, may be counted for quorum purposes, and may participate in the discussion of and voting on any matter on which the interested party, or any entity in which the interested party has any financial or other special interest, has an interest provided that (a) the interested party must first disclose his or her conflict of interest or the conflict must be known to all the other persons considering the matter; and (b) if the vote of the interested party is necessary in order for the matter to be authorized, approved or ratified, the result must be fair and reasonable to the Association. Any claim of the Association that such a matter is void or voidable or otherwise subject to change because the result was not fair or equitable to it, must be made within three (3) years from the date the matter was authorized, approved or ratified. Before pursuing any such claim, the Association must make reasonable efforts to modify the result so as to make it fair and equitable.

15.6. **DELEGATION OF RESPONSIBILITIES, DUTIES AND AUTHORITIES TO THE PLAN MANAGER.** The Association must require the Plan Manager to perform the duties and obligations of the Association except for those that cannot be delegated by law or under the Vacation Plan Documents.

The Management Contract has a term of 5 years from the date when the first Vacation Ownership Deed is recorded (which happened on July 14, 2003). The Association may terminate the contract at any time for cause if the Plan Manager violates a material part of it and fails to cure its violation within the time permitted by the Management Contract or any longer time permitted by the Board. After the first term and each later term ends, the Management Contract automatically will be renewed for additional three year terms unless the Association sends a notice canceling the Management Contract at least 90 days before the next renewal date. The Association may give that notice only if Owners holding more than 50% of the total number of votes for all Vacation Ownership Interests in the Plan (not counting the votes of the Developer) vote not to renew it at an annual or special meeting of the Association held within one year before the renewal date, and this may be difficult. The Plan Manager may resign at any time upon 90 days' notice to the Association. The Developer appointed the initial Plan Manager.

15.7. **CHANGING THE VACATION PLAN DOCUMENTS.**

A. **DECLARATION.** Generally, the Vacation Plan Declaration may be changed by the vote or written consent of

(i) the Developer (if it owns, or holds a mortgage on, a Vacation Ownership Interest), and (ii) a Majority of the Owners Voting (not counting the Developer's Vacation Ownership Interests and votes) provided that the Owners voting for the amendment must hold at least twenty-five percent of the total number of votes for all Vacation Ownership Interests (not counting the Developer's Vacation Ownership Interests and votes).

B. BYLAWS. Generally, the Bylaws may be changed by the vote or written consent of (i) the Developer (if it owns, or holds a mortgage on, a Vacation Ownership Interest), and (ii) a Majority of the Owners Voting (not counting the Developer's Vacation Ownership Interests and votes) provided that the Owners voting for the amendment must hold at least ten percent of the total number of votes for all Vacation Ownership Interests (not counting the Developer's Vacation Ownership Interests and votes).

C. ARTICLES. Changes to the articles generally require the vote of two-thirds of the Owners present at an Association meeting plus the Developer (if it owns, or holds a mortgage on, a Vacation Ownership Interest).

D. OTHER CHANGES. The Developer has special and reserved rights to change the Plan and the Vacation Plan Documents as previously discussed. The Board may change the Articles to conform to the Declaration or Bylaws. The Plan Manager may, with the Board's approval, change the Association Rules. A Majority of the Owners may vote to change the Association Rules at a meeting of the Association so long as the notice of the meeting stated that the change would be considered at the meeting. Any change to the Association Rules requires the consent of the Developer and the Club Operator. The Club Operator may change the Club Rules in the manner provided in them. The Network Operator may change the Network Rules in the manner provided in them. The Association and the Club Operator may change the Club Affiliation Agreement. The Club Operator and the Network Operator may change the Network Affiliation Agreement. No amendment to the Vacation Plan Documents may change the rights and privileges of the Developer or the Club Operator unless they sign it.

16. DEVELOPER IS ALSO ACQUISITION AGENT OR SALES AGENT OR PLAN MANAGER

The Developer is also the sales agent. Buyers should understand that the sales agents represent only the Developer and not any individual Buyer.

The Plan Manager is also the Club Operator. That company is related to the Developer and the Network Operator. The Developer is the Owner of any unsold Vacation Ownership Interests. The Developer also has certain other special rights, such as the right to reserve use periods not reserved within

sixty days before the Check-In Day. The Club Operator also has the right to reserve use periods not reserved within sixty days before the Check-In Day and certain other special rights. In short, both the Developer and the Club Operator have interests that compete with the interests of the other Owners. Because of this and because the Plan Manager is related to these companies, the Plan Manager has potential conflicts of interest.

For example, the Plan Manager must enforce the Vacation Plan Documents. This may give rise to conflicts in determining whether and how to interpret or enforce the Vacation Plan Documents when the interests of the Developer or the Club Operator may be affected, and the amount of any Assessment or Personal Charges to be charged to or collected from the Developer or the Club Operator under the Vacation Plan Documents.

The Club Operator provides reservation and exchange services to the program. A conflict of interest may arise to the extent that Club Operator has the authority to confirm reservations and exchanges for the Developer, for the Club Operator, the Network Operator, for the individual Owners, or for members of other Club Vacation Plans or at other Network Resorts. For instance, Owners may find themselves competing with the Club Operator for last minute reservations of otherwise unreserved time periods. Although the Developer and the Club Operator can reserve any unreserved Use Periods, they may not do so more than sixty days in advance.

A conflict may also arise to the extent that Club Operator or the Network Operator have the right (i) to assign points to the Vacation Property and/or to property included in other Club or Network Resorts being developed by their affiliates, or (ii) have the right to set the number of points required to use units in other Club Resorts or Network Resorts. Points assigned to other Club Resorts or Network Resorts, however, will not affect your ability to reserve a Vacation Unit in this Plan during the Home Resort Reservation Periods.

Further, the same company may serve as the Plan Manager of the Plan, the Managing Agent of the Condominium, and the Managing Agent of the Master Association. The Condominium and the Master Association may include as members persons who are not Owners of Vacation Ownership Interests in the Plan. Since they are related to the Developer, conflicting demands may be made upon the company because of its service in these differing roles.

Potential conflicts of interest may be mitigated by the right of the Association to terminate the Plan Manager's contract for cause should it put the interests of the Developer above the proper management and administration of the Plan for the benefit of all Owners. The Association also has the right to terminate the Club Affiliation Agreement for cause. Also, proper management of the Plan is in the Developer's interest so long as the Developer is still selling Vacation Ownership Interests in the Plan and receiving payments of the purchase price from the Buyers. The Club Operator and the Network

Operator have similar interests because each Vacation Ownership Interest sold by the Developer also results in a new member joining the Club and the Network.

Although not a conflict of interest, you should realize that the Club Operator and the Network Operator have the right to choose other exchange programs and/or benefits to be offered through the Club or the Network, and/or to determine the terms and conditions under which such programs or benefits may be offered, and/or to stop offering any such programs or benefits. Normal business considerations, including financial or other benefits to be derived by the Club Operator, the Network Operator, or their affiliates, may influence their decisions on these matters. In addition, the fact that the Network Operator and Interval International are both subsidiaries of ILG may influence the decisions of the Network Operator in its choice of exchange programs and the terms and conditions under which such programs or benefits may be offered.

17. COMPLIANCE WITH COUNTY REQUIREMENTS

The County of Maui has confirmed that the units are located in a zone designated for hotel use and thus may be used for timesharing.

18. SALES IN VIOLATION OF HAWAII TIME SHARE LAW

Section 514E-11.3 of Hawaii law provides that every sale or transfer made in violation of the Hawaii Time Share Law is voidable at the election of the Buyer.

19. SERVICE OF PROCESS

This refers to the official delivery of papers involved in a lawsuit. The Developer may be served by serving process on The Corporation Company, 1000 Bishop Street, 15th Floor, Honolulu, Hawaii 96813.

20. MORE DISCLOSURES

20.1. USE OF WESTIN AND VISTANA NAMES, BRANDS AND MARKS.

A. USE OF THE WESTIN NAME, BRANDS AND MARKS.

The Developer and the Plan Manager are direct or indirect subsidiaries of Vistana Signature Experiences, Inc. ("*Vistana*"). Vistana has entered into a License Agreement with Starwood Hotels & Resorts Worldwide Inc. ("*Starwood*") pursuant to which Vistana has been granted the limited right to use the

"Westin" name, trademarks and related logos ("*Westin Brand*") (including the limited right for Vistana to use Starwood's service marks and trademarks associated therewith ("*Westin Marks*")), in connection with the operation of the Condominium and the Plan, and the marketing and sales of Vacation Ownership Interests in the Plan (the "*License Agreement*").

Pursuant to such right and in accordance with and subject to the terms and conditions of the License Agreement and the Management Contracts for the Plan and the Condominium, the Condominium and the Plan will be managed and operated in accordance with the "License Standards" (defined below) as a "Westin," or under such other similar names and marks as Vistana is permitted to use to identify the Condominium and the Plan as part of the vacation ownership resort system operated, managed, or owned by Vistana and its subsidiaries (including the Plan Manager and Developer). The Managing Agent and the Plan Manager may use the Westin Brand and the Westin Marks for such purposes, and for any other purpose they determine in their sole discretion, provided, in each case, such use is in accordance with the License Agreement. The Developer also has certain limited rights to use the Westin Brand and the Westin Marks with respect to the development, sale, and marketing of Vacation Ownership Interests and the operation of certain property that is not part of the Plan. As used in this Disclosure Statement, "*License Standards*" refers generally to any standards, policies, procedures, programs, instructions, management, requirements and guidance relating to the design, construction, development, maintenance, and operation of vacation ownership resort properties which are owned or operated by Vistana, its successors, assigns, or any of its affiliates, subsidiaries or licensees and which are designated as "Westins," or similar names or marks and including those standards, policies, procedures, programs, instructions, management, requirements and guidance specified under the License Agreement.

Owners acknowledge that Starwood may terminate the License Agreement if, among other reasons, the Condominium or the Plan is not managed, operated, and maintained in a manner consistent with the License Standards, (which could occur, among other reasons because of the failure of the Association, the Master Association, the Condominium Association, or the Owners to approve budgets sufficient to cover required maintenance expenses). Additionally, Owners acknowledge that Starwood may terminate the License Agreement in the event of the Association's, the Master Association's, or the Condominium Association's bankruptcy or insolvency; the Association's, the Master Association's, or the Condominium Association's liability for a large adverse court judgment, the Association's, the Master Association's, or the Condominium Association's dissolution or liquidation, failure by Vistana to pay the mandatory licensing fee owed to Starwood or for any other reason permitted under the License Agreement. Further, and as noted above, the availability and use of the Westin Brand and Westin Marks are subject to the terms, conditions, and requirements set forth in the Management Contract for the Condominium, the Management Contract for the Plan and the

License Agreement. If the Management Contract for the Condominium, the Management Contract for the Plan, or the License Agreement is terminated, the Condominium and the Vacation Ownership Plan will no longer be associated with, nor will Owners, the Association or the Condominium Association have any right to use, the Westin Brand or Westin Marks. The costs and expenses incurred by Plan Manager, the Master Association's Managing Agent, and the Condominium Association's Managing Agent to comply with the terms, conditions, and requirements of the License Agreement and Management Contracts may be part of the Assessments.

None of the Westin Brand, the Westin Marks, or the License Agreement is part of the Condominium or the Plan or otherwise included in a Vacation Ownership Interest. None of the Association, the Condominium Association, the Master Association, or any Owner has any right, title, or interest in the Westin Brand, the Westin Marks, or the License Agreement, and all uses of the Westin Brand and the Westin Marks in association with the Condominium and the Plan inure exclusively to the benefit of Starwood or Vistana, whichever the case may be. None of the Association, the Condominium Association, the Master Association, any Owner, or any Buyer has the right to license, advertise, market or otherwise use the Westin Brand or Westin Marks, nor to license, advertise, market or otherwise use the Westin Brand or Westin Marks in association with any business, service, or property. Buyer should not acquire a Vacation Ownership Interest with any expectation that the Westin Brand or the Westin Marks will continue to be associated with the Condominium or the Plan during the Buyer's entire period of ownership. Although the Developer was an affiliate of Starwood in the past, the Developer is no longer affiliated with Starwood, and is now a completely separate company from Starwood. As a result, neither the Vacation Ownership Interests, the Network, the Plan nor the Condominium is owned, developed, maintained or sold by Starwood or any of its affiliates.

B. USE OF THE VISTANA NAME, BRANDS AND MARKS.

Vistana owns the "Vistana" name and related logos ("Vistana Brand") (including the rights to use the service marks and trademarks associated therewith ("Vistana Marks")).

Neither the Vistana Brand nor the Vistana Marks is part of the Condominium or the Plan or otherwise included in a Vacation Ownership Interest. None of the Association, the Condominium Association, the Master Association, or any Owner has any right, title, or interest in the Vistana Brand or the Vistana Marks, and all uses of the Vistana Brand and the Vistana Marks in association with the Condominium and the Plan inure exclusively to the benefit of Vistana. None of the Association, the Condominium Association, the Master Association, any Owner, or any Buyer has the right to license, advertise, market or otherwise use the Vistana Brand or Vistana Marks, nor to

license, advertise, market or otherwise use the Vistana Brand or Vistana Marks in association with any business, service, or property. If the license to use the Vistana Brand or Vistana Marks ends, then the Condominium and the Plan will no longer be associated with, nor will Owners, the Association, the Master Association or the Condominium Association have any right to use, the Vistana Brand or Vistana Marks. Buyers should not acquire a Vacation Ownership Interest with any expectation that the Vistana Brand or the Vistana Marks will continue to be associated with the Condominium or the Plan during the Buyer's entire period of ownership.

C. NETWORK STANDARDS.

In addition, and in accordance with the terms and conditions of the Network Affiliation Agreement for the Plan, the Association and Plan Manager have agreed to manage, operate, and maintain the Condominium and the Plan in a manner consistent with the standards of quality and customer service established, imposed or adopted by Network Operator and published by Network Operator for all Network Resorts from time to time ("Network Standards"), which may incorporate or adopt all or a portion of the License Standards. The Network Affiliation Agreement may be terminated by Network Operator, resulting in the deletion of the Condominium and the Vacation Ownership Plan from the Network, if, among other reasons, the Condominium or the Vacation Ownership Plan is not managed, operated, and maintained in a manner consistent with the Network Standards, (which could occur, among other reasons because of the failure of the Association, the Condominium Association, the Master Association, or Owners to approve budgets sufficient to cover required maintenance or operating expenses).

D. RELATIONSHIP OF STARWOOD, VISTANA, DEVELOPER, THE ASSOCIATIONS AND THE OWNERS.

Each Owner agrees that neither use by the Developer or the Condominium Developer of the Westin Brand nor licensing of the Westin Brand to the Condominium, the Plan, the Association, the Condominium Association, or the Master Association shall make Starwood or Vistana, or any of Starwood's or Vistana's affiliates (other than the Condominium Developer as to the Condominium, the Developer as to the Plan, the Club Operator as to the Club, and the Network Operator as to the Network): (1) a developer of, or seller of any interest in, or marketing or sales agent for, the Condominium, the Plan, the Club, or the Network, or (2) the entity offering or promoting the Condominium, the Plan, the Club, the Network, or any other product offered by the Developer, the Condominium Developer, the Club Operator, or the Network Operator. Each Owner waives (gives up) any claims, whether specific or not, that Starwood, Vistana, or any affiliate of Starwood or Vistana (other than the Condominium Developer as to the Condominium, the Developer as to the Plan, the Club Operator as to the Club, and the Network Operator as to the Network) is liable or responsible as such developer, seller, and

marketing and sales agent with respect to the Condominium, the Plan, the Club, or the Network. The terms "developer", "seller", "entity offering" and "marketing" and "sales agent" as used in this paragraph shall have expansive definitions and shall include as many activities, direct or tangential, as may be undertaken in each of these capacities. Neither the Association nor the Condominium Association nor the Master Association, nor any of the Owners are intended third-party beneficiaries of any contractual obligations between (i) Starwood and/or Vistana, and (ii) the Developer, the Condominium Developer, the Club Operator, and/or the Network Operator. Among other things, this means that the Association, the Condominium Association, the Master Association, and the Owners have no right to enforce any such contractual obligations.

20.2. USE OF KA'ANAPALI NAME.

The Plan Manager and the Managing Agent of the Condominium each have certain rights to use the names "Kaanapali Ocean Resort", "Ka'anapali Ocean Resort", "Kaanapali North Beach" and "Ka'anapali North Beach" with respect to the Condominium, the Master Association, and/or the Plan under an agreement with the owner of those names (the "*Ka'anapali Agreement*"). As a result, (i) the Plan will be designated as the "Ka'anapali Ocean Resort Villas Vacation Ownership Plan" or by other names used to identify the Vacation Property or the Vacation Ownership Plan as being located in Ka'anapali North Beach, and (ii) the availability and use of these names is subject to the terms, conditions, and requirements of the Management Agreement and the Ka'anapali Agreement. The fees, costs and expenses to comply with those agreements will be Common Expenses of the Condominium, Project Expenses of the Master Association, and/or the Plan Expenses of the Plan. If the Management Contract, the Condominium Management Agreement, or the Ka'anapali Agreement end for any reason, the Condominium, the Master Association, and/or the Plan will not be able to use these names.

20.3. VACATION OWNERSHIP INTERESTS ARE OFFERED AS REAL ESTATE; FINANCING.

Vacation Ownership Interests are offered and sold as real estate. Purchases should be made for personal use and enjoyment and for value as a vacation experience and for spending leisure time, not as an investment or for rental income purposes or for appreciation or for value at resale. No promises about rentals or resale services, or any other arrangement for economic benefit, are made or authorized.

While the Seller may provide financing for you, it will do so only for its own benefit. The Seller has not agreed to act as your agent in seeking a loan from someone else. If you are borrowing from someone other than Seller, then (i) you must get the loan yourself and the Seller has no obligation to help you do so, (ii) you must pay all costs and expenses charged by that lender, and (iii) you must make sure that your lender is ready to Close by the Closing Date.

21. THIS DISCLOSURE IS A SUMMARY ONLY. FOR MORE INFORMATION, READ ALL OF THE DOCUMENTS CAREFULLY

This document contains disclosures required by Section 514E-9, HRS and Section 16-106-3, HAR, of the Time Share Law. It also contains information that the Developer believes will be of general interest to Buyers. Buyers should understand that it is not possible or practical to include in this Disclosure Statement all points that each Buyer may consider important, or a summary of all the documents involved. It is also not possible for the Developer to predict which points may turn out to be important to the Buyers. Each Buyer is therefore cautioned to read carefully the Vacation Plan Documents, the Club Documents, the Network Documents, the Condominium Documents, the Master Association Documents, the Escrow Agreement, and his or her Purchase Agreement, Buyer Certification, Vacation Ownership Deed, and any note and mortgage to be sure that the purchase will satisfy his or her own personal requirements and expectations. Each Buyer is also cautioned that by signing a Purchase Agreement, he or she accepts and agrees to obey all of these documents.

Dated as of the accepted date or latest revision date, as applicable, stated on the cover page of this Disclosure Statement.

VSE PACIFIC, INC., a Florida corporation

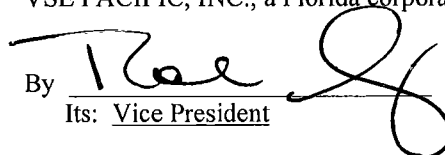
By 
Its: Vice President

EXHIBIT "A"

PERMITTED ENCUMBRANCES

Each buyer's Vacation Ownership Interest will be subject to these encumbrances:

1. The lien of real property taxes not yet due and owing.
2. Reservation of all mineral or metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 29, 1960, as contained in that certain instrument dated January 29, 1960, recorded in the Office of the Registrar of Conveyances in Book 3822, page 37.
3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.
5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded as Land Court Document No. 2734238, as amended by that certain Amendment to Declaration dated March 12, 2003, and recorded as Land Court Document No. 2920781, and by that certain Amended and Restated Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 6, 2003, and recorded as Land Court Document No. 2974209, as amended by that certain First Amendment to the Restated Declaration of Condominium Property Regime, dated August 25, 2003, and recorded as Land Court Document No. 2983215; (ii) the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2734239, as amended by that certain Amended and Restated Bylaws of the Association of Apartment Owners of Ocean Resort Villas, dated August 6, 2003, and recorded as Land Court Document No. 2974210; (iii) the Condominium Rules; (iv) Condominium Map No. 1431; and (v) Declaration of Merger of Condominium Phases of Ocean Resort Villas, dated August 28, 2001, and recorded as Land Court Document No. 2734237.
6. The "Master Association Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association dated September 5, 2001, recorded as Land Court Document No. 2737946, and by that certain First Amendment to Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association, dated August 21, 2003, recorded as Land Court Document No. 2982410, and by that certain Ocean Resort Master Association Declaration of Annexation, dated August 5, 2003, and recorded as Land Court Document No. 2974211 (ii) the Articles of Incorporation of Ocean Resort Master Association, (iii) the Bylaws of the Ocean Resort Master Association, and (iv) any rules and regulations adopted thereunder.
7. The "Vacation Plan Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Villas Vacation Ownership Plan dated September 14, 2001, recorded as Land Court Document No. 2737947, as amended by those certain Declarations of Annexation, recorded as Land Court Document Nos. 2852617 and 2974212, as amended by that certain First Amendment to Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership, dated August 21, 2003, recorded as Land Court Document No. 2982411, as amended by that certain Second Amendment to Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership dated November 10, 2003, recorded as Land Court Document No. 3102691; (ii) the Articles of Incorporation of Ocean Resort Villas Vacation Owners Association, (iii) the Bylaws of the Ocean Resort Villas Vacation Owners Association (a copy is attached to the Declaration), and (iv) any rules and regulations adopted thereunder.
8. Designation of Easement "42", for road, utility and pedestrian purposes, as shown on Maps 15 and 74, as set forth by Land Court Order No. 29190, filed November 7, 1968.
9. Easement dated March 9, 1970, filed as Document No. 498923 for a right of way over Easement "42".
10. Subdivision Agreement (Large Lots) dated August 6, 1990, filed August 20, 1990, as Document No. 1756822,

and recorded August 20, 1990, as Document No. 90-127827.

11. Private Water System Agreement dated October 2, 1991, recorded October 7, 1991, as Document No. 91-136263 as amended by Amendment to Agreement dated October 14, 1992, recorded October 20, 1992, as Document No. 92-169921 (Not noted on Transfer Certificate of Title No. 569,700).
12. Restriction of Access Rights, as shown on Maps 2 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
13. A 40 foot Building Setback, as shown on Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
14. Designation of Easement "172" (area 4,432 square feet), for sewer force purposes, as shown Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
15. Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions, (North Beach Shoreline Setback Area) dated December 29, 1998 (effective December 14, 1998), filed January 13, 1999, as Document No. 2513420, and recorded January 13, 1999, as Document No. 99-005138, as amended by instrument dated December 6, 2000, filed December 6, 2000, as Document No. 2668965, and recorded December 6, 2000, as Document No. 2000-170916.
16. Designation of Easements 246, 247, 248, 250, 251, and 252, and Restriction of Vehicular Access Rights, all as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
17. Reservations of the State of Hawaii, as set forth in Land Court Order No. 138359, filed May 8, 2000, including matters relating to the following: (a) Claims, if any, of native tenants, (b) Claims, if any, to any historic, religious and archaeological sites, (c) Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted; (d) Claims, if any, to waters having their source upon or flowing under the parcels.
18. Encroachments shown on survey map dated May 12, 2000, prepared by James R. Thompson, Licensed Professional Land Surveyor.
19. Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917. First Amendment to By-Laws of Kaanapali North Beach Master Association, Inc. dated September 17, 2003, filed December 3, 2003, as Document No. 3036052, and recorded December 3, 2003, as Document No. 2003-267151. Supplemental Declaration of Kaanapali North Beach dated August 5, 2003, filed August 5, 2003, as Document No. 2972191, and recorded August 5, 2003, as Document No. 2003-162023. Designation of Successor Declarant and Assignment of Declarant's Rights and Interest, dated December 21, 2000, filed February 20, 2001, as Document No. 2684122, and recorded February 20, 2001, as Document No. 2001-022804. Designation of Successor Declarant and Assignment of Declarant's Rights and Interest under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach, dated January 28, 2003, filed January 28, 2003, as Document No. 2885398, and recorded January 28, 2003, as Document No. 2003-015949. Designation of Successor Declarant and Assignment of Declarant's Rights and Interests under Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated August 26, 2003, filed August 27, 2003, as Document No. 2983238, and recorded August 27, 2003 as Document No. 2003-180662.
20. Grant of Easement and Agreement (Roadway and Utility Purposes) dated December 6, 2000, filed December 6, 2000, as Document No. 2668969.
21. Easement dated December 6, 2000, filed December 6, 2000, as Document No. 2668970 for roadway, bikeway, pedestrian and utility purposes.
22. Grant of Easements and Covenants to Share Costs (Roadway Lot 34 -Lots 98 and 101) dated December 6, 2000, filed December 6, 2000, as Document No. 2668971.
23. Notice of Time Share Plan dated December 4, 2000, filed December 6, 2000, as Document No. 2669185 and recorded December 6, 2000, as Document No. 2000-171389.
24. Unilateral Declaration of Restrictions; Joinder Agreement (North Beach Unit Count and Drainage) dated February 15, 2001, filed February 16, 2001 as Document No. 2683897, and recorded February 16, 2001 as Document No. 2001-022448.
25. Declaration of Restrictions (Unit Count) dated February 15, 2001, filed March 8, 2001 as Document No. 2688326, and recorded March 8, 2001 as Document No. 2001-032604.
26. Designation of Easement "261", as shown on Map 87, as set forth by Land Court Order No. 142094, filed May 25, 2001.

27. Grant of Easements and Agreement Regarding Allocation of Retention Capacity (north Beach – Mauka Retention Basin): dated October 20, 2004, filed October 20, 2004, and recorded October 20, 2004 as Document No. 2004-214492.
28. Designation of Easements 269, 270 and 271 for electrical purposes as shown on Map 91, as set forth in Land Court Order No. 159828.
29. Easement for utility purposes recorded as Document No. 3230468.
30. Designation of Easements 275 and 276 for electrical purposes as shown on Map 93, as set forth in Land Court Order No. 179954.
31. Order of Subdivision for cancellation of Easements 261 and 262 as shown on Map 87 and designation of Easement 277 affecting Lot 98 as shown on Map 86, as set forth in Land Court Order No. 184081.
32. Covenants, conditions, easements, reversions, and restrictions contained in the Vacation Ownership Deed used to transfer the Vacation Ownership Interest to the Buyer.

EXHIBIT "B"

LIST OF VACATION UNITS

**KAHAKAI BUILDING
(Building A)**

UNIT TYPE	UNIT NUMBERS	RELATIVE VALUATION PER UNIT	COMMON INTEREST PER UNIT
One Bedroom Ocean View	First Floor: 2124, 2125 Second Floor: 2201, 2203, 2224, 2225 Third Floor: 2301, 2303, 2324, 2325 Fourth Floor: 2401, 2403, 2424, 2425 Fifth Floor: 2501, 2503, 2524, 2525 Sixth Floor: 2601, 2603, 2624, 2625	43, 873.44	0.002853946
Two Bedroom Ocean View	First Floor: 2108/10, 2109/11, 2112/14, 2113/15, 2116/18, 2117/19, 2120/22, 2121/23 Second Floor: 2200/02, 2204/06, 2205/07, 2208/10, 2209/11, 2212/14, 2213/15, 2216/18, 2217/19, 2220/22, 2221/23 Third Floor: 2300/02, 2304/06, 2305/07, 2308/10, 2309/11, 2312/14, 2313/15, 2316/18, 2317/19, 2320/22, 2321/23 Fourth Floor: 2400/02, 2404/06, 2405/07, 2408/10, 2409/11, 2412/14, 2413/15, 2416/18, 2417/19, 2420/22, 2421/23 Fifth Floor: 2500/02, 2504/06, 2505/07, 2508/10, 2509/11, 2512/14, 2513/15, 2516/18, 2517/19, 2520/22, 2521/23 Sixth Floor: 2600/02, 2604/06, 2605/07, 2608/10, 2609/11, 2612/14, 2613/15, 2616/18, 2617/19, 2620/22, 2621/23	52,000.00	0.003382575
Two Bedroom Ocean Front	First Floor: 2130/31 Second Floor: 2230/31 Third Floor: 2330/31 Fourth Floor: 2430/31 Fifth Floor: 2530/31 Sixth Floor: 2630/31	52,000.00	0.003382575
Two Bedroom Deluxe Ocean Front	First Floor: 2126/28, 2127/29 Second Floor: 2226/28, 2227/29 Third Floor: 2326/28, 2327/29 Fourth Floor: 2426/28, 2427/29 Fifth Floor: 2526/28, 2527/29 Sixth Floor: 2626/28, 2627/29	71,653.10	0.004661000

**MAKANI KAI BUILDING
(Building B)**

UNIT TYPE	UNIT NUMBERS	RELATIVE VALUATION PER UNIT	COMMON INTEREST PER UNIT
One Bedroom Ocean View	First Floor: 3102, 3124, 3125 Second Floor: 3200, 3202, 3224, 3225 Third Floor: 3300, 3302, 3324, 3325 Fourth Floor: 3400, 3402, 3424, 3425 Fifth Floor: 3500, 3502, 3524, 3525 Sixth Floor: 3600, 3602, 3624, 3625	43,873.44	0.002853946
Two Bedroom Ocean View	First Floor: 3101/03, 3104/06, 3105/07, 3108/10, 3109/11, 3112/14, 3113/15, 3116/18, 3117/19, 3120/22, 3121/23 Second Floor: 3201/03, 3204/06, 3205/07, 3208/10, 3209/11, 3212/14, 3213/15, 3216/18, 3217/19, 3220/22, 3221/23 Third Floor: 3301/03, 3304/06, 3305/07, 3308/10, 3309/11, 3312/14, 3313/15, 3316/18, 3317/19, 3320/22, 3321/23 Fourth Floor: 3401/03, 3404/06, 3405/07, 3408/10, 3409/11, 3412/14, 3413/15, 3416/18, 3417/19, 3420/22, 3421/23 Fifth Floor: 3501/03, 3504/06, 3505/07, 3508/10, 3509/11, 3512/14, 3513/15, 3516/18, 3517/19, 3520/22, 3521/23 Sixth Floor: 3601/03, 3604/06, 3605/07, 3608/10, 3609/11, 3612/14, 3613/15, 3616/18, 3617/19, 3620/22, 3621/23	52,000.00	0.003382575
Two Bedroom Ocean Front	First Floor: 3130/31 Second Floor: 3230/31 Third Floor: 3330/31 Fourth Floor: 3430/31 Fifth Floor: 3530/31 Sixth Floor: 3630/31	52,000.00	0.003382575
Two Bedroom Deluxe Ocean Front	First Floor: 3126/28, 3127/29 Second Floor: 3226/28, 3227/29 Third Floor: 3326/28, 3327/29 Fourth Floor: 3426/28, 3427/29 Fifth Floor: 3526/28, 3527/29 Sixth Floor: 3626/28, 3627/29	71,653.10	0.004661000

**AHELANI BUILDING
(Building C)**

UNIT TYPE	UNIT NUMBERS	RELATIVE VALUATION PER UNIT	COMMON INTEREST PER UNIT
One Bedroom Ocean View	First Floor: N/A Second Floor: 4211, 4213 Third Floor: 4311, 4313 Fourth Floor: 4411, 4413 Fifth Floor: 4511, 4513 Sixth Floor: 4611, 4613	43,873.44	0.002853946
Two Bedroom Ocean View	First Floor: 4107/09 Second Floor: 4207/09 Third Floor: 4307/09 Fourth Floor: 4407/09 Fifth Floor: 4507/09 Sixth Floor: 4607/09	52,000.00	0.003382575
Two Bedroom Island View	First Floor: 4100/01, 4106/08, 4114/16, 4115/17, 4122/23 Second Floor: 4200/01, 4206/08, 4214/16, 4215/17, 4222/23 Third Floor: 4300/01, 4306/08, 4314/16, 4315/17, 4322/23 Fourth Floor: 4400/01, 4406/08, 4414/16, 4415/17, 4422/23 Fifth Floor: 4500/01, 4506/08, 4514/16, 4515/17, 4522/23 Sixth Floor: 4600/01, 4606/08, 4614/16, 4615/17, 4622/23	52,000.00	0.003382575
Two Bedroom Deluxe Island View	First Floor: 4102/04, 4118/20, 4119/21 Second Floor: 4202/04, 4218/20, 4219/21 Third Floor: 4302/04, 4318/20, 4319/21 Fourth Floor: 4402/04, 4418/20, 4419/21 Fifth Floor: 4502/04, 4518/20, 4519/21 Sixth Floor: 4602/04, 4618/20, 4619/21	71,653.10	0.004661000
Two Bedroom Deluxe Ocean View	First Floor: 4103/05 Second Floor: 4203/05 Third Floor: 4303/05 Fourth Floor: 4403/05 Fifth Floor: 4503/05 Sixth Floor: 4603/05	71,653.10	0.004661000

EXHIBIT "C"

SPECIAL RIGHTS OF THE DEVELOPER, THE CLUB OPERATOR, AND THE NETWORK OPERATOR

The Developer owns all unsold Vacation Ownership Interests and generally has the same rights as other Owners with respect to those Vacation Ownership Interests. In addition, the Developer has the following "Reserved Rights" that other Owners do not have.

DEVELOPER:

1. The Developer may: (i) use one or more Vacation Units as model apartments; (ii) use one or more of the Vacation Units for customer relations, sales, marketing, and/or administrative offices, and (iii) show the Vacation Units to potential buyers; provided in each case that no First Deed or Agreement of Sale has been recorded for any such Vacation Unit.
2. The Developer may use its Vacation Periods for any purpose, no matter what else the Vacation Plan Documents provide. This includes, among other things, use for rental, sales and other commercial purposes permitted by law. If the Developer rents these Use Periods, it has the right to keep the rent.
3. So long as the Developer owns any Vacation Ownership Interest or apartment, it may use: (i) the common elements of the Condominium for any purpose permitted by law and by the Condominium Documents, free from the restrictions imposed by the Vacation Plan Documents, and (ii) the Master Association Amenities for any purpose permitted by law and by the Master Association Documents, free from the restrictions imposed by the Vacation Plan Documents.
4. The Developer may change the name of the Vacation Ownership Plan at any time.
5. In certain Use Years, there will be 53 Use Weeks instead of 52. The Developer has the right to reserve and use the Vacation Units for one Use Week in each Use Year that contains a 53rd Use Week. The Developer must pay to the Association an amount equal to (i) the actual expense to the Association in maintaining and providing services (such as housekeeping) to the Vacation Unit and its Occupants during the Use Periods reserved and used by the Developer, and (ii) a reasonable amount, to be set by the Board, for reserve expenses allocable to such use.
6. The Developer has the right to reserve any Use Periods that, for any reason, are not reserved as of sixty (60) days before the Check-In Day. The Developer must pay to the Association an amount equal to (i) the actual expense to the Association in maintaining and providing services (such as housekeeping) to the Vacation Unit and its Occupants during the Use Periods reserved and used by the Developer, and (ii) a reasonable amount, to be set by the Board, for reserve expenses allocable to such use.
7. The Developer gets to choose the initial Plan Manager and it is a company related to the Developer.
8. The Developer may add apartments to the Plan. It may also remove any apartments if it owns all of the Vacation Ownership Interests in them.
9. The Developer may create new Unit Types and new kinds of Vacation Ownership Interests having new kinds of reservation and use rights. It may also create new kinds of Event Weeks. The Developer may do these things only with respect to apartments being added to the Plan or apartments where the Developer owns all of the Vacation Ownership Interests.
10. The Developer may divide an Every-Year Vacation Ownership Interest into two Every-Other Year Vacation Ownership Interests. Nobody else can do that.
11. Certain parts of the Vacation Plan Documents cannot be changed without the Developer's written consent.
12. Without the Developer's written consent, an Owner may not lease, rent, or otherwise contribute his or her Vacation Ownership Interest or its reservation or use rights to (i) another vacation ownership or time share plan or program, (ii) a fractional ownership plan, or (iii) a Competitor of the Developer.
13. Each Owner promises not to enter into a "Rental Pool" or similar arrangement where the Owner's Vacation Period is placed together in a pool with other Owners' Vacation Periods and rented, or where rental income and/or expenses are shared in some other way. Only the Developer can enforce this restriction.
14. The Developer has a right of first refusal on each Vacation Ownership Interest as discussed in Section 7.
15. The Developer chooses the first Board of Directors for the Association.
16. The Board may not incur or commit the Association to incur legal fees and costs of more than \$10,000 in a dispute with the Developer or any company related to the Developer, or in a dispute with the Club Operator or any company related to the Club Operator, unless:
 - a. The Board obtains from at least two law firms and provides to the Owners: (1) A list of all of the Association's claims, (2) An estimate of the likelihood of prevailing on each claim, and (3) An estimate of the total amount of legal fees, court costs and expenses that the Association is likely to incur through the trial or completion of any arbitration or other proceeding (assuming that the Association will

prevail on only those claims where the law firms give the Association more than a 60% chance of prevailing), and (4) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board expects to charge to the Owners to pay for legal fees, court costs, and expenses while the lawsuit or other legal proceeding is going on..

- b. A Majority of the Owners vote at a special meeting of the Association to authorize the Board to start and prosecute the lawsuit or any other arbitration or other legal proceeding. This may be difficult to do. The Vacation Ownership Interests and votes of the Developer, however, will not be counted.

This rule does not apply to suits against the Developer or any company related to it if the suit is filed solely to collect Assessments or Personal Charges, or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Association (for example, the Management Agreement or the Club Affiliation Agreement).

- 17. The Association must furnish a copy of the list of Owners to the Developer upon request. It may not furnish the list to anyone else without first notifying the Developer and giving the Developer an opportunity to object to release of the list.
- 18. The Developer may transfer property to the Association and the Association must accept it.
- 19. The Developer has the right to determine the Relative Valuation for each type of Vacation Unit. This is used to divide the Plan Expenses among the different Unit Types. The Relative Valuation per square foot for a new Unit Type cannot be more than twenty percent (20%) higher or lower than the Relative Valuation per square foot for other Unit Types having the same number of bedrooms if the Unit Types have similar features (for example, size [± 150 square feet], location, number of bathrooms, and views).
- 20. Certain Association actions require both the approval of the Owners and the approval of the Developer. For example, an increase of more than 20% in the Regular Assessment requires this. Likewise, an amendment of the Declaration requires this.
- 21. The Developer must pay the Assessments and Personal Charges for each Vacation Ownership Interest it owns. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Association in which the Developer agrees to pay to the Association the difference between the actual cost incurred by the Association and the Assessments charged to other Owners.

22. The Developer is not liable for any decision it makes on insurance for the Association unless it was grossly negligent or was guilty of intentional misconduct.

23. Without the consent or approval of any person, including any Owner and anyone having a contract to buy a Vacation Ownership Interest, the Developer may change the Declaration at any time:

- ❖ For any purpose before any First Deed or Agreement of sale is recorded.
- ❖ To comply with the laws and regulations of the State of Hawaii.
- ❖ To comply with the real estate laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with (i) the registration of the Plan to permit the sale of Vacation Ownership Interests there, or (ii) so long as the Plan is part of the Club, to permit the registration of the Club, or (iii) so long as any Owner is a Network Member, to permit the registration of the Network.
- ❖ In any Declaration of Annexation adding new Unit Types or creating new kinds of Vacation Ownership Interests.
- ❖ In any amendment creating new Event Weeks.

However, unless it is signed by the Owner and the Owner's Lender (if any), no amendment may:

- ❖ Take away the right of any Owner to reserve a Use Week and to use a Vacation Unit during his Vacation Period;
- ❖ Take away the right of an Owner having a Fixed, Event or Ultra Premium Vacation Period to use a Vacation Unit during the Owner's Use Week.
- ❖ Take away the right of an Owner having the right to use a certain Vacation Unit during his or her Vacation Period.
- ❖ Change an Owner's undivided interest in a Vacation Unit.
- ❖ Change the right of the Owner to cast one vote for an Every-Other-Year Vacation Ownership Interest or two votes for an Every-Year Vacation Ownership Interest.

24. No amendment may change the rights and privileges of the Developer unless the Developer signs it.

25. If the Developer signs and records a document that expressly transfers some or all of its rights or duties as the Developer under the Vacation Plan Documents to

someone else, then that person will become the "Developer" to the extent of the rights and duties transferred.

CLUB OPERATOR AND NETWORK OPERATOR:

1. The Club Operator has the right to permit members of Other Club Vacation Plans to use the Vacation Units in the Plan if they properly reserve it through the Club. The Network Affiliation Agreement may authorize the Network Operator to permit Network Members to use the Vacation Units in the Plan if they properly reserve it through the Network.
2. The Club Operator has the right to change the Reservation Rules in the manner and under the circumstances provided in them. The Club Operator has delegated this

right to the Network Operator. The Network Operator has the right to change the Network Rules.

3. At any time when the Plan is part of the Club, no amendment may change the rights and privileges of the Plan Operator or the Club Operator unless the Club Operator signs it.
4. If the Club Operator signs and records a document that expressly transfers some or all of its rights or duties to someone else, then that person will become the Club Operator to the extent of the rights and duties transferred.
5. The Association must furnish a copy of the list of Owners to the Club Operator upon request.

EXHIBIT "D"

CONDOMINIUM DEVELOPER'S RESERVED RIGHTS

The Developer has reserved various rights under the Condominium Documents. Some of the Developer's Reserved Rights are or may be necessary or helpful to developing the Project in phases. Even so, the exercise of the Developer's Reserved Rights is not limited to the development of the Project in phases except to the extent that the Declaration expressly states otherwise. The Developer's Reserved Rights under the Condominium Documents include, among others, the right:

- ❖ To delete from the Condominium any land designated in the Condominium Declaration for possible removal (see section 21);
- ❖ To add back into the Condominium any "Adjacent Parcel", meaning a parcel previously deleted or any part or all of Lot 101 as shown on Map 86 of Land Court Application No. 1744 (section 22);
- ❖ To design, develop, construct and add new buildings and improvements on the land of the Condominium or on any Adjacent Parcel (sections 19 and 23) and to merge any condominium on an Adjacent Parcel with the Condominium;
- ❖ To create new apartments in any new buildings and improvements constructed on the land or on any Adjacent Parcel added into the Condominium (section 18) and to create parking stalls or other limited common elements and assign them to those apartments;
- ❖ To expand Apartment 101 to include any new improvements constructed on the Project or on any Adjacent Parcel annexed into the Project (section 18).
- ❖ To create new apartments and/or common elements from the limited common elements of any commercial apartment (section 24);
- ❖ To convert any part of any apartment owned by the Developer into limited common elements for that apartment (section 25);
- ❖ To convert all or any part of any apartment owned by the Developer or its limited common elements into general common elements (section 25).
- ❖ To divide any commercial apartment into two or more apartments, and to combine two or more commercial apartments into one apartment (section 17);
- ❖ To change or remove any wall, floor or ceiling between two adjacent commercial apartments or between a commercial apartment and its limited common elements;
- ❖ To change the ownership share (in legal terms, the "common interest in the common elements") of each apartment when apartments are created, divided, or combined;
- ❖ To change the Condominium as needed or helpful to comply with law or with certain governmental permits, approvals or zoning requirements (sections 25 and 26);
- ❖ To create, grant, accept or otherwise deal (i) with any easements over, under, across or through the common elements, or (ii) easements in favor of the Condominium or its land (section 7.4);
- ❖ To enter the Condominium and to permit its employees, agents, contractors, and so on, to do so; and
- ❖ To make noise, dust, vibrations and do other annoying things when using these or other reserved rights of the developer.

This is only a summary of certain Developer's Reserved Rights. The nature and extent of these rights is described in and governed by the Condominium Documents.

The Developer may exercise the Developer's Reserved Rights separately or in one or more combinations and at one or more times. The Developer has no duty to exercise the Developer's Reserved Rights. For example, the Developer has no duty to develop any new phases of the Project. Conversely, the use of these rights on one occasion does not limit or otherwise affect the Developer's right to use them again from time to time.

The Developer may use the Developer's Reserved Rights in most cases without being required to obtain the approval, consent, or joinder of anyone else, and without having to give notice to anyone else. This includes, but is not limited to, the Association, any apartment owner, any lender, or any other Interested Person.

When an apartment owner or any other Interested Person acquires an apartment or any other interest in the Project, he or she automatically does each of these things:

He or she takes his or her interest in the Project subject to the Developer's Reserved Rights, and each and every exercise and/or assignment of them.

He or she acknowledges, approves, consents to, agrees to and accepts:

- The Developer's Reserved Rights and its use of them from time to time;
- That this may change the Project;

- That this may result in the recalculation of the common interest of some or all apartments in some cases; and
- That the Developer can file and/or record any and all documents that the Developer deems necessary or convenient to the use of its rights. This includes, but it is not limited to, amendments to some or all of the Condominium Documents.

He or she agrees, promptly after being asked to do so, to join in, consent to, sign (and have notarized if asked), deliver, and record all documents and do all other things that the Developer in its sole discretion determines to be necessary or convenient to the use of the Developer's Reserved Rights or to accomplish the purposes for which those rights were reserved (as determined by the Developer).

He or she appoints the Developer as his or her attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on his, her or its behalf. This means that the Developer can act in the place of the Owner or other Interested Person. The Developer can do anything that they could do, and they ratify, accept and confirm anything that the Developer does using this power of attorney.

- ❖ This power of attorney appointment is permanent. It cannot be revoked and will not be affected by the disability of the Owner or any other Interested Person who gives it.
- ❖ The Developer can let someone else act in its place as a substitute attorney-in-fact.
- ❖ Each Owner and every other Interested Person gives the Developer this power of attorney whether or not it expressly says so in any deed, mortgage, or other document by which he or she obtained an interest in the Project.
- ❖ The Developer has the power to do only the things stated or intended by the Condominium Documents (as determined by the Developer). This includes, however, the power to do anything else that the Developer deems necessary or convenient to accomplish the stated or intended goal and anything incidental to it. Ambiguities must be resolved in favor of giving, not denying, the Developer the power to act.

Each Owner also appoints the Association as his or her attorney-in-fact with full right and power to receive and accept on his or her behalf any legal notice required by Chapter 501, Hawaii Revised Statutes, and to accept service of process (meaning legal papers) on his or her behalf in connection with any Land Court petition or other legal proceeding in the Land Court. This power of attorney appointment is permanent and it includes full power of substitution.

Amendments in Connection with Exercise of Developer's Reserved Rights. The Developer has the right to amend some or all of the Condominium Documents in connection with the exercise of some of the Developer's Reserved Rights. For example, the Developer may amend some or all Condominium Documents when using its reserved rights to build additional phases of the Condominium, to create new apartments in those phases, to designate limited common elements for those apartments, to remove land from the Project, and so on.

General Rights. The Developer also has reserved the right to change the Condominium Documents:

- ❖ In any way and for any purpose before the date when the Developer first records a deed transferring an apartment or a Vacation Ownership Interest to someone other than the Developer or its Lenders.
- ❖ To file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 of the Condominium Property Act. The Developer may do this each time a phase or increment of the Project, or any New Improvement is completed. It may also do this at any other time required by law or permitted by the Declaration.
- ❖ To comply with the real estate laws of any place (for example, the State of Hawaii) or the requirements of any government agency (such as the Hawaii Real Estate Commission or the California Department of Real Estate) in connection with the registration of the Project, or any Vacation Ownership Program (or any Adjacent Project), to permit the sale of apartments or Vacation Ownership Interests (or any apartments, time share interests, or fractional ownership interests in an Adjacent Project);
- ❖ To correct any misstatements of fact in the Condominium Documents.

EXHIBIT "E"

INSTALLMENT PURCHASE TERMS

[NOTE: All amounts are in U.S. Dollars]

1. **PURCHASE PRICE:** You must pay the initial Purchase Price stated in your Purchase Agreement. You may pay it at once in cash or over time on credit from the Developer.
2. **INSTALLMENT PURCHASE TERMS:** If you buy on credit from the Developer then you must sign a note and mortgage on your Vacation Ownership Interest, and you must make monthly loan payments both before and after Closing. Notwithstanding anything stated to the contrary, you will not pay an interest rate in excess of 12% prior to Closing. Until the Closing, you must pay interest at the lesser of 12% per annum or the rate of one percent per month on the difference between the Purchase Price and the Initial Deposit as those figures are shown on your Sales Contract. See your Closing Disclosure for the annual percentage rate and other important disclosures, including late charges. There are no points, prepayment penalties or balloon payments.

If the Developer finances your purchase, the Developer will designate an agent to collect your loan payments and it may be an affiliate of the Developer or the Developer itself. You must pay all costs of the collection agent to whom your payments are made. The collection agent will impose its standard charges due to any failure of a Buyer to pay, to pay on time, or dishonored checks and so on.

3. **TITLE INSURANCE:** A policy of title insurance will be issued to protect the Buyer. If the Developer provides a mortgage loan to the Buyer, a separate policy must be issued to the mortgage lender. You are free to choose any title insurance company authorized to do business in Hawaii.

Hawaii Vacation Title Services, Inc. ("Vacation Title") has agreed to issue title insurance policies to buyers of Vacation Ownership Interests for a flat fee of \$100. The charge will be the same whether Vacation Title issues only an owner's policy or an owner's and a lender's policy, and regardless of how many Vacation Ownership Interests are covered by the policy or policies. If you choose to buy title insurance from someone else, you must pay any charges in excess of One Hundred Dollars (\$100.00). To choose a title company other than Vacation Title, you must give a written notice to the Escrow Agent stating the name of the title insurance company you have chosen. If you do not choose a title company, then Vacation Title will issue the policy or policies.

4. **CLOSING COSTS; ADMINISTRATIVE FEE:** "Closing Costs" means all costs and expenses of Closing a sale. It includes, for example: (i) the Escrow Agent's fee, (ii) conveyance taxes, (iii) notary fees, (iv) recording costs, (v) charges for credit reports on the Buyer obtained by the Developer, (vi) costs of preparing your Vacation Ownership Deed and any loan or financing documents, (vii) costs of title insurance, (viii) all loan fees and costs, (ix) postage and handling fees and (x) any administrative and processing fees charged by the Developer. Your Settlement Statement lists the Closing Costs. Closing costs are charged per transaction, not per Vacation Ownership Interest. One transaction may include more than one Vacation Ownership Interest.

You must pay the "Administrative Fee" listed in your Purchase Agreement. The Administrative Fee is applied to payment of the Closing Costs. If Buyer is a corporation, an additional corporate name search fee (currently \$25.00) also will be charged to the Buyer. The Developer will pay all other Closing Costs except as expressly provided otherwise in paragraph 3 above or in your Sales Contract, and except for costs related to a loan made by someone other than the Developer. The Administrative Fee is not a finance charge and must be paid whether Buyer pays in cash or finances the purchase. Any portion of the Administrative Fee not needed to pay Closing Costs will be retained by the Developer for its expenses in selling the property.

EXHIBIT "F"

ASSESSMENTS

NOTE: This page summarizes the amounts that an Owner who is buying one week for the first time in the Westin Ka'anapali Ocean Resort Villas must pay based on the budgets that appear on the next three pages. For other owner situations, please refer to the footnotes to such budgets.

One Bedroom Every-Other-Year	Condominium Association:	\$ 191.46
	Master Association:	\$ 133.53
	Vacation Ownership Association:	\$ 796.43
	TOTAL:	\$ 1,121.42
One Bedroom Every-Year	Condominium Association:	\$ 382.92
	Master Association:	\$ 267.06
	Vacation Ownership Association:	\$ 1,407.03
	TOTAL:	\$ 2,057.01
Two Bedroom Every-Other-Year	Condominium Association:	\$ 226.92
	Master Association:	\$ 158.27
	Vacation Ownership Association:	\$ 913.24
	TOTAL:	\$ 1,298.43
Two Bedroom Every-Year	Condominium Association:	\$ 453.85
	Master Association:	\$ 316.53
	Vacation Ownership Association:	\$ 1,640.65
	TOTAL:	\$ 2,411.03
Two Bedroom Deluxe Every-Other-Year	Condominium Association:	\$ 312.69
	Master Association:	\$ 218.07
	Vacation Ownership Association:	\$ 1,195.72
	TOTAL:	\$ 1,726.48
Two Bedroom Deluxe Every-Year	Condominium Association:	\$ 625.37
	Master Association:	\$ 436.16
	Vacation Ownership Association:	\$ 2,205.60
	TOTAL:	\$ 3,267.13

NOTES:

- a. All amounts are stated in U.S. dollars.
- b. The Vacation Ownership Association assessment for Every-Other-Year Vacation Ownership Interests includes a \$20 bookkeeping fee.
- c. The Vacation Ownership Association assessment includes Club Dues in the amount of \$145.83.

Exhibit "G"

OCEAN RESORT VILLAS VACATION OWNERS ASSOCIATION
 APPROVED BUDGET OF OPERATING EXPENSES
 JANUARY 1, 2016 through DECEMBER 31, 2016

	All Units Annual	All Units Monthly	Unit Week - Annual		
			One-Bedroom Unit (1)	Two Bedroom Lockoff Unit (1)	Two Bedroom Deluxe Lockoff Unit (1)
<i>Based on 280 residential units</i>					
REVENUES					
Maintenance Fee Revenue	\$ 18,885,160	\$ 1,557,097	\$ 1,057.23	\$ 1,253.06	\$ 1,728.84
Interest Revenue	3,342	278	0.19	0.22	0.31
Club Rental Revenue	269,235	21,803	14.87	17.38	23.98
Biennial Service Fee Revenue	127,276	10,606	7.20	8.64	11.78
Rollaway Bed	8,848	737	0.50	0.59	0.82
Total Operating Revenue	\$ 19,083,861	\$ 1,590,322	\$ 1,080	\$ 1,280	\$ 1,763
EXPENSES					
Housekeeping & Rooms	\$ 6,978,115	\$ 581,510	\$ 394.83	\$ 487.97	\$ 644.83
Administrative & General	1,272,384	106,033	71.99	85.33	117.68
Financial Services	599,101	49,925	33.90	40.18	55.39
Technology Services	0	0	0.00	0.00	0.00
Annual Audit	7,800	650	0.44	0.52	0.72
Reserve for Uncollectible Accounts (2)	162,910	12,743	8.65	10.25	14.13
Repairs & Maintenance	2,376,129	198,011	134.44	169.35	219.67
Insurance	156,847	13,054	8.86	10.51	14.48
Income Taxes	69,647	5,798	3.94	4.88	6.43
Management Fee	1,804,084	133,874	80.78	107.57	148.23
Owner Services	801,428	50,119	34.03	40.33	55.58
Ad Valorem Taxes	4,645,207	387,101	282.83	311.62	429.25
General Excise Tax	951,108	79,259	53.81	63.78	87.89
Prior-Year (Surplus)/Deficit Reduction	(330,808)	(27,650)	(18.71)	(22.17)	(30.65)
Total Operating Expenses	\$ 19,083,862	\$ 1,590,322	\$ 1,079.79	\$ 1,279.80	\$ 1,763.49

APPROVED BUDGET OF RESERVE REPLACEMENT
 JANUARY 1, 2016 through DECEMBER 31, 2016

	All Units Annual	All Units Monthly	Unit Week - Annual		
			One-Bedroom Unit	Two Bedroom Lockoff Unit	Two Bedroom Deluxe Lockoff Unit
REVENUES					
Reserve Fee Revenue	\$ 3,804,970	\$ 300,414	\$ 203.97	\$ 241.76	\$ 333.13
EXPENSES					
Replacement Reserves					
Roof Replacement	N/A	N/A	N/A	N/A	N/A
Pavement Resurfacing	N/A	N/A	N/A	N/A	N/A
Building Painting	\$ 29,926	\$ 2,494	\$ 1.69	\$ 2.01	\$ 2.77
Unit Furnishings, Equipment and Other Capital Expenditures	3,575,044	297,920	202.28	239.76	330.38
Total Reserve Expenses	\$ 3,804,970	\$ 300,414	\$ 203.97	\$ 241.76	\$ 333.13
Total Maintenance & Reserve Fee	\$ 22,290,130	\$ 1,857,511	\$ 1,281.20	\$ 1,494.82	\$ 2,089.77
Club Dues (3)	2,102,903	175,242	145.83	145.83	145.83
Total Maintenance, Reserve Fee & Club Dues	\$ 24,393,033	\$ 2,032,753	\$ 1,407.03	\$ 1,640.65	\$ 2,205.80

REPLACEMENT RESERVE ANALYSIS
 DECEMBER 31, 2016

Description	Estimated Life	Estimated Replacement Cost	Remaining Life (4)	Estimated Balance 12/31/16
Replacement of Unit Furnishings and Equipment, and Other Capital Expenditures	3 to 24 years	\$ 49,541,381	0 to 11 years	\$ 15,383,487
Totals		\$ 49,541,381		\$ 15,492,093

(1) Biennial Unit Week fees are one-half of those shown plus a \$20 bookkeeping fee.
 (2) Reserve for uncollectible accounts includes an allowance for unpaid Club Dues.
 (3) Club Dues include the SVN Membership Fee. The fee for single-week Owners is \$145.83 (\$140 SVN Fee + Hawaii tax). For multi-week Owners it is \$192.71 (\$185 SVN Fee + Hawaii tax). In addition, International (non-U.S.) Owners are charged \$25 for the International Owner fee.
 (4) Estimated remaining useful life as of December 31, 2016. Items with Remaining Life of zero years are planned for replacement in the budget year. A certain number of Vacation Ownership Interests have been deeded by the Developer to the Association to use for maintenance purposes. The Assessments for each Vacation Ownership Interest deeded to the Association will be included in the budget as a Plan Expense. This means that the other Vacation Ownership Interests must all pay a share of the Assessments for any Vacation Ownership Interest deeded to the Association.

Exhibit "H"

ASSOCIATION OF APARTMENT OWNERS OF OCEAN RESORT VILLAS, INC.
 APPROVED BUDGET OF OPERATING EXPENSES
 JANUARY 1, 2016 through DECEMBER 31, 2016

	All Units Annual	All Units Monthly	Unit Week - Annual			Commercial Units
			One-Bedroom Unit	Two Bedroom Lockoff Unit	Two Bedroom Deluxe Lockoff Unit	
<i>Based on 280 residential units and 3 commercial units</i>						
Maintenance Fee Revenue	\$ 5,799,914	\$ 483,328	\$ 321.41	\$ 380.95	\$ 524.92	\$ 119,415.47
Interest Revenue	2,511	209	0.14	0.18	0.23	51.70
Total Operating Revenue	\$ 5,802,425	\$ 483,535	\$ 321.55	\$ 381.11	\$ 525.15	\$ 119,467.17
EXPENSES						
Housekeeping & Rooms	\$ 574,489	\$ 47,872	\$ 31.84	\$ 37.73	\$ 51.99	\$ 11,827.84
Administrative & General	128,771	10,564	7.03	8.33	11.47	2,810.11
Licenses & Permits	25	2	0.00	0.00	0.00	0.52
Annual Audit	7,800	650	0.43	0.51	0.71	180.00
Security	752,519	62,710	41.70	49.43	68.11	15,493.74
Reserve for Uncollectible Accounts	62,879	5,240	3.48	4.13	5.89	1,284.84
Repairs & Maintenance	489,235	40,770	27.11	32.13	44.28	10,072.95
Utilities (Electricity, Gas, Water, Sewer & Telephone)	2,458,835	204,811	136.27	161.51	222.55	50,827.46
Cable Television	94,473	7,873	5.24	6.21	8.55	1,945.13
Internet	73,481	6,123	4.07	4.83	6.65	1,512.91
Insurance	435,729	36,311	24.15	28.62	39.44	8,971.30
Management Fee	828,187	69,347	34.81	41.28	56.85	12,933.43
Prior-Year (Surplus)/Deficit Reduction	0	0	0.00	0.00	0.00	0.00
North Beach Master Association	97,942	8,162	5.43	6.43	8.89	2,016.55
Total Operating Expenses	\$ 5,802,425	\$ 483,535	\$ 321.55	\$ 381.11	\$ 525.15	\$ 119,467.17

APPROVED BUDGET OF RESERVE REPLACEMENT
 JANUARY 1, 2016 through DECEMBER 31, 2016

	All Units Annual	All Units Monthly	Unit Week - Annual			Commercial Units
			One-Bedroom Unit	Two Bedroom Lockoff Unit	Two Bedroom Deluxe Lockoff Unit	
REVENUES						
Reserve Fee Revenue	\$ 1,109,918	\$ 92,493	\$ 61.51	\$ 72.90	\$ 100.45	\$ 22,852.30
EXPENSES						
Replacement Reserves						
Roof Replacement	\$ 227,887	\$ 18,974	\$ 12.82	\$ 14.95	\$ 20.81	\$ 4,887.89
Pavement Resurfacing	35,898	2,981	1.99	2.38	3.25	739.08
Building Painting	170,277	14,190	9.44	11.18	15.41	3,505.97
Unit Furnishings, Equipment and Other Capital Expenditures	549,820	45,802	30.46	36.10	49.74	11,316.23
Elevator	125,780	10,482	6.97	8.26	11.38	2,589.70
Amenities	658	55	0.04	0.04	0.05	13.54
Total Reserve Expenses	\$ 1,109,918	\$ 92,493	\$ 61.51	\$ 72.90	\$ 100.45	\$ 22,852.30

Total Maintenance & Reserve Fee	\$ 6,908,332	\$ 576,019	\$ 382.92	\$ 453.85	\$ 625.37	\$ 142,287.77
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REPLACEMENT RESERVE ANALYSIS
 DECEMBER 31, 2015

Description	Estimated Life	Estimated Replacement Cost	Remaining Life (1)	Estimated Balance 12/31/15
Replacement of Unit Furnishings and Equipment, and Other Capital Expenditures	3 to 25 years	\$ 6,910,742	0 to 15 years	\$ 2,473,466.18
Elevator	12 to 24 years	1,385,200	4 to 12 years	586,048
Amenities	6 to 12 years	8,000	0 to 5 years	2,980
Roof Replacement	3 to 35 years	2,795,600	0 to 24 years	1,024,684
Building Painting	6 to 12 years	2,085,993	0 to 11 years	786,302
Totals		\$ 13,185,425		\$ 4,984,984

(1) Estimated remaining useful life as of December 31, 2015. Items with Remaining Life of zero years are planned for replacement in the budget year.

A certain number of Vacation Ownership Interests have been deeded by the Developer to the Association to use for maintenance purposes. The Assessments for each Vacation Ownership Interest deeded to the Association will be included in the budget as a Plan Expense. This means that the other Vacation Ownership Interests must all pay a share of the Assessments for any Vacation Ownership Interest deeded to the Association.

Exhibit "I"

OCEAN RESORT MASTER ASSOCIATION
APPROVED BUDGET OF OPERATING EXPENSES
JANUARY 1, 2016 through DECEMBER 31, 2016

	All Units Annual	All Units Monthly	KOR Unit Week - Annual			KOR North Unit Week - Annual
			One-Bedroom Unit	Two-Bedroom Lockoff Unit	Two-Bedroom Deluxe Lockoff Unit	
Based on 260 residential units and 3 commercial units						
REVENUES						
Maintenance Fee Revenue	\$ 6,404,715	\$ 538,726	\$ 190.37	\$ 225.63	\$ 310.91	\$ 233.32
Interest Revenue	160,065	13,339	4.71	5.59	7.70	5.76
Late Fee Revenue	150,085	12,506	4.42	5.24	7.22	5.42
Miscellaneous Revenue	11,500	958	0.34	0.40	0.55	0.42
Parking Revenue	636,539	53,045	18.74	22.22	30.61	22.97
Developer Contribution	0	0	0.00	0.00	0.00	0.00
Total Operating Revenue	\$ 7,422,883	\$ 618,573	\$ 218.59	\$ 259.07	\$ 358.99	\$ 267.60
EXPENSES						
Housekeeping & Rooms	\$ 1,012,810	\$ 84,400.84	\$ 29.82	\$ 35.35	\$ 48.71	\$ 36.55
Administrative & General	\$ 1,593,089	\$ 132,757	\$ 46.81	\$ 55.60	\$ 78.62	\$ 57.50
Financial Services	0	0	0.00	0.00	0.00	0.00
Annual Audit	7,800	650	0.23	0.27	0.36	0.28
Activities	61,666	5,139	1.82	2.15	2.97	2.23
Reserve for Uncollectible Accounts	74,988	6,249	2.21	2.62	3.61	2.71
Repairs & Maintenance	1,516,762	126,396	44.66	52.84	72.95	54.74
Utilities (Electricity, Gas, Water & Sewer)	1,184,336	98,628	35.17	41.68	57.44	43.11
Insurance	276,025	22,919	8.10	9.80	13.23	9.83
Income Taxes	211,657	17,639	6.23	7.39	10.18	7.64
Management Fee	824,492	68,705	24.28	28.78	39.65	29.76
Interest Expense	0	0	0.00	0.00	0.00	0.00
Excise Tax	12,895	1,072	0.38	0.45	0.62	0.46
Working Capital	0	0	0.00	0.00	0.00	0.00
Ad Valorem Tax	2,198	183	0.08	0.08	0.11	0.08
Prior-Year (Surplus)/Deficit Reduction	635,235	52,938	18.71	22.17	30.55	22.83
Total Operating Expenses	\$ 7,422,883	\$ 618,574	\$ 218.59	\$ 259.07	\$ 358.99	\$ 267.91

APPROVED BUDGET OF RESERVE REPLACEMENT
JANUARY 1, 2016 through DECEMBER 31, 2016

	All Units Annual	All Units Monthly	KOR Unit Week - Annual			KOR North Unit Week - Annual
			One-Bedroom Unit	Two-Bedroom Lockoff Unit	Two-Bedroom Deluxe Lockoff Unit	
REVENUES						
Reserve Fee Revenue	\$ 2,804,384	\$ 217,030	\$ 78.69	\$ 90.90	\$ 125.25	\$ 94.00
EXPENSES						
Replacement Reserves						
Roof Replacement	N/A	N/A	N/A	N/A	N/A	N/A
Pavement Resurfacing	\$ 1,059,596	\$ 88,300	\$ 31.20	\$ 36.98	\$ 50.98	\$ 38.24
Building Painting	0	0	0.00	0.00	0.00	0.00
Unit Furnishings, Equipment and Other Capital Expenditures	777,127	64,761	22.88	27.12	37.37	28.05
Amenities	797,640	63,970	22.61	26.79	36.92	27.71
Total Reserve Expenses	\$ 2,804,384	\$ 217,030	\$ 78.69	\$ 90.90	\$ 125.25	\$ 94.00
Total Maintenance & Reserve Fee	\$ 9,069,079	\$ 735,604	\$ 287.08	\$ 316.53	\$ 436.18	\$ 327.32

REPLACEMENT RESERVE ANALYSIS
DECEMBER 31, 2016

Description	Estimated Life	Estimated Replacement Cost	Remaining Life (1)	Estimated Balance 12/31/16
Replacement of Unit Furnishings and Equipment, and Other Capital Expenditures	3 to 20 years	\$ 4,289,167	0 to 22 years	\$ 46,187
Amenities	3 to 20 years	4,849,743	0 to 12 years	44,586
Roof Replacement	N/A	-	N/A	-
Pavement Resurfacing	10 to 20 years	4,942,824	2 to 12 years	61,543
Totals		\$ 14,081,728		\$ 151,266

(1) Estimated remaining useful life as of December 31, 2016. Items with Remaining Life of zero years are planned for replacement in the budget year. A certain number of vacation ownership interests have been deeded by the Developer to the Association to use for maintenance purposes. The Assessments for each Vacation Ownership Interest deeded to the Association will be included in the budget as a Plan Expense. This means that the other Vacation Ownership Interests must all pay a share of the Assessments for any Vacation Ownership Interest deeded to the Association.

Ocean Resort Villas Vacation Owners Association

ARTICLES OF INCORPORATION

Section 415B-34, Hawaii Revised Statutes

The person who signed this document desires to form a nonprofit corporation under the laws of the State of Hawaii and certifies the following:

ARTICLE 1 DEFINITIONS

In this document, the following terms have the following meanings:

Section 1.1 The term "*Hawaii Nonprofit Corporation Act*" means Chapter 415B, Hawaii Revised Statutes, as it may be amended from time to time, or any successor or replacement law.

Section 1.2 The term "*Act*" means Chapter 514E, Hawaii Revised Statutes, as it may be amended from time to time, or any successor or replacement law.

Section 1.3 The term "*Association*" means the corporation.

Section 1.4 The term "*Declaration*" means that certain "Ocean Resort Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions" recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and any changes made to it from time to time.

Section 1.5 Certain other terms used in these Articles are defined in the Declaration or in the Bylaws of the Association. Those terms will have the same meaning here as in the Declaration or Bylaws unless the context requires otherwise.

ARTICLE 2 NAME

The name of the corporation is *Ocean Resort Villas Vacation Owners Association*.

ARTICLE 3 INITIAL ADDRESS

The address of the corporation's initial office is 10 Hooehui Street, Suite 307, Lahaina, Hawaii 96761.

ARTICLE 4 DURATION

The corporation will exist forever unless it is dissolved according to the Hawaii Nonprofit Corporation Act.

ARTICLE 5 PURPOSES AND POWERS

Section 5.1 Purposes. The corporation is organized for the following purposes:

A. To be the association of Owners required by the Declaration and the Act for the Ocean Resort Villas Vacation Ownership Plan, and to have the rights and duties of that Association as provided in the Vacation Plan Documents or by law;

B. To provide an entity to further the interests of the Members, the Developer, the Club Operator, and the Network Operator; and

C. To transact any or all lawful activities for which nonprofit corporations may be incorporated under the Hawaii Nonprofit Corporation Act or for which an owners association may be established under the Act.

Section 5.2 Powers and Duties. The corporation has and may exercise any or all of these powers and has each of these duties and obligations:

A. The powers, duties and obligations granted to or imposed on the Association in the Declaration or the Bylaws;

B. The powers, duties and obligations of a nonprofit corporation under the Hawaii Nonprofit Corporation Act.

C. The powers, duties and obligations of an association of time share owners under the Act and the Rules.

D. Any other powers, duties and obligations necessary or helpful to carry out the functions of the Association under the Declaration, the Bylaws, or the Affiliation Agreement, or that otherwise promote the general benefit of the Members.

Section 5.3 Specific Powers. Without limiting the powers and duties of the Association as stated in Section 5.2, the Association has the following specific powers:

A. To manage, control, and operate the plan as provided in the Vacation Plan Documents;

B. To manage, control, operate, maintain, repair, replace, and improve the Vacation Units, the Common Furnishings, and any other property for which the corporation has a right or duty to provide such services;

C. To pay the expenses and costs described in the Vacation Plan Documents, and to charge and collect the Assessments, Personal Charges, Club Fees, Network Fees, and other amounts described in the Vacation Plan Documents;

D. To enforce the Vacation Plan Documents;

E. To join and participate in the Club on the terms and conditions stated in the Club Affiliation Agreement with the Club Operator or in any replacement Club Affiliation Agreement allowed by the Declaration and Bylaws; and

F. To participate in the Network on the terms and conditions stated in the Club Affiliation Agreement and (i) the Network Affiliation Agreement between the Club and the Network Operator, or (ii) in any replacement Network Affiliation Agreement allowed by the Declaration and Bylaws; and

G. To join and participate in any other Exchange Program (to the extent permitted by the Vacation Plan Documents), trade organizations, or other travel related activities or programs that may benefit the Members; and

H. To engage in activities that will foster, promote, or advance the common interests of the Members or encourage and promote vacation ownership in the State of Hawaii.

I. To make contracts and guarantees and incur liabilities, borrow money, issue notes and other obligations, and to secure any of its obligations by mortgage or pledge of all or any part of its property, assets, or income;

J. To act as principal, agent, joint venturer, partner, or in any capacity that may be authorized or approved by the Board; and

K. To exercise all other rights and powers and to perform all other duties of the Association under the Vacation Plan Documents.

Section 5.4 Purposes and Powers. The provisions of sections 5.1, 5.2, and 5.3 will each be construed as purposes and powers.

Section 5.5 Limits on Association Powers. The purposes, powers and duties of the Association are subject to any limits set by law or by the Declaration, the Bylaws, or the Affiliation Agreement. The Developer, the Club Operator, and the Network Operator are each expressly declared to be intended third-party beneficiaries of this limitation. This means that this limitation is intended to protect them and that they may enforce it.

**ARTICLE 6
BOARD OF DIRECTORS**

Section 6.1 Authority of Board. Subject to any limits imposed by law:

A. The business and affairs of the Association are controlled by its Board of Directors. Except as limited by law or by the Declaration or Bylaws, the Board may exercise all powers and must perform all duties of the Association. The Board may not, however, take any action that, by law or under the Declaration or Bylaws, must be taken, authorized or approved by the Members of the Association, or by some part or percentage of them.

B. The Bylaws govern the method of electing, removing and filling vacancies in the Board, and the term of office of Directors and officers.

C. Subject to any limitations in the Hawaii Nonprofit Corporation Act, the Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Plan Manager or the Plan Operator. This authority is subject to any limits contained in the Declaration or in the Bylaws.

Section 6.2 Number of Directors. The Board will have not less than three (3) Directors nor more than nine (9). The number of Directors may be changed by an amendment to these Articles or to the Bylaws.

Section 6.3 Initial Directors and Officers. The initial Board will consist of five (5) Directors. The following are the names and residence addresses of the initial officers and Directors:

<u>Name</u>	<u>Office</u>	<u>Residence Street Address</u>
Joel Pope	President/Director	124 South Sewalls Point, Stuart, Florida 34996
Helen H. W. Lanford	Vice President/Director	1140 Eha Street, #30-206, Wailuku, Hawaii 96793
Teri Castleberry	Secretary/Director	386 Misty Meadow Drive, Ocoee, Florida 34761
Thorp S. Thomas	Treasurer/Director	3828 Lake Serene Drive, Orlando, Florida 32836
Paulette Temple	Assistant VP/Director	728 Crescent Valley Ranch Road, Davenport, Florida 33837

These persons will hold office until replacement officers and Directors are elected or appointed in the manner provided in the Bylaws.

Assistant Secretaries and/or Assistant Treasurers. The Board will determine the title, term of office, authority and duties of these officers.

**ARTICLE 7
OFFICERS**

Section 7.1 Required Officers. The corporation must have a President, a Vice-President, a Secretary, and a Treasurer.

Section 7.2 Other Officers. The Association may have other officers as may be deemed necessary or useful, including one or more Assistant Vice Presidents,

Section 7.3 Appointment of Officers. The Board will appoint the officers required by Section 7.1. The Board may appoint any officers permitted by Section 7.2 at a later date, or it may authorize the President or another other officer to do so.

Section 7.4 Qualifications of Officers. Unless the Bylaws provide otherwise, any person may hold more than one office, except that neither the Secretary nor the Treasurer may also be the President at the same time. The President must be a Director. The Vice President,

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Secretary, and Treasurer may be Directors but they do not have to be Directors.

ARTICLE 8 MEMBERS AND VOTING

Section 8.1 Members. The corporation has members. Memberships will be issued only in the manner and on the conditions described in the Declaration and Bylaws. The corporation may have different kinds or classes of Members as described in these Articles or in the Declaration or Bylaws.

Section 8.2 Voting. The Members are entitled to vote as provided in these Articles and the other Vacation Plan Documents.

A. The Owner of each Every-Other-Year Vacation Ownership Interest has one vote. The Owner of each Every-Year Vacation Ownership Interest has two votes. When a Vacation Ownership Interest is owned by more than one person, its co-Owners do not each receive one or two votes. Instead, the co-Owners of that Vacation Ownership Interest must share the one or two votes for that Vacation Ownership Interest. Only one vote may be cast for each Every-Other-Year Vacation Ownership Interest, and only two votes may be cast for each Every-Year Vacation Ownership Interest.

B. Voting will not be done by class except where the Vacation Plan Documents expressly provide otherwise. For example:

1) Section 10.1 of these Articles, and certain provisions of the other Vacation Plan Documents, require (i) the vote of the Members other than the Developer, plus (ii) the vote or written consent of the Developer. In those cases, voting will be done by class and the Developer will be considered to be a separate class.

2) Section 10.3 of these Articles, and certain provisions of the other Vacation Plan Documents, permit the amendment of these Articles or other Vacation Plan Documents by vote or written consent of the Developer alone. In such cases, the Developer will be considered to be the sole member of a separate class of voting Members and only the Developer can vote on such issues.

3) In cases where the Vacation Plan Documents provide for action by a "Majority of the Owners" or by a "Majority of the Members" or similar provisions, the votes of all Members, including the Developer if it is then a Member, will be counted without regard to the existence of separate classes. For example, if the Developer has 1,000 votes and the other Members have 1,000 votes, then 1,001 votes would constitute a majority.

4) In cases where the Vacation Plan Documents provide for action solely by vote of a "Majority of the Owners (not counting the votes of the Developer)" or by a "Majority of the Owners Voting (not counting the votes of the Developer)" or similar provisions, the Developer will be considered to be the sole member of a separate class of voting Members, and it will not be able to vote on such issues. This does not limit the Developer's right to vote in circumstances like those described in section 8.2B.1).

C. If any Member or the Member's guest violates the Vacation Plan Documents, the Association may, among other things, suspend the Member's rights under the Vacation Plan Documents, including the Member's rights to vote or participate in any matter before the Association. The nature of this right and the procedures for suspension are stated in the Declaration and Bylaws.

D. In all other respects, voting rights are governed by and may be limited, enlarged or denied as provided in the Vacation Plan Documents.

ARTICLE 9 NONPROFIT NATURE

The corporation is nonprofit in nature. It cannot authorize or issue shares of stock. No dividends may be paid and no part of the income or profit of the corporation may be distributed to its Members, Directors, or officers. Subject to any limits contained in the Declaration or Bylaws: (a) the Association may pay reasonable compensation to its Members, officers or Directors for services actually provided to or for the benefit of the Association, and (b) the Association may reimburse any expenses incurred for the Association by any officer, Director, Member, agent or employee, or any other person or corporation authorized by the Board. Upon dissolution or final liquidation, the Association may make distributions to its Members in

accordance with the requirements of the Bylaws and the Hawaii Nonprofit Corporation Act, and no such distribution will be deemed to be a dividend or a distribution of income or profit (as now provided by the Hawaii Nonprofit Corporation Act).

**ARTICLE 10
AMENDMENTS**

Section 10.1 Amendment by Vote of Members. Except as provided in sections 10.2 and 10.3, these Articles may be amended by a resolution adopted by the vote of (i) a majority of a quorum of the Board, (ii) two-thirds of the Members present at a properly called meeting of the Association; and (iii) so long as the Developer owns a Vacation Ownership Interest or holds a Mortgage on a Vacation Ownership Interest, or is deemed to be a Member, the Developer. The term "Two-Thirds of the Members" means Members holding two-thirds of the votes held by Members present at the meeting, in person or by proxy.

Section 10.2 Amendment Without Vote of Members. These Articles may be amended by the vote of a majority of the Directors in office as necessary to conform the Articles to any change to the Declaration or Bylaws made by the Developer when using its reserved rights to amend the Declaration or Bylaws. No Members are entitled to vote on any amendment proposed for this purpose.

Section 10.3 Amendment By Developer. These Articles may be amended by the vote or written consent

of the Developer when using its reserved rights to amend the Vacation Plan Documents as described in the Declaration or Bylaws. No other Members are entitled to vote on any amendment to be made in this manner, and no notice is required for any meeting called for the purpose of making an amendment in this manner.

Section 10.4 Amendment of Developer's, Club Operator's or Network Operator's Rights. No amendment may change the rights and privileges of the Developer under these Articles or the other Vacation Plan Documents unless the Developer approves the amendment in writing. So long as the Plan is part of the Club no amendment may change the rights and privileges of the Club Operator under these Articles or the other Vacation Plan Documents unless the Club Operator approves the amendment in writing. Likewise, so long as the Plan is part of the Club and the Club is part of the Network, no amendment may change the rights and privileges of the Network Operator under these Articles or the other Vacation Plan Documents unless the Network Operator approves the amendment in writing.

**ARTICLE XI
REGISTERED AGENT**

The initial registered agent in Hawaii is Helen M. Lanford. Her street address is 10 Hoohui Street, Suite 307, Lahaina, Maui, Hawaii 96761.

I CERTIFY under the penalties of Section 415B-158, Hawaii Revised Statutes, that I have read the statements contained in this document and that the statements are true and correct.

DATED this 5th day of March, 2001.

HELEN H. W. LANFORD
(Type/Print Name of Incorporator)

Helen H. W. Lanford
(Signature of Incorporator)

07/09/200120146

AC...
TO...
2734947
SEP 18 2001 12:30

RETURN BY MAIL () PICK-UP () TO:
Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawaii 96813
Phone No. (808) 529-7300

This document contains 91 pages.
Tax Map Key: 2nd Div., 4-4-14-3

Ocean Resort Villas Vacation Ownership Plan

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR VACATION OWNERSHIP

(A Vacation Ownership Plan in the
OCEAN RESORT VILLAS,
a Fee Simple Condominium)

THIS DECLARATION is made on the 14th day of September, 20 01, by SVO PACIFIC, INC. (the "Developer").

The Developer owns the Apartments described in Exhibit "A" which is attached to and part of this Declaration. They are located in the Ocean Resort Villas condominium. This Declaration establishes a plan for sharing the ownership and use of the Apartments described in Exhibit "A" and any other Apartments submitted to this Declaration in the future. This plan is called the "Vacation Ownership Plan" or just the "Plan." The name of the Plan is *Ocean Resort Villas Vacation Ownership Plan*.

To help you read this Declaration, we included a table of contents. Key terms are defined in Chapter 1 and in the glossary of legal terms in Section 18.3. Other terms are defined elsewhere in this Declaration. To help you find them, we also included an index of all defined terms.

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1. DEFINITIONS.

This Chapter 1 defines certain words or phrases having special meanings in this Declaration or in the Bylaws. Other Chapters include definitions of key words or phrases that are introduced or explained in those Chapters. Section 19.5 contains a glossary of key legal terms. Finally, some terms are defined elsewhere in this document in order to put them in context. These terms will have these special meanings except where the context clearly requires otherwise.

These definitions are not listed alphabetically. Instead, they are presented in groups of related concepts. Each group starts with an introduction of the topic area. This should help make it easier to read and understand this Chapter. For future reference, key words and phrases are listed alphabetically in the index.

1.1 THE VACATION PLAN. The Ocean Resort Villas Vacation Ownership Plan is a plan for sharing the use of certain Condominium Apartments. The Plan also provides for sharing the expenses of owning and operating the Apartments and the Plan. The nature of the Plan and the rights and duties of the Developer and anyone else who participates in the Plan are described in various legal documents. These definitions are used to describe the Plan and the documents that govern it:

A. "VACATION OWNERSHIP PLAN" or "PLAN" means the Plan created by and existing under this Declaration and the other Vacation Plan Documents.

B. "VACATION PLAN DOCUMENTS" means the following documents and any changes and additions properly made to any of them from time to time:

1) **"DECLARATION"** means this document.

2) **"ARTICLES"** means the Articles of Incorporation of the Ocean Resort Villas Vacation Owners Association filed with the Department of Commerce and Consumer Affairs of the State of Hawaii. The Articles established and govern the Association as a corporation.

3) **"BYLAWS"** means the Bylaws of the Association. The Bylaws are attached as Exhibit "C" to this Declaration.

4) **"ASSOCIATION RULES"** means the Rules adopted by the Developer and any changes made to them from time to time by the Plan Manager (with the Board's approval) acting under Section 12.3H of this Declaration.

C. "DEVELOPER" means SVO Pacific, Inc., a Florida corporation. The Developer created the Plan.

D. "DEVELOPER'S RESERVED RIGHTS" means all rights reserved to the Developer in this Declaration or in the

Bylaws. For example, see the Developer's rights described in Sections 3.4B, 3.5A, 4.1, 4.9, 17.1, 17.2, 17.4A, and 18.1B. This is not intended to be a list of all of the Developer's Reserved Rights.

1.2 THE ASSOCIATION. The Association serves as the association of persons who own Vacation Ownership Interests in the Plan. These definitions are used to describe the Association and its members:

A. "ASSOCIATION" means the Ocean Resort Villas Vacation Owners Association. It is a Hawaii non-profit corporation. Do not confuse it with the "Condominium Association", the "Master Association", or the "Ka'anapali North Beach Association." Those associations are described later in this Declaration.

1) **"BOARD"** means the Board of Directors of the Association.

2) **"PLAN MANAGER"** means the agent hired by the Developer to manage the Vacation Ownership Plan. It also means any replacement agent hired by the Board to manage the Plan. See Section 12.4 for details.

B. "OWNER" OR "VACATION OWNER" means the owner of a Vacation Ownership Interest. The following persons are "Owners":

1) The Owner named in the First Deed of a Vacation Ownership Interest and any person to whom that Vacation Ownership Interest is later transferred, while he or she owns it.

2) The buyer under an Agreement of Sale. While an Agreement of Sale is in effect, only the buyer (and not the seller) will be considered the Owner. Even so, the seller may keep the right to vote on "matters substantially affecting his security interest" as that phrase is used in the Condominium Property Act. If the Agreement of Sale is canceled, the seller will become the Owner again. "Agreement of Sale" is defined in the glossary (Section 19.5).

3) Someone who leases a Vacation Ownership Interest. This applies only to the extent and for the purposes stated in a recorded lease of a Vacation Ownership Interest as required by the Condominium Property Act.

4) The Developer with respect to any Vacation Ownership Interest not transferred by a First Deed or an Agreement of Sale or a recorded lease.

1.3 VACATION OWNERSHIP INTERESTS. This Declaration divides the Apartments included in the Plan into "Vacation Ownership Interests." The Developer intends to sell these Vacation Ownership Interests to the public. The Owners of the Vacation Ownership Interests will have the right to use the

Apartments included in the Plan on the terms and conditions stated in the Vacation Plan Documents. Different kinds of Vacation Ownership Interests have different use rights. These terms are used to describe the Vacation Ownership Interests:

A. "VACATION OWNERSHIP INTEREST" means an Every-Year Vacation Ownership Interest or an Every-Other-Year Vacation Ownership Interest. See Section 4.2 for details.

B. "EVERY-YEAR VACATION OWNERSHIP INTEREST" or "ANNUAL VACATION OWNERSHIP INTEREST" means a Vacation Ownership Interest that gives its Owner the right to reserve the use of a Vacation Unit every Use Year.

C. "EVERY-OTHER-YEAR VACATION OWNERSHIP INTEREST" or "BIENNIAL VACATION OWNERSHIP INTEREST" means an Even-Year Vacation Ownership Interest or an Odd-Year Vacation Ownership Interest. See Section 4.3 for details.

1) "EVEN-YEAR VACATION OWNERSHIP INTEREST" means a Vacation Ownership Interest that gives its Owner the right to reserve the use of a Vacation Unit in Use Years that end in an even number (for example, 2002, 2004, and so on).

2) "ODD-YEAR VACATION OWNERSHIP INTEREST" means a Vacation Ownership Interest that gives its Owner the right to reserve the use of a Vacation Unit in Use Years that end in an odd number (for example, 2001, 2003, and so on).

1.4 VACATION PROPERTY. The Association operates and maintains the Apartments included in the Plan and any other property owned or leased by the Association. These terms are used to describe that property:

A. "VACATION UNIT" means an Apartment included in the Vacation Ownership Plan. Each Apartment described in Exhibit "A" is a "Vacation Unit." Each Apartment added to the Plan by the Developer acting under Section 17.2 is also a "Vacation Unit."

B. "COMMON FURNISHINGS" means all things owned or leased by the Association for use by the Owners or for operating or maintaining the Vacation Property or the Plan. It includes, for example, furniture, appliances, and furnishings (like linens and kitchenware) in the Vacation Units, as well as equipment (like computers, tools and ladders) and motor vehicles owned or leased by the Association for the benefit of the Plan. The Association may also buy or lease things like bicycles, surfboards, videotapes, and other recreational property for use by or to rent to Owners and other Occupants. These are also Common Furnishings.

C. "VACATION PROPERTY" means the Vacation Units and the Common Furnishings

1.5 THE CONDOMINIUM. The Vacation Units are Condominium Apartments in the Ocean Resort Villas condominium. The Condominium is governed by the Condominium Documents. These documents created the Condominium and divided it into Apartments and Common Elements. They also describe the rights and duties of the Condominium Developer and the Apartment Owners. These definitions are used to describe the Condominium and the documents that govern it:

A. "CONDOMINIUM" means the Ocean Resort Villas condominium project. The Condominium consists of Apartments and Common Elements.

1) "APARTMENT" means any "Apartment" (as defined by the Condominium Property Act) in the Condominium.

2) "COMMON ELEMENTS" means all parts of the Condominium except the Apartments. Some Common Elements, called "*Limited Common Elements*", may be used only by the Owners of certain Apartments.

B. "CONDOMINIUM DOCUMENTS" means the following documents and any changes and additions properly made to any of them from time to time:

1) "CONDOMINIUM DECLARATION" means the "Declaration of Condominium Property Regime of Ocean Resort Villas" described in Exhibit "A". It established and governs the Condominium.

2) "CONDOMINIUM BYLAWS" means the "Bylaws of the Association of Apartment Owners of Ocean Resort Villas" described in Exhibit "A".

3) "CONDOMINIUM RULES" means any rules and regulations adopted by the Condominium Association from time to time.

4) "CONDOMINIUM MAP" means the recorded drawings designated in the Condominium Declaration as the Condominium Map. The Condominium Map shows, among other things, the floor plans and elevations of the buildings in the Condominium.

5) "DECLARATION OF MERGER" means the "Declaration of Merger of Condominium Phases of Ocean Resort Villas" described in Exhibit "A". It provides for an administrative merger of the Condominium with one or more other condominium projects on adjacent parcels of land. This means that the condominium projects would be managed and used as if they were one.

If there is a merger under the Declaration of Merger, then:

(a) The term "Condominium" will mean the merged condominiums projects.

(b) The terms "Condominium Declaration", "Condominium Bylaws", and "Condominium Map" will refer to the Condominium Declaration, Bylaws, and Condominium Map for each of the merged projects.

The Declaration of Merger explains which documents govern in case of inconsistencies.

C. "CONDOMINIUM ASSOCIATION" means the Association of Apartment Owners of Ocean Resort Villas. It is an Association of all of the Owners of Apartments in the Condominium. The Condominium Association manages the Condominium. It is separate from the Association, the Master Association, and the Ka'anapali North Beach Association.

If there is a merger under the Declaration of Merger, then the term "Condominium Association" will mean the Association of Apartment Owners for the merged projects.

D. "CONDOMINIUM DEVELOPER" means the "Developer" under the Condominium Declaration. If the Condominium Developer transfers some or all of its rights or duties as the "Developer" under the Condominium Documents to someone else, then that person will become the "Condominium Developer" to the extent of the rights or duties transferred.

1.6 MASTER ASSOCIATION. The Developer is developing the Ocean Resort Villas condominium. The Developer may also develop other condominium projects, hotels, vacation ownership or time share projects, and/or fractional ownership projects on land next to the Ocean Resort Villas condominium or elsewhere in Ka'anapali North Beach.

The Ocean Resort Villas condominium includes various amenities. For example, it has waterfalls, a water slide, a slide mountain, swimming pool, koi pond, spas, pool decks, pool bathrooms, beach and pool showers, and tennis courts.

The Developer wants to be sure that the owners and occupants of the resort apartments in the Ocean Resort Villas condominium may use these amenities and perhaps certain other amenities. It also wants to provide a way to make these amenities available to owners and occupants of other projects located in Ka'anapali North Beach.

To accomplish this, the Developer created the Master Association. The Developer intends to transfer a certain Apartment to the Master Association. Certain amenities of the Ocean Resort Villas condominium are "limited common elements" of that Apartment. This means that the Master Association, as the owner of that Apartment, will have the right to use those amenities. The Master Association will, in

turn, make these amenities available to the members of the Master Association and their Guests.

All owners of resort Apartments in the Ocean Resort Villas condominium will be members of the Master Association. In addition, the Developer may arrange membership for some or all of the owners and occupants of other projects located in Ka'anapali North Beach.

The Developer would prefer that the landscaping and grounds of the Ocean Resort Villas condominium and other projects in Ka'anapali North Beach provide a complementary vacation ambience consistent with a first class destination resort. The Developer also wants to be sure that they can be updated and enhanced over the years to keep up with modern trends for first class destination resorts. To accomplish this, the Developer has designated most or all of the grounds and landscaping of the Ocean Resort Villas condominium as limited common elements of the Apartment previously mentioned. The Developer intends for the Master Association to manage and maintain the grounds and landscaping for the Ocean Resort Villas condominium and possibly for other projects.

Finally, the Developer intends to reserve the right to use some of the property owned or controlled by the Master Association for the Developer's own purposes. For example, the Developer wants to be able to do these things:

- ❖ It wants to be able to show the amenities and the grounds to persons who might buy apartments, time share interests or fractional ownership interests.
- ❖ It wants to be able to offer activities to these prospective purchasers.
- ❖ It wants to be able to establish booths or concessions for the sale of tourist activities or other incentives intended to encourage prospective purchasers to attend a sales presentation.
- ❖ It wants to be able to conduct receptions for purchasers and prospective purchasers for the purpose of promoting the sales of apartments, time share interests or fractional ownership interests.

These definitions are used to describe the Master Association.

A. "MASTER ASSOCIATION" means the Ocean Resort Master Association. It is a non-profit Hawaii corporation.

B. "MASTER ASSOCIATION DOCUMENTS" means the following documents and any changes and additions properly made to any of them from time to time:

1) "MASTER DECLARATION" means the "Declaration Of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association". It dedicates certain property for use by the Master Association.

2) "MASTER ARTICLES" means the Articles of Incorporation of Ocean Resort Master Association filed with the Department of Commerce and Consumer Affairs of the State of Hawaii. They established and govern the Master Association as a corporation.

3) "MASTER BYLAWS" means the bylaws adopted by the Master Association.

4) "MASTER RULES AND REGULATIONS" means any rules and regulations adopted by the Master Association.

C. "MASTER ASSOCIATION AMENITIES" means any amenities made available by the Master Association for use by the Owners and Occupants of the Vacation Units.

1.7 THE STARWOOD PACIFIC VACATION CLUB. The Developer has arranged for the Plan to become part of the Starwood Pacific Vacation Club. The Starwood Pacific Vacation Club is designed to link certain timeshare resorts together. This gives the Owners more opportunities for places to stay when choosing their vacation destination. These definitions are used to describe the Starwood Pacific Vacation Club and related matters.

A. "CLUB" means the Starwood Pacific Vacation Club.

B. "STARWOOD PACIFIC VACATION CLUB" is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered to Owners and Other Club Members by the Club Operator from time to time. The benefits and services include: (i) a reservation system that lets Owners reserve a Vacation Unit in the Plan, (ii) an exchange program that lets Owners reserve Units in other Club Resorts; and (iii) any other vacation, travel, entertainment, or other benefits that the Club Operator may offer to the Owners or Other Club Members from time to time. The Club is not a legal entity or Association of any kind. It is a business owned and operated by the Club Operator. It is subject to change from time to time as the Club Operator determines in its sole discretion, subject to any limitations contained in the Club Documents.

C. "CLUB OPERATOR" means SVO Hawaii Management, Inc., a Hawaii corporation.

D. "CLUB DOCUMENTS" means any documents governing the Club, and any changes and additions properly made to any of them from time to time, including but not limited to these documents:

1) "CLUB AFFILIATION AGREEMENT" means an agreement between the Club Operator and the Association

that requires or permits Owners to participate in the Club. The Developer may also be a party to the agreement. The Club Affiliation Agreement provides, among other things, that all Owners of Vacation Ownership Interests in the Plan automatically will be enrolled in and will continue to be members of the Club.

2) "CLUB RULES" means any rules adopted by the Club Operator from time to time. Among other things, the Club Rules describe how to reserve property in this Plan or in other Club Resorts.

3) "CLUB POLICIES" means any policies and procedures adopted by the Club Operator from time to time.

E. "CLUB VACATION PLAN" means any vacation ownership or time share plan or program, or any fractional ownership program, where at least one owner of a time share interest or fractional ownership interest is a member of the Club. The Ocean Resort Villas Vacation Ownership Plan will be a "Club Vacation Plan" while the Club Affiliation Agreement is in effect. Any Club Vacation Plan other than this one is called an "Other Club Vacation Plan" or "Another Club Vacation Plan".

1) "RESORT" means property containing a Unit. Normally "Resort" would mean a real estate development, such as a condominium project. But there may be other kinds of Resorts. For example, a ship may also be considered a "Resort" and its cabins may be considered to be "Units".

2) "RESORT DOCUMENTS" means the documents that govern a particular Resort. It does not include any Club Documents, Exchange Contract, or similar documents.

3) "UNIT" means (i) a condominium unit, townhouse unit, apartment, hotel room, house, mobile home, recreational vehicle, houseboat, cabin of a ship, pleasure yacht, or other property which is suitable and intended to provide overnight lodging for one or more persons, or (ii) a campsite suitable and intended to provide overnight parking and utility services for a recreational vehicle.

4) "CLUB UNIT" means a Unit in a Club Vacation Plan that is available for reservation by Club Members.

5) "CLUB RESORT" means any Resort that contains a Club Unit.

F. "CLUB MEMBER" means anyone who is a member of the Club.

G. "OTHER CLUB MEMBERS" and "MEMBERS OF OTHER CLUB VACATION PLANS", and similar terms mean Club Members who do not own a Vacation Ownership Interest in the Ocean Resort Villas Vacation Ownership Plan.

1.8 THE STARWOOD VACATION NETWORK. The Club Operator may arrange for the Club to become part of the Starwood Vacation Network. The Starwood Vacation Network links certain timeshare resorts and vacation clubs together. These definitions are used to describe the Starwood Vacation Network and related matters.

A. "NETWORK" means the Starwood Vacation Network.

B. "STARWOOD VACATION NETWORK" is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered to Network Members by the Network Operator from time to time. The benefits and services include: (i) an Exchange Program that lets Network Members reserve Units in other Resorts participating in the Network; and (ii) any other vacation, travel, entertainment, or other benefits that the Network Operator may offer to the Network Members from time to time. The Network is not a legal entity or Association of any kind. It is a business owned and operated by the Network Operator, and it is subject to change from time to time as the Network Operator determines in its sole discretion.

C. "NETWORK OPERATOR" means Starwood Vacation Exchange Company, a Delaware corporation.

D. "NETWORK MEMBER" means anyone who is a member of the Network.

1.9 EXCHANGE PROGRAM. In some circumstances, Owners can exchange their use rights in this Plan for the right to use other property that is not part of this Plan. This is called an "exchange". This is discussed in greater detail later. These definitions are used to describe Exchange Programs.

A. "EXCHANGE PROGRAM" means a service that permits Owners to trade their use rights in the Plan for the right to use other property. For example, the Network is an Exchange Program because it allows Owners in this Plan to trade their use rights for the right to use Units in other Vacation Plans participating in the Network. The Club is also an Exchange Program to the extent that it is used by Owners in this Plan to trade their use rights for the right to use Units in other Club Vacation Plans.

B. "EXCHANGE COMPANY" means the operator of an Exchange Program. For example, the Club Operator is an Exchange Company.

C. "EXTERNAL EXCHANGE PROGRAM" means any Exchange Program that permits Owners to trade their use rights in this Plan for the right to use property that is not part of the Club.

D. "EXCHANGE CONTRACT" means an agreement between the Club Operator and an Exchange Company to make its External Exchange Program available to Owners.

E. "EXCHANGE USER" means a person, other than an Owner, whose use of a Vacation Unit is arranged through an Exchange Program. Members of Other Club Vacation Plans are Exchange Users when they are using a Vacation Unit in this Plan.

1.10 GUESTS AND OCCUPANTS. Owners may allow someone else to use their reserved time and they may also bring guests. The nature of these rights, and the related responsibilities, are discussed later. These definitions are used to describe occupants of the Vacation Units and their guests:

A. "OCCUPANT" means an Owner, Exchange User, or other person who has the right to occupy a Vacation Unit or using any other part of the Condominium. The Guest of any of those persons is also an "Occupant."

B. "GUEST" means an Occupant's family, visitors, renters, employees, servants, tenants, *Licenseses*" (persons permitted in the Vacation Unit) and *"Invitees"* (persons invited in). An Exchange User is not considered a "Guest" of the Owner whose Vacation Period he or she uses.

1.11 KA'ANAPALI NORTH BEACH. Ka'anapali North Beach is a community association that includes the Condominium and certain other parcels of land. It has its own separate association and its own board of directors. It is governed by its own declaration, and bylaws, and various other documents. Because the Condominium is part of Ka'anapali North Beach, it is governed by the Ka'anapali North Beach Documents. These definitions are used to describe Ka'anapali North Beach:

A. "KA'ANAPALI NORTH BEACH" means all of the property that is subject to the Ka'anapali North Beach Declaration.

B. "KA'ANAPALI NORTH BEACH DOCUMENTS" means the following documents and any changes and additions properly made to any of them from time to time:

1) "KA'ANAPALI NORTH BEACH DECLARATION" means the "Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach" described in Exhibit "A". It established and governs the Ka'anapali North Beach community.

2) "ARTICLES OF INCORPORATION OF KA'ANAPALI NORTH BEACH MASTER ASSOCIATION, INC." means the document filed with the Department of Commerce and Consumer Affairs of the State of Hawaii to establish the Ka'anapali North Beach Association as a corporation.

3) "BYLAWS OF KA'ANAPALI NORTH BEACH MASTER ASSOCIATION, INC." means the bylaws adopted by the Ka'anapali North Beach Association.

4) "OTHER KA'ANAPALI NORTH BEACH DOCUMENTS" means any documents that are "Governing Documents" as that term is defined in the Ka'anapali North Beach Declaration.

C. "KA'ANAPALI NORTH BEACH ASSOCIATION" means the Ka'anapali North Beach Master Association, Inc., a Hawaii nonprofit corporation. If the rights or duties of the Ka'anapali North Beach Association are transferred to someone else, then that person will become the "Ka'anapali North Beach Association" to the extent of the rights or duties transferred. The Ka'anapali North Beach Association serves as the association of all of the Owners of real property in Ka'anapali North Beach. Note that the Ka'anapali North Beach Association is completely separate from the Association, the Condominium Association, and the Master Association.

D. "KA'ANAPALI NORTH BEACH AMENITIES" means any amenities or other common areas in Ka'anapali North Beach that are available for use by Owners and Occupants during their Vacation Periods. The Developer cannot promise that there will be any Ka'anapali North Beach Amenities, or that they will be available for use by Owners or other Occupants.

2. CREATION OF THE PLAN

2.1 PURPOSE AND EFFECT OF THIS DOCUMENT. By signing and recording this Declaration, the Developer intends to do these things:

- ❖ It intends to create a plan for the Owners to share the use, enjoyment, management, upkeep and repair of the Vacation Property and the operation of the Vacation Ownership Plan.
- ❖ It intends to comply with the legal requirements necessary to create the Vacation Ownership Plan and to impose it on the Association and on each Vacation Unit and anyone who has any rights or interests in it.
- ❖ It intends to create or reserve easements in favor of the Developer or other persons.
- ❖ It intends to increase the value, desirability and enjoyment of each Vacation Unit and any interest in it for the benefit of the Developer, the Club Operator, and each of the Owners.

2.2 ADOPTION OF THE VACATION PLAN DOCUMENTS. The Developer declares that:

A. The Vacation Units, and all the Developer's rights in them, are subject to the Vacation Plan Documents. (In legal terms, the Developer is "submitting all of its estate, right, title and interest" to those documents).

B. The Vacation Plan Documents will govern the Vacation Plan and the Vacation Units. In legal terms, the Vacation Units will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Vacation Plan Documents, from now until the Vacation Ownership Plan ends. Anyone who occupies or uses any of the Vacation Property must obey them.

C. The Vacation Plan Documents will be binding on each Vacation Unit. They will also be binding on, and are intended to benefit these persons:

- 1) The Developer.
- 2) The Association.
- 3) The Club Operator.
- 4) Anyone else who owns all or any part of any Vacation Unit, or any Vacation Ownership Interest or other interest in it, now or in the future. This includes, for example, all present and future Owners and their Lenders.
- 5) Anyone who, by law or by agreement, stands in the place of the persons listed in items 1) to 4). Such people are called, in technical legal terms, "heirs", "devisees", "personal representatives", "successors", and "assigns".

All of these people must obey the Vacation Plan Documents. It does not matter how or when a person obtains an interest in a Vacation Unit or whether he or she ever signed the Vacation Plan Documents or expressly agreed to obey them. He or she must still obey them just as if he or she signed them.

All of these people also have the right to enforce the Vacation Plan Documents in any way permitted by the Act or the Vacation Plan Documents.

In legal terms, the Vacation Plan Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this Subsection.

2.3 DEVELOPER'S RESERVED RIGHTS.

A. UNDER THE CONDOMINIUM DOCUMENTS. Regardless of what Section 2.2 says, the Developer reserves to itself any and all rights it has under the Condominium Documents as the Condominium Developer. These rights are called the "Developer's Reserved Rights" in the Condominium Documents. They include, for example, the

Developer's rights to build more phases and to create more Apartments on the Condominium, the right to change the Common Elements and each Apartment's common interest in the Common Elements, and various other rights.

B. UNDER THE MASTER ASSOCIATION DOCUMENTS.

Regardless of what Section 2.2 says, the Developer reserves to itself any and all rights it has under the Master Association Documents as the Developer of the Master Association. These rights are called the "*Developer's Reserved Rights*" in the Master Association Documents. They include, for example, the Developer's rights to upgrade, add to, or change the Master Association Amenities and the right to operate one or more concession stands, and to conduct certain other commercial operations in or on the Master Association Amenities.

C. NATURE OF THE DEVELOPER'S RESERVED RIGHTS.

The Developer alone may exercise the Developer's Reserved Rights under the Condominium Documents and/or under the Master Association Documents. Those rights will not be subject to the Vacation Plan Documents. And those rights will not be transferred to the Association or any Owner unless the Developer signs and records a document that clearly says so. The Developer makes no promise and has no duty to exercise any of the Developer's Reserved Rights under the Condominium Documents or under the Master Association Documents. Neither the Owners nor the Association will have any legal right to insist that it do so.

3. DESIGNATIONS FOR USE PURPOSES

3.1 INTRODUCTION. The Vacation Ownership Plan provides a system for sharing the use of the Vacation Property. The essential concept is that the Owners will each have the right to use a Vacation Unit for about a week every year or two. This Chapter introduces the concept of a "Use Period" and explains how the use of each Vacation Unit is divided into nightly and weekly Use Periods. It also sets up rules governing when an Owner's rights to use a Vacation Unit begin and end.

3.2 DEFINITIONS.

A. "PLAN OPERATOR" means the Club Operator at any time when the Plan is part of the Club. If the Plan is no longer part of the Club, then "Plan Operator" means the Association. Note: At any time when the Plan is part of the Club, the Club Operator may assign some or all of its rights and duties, including its rights and duties as Plan Operator, to someone else. It may also subcontract with someone else to perform the duties of the Plan Operator.

B. "RESERVATION RULES" means the Club Rules and any changes made to them from time to time by the Club Operator. If the Plan is no longer part of the Club, then

"Reservation Rules" means the Association Rules adopted under Section 12.3H.

C. "CHECK-IN TIME" means the time after which Owners and Occupants may check in with the Plan Manager and then occupy their Assigned Unit. The Association Rules set the Check-In Time. They may set different Check-In Times for different Vacation Units.

D. "CHECK-OUT TIME" means the time by which Owners and Occupants must move out of their Assigned Unit and check out with the Plan Manager. The Association Rules set the Check-Out Time. They may set different Check-Out Times for different Vacation Units.

E. "USE PERIOD" means a Use Week, a Split Week, or a Use Night.

1) "**USE WEEK**" means a period beginning at Check-In Time on one day (the "*Check-In/Check-Out Day*") and ending at Check-Out Time on the same day of the following week.

2) "**SPLIT WEEK**" means a period of less than seven consecutive Use Nights. The Reservation Rules may further define "Split Week".

3) "**USE NIGHT**" means a period beginning at Check-In Time on one day and ending at Check-Out Time the next day.

F. "CHECK-IN DAY" means the first day of a Use Period.

G. "CHECK-OUT DAY" means the last day of a Use Period.

H. "VACATION PERIOD" means a Use Period reserved by an Owner, the Developer, or the Plan Operator for use by an Owner, Exchange User, or other Occupant.

1) "**SPLIT VACATION PERIOD**" means a Vacation Period of less than seven consecutive Use Nights. The Reservation Rules may further define "Split Vacation Period".

I. "SERVICE PERIOD" means a Major Service Period or a Minor Service Period.

1) "**MINOR SERVICE PERIOD**" means the time between Check-Out Time and Check-In Time later that day.

2) "**MAJOR SERVICE PERIOD**" means a Use Period set aside for annual maintenance and repair. Each year, the Association may choose up to three Use Nights in each Vacation Unit to be the Major Service Period for that Vacation Unit. If needed to maintain or upgrade the Vacation Units and if the Plan's vacancy rate is high enough to permit it, the Association may set aside additional Use Periods as

Major Service Periods. When choosing Major Service Periods, the Association may not select a Use Week that would prevent use of a Vacation Unit during the Owner's Use Week by an Owner having a Fixed Vacation Period, an Ultra Vacation Period, an Ultra Premium Vacation Period, or an Event Vacation Period.

3.3 VACATION CALENDAR. Each year the Plan Operator will prepare a "Vacation Calendar". A sample Vacation Calendar is attached to this Declaration as Exhibit "D". The Vacation Calendar will divide the year into 52 (or, depending on the calendar year, 53) Use Weeks. The Use Weeks will be numbered from 1 to 52 (or 53). The 52 (or 53) Use Weeks make up the "Use Year". The Use Year begins at Check-In Time on the first day of Use Week no. 1 (which will be one of the first seven days of the calendar year) and ends at Check-Out Time on the first day of Use Week no. 1 of the next calendar year.

A. CHECK-IN/CHECK-OUT DAY. The Vacation Calendar will state the Check-In/Check-Out Day for each Vacation Unit. It will be a Friday, Saturday or Sunday unless the Vacation Calendar says otherwise. The Plan Operator may change the Check-In/Check-Out Day for any Vacation Unit during any Use Year by extending or shortening a Use Period used as a Service Period or any unreserved or unused Use Period in that Vacation Unit. The Plan Operator may not change the Check-In/Check-Out Day if doing so will shorten an Occupant's Vacation Period or will change, less than six months in advance, the Check-In/Check-Out Day for any Use Period already reserved by an Owner. There is no requirement (a) that all Vacation Units have the same Check-In/Check-Out Day; (b) that any Vacation Unit have the same Check-In/Check-Out Day every Use Year; or (c) that the mix of Check-In/Check-Out Days among all Vacation Units be identical for each Use Year or during any Use Year.

3.4 EVENT WEEKS.

A. INITIAL EVENT WEEKS. Most Use Weeks are identified by Use Week number. Some Use Weeks, called "Event Weeks", are identified by name, as follows:

- 1) "NEW YEARS WEEK" means the last Use Week in the Use Year.
- 2) "CHRISTMAS WEEK" means the next to last Use Week in the Use Year.
- 3) "GOLDEN WEEK" means the Use Week during which Golden Week is recognized as a national holiday in Japan. Golden Week consists of April 29 and May 3, 4 & 5. The Use Week that includes the most number of these dates will be deemed Golden Week for purposes of this Declaration.
- 4) "OBON WEEK" means the Use Week that includes August 15. Obon is a religious holiday in Japan.

When August 15th falls on a Check-In/Check-Out Day, the Vacation Calendar will state which Use Week will be Obon Week.

B. ADDITIONAL EVENT WEEKS. The Developer may create new Event Weeks:

1) When adding Apartments to the Vacation Ownership Plan. The Developer may do so by identifying the new Event Week in the Declaration of Annexation for the Apartments being added to the Vacation Ownership Plan.

2) With respect to Vacation Units in which the Developer owns all of the Vacation Ownership Interests such that the Developer could remove those Vacation Units from the Plan as described in Section 17.4A. The Developer may do so by amending this Declaration to identify the new Event Weeks.

3.5 DESIGNATION OF UNIT TYPES. Although the Condominium Declaration may divide the Apartments differently, for purposes of the Vacation Ownership Plan, all Vacation Units will be considered to be one of eight "Unit Types", as follows:

- ❖ One-Bedroom Ocean View Villa.
- ❖ One-Bedroom Island View Villa.
- ❖ Two-Bedroom Ocean Front Villa.
- ❖ Two-Bedroom Ocean View Villa.
- ❖ Two-Bedroom Island View Villa.
- ❖ Two-Bedroom Deluxe Ocean Front Villa.
- ❖ Two-Bedroom Deluxe Ocean View Villa.
- ❖ Two-Bedroom Deluxe Island View Villa.

A list of the Vacation Units showing their Unit Type is attached as Exhibit "B".

A. ADDITIONAL UNIT TYPES. Under the Condominium Documents, the Condominium may be expanded by adding new phases. The Developer may include in the Vacation Ownership Plan one or more Apartments in any later phase of the Condominium. The Developer may create new Unit Types as follows:

1) It may do so when it adds Apartments to the Vacation Ownership Plan. It does not matter whether those Apartments are located in the first phase or any later phase of the Condominium. The Developer may do this by identifying the new Unit Type in the Declaration of Annexation for the Apartments being added to the Vacation Ownership Plan.

2) It may do so with respect to Vacation Units in which the Developer owns all of the Vacation Ownership Interests such that the Developer could remove those Vacation Units from the Plan as described in Section 17.4A. The Developer may do this by amending this Declaration to identify the new Unit Types.

3.6 LOCK-OFF UNITS. Some of the Vacation Units have been designed so that they can be used either as a whole Unit or on a “lock-off” basis. For example, a Two-Bedroom Ocean View Villa can be used on a lock-off basis. It may be used as a two-bedroom Apartment. But it may also be used as two separate Units: a one-bedroom Unit and a studio Unit, each having its own separate front door that can be locked. In this Declaration, when a Vacation Unit can be used on a lock-off basis, it is sometimes called a “*Lock-Off Unit*”.

A. LOCK-OFF USE. When a Vacation Unit is used as a whole Unit, it is called a “*Full Unit*”. When it is used as two separate Units on a lock-off basis, then the larger Unit is called the “*Deluxe Side*” and the other Unit is called the “*Guest Side*.” The Reservation Rules may permit an Owner who has the right to use a Lock-Off Unit for one Use Week to choose either (a) to use a Full Unit for one Use Week, or (b) to use a Deluxe Side for one Use Week and a Guest Side for another Use Week.

4. CREATION OF VACATION OWNERSHIP INTERESTS

4.1 CREATION OF THE VACATION OWNERSHIP INTERESTS. Each Vacation Unit is here and now divided into fifty-two (52) separate Every-Year Vacation Ownership Interests. The Developer may (but does not have to) further divide each Every-Year Vacation Ownership Interest into one Even-Year Vacation Ownership Interest and one Odd-Year Vacation Ownership Interest. There are at least fifty-two (52) Vacation Ownership Interests in each Vacation Unit and there may be up to one hundred and four (104) Vacation Ownership Interests in each Vacation Unit. For obvious reasons, there must be one Even-Year Vacation Ownership Interest for each Odd-Year Vacation Ownership Interest; the reverse is also true. So long as this requirement is met, the Developer may divide each Vacation Unit into any combination of Every-Year Vacation Ownership Interests and Every-Other-Year Vacation Ownership Interests.

4.2 NATURE OF A VACATION OWNERSHIP INTEREST. An Vacation Ownership Interest consists of these things:

A. A membership in the Association.

B. An undivided interest in a Vacation Unit. The term “undivided interest” is defined in the glossary. It refers to the idea that a person will be one of the co-Owners of a Vacation Unit. The other co-Owners will be the Owners of other

Vacation Ownership Interests in that Vacation Unit. The undivided Interest will be one-fifty-second (1/52nd) for an Every-Year Vacation Ownership Interest and one-one-hundred and fourth (1/104th) for an Every-Other-Year Vacation Ownership Interest.

C. The right to reserve the use of a Vacation Unit for one Use Week in every Use Year (for an Every-Year Vacation Ownership Interest) or every other Use Year (for an Every-Other-Year Vacation Ownership Interest). The reservation rights are discussed in more detail in Sections 4.3, 4.4, and 4.4G.

D. During the Use Period reserved, the right to use (i) a Vacation Unit and the Common Furnishings in it, (ii) the Common Elements of the Condominium and any Limited Common Elements available to the Vacation Unit, (iii) the Master Association Amenities to the extent permitted under the Master Association Documents, and (iv) the Ka’anapali North Beach Amenities, if any, to the extent permitted under the Ka’anapali North Beach Documents.

4.3 EVERY-YEAR, EVEN-YEAR AND ODD-YEAR RESERVATION RIGHTS.

A. EVERY-YEAR VACATION OWNERSHIP INTERESTS. An Owner of an Every-Year Vacation Ownership Interest has the right to reserve and then to use a Vacation Unit for one Use Week in each Use Year.

B. EVEN-YEAR VACATION OWNERSHIP INTERESTS. An Owner of an Even-Year Vacation Ownership Interest has the right to reserve and then to use a Vacation Unit for one Use Week in each Use Year that ends in an even number (for example, 2000, 2002, 2004, and so on). To be clear, the Use Week reserved must fall within a Use Year that ends in an even number, but the reservation may be requested at any time permitted by the Reservation Rules.

C. ODD-YEAR VACATION OWNERSHIP INTERESTS. An Owner of an Odd-Year Vacation Ownership Interest has the right to reserve and then to use a Vacation Unit for one Use Week in each Use Year that ends in an odd number (for example, 2003, 2005, and so on). To be clear, the Use Week reserved must fall within a Use Year that ends in an odd number, but the reservation may be requested at any time permitted by the Reservation Rules.

4.4 KINDS OF VACATION PERIODS. A Vacation Ownership Interest can have a Floating Vacation Period, a Fixed Vacation Period, an Event Vacation Period, an Ultra Vacation Period, or an Ultra Premium Vacation Period. Except as provided in Section 4.9A, the kind of Vacation Period for a particular Vacation Ownership Interest cannot be changed. Note that the Developer may create Vacation Ownership Interests having new kinds of reservation and use rights. See Section 17.2B.

A. FLOATING VACATION PERIOD. If a Vacation Ownership Interest has a Floating Vacation Period, then the Owner must reserve a Use Week. To do so, the Owner must follow the procedures in the current Reservation Rules. An Owner cannot reserve a Use Period chosen by the Association to be a Major Service Period or any Use Week that is already reserved or that any other person has the exclusive right to reserve. A Vacation Ownership Interest that has a Floating Vacation Period is called a "*Floating Vacation Ownership Interest*."

B. FIXED VACATION PERIODS. If a Vacation Ownership Interest has a Fixed Vacation Period, then its Owner has the exclusive right (meaning the first chance) to reserve a specific Use Week in each Use Year (for an Every-Year Vacation Ownership Interest) or in every other Use Year (for an Every-Other-Year Vacation Ownership Interest). A Vacation Ownership Interest that has a Fixed Vacation Period is called a "*Fixed Vacation Ownership Interest*." It has these features:

1) **OWNER'S USE WEEK.** In the case of a Fixed Vacation Period, "*Owner's Use Week*" means the Use Week that the Owner has the exclusive right to reserve. The Owner's First Deed will fix the Owner's Use Week by Use Week number or name. Note that even though the Owner has the exclusive right to reserve a specific Use Week, the Check-In and Check-Out Days of the Owner's Use Week may change as provided in Section 3.3A.

2) **RESERVATION.** The Owner must reserve the Owner's Use Week by the deadline stated in the Reservation Rules. If the Owner does not do so, then the Owner has the right to reserve a different Use Week (subject to availability) just as if the Owner had a Floating Vacation Period. In either case, the Owner must follow the procedures in the current Reservation Rules. The reservation deadline cannot be less than sixty (60) days after the first day when the Owner can request a reservation.

C. ULTRA VACATION PERIODS. If a Vacation Ownership Interest has an Ultra Vacation Period, then the Plan Operator will automatically reserve a specific Use Week for use by that Owner each Use Year (for an Every-Year Vacation Ownership Interest) or every other Use Year (for an Every-Other-Year Vacation Ownership Interest). A Vacation Ownership Interest that has an Ultra Vacation Period is called an "*Ultra Vacation Ownership Interest*." It has these features:

1) **OWNER'S USE WEEK.** In the case of an Ultra Vacation Period, "*Owner's Use Week*" means the Use Week that the Plan Operator automatically reserves for use by the Owner. The Owner's First Deed will fix the Owner's Use Week by Use Week number or name. Note that even though a specific Use Week will automatically be reserved for the Owner, the Check-In and Check-Out Days of the Owner's Use Week may change as provided in Section 3.3A.

2) **CONFIRMATION.** Although the Plan Operator automatically reserves the Owner's Use Week, the Owner must contact the Plan Operator and confirm his or her reservation at least thirty (30) days before the Check-In Day of the Owner's Use Week. Otherwise, the Plan Operator may cancel the automatic reservation. If it does, then the Owner has the right to reserve a different Use Week (subject to availability) just as if the Owner had a Floating Vacation Period. The Owner must follow the procedures in the current Reservation Rules to confirm his or her automatic reservation or to reserve a different Use Week.

D. ULTRA PREMIUM VACATION PERIODS. If a Vacation Ownership Interest has an Ultra Premium Vacation Period, then the Plan Operator will automatically reserve a specific Use Week for use by that Owner each Use Year (for an Every-Year Vacation Ownership Interest) or every other Use Year (for an Every-Other-Year Vacation Ownership Interest). A Vacation Ownership Interest that has an Ultra Premium Vacation Period is called an "*Ultra Premium Vacation Ownership Interest*." It has these features:

1) **OWNER'S USE WEEK.** In the case of an Ultra Premium Vacation Period, "*Owner's Use Week*" means the Use Week that the Plan Operator automatically reserves for use by the Owner. The Owner's First Deed will fix the Owner's Use Week by Use Week number or name. Note that even though a specific Use Week will automatically be reserved for the Owner, the Check-In and Check-Out Days of the Owner's Use Week may change as provided in Section 3.3A.

E. EVENT VACATION PERIODS. If a Vacation Ownership Interest has an Event Vacation Period, then the Plan Operator will automatically reserve a specific Use Week for use by that Owner each Use Year (for an Every-Year Vacation Ownership Interest) or every other Use Year (for an Every-Other-Year Vacation Ownership Interest). A Vacation Ownership Interest that has an Event Vacation Period is called an "*Event Vacation Ownership Interest*." It has these features:

1) **OWNER'S USE WEEK.** In the case of an Event Vacation Period, "*Owner's Use Week*" means the Use Week that the Plan Operator automatically reserves for use by the Owner. The Owner's First Deed will fix the Owner's Use Week by Event Week name. Note that even though a specific Event Week will automatically be reserved for the Owner, the Check-In and Check-Out Days of the Owner's Use Week may change as provided in Section 3.3A.

F. TEMPORARY FLOATING USE. The Reservation Rules may permit the Owner of a Fixed, Event, Ultra, or Ultra Premium Vacation Period to give up his or her special reservation rights for that Use Year and instead be treated as if the Owner had a Floating Vacation Period for that Use Year. In that case, the Owner will have the same reservation and use

rights as an Owner of a Floating Vacation Ownership Interest for that particular Use Year. The Reservation Rules may impose conditions or limitations on the ability of an Owner to do this.

G. SPLIT WEEKS. Instead of reserving an entire Use Week, an Owner can reserve up to a total of seven Use Nights as Split Week Use Periods. An Owner may do this only if and to the extent that the Reservation Rules permit it.

4.5 FIXED AND FLOATING UNIT USE RIGHTS. A Vacation Ownership Interest can have a "Floating Unit Use Right" or a "Fixed Unit Use Right". Note that the Developer may create Vacation Ownership Interests having new kinds of unit use rights. See Section 17.2B.

A. FLOATING UNIT USE RIGHT. If a Vacation Ownership Interest has a Floating Unit Use Right, then the Owner has the right to reserve any Vacation Unit that is the same Unit Type as the Owner's Unit. The Owner cannot, however, reserve a Vacation Unit that is already reserved by someone else or that someone else has the exclusive right to reserve. The Owner also does not have the right to reserve any specific Vacation Unit. This is true even though he or she owns an interest in a specific Vacation Unit.

The Vacation Unit that an Owner will use may not be determined at the time when the Owner makes or confirms his or her reservation. Instead, at the time of Check-In, the Plan Operator may assign to the Owner the use of any Vacation Unit that is considered to be the same Unit Type as the Owner's Unit.

B. FIXED UNIT USE RIGHT. If a Vacation Ownership Interest has a Fixed, Event, Ultra, or Ultra Premium Vacation Period, then it may also have a Fixed Unit Use Right. This means that the Owner will have the right to use his or her own Vacation Unit during the Owner's Use Week. An Owner automatically gives up the Fixed Unit Use Right if any of these things happen:

- ❖ If the Owner has a Fixed Vacation Period and does not reserve the Owner's Use Week by the deadline stated in the Reservation Rules.
- ❖ If the Owner has an Ultra Vacation Period and does not confirm his or her reservation by the deadline stated in the Reservation Rules.
- ❖ If the Owner has a Fixed, Event, Ultra, or Ultra Premium Vacation Period and if the Owner gives up his or her special reservation rights for that Use Year and chooses instead to be treated as if the Owner had a Floating Vacation Period for that Use Year as provided in Subsection 4.4F.

4.6 LOCK-OFF USE. If the Reservation Rules permit it:

A. An Owner entitled to use a Lock-Off Unit for one Use Week may reserve either (a) a Full Unit for one Use Week, or (b) the Deluxe Side of a Lock-Off Unit for one Use Week and the Guest Side of a Lock-Off Unit for one Use Week.

B. An Owner may elect to use the Deluxe Side of a Lock-Off Unit during his or her Fixed, Event, Ultra, or Ultra Premium Vacation Period and to give up the right to use the Guest Side during his or her Fixed, Event, Ultra, or Ultra Premium Vacation Period for that Use Year. In that case, the Owner would have the right to reserve the Guest Side of a Lock-Off Unit (that is the same Unit Type as the Owner's Unit) in that same Use Year just as if he or she had a Floating Vacation Period during that Use Year. The Reservation Rules may also do the reverse (i.e., permit an Owner to use the Guest Side of a Lock-Off Unit during the Fixed, Event, Ultra, or Ultra Premium Vacation Period, and to reserve the Deluxe Side of a Lock-Off Unit that is the same Unit Type on a floating basis).

4.7 MULTIPLE OWNERS; PRIMARY CONTACT PERSON. If more than one person owns a Vacation Ownership Interest, they may still reserve only one Use Week. If a Vacation Ownership Interest is owned by more than one person or if it is owned by a corporation or other legal entity, the Reservation Rules may require that the Owner choose one person to be the Primary Contact Person. The "*Primary Contact Person*" is the person to whom notices must be sent and who can make and cancel reservations and otherwise act for the co-Owners of that Vacation Ownership Interest. The Reservation Rules may require that the Owner pay a fee to the Plan Operator to change the Primary Contact Person.

4.8 ASSIGNED UNIT. The Vacation Unit assigned to an Owner or other Occupant for use during his or her Vacation Period is called his or her "*Assigned Unit*." If an Owner chooses to reserve part of a Vacation Unit on a lock-off basis, then the Deluxe Side or the Guest Side of the Unit assigned to the Owner or other Occupant at check-in will be his or her "*Assigned Unit*". If someone uses a particular Vacation Unit pursuant to his or her Fixed Unit Use Right, that Vacation Unit will be his or her "*Assigned Unit*".

4.9 FIRST DEED.

A. NATURE OF A FIRST DEED. The term "*First Deed*" means the recorded deed by which the Developer first transfers a Vacation Ownership Interest. The First Deed for each Vacation Ownership Interest establishes the features of the Vacation Ownership Interest and reserves certain special rights in favor of the Developer. A document that transfers the Developer's entire remaining interest in a Vacation Unit is not a First Deed if (i) it says that it is not a First Deed, or (ii) some or all of the Developer's rights under this Declaration as

the Developer of that Vacation Unit are transferred with it. If the Developer reacquires title to a Vacation Ownership Interest, it may change the features of that Vacation Ownership Interest by issuing a new First Deed for it.

B. CONTENT OF FIRST DEED. The First Deed for each Vacation Ownership Interest must do these things:

1) It must assign an identification number to the Vacation Ownership Interest.

2) It must state whether the Vacation Ownership Interest is an Every-Year Vacation Ownership Interest, an Even-Year Vacation Ownership Interest, or an Odd-Year Vacation Ownership Interest.

3) It must state whether the Vacation Ownership Interest has a Floating Vacation Period, a Fixed Vacation Period, an Event Vacation Period, an Ultra Vacation Period, or an Ultra Premium Vacation Period. If it has a Fixed Vacation Period, an Ultra Vacation Period, or an Ultra Premium Vacation Period, then the First Deed must identify the Use Week by Use Week number or by name. If it has an Event Vacation Period, then the First Deed must identify the Event Week by name.

4) It must state whether the Vacation Ownership Interest has a Fixed or Floating Unit Use Right.

C. RULES FOR FIRST DEEDS.

1) **OVERLAPPING WEEKS.** If a First Deed transfers an Event Week, then no later First Deed for the same Vacation Unit may transfer a Fixed, Ultra, or Ultra Premium Vacation Period that may overlap with the Event Week already transferred. Likewise, if a First Deed identifies a Fixed, Ultra, or Ultra Premium Vacation Period by Use Week number, then no later First Deed for the same Vacation Unit may transfer an Event Vacation Period having an Event Week that may overlap with the numbered Fixed Use Week already transferred. For these purposes, Golden Week overlaps Use Week nos. 16, 17 and 18; Obon Week overlaps Use Week nos. 32 and 33; Christmas Week overlaps Use Week nos. 51 and 52; and New Years Week overlaps Use Week nos. 52 and 53. Note that Christmas Week never overlaps with New Years Week.

2) **LIMITS ON NUMBER OF SPECIAL VACATION PERIODS.** No more than fifty percent (50%) of the Vacation Ownership Interests in any Vacation Unit may have a Fixed Vacation Period, an Event Vacation Period, an Ultra Vacation Period, or an Ultra Premium Vacation Period. To be clear, at least fifty percent (50%) of the Vacation Ownership Interests in each Vacation Unit must have a Floating Vacation Period.

5. RESERVATION RULES

5.1 INTRODUCTION. For each Vacation Ownership Interest an Owner owns, he or she has the right to reserve a Vacation Unit for one Use Week in every Use Year (for an Every-Year Vacation Ownership Interest) or every other Use Year (for an Every-Other-Year Vacation Ownership Interest). These rights are defined, limited and governed by the Vacation Plan Documents, including the rules contained in this Chapter 5.

5.2 RESERVATION SYSTEM. The Plan Operator must set up a reservation system. The reservation system is subject to the following requirements and may include other provisions as the Plan Operator deems appropriate.

A. RESERVATION RULES. To use a Unit, an Owner must reserve a Use Period in the manner provided in the Reservation Rules. The Club Rules contain the Reservation Rules. If the Plan is no longer part of the Club, then the Association Rules adopted under Section 12.3H must implement a reservation system.

B. DELINQUENT OWNERS. An Owner is not allowed to reserve, use or exchange a Vacation Unit if (i) the Owner has not paid any Regular Assessment, Special Assessment, Personal Charge, or Club Fees due or past due, or (ii) the Plan Operator learns that the Owner has not paid any amounts due under any note or mortgage made by the Owner in favor of the Developer. The Plan Operator may cancel a reservation held by an Owner if that Owner does not pay any Regular Assessment, Special Assessment, Personal Charge, or Club Fees due or past due. The Plan Operator does not have to pay the amounts due or past due from an Owner even if the Plan Operator does not enforce the provisions of this Subsection 5.2B.

C. ADVANCE PAYMENTS. The Plan Operator may require that an Owner pay in advance the estimated Regular Assessment and Club Fees for a future year as a condition to accepting reservation requests for that year. Any interest earned on the amount paid will belong to the Association. It will not be paid or credited to the account of the Owner. If it turns out that the amount paid is more than the amount due, then the Plan Operator will either refund the difference or apply it to the following year's Assessments or Club Fees, as the Plan Operator chooses. If the amount paid is less than the amount due, the Owner must pay the shortfall when the Plan Operator asks for it.

D. RESERVATION WINDOWS. The Reservation Rules must set the Reservation Window for each Use Period. A "Reservation Window" is a period of time when an Owner or other person may request a reservation. For example, the Reservation Rules might provide that the Reservation Window for a Use Period begins one year before the Check-In Day for that Use Period. This means that if a Use Week starts on July 1, 2004, the Plan Operator would begin taking

reservations for it on July 1, 2003. A person can only reserve a Use Period during that Use Period's Reservation Window. The Reservation Window for a Use Period cannot start more than two years before the check in day of that Use Period.

E. RESERVATION PERIODS. If the Plan is part of the Club, then the Reservation Rules must divide the Reservation Window for each Use Period into Reservation Periods as provided in this Subsection 5.2E. A "Reservation Period" is a part of a Reservation Window. The dates when Reservation Periods start or end may be different for different Club Resorts or Club Vacation Plans, or other Resorts or Vacation Plans available through the Club, subject to these limits:

1) HOME RESORT RESERVATION PERIODS.

"Home Resort Reservation Period" means a Reservation Period when only Owners in this Plan may reserve a Use Period in a Vacation Unit included in this Plan. There must be at least one Home Resort Reservation Period and there may be more. The Reservation Rules may give different names to the Home Resort Reservation Periods.

(a) REQUIRED RESERVATION PERIODS.

(1) There must be at least one Home Resort Reservation Period during which an Owner having a Fixed Vacation Period has the exclusive right to reserve the Owner's Use Week.

(2) There must be at least one Home Resort Reservation Period during which an Owner having a Floating Vacation Period has the right to request a reservation (without competition from Other Club Members or other Exchange Users) for any Use Period that nobody else has reserved and that no other persons have the exclusive right to reserve.

These Reservation Periods cannot begin more than two years before the Check-In Day for any Use Period. They may overlap. They must last at least forty-five (45) days. But if they begins more than eighteen months before the Check-In Day for any Use Period, then they must last at least ninety (90) days. During these Reservation Periods, an Owner may only reserve a Vacation Unit that is the same Unit Type as the Owner's Unit.

(b) OTHER RESERVATION PERIODS. The Reservation Rules may create other Reservation Periods that are Home Resort Reservation Periods.

2) CLUB RESERVATION PERIODS. "Club Reservation Period" means a Reservation Period when members of Club Vacation Plans (including Owners in this Plan) may reserve a Use Period in any Club Unit (including a Vacation Unit in this Plan) that nobody else has reserved and that no other persons have the exclusive right to reserve. There must be one or more Club Reservation Periods at all times when the Plan is affiliated with the Club. The

Reservation Rules may give different names to the Club Reservation Periods.

3) DEVELOPER AND CLUB OPERATOR

RESERVATIONS. The Reservation Rules may create one or more Reservation Periods during which the Developer and/or the Club Operator, using their rights under Sections 8.7C and 8.8A, may reserve any Use Period in a Vacation Unit that nobody else has reserved and that no other persons have the exclusive right to reserve. This means the Owners and Other Club Members may have to compete with the Developer and/or the Club Operator for a reservation. This Reservation Period may not start more than sixty (60) days before the Check-In Day of a Use Period. It may overlap with other Reservation Periods.

4) ADDITIONAL RESERVATION PERIODS.

In addition to these reservation periods, there may be other Reservation Periods. They may appear, for example, when the Developer creates a new Unit Type or a new kind of Vacation Ownership Interest as discussed in Section 17.2B or when the Club Operator creates new kinds of Reservation Periods as permitted by the Club Documents, or in similar circumstances. For example, suppose the Developer decides to add a group of Units and to create a new kind of Vacation Ownership Interest that gives certain Owners the first chance to reserve those Units at certain times such as Aloha Week. If so, the Developer might create a new Reservation Period when only those Owners can reserve one of those Units for Aloha Week. This Reservation Period might be one of the Home Resort Reservation Periods. It might begin and end before the start of any other Home Resort Reservation Periods, but it would not have to do so. This is called a "Special Reservation Period" because it is a time when only Owners having certain special reservation rights may make a reservation. The Reservation Period for an Ultra Vacation Period is an example of a Special Reservation Period, and there may be others.

F. PROTECTION OF SPECIAL RESERVATION RIGHTS. Except as provided in Subsection 4.4F and Section 14.5, the Reservation Rules must not allow the Developer, the Club Operator, Other Club Members, or anyone else to reserve:

(a) The Use Week of an Owner having a Fixed Use Period until after the deadline for the Owner to reserve the Owner's Use Week.

(b) The Use Week of an Owner having an Ultra Vacation Period until after the deadline for the Owner to confirm the reservation of the Owner's Use Week.

(c) The Use Week of an Owner having an Event Vacation Period or an Ultra Premium Vacation Period.

G. RESERVATION PRIORITIES. The Reservation Rules may create other reservation priorities. For example, they may give priority to the reservation requests of: (1) an Owner requesting two or more Use Weeks in a row over an Owner requesting a single Use Week; (2) an Owner requesting a reservation of two Units for the same Use Week over an Owner requesting only a single Unit for that Use Week (or *vice versa*); (3) an Owner owning more Vacation Ownership Interests over an Owner owning fewer Vacation Ownership Interests; (4) an Owner owning an Every-Year Vacation Ownership Interest over an Owner owning an Every-Other-Year Vacation Ownership Interest; (5) an Owner requesting a Full Unit over an Owner requesting either the Deluxe Side or the Guest Side; (6) an Owner requesting a full Use Week over an Owner requesting a Split Week. The Reservation Rules may also provide for rotating the use of Use Periods in great demand, such as holiday Use Periods, and for waiting lists.

H. BONUS USE. The Reservation Rules may but need not implement a system for use by Owners of Use Periods not reserved as of a certain period (which may not be more than 60 days) before the Check-In Day. This is called "*Bonus Use*."

I. BANKING AND BORROWING USE RIGHTS. The Reservation Rules may but need not implement a system that permits saving unused use rights from one Use Year for use in a later Use Year. This is called "*Banking*". The Reservation Rules may also implement a system that permits borrowing use rights from a future year for use in the current year. This is called "*Borrowing*". Banking and Borrowing are not allowed unless the Reservation Rules expressly permit it. Any Reservation Rules permitting Banking and Borrowing must be appropriately balanced and restricted. The Reservation Rules may impose conditions to and limits on Banking and Borrowing.

J. TRANSACTION FEES. The Reservation Rules may require that the Owners pay Transaction Fees. "*Transaction Fees*" are reasonable fees charged to an Owner by the Plan Operator and that relate to the manner in which an Owner uses his or her reservation or use rights. For example, the Plan Operator may charge Transaction Fees (i) for making multiple reservations, (ii) for Banking or Borrowing, (iii) for canceling or changing reservations, (iv) for bonus week reservations and other special reservation or use requests, or (v) to cover the added housekeeping and reservation costs of permitting an Owner to use a Vacation Unit on a lock-off basis or for a Split Week Use Period.

K. OTHER RULES.

1) The Reservation Rules may contain other rules. For example, the Reservation Rules may do some or all of these things:

(a) They may designate Units as smoking or non-smoking Units.

(b) They may limit the number of Split Week Use Periods that an Owner may reserve or the times when an Owner may reserve them.

(c) They may limit how far in advance an Owner may reserve a Split Week Use Period or a Lock-Off Unit.

(d) They may limit or prohibit an Owner from reserving only the Deluxe Side or the Guest Side of a Lock-Off Unit for less than a full Use Week.

(e) They may require that reservations be for a minimum or maximum number of Use Nights.

(f) They may limit an Owner's reservation rights if the Owner had a confirmed reservation in that Use Year but changed or canceled it.

(g) They may limit the time period within which an Owner may cancel a reservation without losing some or all of his or her reservation or use rights.

(h) They may permit the Plan Operator to cancel a reservation if an Owner's reservation or use rights have been suspended or have ended.

2) All Reservation Rules must comply with the one-to-one use-right to use-night requirement in the Act and Rules.

L. CHANGES TO THE RESERVATION RULES. The Plan Operator may change the Reservation Rules from time to time in the manner and under the circumstances provided in them. The Plan Operator must give notice of any change to the Owners. The Plan Operator may give this notice by mailing it to the Owners or by including it in a newsletter, by posting a notice on its Internet web site, or by email. It may also give this notice in any other way that is likely to be effective to give notice to the Owners.

5.3 RESERVATION ERRORS. If anyone entitled to occupy a Vacation Unit cannot do so due to an error by the Plan Operator or the Plan Manager, then the Association must find and pay for (as liquidated damages) other lodgings on Maui for the injured person and his or her Guests to stay during his or her Vacation Period. The lodgings should sleep as many people as the Occupant's Assigned Unit. If the Plan Operator or the Plan Manager made the error, then they must repay the Association for the cost of the substitute lodgings.

5.4 AMENDMENT OF THIS CHAPTER. So long as the Plan is part of the Club, this Chapter 5 may not be changed without the written consent of the Club Operator.

6. THE CLUB.

6.1 INTRODUCTION. The Starwood Pacific Vacation Club provides a reservation system that lets Owners reserve Vacation Units in the Plan. It also provides an Exchange Program that allows Owners and Other Club Members to reserve Units in the Plan or in other Club Resorts.

The Club is different from traditional Exchange Programs. In traditional Exchange Programs, the use rights for a Vacation Ownership Interest are generally deposited in the exchange system only if the Owner of that Vacation Ownership Interest decides to do so. But in the Club, if a Use Night is not reserved by a certain deadline, then any Club Member may reserve that Use Night. You could say that the Use Night is automatically “deposited” in the Club’s exchange system for use by all Club Members, not just the Owners in this Plan. (Of course, this does not apply to Ultra Premium or Event Vacation Periods because these Vacation Periods are reserved automatically.)

To make this system work, it is important to keep a balance between the number of Use Nights available for use by the Club Members and the number of Use Nights that the Club Members are entitled to use. This Chapter regulates the relationship between this Plan and the Club for this purpose and for other purposes.

6.2 DEFINITIONS.

A. “CLUB FEES” means the Annual Club Dues, Club Transaction Fees, and Additional Fees.

1) **“ANNUAL CLUB DUES”** means the fees charged by or through the Club Operator for providing reservation and exchange services and other Core Benefits to the Club Members, plus any taxes on those fees (see section 6.8D).

2) **“CLUB TRANSACTION FEES”** means Transaction Fees charged by or through the Club Operator to Club Members, plus any taxes on those fees (see section 6.8D).

3) **“ADDITIONAL FEES”** means any other fees charged by or through the Club Operator to the Club Members, such as fees for Optional Benefits, plus any taxes on those fees (see section 6.8D).

B. “CLUB BENEFITS” means Core Benefits and Optional Benefits.

1) **“CORE BENEFITS”** means (i) use of the reservation system provided by or through the Club Operator, (ii) use of the Club Operator’s Exchange Program, (iii) access to any External Exchange Program that may be available to Owners through the Club from time to time, and (iv) any other

vacation, travel, entertainment or other services or products included in the **Annual Club Dues**.

2) **“OPTIONAL BENEFITS”** means any vacation, travel, entertainment or other services or products offered by or through the Club Operator to Club Members on an optional basis for a separate fee.

6.3 APPLICATION. This Chapter 6 will apply at all times when the Plan is part of the Club.

6.4 CLUB. The Club Operator and the Association have entered into a contract or “*Club Affiliation Agreement*”. It provides that the Plan will be a Club Vacation Plan and that each Owner will be a Club Member. This will continue so long as there is a Club Affiliation Agreement between the Association and the Club Operator. If asked, the Plan Manager must sign and deliver to the Club Operator a document (in legal terms, a “joinder”) in which Plan Manager consents and agrees to the Club Affiliation Agreement.

6.5 NATURE OF MEMBERSHIP. Each Owner automatically becomes a member of the Club. If a Vacation Ownership Interest is owned by more than one person, they will all be members of the Club. An Owner will continue to be a member of the Club so long as he or she remains an Owner. A person’s membership in the Club cannot be separated from his or her Vacation Ownership Interest. Any attempt to do so will not be effective; it will be void. If a person is no longer an “Owner” then his or her membership in the Club will end automatically. If the Plan is no longer part of the Club, then each Owner’s membership in the Club will end automatically.

6.6 RESERVATION SYSTEM.

A. RESERVATIONS. While the Club Affiliation Agreement is in effect, the Club Operator will manage the reservation and use of the Use Periods through the Club. During that time, all requests for reservations to use the Vacation Units must be made through the Club Operator. This applies to reservation requests made during any of the Reservation Periods.

B. EXCHANGE REQUESTS. The Club serves as an Exchange Program because it allows Owners to use Units in Other Club Vacation Plans and allows Other Club Members to use Units in this Plan. The Club Operator also has the option to arrange for one or more Exchange Companies to make their External Exchange Program available to Club Members. While the Club Affiliation Agreement is in effect, all exchange requests must be made through the Club Operator. This applies to requests by Owner to use Units in Other Club Resorts. It also applies to requests by Owners to make an exchange through an External Exchange Program.

C. RESERVATION BY OTHER CLUB MEMBERS. During any Club Reservation Periods, any Club Member (not just Owners in this Plan) may request a reservation for a Use Period in any Vacation Unit in this Plan. If nobody else has already reserved that Use Period, and if no other persons have the exclusive right to reserve it, then the Plan Operator has the right and duty to confirm the reservation request of the Club Member, subject to the terms and conditions contained in the Club Documents, this Declaration, and the Bylaws.

D. RESERVATION OF OTHER CLUB UNITS. During any Club Reservation Periods, an Owner may request a reservation for any Club Unit (whether or not it is part of this Vacation Ownership Plan). If nobody else has already reserved that Use Period, and if no other persons have the exclusive right to reserve it, then the Plan Operator has the right and duty to confirm the reservation request of the Owner, subject to the terms and conditions contained in the Club Documents and subject also to the Resort Documents and the affiliation agreement for the Club Vacation Plan containing the Club Unit requested.

E. OBLIGATIONS OF CLUB MEMBERS. The requirements of Sections 7.4 and 7.5 will apply to Other Club Members when using the Vacation Property just as it would for any other Exchange User. Similar requirements are likely to apply to an Owner when using a Unit in another Club Resort. Owners must obey those requirements.

6.7 POINTS. While the Club Affiliation Agreement is in effect, the Reservation Rules may use a "points" system for allocating reservation and use rights but they do not have to do so. If they use a "points" system, then this Section 6.7 will apply.

A. DEFINITIONS.

1) "POINTS" means the symbolic unit of comparison used to represent the value of the reservation and use rights of an Owner's Vacation Ownership Interest as compared to the reservation and use rights of other persons in the Exchange Program.

2) "POINT VALUE" means the number of Points required to reserve a particular Unit for a Use Week or other Use Period.

3) "POINTS CHART" means a list or chart showing the Point Value for each Use Period in each Unit included in the Exchange Program.

B. SETTING POINT VALUES. The Plan Operator will assign a Point Value to each Use Period in this Plan and to each Use Period in any other Vacation Plan that can be reserved using Points through the Plan Operator. In setting Point Values, the Plan Operator may consider all factors that it considers to be relevant. This may include, for example: (i) the location, size, capacity, furnishings and other features of a

Unit or kind of Unit, (ii) the location (geographic, topographic, and scenic), recreational and other features of the Resort in which a Unit is located, (iii) demand and availability for purchaser use, (iv) the cost to buy, build, operate, or maintain a particular Unit or Resort, and (v) anything else that may be relevant in the Plan Operator's opinion. The Plan Operator's decisions on Point assignments are final.

1) **POINTS CHART.** Before the start of the first Reservation Window for a Use Year, the Plan Operator will prepare a Points Chart listing the Point Value of each Use Period for that Use Year. The Plan Operator may update the Points Chart during the Use Year. For example, it might do so to reflect things like the addition or deletion of Units, the creation of new unit types, and so on.

2) CHANGES IN THE NUMBER OF POINTS.

(a) From time to time, the Plan Operator may change the Point Value of a Use Period. These changes will not take effect until after they appear in the Points Chart.

(b) The Plan Operator may also make any changes required by law or by any governmental agency. This includes, but is not limited to, any change required in connection with the registration of any Club Vacation Plan, the Club, any other time share plan or program, or fractional ownership program participating in the Network, or the Network. These changes will take effect when required by law or by the governmental agency.

A change made after an Owner has a confirmed reservation will not affect the Point Value charged to that Owner for the use of the Use Period reserved.

C. RULES GOVERNING POINT VALUES. When preparing the Points Chart, the following rules will apply:

1) **POINT VALUES MAY DIFFER.** Each Use Night or Use Week may have a different Point Value. It is not necessary for the Point Value to be the same for all Use Nights or Use Weeks. Also, the Point Value for a particular Use Night or Use Week may change from one Use Year to the next.

2) **UNIT TYPES.** It is not necessary to compare each separate Unit in a particular Resort. Instead, the Plan Operator can divide the Units into different groups or types of Units. These groups may be limited to a particular Resort or may be used throughout the system. For example, the Plan Operator could divide all Units into one bedroom, two bedroom, and three bedroom unit types regardless of the size, the number of bathrooms, the view, and so on. The Plan Operator may then assign Points based on a comparison of the different unit types rather than on a comparison of specific Units.

(a) **LOCK-OFF UNITS.** If a Unit can be used as a Lock-Off Unit, then separate Point Values may be created for the Full Unit and also for each Lock-Off Unit. The sum of the Point Values for the Deluxe Side and the Guest Side may be higher than the Point Value for the Full Unit. This is because breaking up a Lock-Off Unit into two sides may mean that one of the sides may go unused. As a result, the Plan Operator may choose to reflect this fact in setting the Point Values for use of Lock-Off Units.

(b) **CHANGES IN UNIT TYPES.** From time to time, the Plan Operator may change the unit types or even create new unit types based on any factors that are relevant in the Plan Operator's opinion.

3) **SEASONS.** The Plan Operator does not have to compare each Use Night to every other Use Night when assigning Points. Instead, the Plan Operator may divide the calendar year into different periods, called "*Seasons*". For example, it might divide the year into peak, high, medium and low Seasons. It may then divide the Use Nights among the Seasons. It may then set Point Values based on a comparison of the different Seasons rather than a comparison of each specific Use Night or Use Week.

(a) **RESORTS.** It is not necessary for the Seasons to start on the same dates for all Resorts. For example, the Points Chart may provide different starting and ending dates for Seasons at each Resort. It is also not necessary that all Resorts have the same Seasons. For example, one Resort may only have only one Season. Another Resort may have three or four Seasons.

(b) **DAYS OF WEEK.** It is not necessary for any Season to begin or end on a specific day of the week. For example, a Season might begin on a Friday and end on a Sunday.

(c) **CHANGES IN SEASONS.** From time to time, the Plan Operator may change the starting and ending dates of the Seasons or even create new Seasons or delete existing Seasons based on any factors that are relevant in the Plan Operator's opinion.

4) **POINT VALUES FOR USE WEEKS.** The sum of the Point Values for each Use Night in a Use Week may be higher than the Point Value for the full Use Week. This is because breaking up a Use Week into smaller Use Periods may mean that some of the Use Nights may go unused. As a result, the Plan Operator may choose to reflect this fact in setting the Point Values for use of the individual Use Nights making up a Use Week.

5) **OTHER DISTINCTIONS.** The Plan Operator may draw other distinctions when preparing the Points Chart. It may do so in order to recognize new classes of Memberships or reservation and use rights created from time to time, or to enhance the administration and operation of the system, or for

any other purpose that is relevant in the Plan Operator's opinion.

D. ASSIGNMENT OF POINTS.

1) **VACATION OWNERSHIP INTERESTS.** Each year, the Plan Operator will assign to each Vacation Ownership Interest the number of Points equal to the Point Value of the Owner's Vacation Ownership Interest as shown on the Points Chart for that Use Year. In calculating the number of Points to assign to each Vacation Ownership Interest, the following Rules will apply:

(a) Point assignments will not be based on the use of Lock-Off Units but rather on use of a Full Unit (unless an owner's use rights are limited to one side of a Lock-Off Unit).

(b) Point assignments will not be based on individual Use Nights but rather on full Use Weeks.

(c) The Plan Operator will assign Points to Odd-Year Vacation Ownership Interests only for use during Use Years ending in an odd number.

(d) The Plan Operator will assign Points to Even-Year Vacation Ownership Interests only for use during Use Years ending in an even number.

2) **LIMITS ON POINT ASSIGNMENTS.** The total number of Points assigned to all of the persons to whom Points are assigned must not exceed the total of all the Point Values for all Use Periods to which Points are assigned.

6.8 FEES.

A. **ANNUAL CLUB DUES.** Each year every Owner must pay the Annual Club Dues charged to the Owner or to his or her Vacation Ownership Interest. The Club Operator will set the amount of the Annual Club Dues. In doing so, it must follow the rules stated in the Club Documents. All Owners must pay the full amount of the Annual Club Dues each Use Year, regardless of whether they own an Every-Year Vacation Ownership Interest or an Every-Other-Year Vacation Ownership Interest. Discounts in the Annual Club Dues may be offered to Owners who own more than one Vacation Ownership Interest but this is not required.

1) **LIMITS ON ANNUAL CLUB DUES.** The total Annual Club Dues for any Vacation Ownership Interest cannot be increased by more than ten percent (10%) over the amount of the Annual Club Dues for that Vacation Interest for the previous Use Year unless the increase is approved by the vote or written consent of a Majority of the Owners Voting (not counting the Developer's Vacation Ownership Interests and votes) at a meeting of the Association. An approval will not be effective unless the Owners who vote for or consent to the increase hold at least twenty-five percent of the total

number of votes for all Vacation Ownership Interests (not counting the Developer's Vacation Ownership Interests and votes). No vote or written consent is required if the amount of the Annual Club Dues for a Vacation Ownership Interest would not have exceeded the limit except for a change in taxes or other governmental assessments (for example a tax on Exchange Program fees) or a change in the law. The rule limiting increases does not apply to Vacation Ownership Interests not participating in the Plan during the prior year. This happens when new Vacation Ownership Interests are created from time to time.

B. TRANSACTION FEES. In addition to the Annual Club Dues, an Owner must pay any Transaction Fee required by the Reservation Rules. The Club Operator will set the amount of the Transaction Fees. In doing so, it must follow the rules stated in the Club Documents.

C. ADDITIONAL FEES. In addition to the Annual Club Dues and Transaction Fees, an Owner must pay any Additional Fee charged to the Owner for Optional Benefits.

D. TAXES. If any Club Fee is subject to any general excise tax or any other gross income tax or similar tax based on the amount charged, an Owner must pay any additional amount necessary to cover the entire tax so that the net amount received by the Club Operator is not reduced in any way by the tax. Likewise, if general excise tax or other gross income tax or similar tax is charged on any part of the Club Fees paid by or through the Club Operator to another Exchange Company, an Owner must pay any additional amount necessary to cover the entire tax so that the net amount received by the Exchange Company is not reduced in any way by the tax. This Subsection D. does not apply to net income taxes charged to the Club Operator or to an Exchange Company.

E. PAYMENT OF FEES. The Club Operator may require that Club Fees be paid in cash or it may permit them to be paid using Points. If the fees are paid using Points, then the Club Operator may use those Points just like any other Club Member. For example, the Club Operator may reserve a Use Week and rent it to someone. In that case, the Club Operator would have the right to keep all amounts paid as rent.

F. PROMISE TO PAY. By acquiring a Vacation Ownership Interest, an Owner promises to pay all Club Fees charged to the Owner or to his or her Vacation Ownership Interest. Each Owner makes this promise whether or not he or she signs any document that expressly says so.

G. PERSONAL OBLIGATION TO PAY. Each Owner is personally obligated to pay on time all Club Fees charged to the Owner or to his or her Vacation Ownership Interest. The amount of the Club Fees will become the personal debt of the Owner as of the date when they are assessed. An Owner cannot avoid liability for the Annual Club Dues by not using

his or her Vacation Ownership Interest or any benefits available through the Club, or by abandoning it. Even if an Owner transfers his or her Vacation Ownership Interest to someone else, the Owner is still personally obligated to pay all Club Fees due before the transfer takes effect.

H. INTEREST, LATE CHARGES AND COSTS. All sums not paid on time will be subject to: (i) interest at a rate set by the Club Affiliation Agreement or, if no rate is set, then at one percent per month from the due date; and (ii) a late charge equal to Ten Dollars (\$10.00) or ten percent (10%) of the amount due, whichever is more. The Ten Dollar amount will rise or fall each year with the rate of inflation in Honolulu, Hawaii, as measured by the C.P.I. Index (see Section 12.3I.3)(a)). An Owner must also pay all costs of collection, including court costs and attorneys' fees.

I. COLLECTION OF FEES. The Club Operator may collect Club Fees in any lawful manner. If asked by the Club Operator, the Association will use its best efforts to collect the Club Fees. This includes the obligation to use any enforcement rights that the Association has under the Vacation Plan Documents or by law. The Association will collect the Annual Club Dues as part of the Regular Assessment for each Vacation Ownership Interest if, and only if, the Club Operator gives the Association written directions to do so. The Association may delegate to the Club Operator the right to collect for the Association the Regular Assessments and Personal Charges due from the Owners. Likewise, the Club Operator may delegate to the Association the right to collect Annual Club Dues. Alternately, the Club Operator has the right to require that Regular Assessments be collected by a bonded collection and servicing agent. The costs of doing so will be a Plan Expense. Instead of collecting Annual Club Dues from each Owner individually, the Club Operator may elect to charge to the Association the entire amount of the Annual Club Dues for all Vacation Ownership Interests in the Plan. If so, the amount charged will be a Plan Expense. An Owner's failure to pay his or her share of this amount will not excuse the Association from its obligations to pay promptly to the Club Operator the full amount of the Annual Club Dues charged to the Vacation Ownership Plan in this fashion.

J. SEPARATE FUNDS. All funds belonging to the Association must be kept in separate accounts from funds belonging to the Club Operator, any other Exchange Company, or any Other Club Vacation Plans. All books and records of the funds and property of the Association must be kept separately from the books and records of the Club Operator, other Exchange Companies, and Other Club Vacation Plans. These requirements will still apply even if the Association collects Club Fees for the Club Operator or if the Club Operator collects Assessments and Personal Charges for the Association. If members pay using a single check or similar means of payment, the money from the check must be deposited into a trust account. Within thirty days after

deposit, all funds belonging to the Association must be paid from that account to the Association, and all funds belonging to the Club Operator, another Exchange Company, or any Other Club Vacation Plans must also be paid from that account to the Club Operator, the other Exchange Company, or to the association of the Other Club Vacation Plan.

K. SUSPENSION OF RESERVATION RIGHTS. The Plan Operator does not have to process or confirm the reservation request of any Owner who has not paid (i) all Club Fees, (ii) all Assessments, Personal Charges and other amounts owed to the Association, (iii) all interest, late charges and attorneys' fees charged by the Club Operator or the Association, and (iv) all amounts dues under any note or mortgage made by the Owner in favor of the Developer.

L. OTHER FEES. The Association must pay any other fees charged to the Plan or the Association under the Club Affiliation Agreement. Those amounts will be Plan Expenses.

6.9 RIGHTS AND DUTIES OF THE CLUB OPERATOR. The Club Operator will have these rights and duties at all times when the Plan is part of the Club:

A. ADDITION OF OTHER CLUB VACATION PLANS. So long as the requirements of Section 6.11 are met, the Club Operator may include in the Club any other vacation ownership or time share plans or programs, or fractional ownership plans or programs. It may do so without the consent of the Owners, their Lenders, the Developer, the Association, or anyone else. However, the Club Operator does not have to include in the Club any other resort, residential, transient, time share or vacation ownership, fractional ownership, or other development that it owns, develops, or manages.

B. REMOVAL OF OTHER CLUB VACATION PLANS. The Club Operator may terminate, cancel, not renew, or otherwise end the affiliation agreement with any Other Club Vacation Plan without the consent of the Owners, their Lenders, the Developer, the Association, or anyone else. In that event, the Club Operator must also end the Club Membership of each Club Member from the Club Vacation Plan removed from the Club.

C. EXTERNAL EXCHANGE PROGRAMS. The Club Operator has the option but no duty to enter into one or more agreements, including "corporate" membership agreements, to affiliate the Club with one or more External Exchange Programs, including but not limited to the Network, vacation networks, vacation clubs, or multi-site vacation ownership plans, on such terms and conditions as are acceptable to the Club Operator. The Club Operator also has the option, from time to time, to enter into or otherwise arrange for one or more special exchange relationships with any entity other than an Exchange Company pursuant to which Club Members will have access to selected non-Club Resorts and non-Club

owners will have access to Club Units after one or more of the Home Resort Reservation Periods have expired. The Club Operator may do any of these things without the consent or approval of the Owners, the Association, or anyone else. In each case, the Association, the Plan Manager, and the Owners must cooperate fully with the Club Operator and must comply with the terms and conditions of any contract or agreement governing a special exchange relationship. Any special exchange relationship, and any arrangement with any vacation network, vacation club, or multi-site vacation ownership plan, must not violate the one-to-one use-right to use-night requirement of the Act.

D. CLUB RULES. The Club Operator adopted the first set of Club Rules. The Club Rules are not a part of this Declaration or the other Vacation Plan Documents. The Club Operator may change the Club Rules from time to time without the consent of the Association, any Owner, or anyone else. The Club Operator may only change the Reservation Rules in the manner and subject to the limits contained in the Club Documents and in Section 5.2L. Each Owner must obey the Club Rules.

E. CLUB DOCUMENTS. Subject to the requirements of the Club Affiliation Agreement, the Club Operator may change the Club Policies and any other Club Documents as it deems necessary or desirable from time to time. It may do so without the consent of the Association, any Owner, or anyone else.

F. TERMINATION OF THE CLUB AFFILIATION AGREEMENT. The Club Operator's agreements with every Other Club Vacation Plan, or the documents governing the Other Club Vacation Plan, must provide that if its affiliation agreement is terminated, cancelled, expires, or otherwise ends for any reason, the association of that Club Vacation Plan must honor all reservations held by Club Members or Exchange Users whose reservation was confirmed by or through the Club Operator before that Club Vacation Plan's affiliation agreement ended.

G. COMPUTER SYSTEM. The Club Operator or a related company owns or has a lease or license to use the computer hardware and software used to operate the reservation system. They will continue to own, or hold the lease or license on the hardware and software even after the Club Affiliation Agreement ends. If the Club Affiliation Agreement ends, then the Association, the Plan Manager, the Plan, and the Owners will no longer have any right to use these computer systems except as specifically otherwise stated in the Club Affiliation Agreement or as required by law.

H. INTELLECTUAL PROPERTY RIGHTS. The Club Operator or related companies own or have a license to use certain property, called "Intellectual Property", with respect to the Club, the Plan, and/or one or more External Exchange Programs. For example, the Club Operator owns the name

“Starwood Pacific Vacation Club”. The Club Operator or a related company has the right to use the name “Westin Ka’anapali Ocean Resort”. The Club Operator and/or the related companies may use these names, or variations of them, when referring to the Plan, the Condominium, or the Club. They may also use them in signs or on written or printed material such as newsletters, advertising material, and so on. They may also use these names on other things such as, for example, supplies like soap, shampoo, towels, and so on. Neither the Club Operator nor anyone else is transferring or licensing any of their rights in these names or any other Intellectual Property to the Association, the Plan, the Owners, or anyone else. The Club Operator and companies related to it will be the sole owners of these names and other Intellectual Property. Nothing in the Vacation Plan Documents or the Club Documents may be construed or interpreted otherwise. If the Club Affiliation Agreement is terminated, cancelled, expires, or otherwise ends for any reason, then the Association, the Plan Manager, the Plan, and the Owners will no longer have any right to use these names or any other Intellectual Property belonging to the Club Operator or to any company related to it. The Club Operator has the right to amend the Vacation Plan Documents, without the consent of anyone else, to delete all references to these names and any “Marks” or “Brand Name” as those terms are defined in the Club Affiliation Agreement.

6.10 RIGHTS AND DUTIES OF THE ASSOCIATION. The Association will have these rights and duties at all times when a Club Affiliation Agreement is in effect:

A. COOPERATION. The Association must cooperate fully with the Plan Operator in the promotion and operation of the Club and any External Exchange Program available through the Club.

B. CLUB MEMBERS AND GUESTS. The Association must provide to all Club Members and their Guests the same rights and privileges at the same rates provided to Owners and their Guests.

C. RELATIONSHIP TO THE CLUB OPERATOR. The Association will have no power or authority to bind the Club Operator, or any company related to it, in any way. The Association is a completely separate company from the Club Operator. Neither can make promises for the other.

D. INFORMATION.

1) The Association must promptly provide to the Club Operator a copy of the recorded deed for each Vacation Ownership Interest.

2) The Association must stay informed of new services and benefits provided to the Owners through the Club. The Association must explain the Club, and any External Exchange Program available through the Club, to

Owners and prospective Owners fairly, accurately and completely. The Association may not in any way misrepresent the Club, or any External Exchange Program available through the Club, or the Plan’s relationship to the Club or any External Exchange Program available through the Club. The Association may not change or summarize (i) any Club Operator Materials (as that term is defined in the Club Affiliation Agreement) without first getting the written consent of the Club Operator, or (ii) any materials supplied by an Exchange Company about its External Exchange Program without first getting the written consent of the Exchange Company.

E. COMPLIANCE WITH LAW. The Association must comply with all federal, state and local laws, and all administrative rules, regulations and orders that apply to the Association or to the Vacation Plan or the manner in which either of them are operated.

F. AFFILIATION AGREEMENT. The Association has the power and authority to enter into the Club Affiliation Agreement and to agree to revisions to it. The Association must perform all of its duties under the Club Affiliation Agreement. Unless the Club Operator consents in writing, the Association has no power or authority to enter into (i) an agreement like the Club Affiliation Agreement with anyone else, or (ii) an agreement with anyone else to provide a common reservation system for Vacation Units and Units included in any other vacation ownership or time share plan or program, or fractional ownership program. Any attempt to do so will not be effective. It will be void. However, if the Plan is no longer part of the Club, then the Association may enter into an Exchange Contract with an established Exchange Company (such as Resort Condominiums International, LLC, or Interval International, Inc.) as provided in Section 7.2C. The Club Operator may enforce the limitations contained in this Subsection even after the Club Affiliation Agreement ends.

G. TERMINATION OF THE AFFILIATION AGREEMENT. If the Club Affiliation Agreement is terminated, cancelled, expires, or otherwise ends for any reason, the Association must do each of these things:

1) It must honor all reservations held by Other Club Members and Exchange Users whose reservation was confirmed by or through the Club Operator before the Club Affiliation Agreement was terminated, cancelled, expired, or otherwise ended.

2) It must do everything else required by the Club Affiliation Agreement.

The Club Operator has the right to enforce these requirements even after the Club Affiliation Agreement ends.

6.11 CONTENTS OF THE CLUB AFFILIATION AGREEMENT. The Club Affiliation Agreement must contain the following provisions:

A. CLUB RESERVATIONS.

1) The Club Affiliation Agreement must prohibit the Club Operator from including in the Club any other vacation ownership or time share plan or program, or any fractional ownership program, unless, under the arrangements between Club Operator and the Other Club Vacation Plan, Owners in this Plan will have reciprocal rights to reserve and use Club Units included in that Club Vacation Plan as stated in Sections 6.6C and 6.6D. However, the Club Operator may refuse to confirm the request of an Owner who has not paid his or her Assessments, Personal Charges, or Club Fees, or in other circumstances where it could refuse to confirm a reservation request by the Owner to use a Vacation Unit.

2) The Club Affiliation Agreement must prohibit the Club Operator from allowing Club Members from Another Club Vacation Plan to reserve Vacation Units in this Plan before the time when Owners in this Plan can reserve Units in that Other Club Vacation Plan.

B. PURCHASER PROTECTIONS. The Club Affiliation Agreement must prohibit the Club Operator from including in the Club any other vacation ownership or time share plan or program, or any fractional ownership program, unless the developer of that Other Club Vacation Plan has made reasonable arrangements to assure that:

1) **BLANKET LIENS.** The documents governing that Other Club Vacation Plan prohibit it from issuing time share interests or fractional ownership interests based on property that is or may become subject to a blanket lien unless:

(a) The lienholder has signed a recorded non-disturbance agreement that protects the use rights of the Club Members in that Club Vacation Plan or the developer has posted a bond or made other reasonable arrangements to protect the use rights of those Club Members from the blanket liens; and

(b) Reasonable arrangements are made to assure that the use rights of those Club Members will be protected from blanket liens that may arise in the future. This requirements is met if the time share interests or fractional ownership interests are deeded to the Club Members in the Other Club Vacation Plan.

2) **COMPLETION OF IMPROVEMENTS.** Adequate provisions exist for lien-free completion of all on-site and off-site improvements of the property included in the Other Club Vacation Plan.

3) **BALANCING USE RIGHTS.** The documents governing the Other Club Vacation Plan or the Club Operator's affiliation agreement with that Club Vacation Plan contain requirements intended to insure compliance with the one-to-one use-right to use-night requirement. This is intended to make sure that, on an annual basis, the sum of the Use Nights that all Club Members are entitled to use in a given year will not exceed the number of Use Nights available for use by the Club Members during that year.

4) **MAINTENANCE AND OPERATIONS.** The documents governing the Other Club Vacation Plan provide for (i) reasonable maintenance and operation of the property included in that Club Vacation Plan, and (ii) funding the costs of operating and maintaining that property, including reserves, if required, for replacement of capital improvements as required by the law of the place where the Resort is located; and

5) **LEGAL COMPLIANCE.** The Other Club Vacation Plan complies with the laws that apply to the sale of time share interests or fractional ownership interests in the place where the Resort is located.

C. USE OF CLUB UNITS. The Club Affiliation Agreement must say that the Club Operator will not issue Points or other use rights, or a Club Membership, to anyone who (i) is not an Owner of a Vacation Ownership Interest in this Plan, (ii) is not the owner of a time share interest or fractional ownership interest in Another Club Vacation Plan, and (iii) has not deposited in the Club the right to use property that meets the requirements of Subsection 6.11B in return for the right to use a Club Unit. This rule does not prohibit the Club Operator from permitting Exchange Users to reserve the use of a Vacation Unit through an External Exchange Program arranged by or through the Club Operator so long as the Exchange User has also deposited use rights in the External Exchange Program. This rule also does not prohibit the Developer from reserving and using Use Periods as permitted by Section 8.7C, nor does it prohibit the developer of Another Vacation Plan from having and using similar rights. Likewise, this does not prohibit the Club Operator from reserving and using Use Periods as permitted by Section 8.8A.

D. USE OF THE VACATION PROPERTY. The Club Affiliation Agreement must say that the Club Operator cannot authorize or permit use of a Vacation Unit by anyone who is not authorized to do so by the Vacation Plan Documents. This does not prevent someone who has the right to use a Vacation Unit from renting it to someone else.

E. TERM.

1) The Club Affiliation Agreement may have an initial term of not more than five years from the Starting Date. "Starting Date" is defined in Section 12.5B.1).

2) The Club Affiliation Agreement may provide that after the first term and each later term ends, the Club Affiliation Agreement automatically will be renewed for five more years, unless a written notice canceling the Club Affiliation Agreement is sent by either party at least 30 days before the next renewal date.

(a) The Association cannot give this notice unless a Majority of the Owners Voting vote to do so by written ballot or at an annual or special meeting of the Association held, in either case, not more than one hundred and twenty (120) nor less than thirty (30) days before the renewal date, provided that:

(1) At least thirty percent (30%) of the Owners (not counting the Developer's Vacation Ownership Interests and votes) must be present at the meeting, in person or by proxy or must participate in the voting by ballot; and

(2) The Owners voting or casting ballots in favor of not renewing the Club Affiliation Agreement must hold at least twenty-five percent (25%) of the total number of votes for all Vacation Ownership Interests (not counting the Developer's Vacation Ownership Interests and votes); and

(3) The Developer must abstain from the vote, and the Developer's votes will not be considered when determining whether a Majority of the Owners Voting have voted or cast ballots in favor of giving the notice.

(b) A decision not to renew the Club Affiliation Agreement cannot be made by the Board alone. Neither the Board nor any officer, director, employee or agent of the Association can give the notice before a Majority of the Owners Voting cast ballots or vote not to renew the Club Affiliation Agreement in the manner required by Subsection 6.11E.2)(a). Any notice sent before then will not be effective. It will be void.

F. CANCELLATION BY THE ASSOCIATION. The Association must have the right to cancel the Club Affiliation Agreement without paying a cancellation fee whenever the Club Operator violates a material part of it and fails to cure its violation within the time permitted by the Club Affiliation Agreement or any longer time permitted by the Board.

G. CANCELLATION BY THE CLUB OPERATOR. The Club Operator has the right to cancel the Club Affiliation Agreement at any time stated in the Club Affiliation Agreement. The Club Operator also has the right to cancel the Club Affiliation Agreement if any of these things happen:

1) If the Association terminates, cancels, or fails to renew the Management Contract with the Plan Manager for any reason.

2) If the Master Association terminates, cancels, or fails to renew its management contract with the managing agent of the Master Association for any reason.

3) If the Condominium Association terminates, cancels, or fails to renew its management contract with the managing agent of the Condominium Association for any reason.

4) If, in the opinion of the Club Operator, the Association, the Condominium Association, or the Master Association fails to manage, operate and maintain the Condominium, the Master Association property, or the Vacation Property in a manner consistent with a first class destination resort and any additional standards stated in the Club Affiliation Agreement.

6.12 AMENDMENT OF THIS CHAPTER. So long as the Plan is part of the Club, this Chapter 6 may not be changed without the written consent of the Club Operator.

7. EXCHANGE PROGRAMS

7.1 INTRODUCTION. The Club may or may not include access to an External Exchange Program. An External Exchange Program gives Owners the opportunity to exchange their use rights for the right to use other property through the External Exchange Program. This Chapter is intended to explain the relationship among Owners, the Club, and any External Exchange Programs. It also creates rules that apply to Exchange Users (including members of Other Club Vacation Plans) when they are using the Vacation Property.

7.2 EXTERNAL EXCHANGE PROGRAMS.

A. PARTICIPATION IN EXTERNAL EXCHANGE PROGRAM. An Owner may exchange his or her use rights through an External Exchange Program if the Owner chooses to do so. Rules and regulations of an External Exchange Program do not reduce or suspend the duties of an Owner under the Vacation Plan Documents. Any amounts charged to the Owner by the Exchange Company or relating to the External Exchange Program do not change or reduce the Owner's personal duty to pay all amounts charged to the Owner or his or her Vacation Ownership Interest as (i) Assessments or Personal Charges under the Vacation Plan Documents, or (ii) Club Fees (while the Plan is part of the Club).

B. WHILE THE PLAN IS PART OF THE CLUB. The Club Operator has the option to enter into a contract (an "Exchange Contract") with one or more companies operating an External Exchange Program. The Exchange Contract may allow Owners to exchange their right to use the Vacation Property for the use of property that is not included in the Club. The Club Operator can change or terminate any Exchange

Contracts at any time and without the approval or consent of the Association, the Owners, or anyone else.

1) The Club Operator may sign an Exchange Contract with the Network Operator that provides that Use Nights not reserved by a certain deadline are automatically deposited into the Network Operator's exchange system and can be reserved by any Network Member. If so, the Exchange Contract must satisfy, with respect to the Network, each of the requirements of Sections 6.11A through 6.11D that the Club Affiliation Agreement must satisfy with respect to the Club. The Exchange Contract may allow the Network Operator to use the Club Operator's easement under Section 8.8C.2) to allow Network Members to use, possess, and enjoy the Vacation Property as described in Section 8.8C.2).

C. IF THE PLAN IS NO LONGER PART OF THE CLUB. If the Plan is no longer part of the Club:

1) The Association may enter into an Exchange Contract with one or more Exchange Companies to provide Traditional Exchange Program services to Owners. A program will be deemed a "Traditional Exchange Program" only if:

(a) Membership is not automatic. Instead, each Owner must have the right to choose whether to continue to be a member of the Exchange Program each year.

(b) An Owner who chooses to join the Exchange Program must pay, directly to the Exchange Company, the Exchange Company's standard membership fee. The Association cannot collect these fees or pay them for the Owners.

(c) Use rights are not deposited in the Exchange Program automatically. Instead, a Use Period may be deposited in the Exchange Program only if (i) an Owner first reserves the Use Period, and (ii) the Owner deposits the Use Period directly with the Exchange Company at the time when the Owner requests an exchange to use property that is not part of the Vacation Property.

This Subsection 7.2C, and the last sentence of Subsection 7.2D., cannot be changed without the Developer's written consent.

2) The Association may collect and pay any fee required to be paid by the Plan or the Association under the Exchange Contract. That cost will be a Plan Expense.

D. EXCHANGE TRADING POWER PROTECTION. The Plan Operator may estimate the anticipated demand for use of any Exchange Program by the Owners. In order to further the best interests of the Owners as a whole, the Plan Operator may deposit Use Periods with the Exchange Program in advance of the Owners' requests in order to obtain exchange rights for use by the Owners. The provisions of this

Subsection may not be used to circumvent the requirements of Subsection 7.2C.

7.3 OWNER'S EXCHANGE RIGHTS AND DUTIES.

A. CHARGES RESULTING FROM AN EXCHANGE. If, through an Exchange Program, an Owner exchanges his or her use rights in the Vacation Ownership Plan for use elsewhere, the Owner must pay all amounts reasonably charged to the Owner at the other property. If the Owner does not, the Association may (but does not have to) charge the amount owed as a Personal Charge to the Owner. While the Plan is part of the Club, the Club Operator may (but does not have to) charge the amount owed as an Additional Fee. The Board may examine the charges claimed to be owed to the other property and decide which amounts, if any, will be treated as a Personal Charge. While the Plan is part of the Club the Club Operator may do likewise as to amounts that may be charged as an Additional Fee.

B. SUSPENSION OF EXCHANGE RIGHTS. A suspension under Section 14.3 also suspends the Owner's exchange rights. The Plan Operator will notify the Exchange Company of the suspension. A suspension will not affect the rights of an Exchange User (other than a Club Member or Network Member) whose reservation to use the suspended Owner's Use Period is confirmed by the Plan Operator or the Exchange Company before the suspension takes effect.

7.4 EXCHANGE USER'S DUTIES AND LIABILITIES.

A. DUTIES. Exchange Users have these duties:

- ❖ They must obey the Ka'anapali North Beach Documents, the Master Association Documents, the Condominium Documents and the Vacation Plan Documents and see that their Guests also do so.
- ❖ They will be responsible for (and personally liable for) their Guests just as if they were Owners (see Section 10.3).
- ❖ They must promptly pay all Personal Charges incurred during their Vacation Periods (for example, charges for extra housekeeping service or telephone calls).
- ❖ They must promptly pay all other Personal Charges or personal expenses arising from or related to their use of the Vacation Property, the Common Furnishings, the Condominium, the Master Association Amenities or the Ka'anapali North Beach Amenities (for example, charges for use of the Master Association Amenities or legal fees paid to collect Personal Charges owed by them or their Guests).
- ❖ They will be treated as if they were the Owner of the Vacation Ownership Interest for the purposes of Section 8.6. Among other things, this means they will be liable

for and must pay all sums charged to them under Subsection 8.6B just as if they were Owners.

- ❖ They will not have to pay any Regular or Special Assessments and they cannot vote in the Association.

B. LIABILITY OF EXCHANGE USERS AND THEIR GUESTS. Exchange Users and their Guests are jointly and severally liable to keep all promises and pay all charges described in Section 7.4A. This means that each of them may have to pay the whole amount, not just part of it or their share of it. Each person is responsible separately and together with the others.

C. EXCHANGE USERS MAY BE REQUIRED TO SIGN A CONTRACT. Exchange Users may be required at check-in (or later) to sign a contract in which they promise to do the things required in this Section 7.4.

7.5 LIABILITY.

A. FOR THE CLUB OPERATOR. The Association, the Plan Manager, and the Developer (and each of their directors, officers, employees and agents) are not responsible for the acts, failure to act or conduct of the Club Operator or for the Club Operator's breach of the Club Affiliation Agreement or any other agreement.

B. FOR AN EXCHANGE COMPANY. The Association, the Plan Manager, the Developer, and the Club Operator (and each of their directors, officers, employees and agents) are not responsible for the acts, failure to act or conduct of an Exchange Company or for an Exchange Company's breach of the Exchange Contract or any other agreement.

C. FOR EXCHANGE USERS. The Association, the Plan Manager, the Developer, the Club Operator, and the Exchange Company (and each of their directors, officers, employees and agents) are not responsible for any act, failure to act or conduct of Exchange Users or their Guests. An Owner is not responsible for any act, failure to act or conduct of Exchange Users or their Guests whose use of a Vacation Unit is exchanged for that Owner's use rights through the Club or another Exchange Company.

7.6 DUTY TO COMPLY WITH CONTRACTS. The Association must always repair and keep the Vacation Units and the Common Furnishings in good enough condition to comply with any standards reasonably set by the Club Affiliation Agreement and/or any Exchange Contract. The Owners, the Association, and the Plan Manager must use their best efforts to comply with all other requirements of the Club Affiliation Agreement and/or any Exchange Contract. They must also cooperate fully with the Club Operator and any Exchange Company.

8. USE RIGHTS AND RULES

8.1 INTRODUCTION. This Chapter explains the rights and duties of anyone who is using a Vacation Unit or any Common Elements of the Condominium.

8.2 RIGHTS DURING YOUR VACATION PERIOD. During an Owner's Vacation Period, the Owner has the exclusive right to occupy and use his or her Assigned Unit and the Common Furnishings in it. During the same Vacation Period, the Owner has the right to use: (a) the Common Elements of the Condominium and any Limited Common Elements available to the Vacation Unit, (b) the Master Association Amenities to the extent permitted under the Master Association Documents, and (c) any Ka'anapali North Beach Amenities to the extent permitted under the Ka'anapali North Beach Documents. The Developer has the same use rights during all Vacation Periods it owns or reserves. These rights are defined, limited and governed by the Vacation Plan Documents, and the Club Documents (while the Plan is part of the Club).

A. GUEST USE. An Owner may allow someone else to use his or her Assigned Unit during the Owner's Vacation Period for the purposes permitted by this Declaration. The Owner, however, must first notify the Association that a Guest will use his or her Assigned Unit. The Owner will be fully responsible for his or her Guests. See Chapter 8 for more details.

B. CONSECUTIVE USE PERIODS. Anyone who has the right to use a Vacation Unit for two or more Use Periods in a row will also have the right to remain in it during the Minor Service Period between those Use Periods. This does not mean, however, that the Association cannot enter it to perform housekeeping, maintenance and repairs, and so on, during the Minor Service Periods between Use Weeks.

C. CLUB OPERATOR AND CLUB MEMBERS. While the Plan is part of the Club, the Club Operator and any Club Members having a confirmed reservation to use a Vacation Unit in this Plan will have the same use rights during any Vacation Period reserved by them.

D. EXCHANGE USERS. Any other Exchange User having a confirmed reservation to use a Vacation Unit in this Plan will have the same use rights during his or her reserved Use Period.

8.3 AT OTHER TIMES.

A. UNITS. Except for the Assigned Unit during his or her Vacation Period, no Owner, Other Club Member, or other Exchange User may use or occupy a Vacation Unit, its Common Furnishings, or the Common Elements unless he or she is expressly authorized by (a) the person entitled to use the Vacation Unit at that time, (b) the Plan Operator, or (c) the Association. For the purposes of 11 U.S.C. 365(h) and (i),

however, each Owner is deemed to be in constructive possession of his or her Apartment at all times.

B. MASTER ASSOCIATION AMENITIES. No Owner, Other Club Member, or other Exchange User may use any of the Master Association Amenities that are not open to the general public except during his or her Vacation Period or as otherwise provided by the Master Association Documents.

C. KA'ANAPALI NORTH BEACH AMENITIES. No Owner, Other Club Member, or other Exchange User may use any of the Ka'anapali North Beach Amenities that are not open to the general public except during his or her Vacation Period or as otherwise provided by the Ka'anapali North Beach Documents.

D. DAY USE. Regardless of what Sections 8.3A, 8.3B, and 8.3C say, the Plan Operator may permit Owners and their Guests to use the Common Elements of the Condominium, the Master Association Amenities, and any of the Ka'anapali North Beach Amenities at times other than their Vacation Periods. Such use is called "*Day Use*". The Plan Operator has no duty to permit Day Use. If the Plan Operator permits Day Use, then Owners and their Guests will have the right to use the Common Elements of the Condominium, including but not limited to any unassigned parking stalls, any Master Association Amenities, and any Ka'anapali North Beach Amenities upon the terms and conditions set by the Plan Operator. Day Use will be subject to any further limitations contained in the Condominium Documents, the Master Association Documents and/or the Ka'anapali North Beach Documents. The Plan Operator must limit Day Use to the extent reasonably necessary to assure that it does not unreasonably burden or interfere with the use of the Condominium, the Master Association Amenities, or the Ka'anapali North Beach Amenities. For example, if the pool is overburdened by Day Use, then the Plan Operator must take reasonable steps to limit such use to a level that does not overburden the pool.

8.4 GENERAL USE RESTRICTIONS AND DUTIES.

A. LIMITS ON OCCUPANTS AND COMMERCIAL USE.

1) The number of people allowed in any Vacation Unit is limited to the maximum number permitted by law, the Condominium Documents and the Association Rules. No business or profession may be conducted in any Vacation Unit or on the Common Elements. This does not apply, however, to the Developer's rights under Sections 8.7 and 8.9 or to the Club Operator's rights under Section 8.8.

2) Owners and Exchange Users may only use Vacation Units to provide vacation lodgings for themselves and their Guests. They may not use a Vacation Unit for any commercial purpose. Also, they may not, without first getting the Developer's written consent, lease, rent or otherwise contribute their Vacation Ownership Interest, use rights,

Points, or Vacation Period to (i) any other vacation ownership or time share plan or program, (ii) any fractional ownership plan or program, or (iii) a Competitor of the Developer (but this does not prevent an Owner from participating in a Traditional Exchange Program pursuant to Section 7.2C.1) or any Exchange Program available through the Club Operator.) The Developer may withhold its consent in its sole discretion. "Competitor" is defined in Section 12.3L.7). The Rules in this Subsection 8.4A.2) do not apply to the Developer's rights under Sections 8.7 and 8.9, or to the Club Operator's rights under Section 8.8.

B. ANIMALS. Persons with handicaps or disabilities may keep specially trained animals in their Assigned Unit or elsewhere on the Condominium as provided in the Condominium Documents, the Master Association Documents, or by law. No other pets or other animals of any kind may be allowed or kept in any Vacation Unit or elsewhere on the Condominium except as explicitly provided in the Association Rules.

C. USE OF KA'ANAPALI NORTH BEACH AMENITIES. This Declaration gives the Owners and Occupants no greater rights than they otherwise have under the Ka'anapali North Beach Documents. For example, Owners and Occupants have no right to use any private areas of other Ka'anapali North Beach properties just because they are members of the Ka'anapali North Beach Association or own a Vacation Ownership Interest or have the right to occupy a Vacation Unit.

D. USE OF MASTER ASSOCIATION AMENITIES. Use of the Master Association Amenities is available only to the persons and on the terms and conditions set by the Master Association. The Master Association may change the terms and conditions from time to time. Except as otherwise provided in the Master Association Documents, Master Association Amenities available at one time may not continue to be available, or available to Owners and Occupants, in the future. Also, the Master Association may charge for the use of some of the Master Association Amenities. For example, the Master Association may charge for use of the spa, for personal trainers, for scuba lessons, or for other things. This Declaration gives the Owners and Occupants no greater rights than they otherwise have under the Master Association Documents.

E. RENTALS. Owners may rent their Vacation Periods in this Plan. The Reservation Rules may limit or prohibit Owners from renting Use Periods reserved in Resorts other than this one. Each Owner promises not to enter into a "*rental pool*" or similar arrangement where the Owner's Vacation Period is placed together in a pool with other Owners' Vacation Periods and rented, or where rental income and/or expenses are shared in some other way. Only the Developer can enforce this restriction. The Developer can enforce this restriction until the earlier of (1) December 31,

2025, or (2) the date the Developer sells all Vacation Ownership Interests and any other Apartments it owns in the Condominium and in any "Adjacent Projects" as that term is defined in the Condominium Documents. The Developer makes no representation or warranty that any rental pool arrangement will become available, or as to the potential rental value of a Vacation Ownership Interest, or that an Owner may expect to make a profit by buying or renting a Vacation Ownership Interest.

F. CHANGES TO THE VACATION PROPERTY. No Occupant may make or authorize anyone else to make any changes, additions, or repairs to any Vacation Unit or its Common Furnishings except when needed to prevent damage or injury to persons or property in an emergency. Nobody may paint, refinish or redecorate any Vacation Unit or remove, change or replace any part of the Common Furnishings without first having the written consent of the Association. The Association alone has the right to do those things. However, these restrictions do not reduce or change the duty of every Occupant described in the next paragraph.

G. DUTY OF CARE; MAINTENANCE AND REPAIR. All Occupants must keep their Assigned Unit and its Common Furnishings neat and in good condition during their Vacation Period and must take good care of all property available for their use. This includes, among other things, the common areas of the Condominium. The Owners, acting through the Association, will conduct and pay for the costs of normal maintenance and repair of the Vacation Units, their Limited Common Elements, if any, and the Common Furnishings. The Master Association maintains the Master Association Amenities and the Condominium Association maintains the general Common Elements.

H. OBEY THE KA'ANAPALI NORTH BEACH ASSOCIATION, MASTER ASSOCIATION, CONDOMINIUM AND VACATION PLAN DOCUMENTS. Each Owner and each Occupant must obey the Condominium Documents, the Master Association Documents, the Ka'anapali North Beach Documents, and the Vacation Plan Documents and see that all his or her Guests also do so.

8.5 DUTIES AT CHECK-OUT TIME.

A. CHECK-OUT. Except as provided in Section 8.2B, Occupants must leave their Assigned Unit by Check-Out Time on the last day of their Vacation Period.

B. PERSONAL BELONGINGS. At the end of their Vacation Period, Occupants must remove from their Assigned Unit all clothing, food, liquor, luggage and other personal effects brought into the Vacation Unit. Nobody (including the Association, the Plan Manager and any later Occupants of the Vacation Unit) will be liable or responsible in any way at all for any personal effects left in a Vacation Unit at the end of a Use Period. Personal effects left in a Vacation Unit at the end

of a Use Period will be considered abandoned. The Plan Manager may throw away, sell, or give them away except as otherwise provided by law or by the Association Rules.

C. UNIT CONDITION. Occupants must leave their Assigned Unit and its Common Furnishings neat and in good and sanitary condition (except for reasonable and ordinary wear and tear or destruction by an unavoidable casualty or accident).

8.6 INTERFERENCE WITH ANOTHER'S USE.

A. SPECIAL DEFINITIONS. The following definitions apply to this Section 8.6:

1) "Injured Person" means anyone who has the right to occupy a Vacation Unit but who cannot do so because of the acts (or failure to act) of an Offender. There may be several Injured Persons. For instance, a Vacation Unit may be damaged so that it cannot be used for many Use Periods. If so, each person who has the right to use the Vacation Unit during those Use Periods is an "Injured Person."

2) "Offender" means anyone who:

(a) Uses or occupies a Vacation Unit during another's Vacation Period without permission or during a Service Period (such as by failing to leave by Check-Out Time), or

(b) Purposely or negligently prevents an Injured Person from using or occupying a Vacation Unit. This can happen, for example, if someone damages a Vacation Unit or its Common Furnishings so that as a practical matter it cannot be occupied during the following Use Period.

3) "Liquidated Damages" are damages agreed to in advance when actual damages would be difficult to measure. Actual damages caused by an Offender may be uncertain in nature or amount, or difficult, expensive and time-consuming to determine. To avoid these problems, each Occupant agrees that the amount of Liquidated Damages in this Section 8.6 will compensate an Injured Person fairly.

4) "Fair Rental Value" means the value of a Vacation Unit based on the cost of renting one like it in the Condominium or elsewhere in the area on a daily basis. If a Vacation Unit was to be used on a Lock-Off basis, then the term "Fair Rental Value" will mean the value of the Deluxe Side or the value of the Guest Side, whichever was reserved, based on the cost of renting a Unit like it in the Condominium or elsewhere in the area on a daily basis. The Association determines Fair Rental Value; its decision is final.

B. WHAT HAPPENS TO AN OFFENDER. An Offender:

1) May be evicted from the Vacation Unit immediately; and

2) "Waives" (gives up his or her right to) any notice required in a lawsuit to evict him or her (to the extent Hawaii law allows this); and

3) Must pay all costs and expenses to the Injured Person, the Association and the Plan Operator resulting from the Offender's conduct. This includes, for example, the Injured Person's travel costs and the costs of renting another place for the Injured Person to stay. This amount is a Personal Charge; and

4) Must pay the Injured Person Liquidated Damages equal to twice the daily Fair Rental Value of the Injured Person's Assigned Unit for each full or partial day the Injured Person cannot occupy the Assigned Unit. This amount also is a Personal Charge.

If there is more than one Injured Person for a single Use Period, they must share the Liquidated Damages; the Offender does not have to pay each one twice the daily Fair Rental Value. This does not limit, however, the Offender's obligation to compensate the Injured Persons for each Use Period when more than one Use Period is affected. If the Vacation Unit was to be used on a lock-off basis and use of both Lock-Off Units is affected, both the person entitled to use the Deluxe Side and the person entitled to use the Guest Side will be Injured Persons and each will be entitled to Liquidated Damages based on the Fair Rental Value of the side that they reserved.

C. THE ASSOCIATION'S DUTIES. The Association must take reasonable steps to evict the Offender. It also must find and pay for other lodgings for the Injured Person. These should be as near in value to Injured Person's Assigned Unit as possible. The cost of these lodgings will be charged to the Offender as a Personal Charge. The Association may decide that it has to rent these lodgings for longer than use of the Vacation Unit is prevented. If so, the Offender must pay the rental cost of the entire period as a Personal Charge. The Association's decision on this will be final.

D. APPLICATION TO EXCHANGE USERS. Sections 8.6A through C also apply to Exchange Users.

8.7 SPECIAL RIGHTS OF THE DEVELOPER. No matter what else the Vacation Plan Documents provide, the Developer has and will have the following special rights and privileges:

A. DEVELOPER'S VACATION OWNERSHIP INTERESTS. The Developer has the right to reserve a Use Week or the equivalent for each Vacation Ownership Interest it owns on the same basis as any other Owner.

B. FIFTY-THIRD USE WEEK. In certain Use Years, there will be 53 Use Weeks instead of 52. The Developer expressly reserves the right and an exclusive easement to reserve and then use the Vacation Units for one Use Week in

each Use Year that contains a 53rd Use Week. For this purpose, the Developer will have the reservation and use rights of an Owner of a Vacation Ownership Interest having a Floating Vacation Period and a Floating Unit Use Right. If the Developer uses its rights under this Subsection 8.7B, then the Developer must pay to the Association an amount equal to (i) the actual expense to the Association in maintaining and providing services (such as housekeeping) to the Vacation Unit and its Occupants during the Use Periods reserved and used by the Developer under this Section 8.7B, and (ii) a reasonable amount, to be set by the Board, for reserve expenses allocable to such use. The Developer must pay these amounts promptly after it receives a bill itemizing these charges.

C. UNRESERVED AND UNUSED USE PERIODS. The Developer has the right to reserve any Use Periods that, for any reason, are not reserved as of sixty (60) days before the Check-In Day. This right of the Developer is in addition to the reservation rights it has for any Vacation Ownership Interests it owns. The Developer's rights under this Subsection are subject to the rights of the Club Operator under Subsection 8.8.

D. DEVELOPER'S USE. The Developer may use its Vacation Periods for any purpose, no matter what else the Vacation Plan Documents provide. This includes, among other things, use for rental, sales and other commercial purposes permitted by law. The Developer and its Guests will have the right to use the Assigned Unit, its Limited Common Elements, the Master Association Amenities, and the Common Elements of the Condominium during the Use Period reserved. If the Developer rents these Use Periods, it has the right to keep the rent. The Developer may but does not have to assign its right to reserve and rent any unreserved Use Periods to the Association or to the Plan Manager by signing and recording a document that says so.

E. USE OF VACATION UNITS. The Developer may: (i) use one or more Vacation Units as model apartments; (ii) use one or more of the Vacation Units for customer relations, sales, marketing, and/or administrative offices, and (iii) show the Vacation Units to potential buyers. However the Developer cannot do this in a way that violates the one-to-one use-right to use-night requirement of the Act.

F. USE OF COMMON ELEMENTS AND AMENITIES. So long as the Developer owns any Vacation Ownership Interest or Apartment, it may use:

1) The Common Elements of the Condominium for any purpose permitted by law and by the Condominium Documents, free from the restrictions imposed by the Vacation Plan Documents, and

2) The Master Association Amenities for any purpose permitted by law and by the Master Association

Documents, free from the restrictions imposed by the Vacation Plan Documents.

This does not relieve the Developer of any restrictions on the use of the Developer's Reserved Rights contained in the Condominium Documents or the Master Association Documents.

G. DEVELOPER'S EASEMENT. The Developer has an easement to use the rights reserved by the Developer in this Section 8.7. The Developer's rights under Subsection 8.7E must be used so as to minimize, when reasonably possible, any unreasonable interference with the rights of Owners or others to use and occupy the Vacation Units (but this does not change the Developer's Reserved Rights in the Condominium Documents). In no case may these rights be used in a way that prevents an Owner or other person having a confirmed reservation from using their Assigned Unit during their Vacation Period. The term "easement" is defined in the Glossary (Section 19.5). The Developer's agents, employees, contractors, and other authorized persons may use the Developer's easement rights to the extent authorized by the Developer.

H. NAME CHANGE. The Developer may change the name of the Vacation Ownership Plan at any time. The Developer may record any documents that it deems necessary or helpful to change the name. The Association and each Owner gives the Developer a special power of attorney to do this.

8.8 SPECIAL RIGHTS OF THE CLUB OPERATOR. No matter what else the Vacation Plan Documents provide, the Club Operator has the following special rights and privileges:

A. RESERVATION RIGHTS. Except as limited by law, the Club Operator has the right to reserve any Use Periods that, for any reason, are not reserved as of sixty (60) days before the Check-In Day. The Club Operator has this right in addition to any reservation rights it has if, for any reason, it owns any Vacation Ownership Interests.

B. USE RIGHTS. The Club Operator may use its Vacation Periods for any legal purpose, no matter what else the Vacation Plan Documents provide. This includes, among other things, use for rental, sales and other commercial purposes permitted by law. The Club Operator and its Guests will have the right to use the Assigned Unit, its Limited Common Elements, the Master Association Amenities, and the Common Elements of the Condominium during the Use Period reserved. If the Club Operator rents these Use Periods, it has the right to keep the rent.

C. CLUB OPERATOR'S EASEMENT.

1) The Club Operator has an easement to use the Vacation Property and (to the extent permitted by the

Condominium Documents) the Common Elements when using its rights in this Section 8.8. The Club Operator may not use its rights in this Section 8.8 in a way that prevents an Owner or other person having a confirmed reservation from using their Assigned Unit during their Vacation Period (including but not limited to an Owner having an Event Vacation Period, or an Ultra Premium Vacation Period). The Club Operator's agents, employees, contractors, and other authorized persons may use its easement rights to the extent authorized by the Club Operator.

2) The Club Operator also has the right and an easement to permit Other Club Members to use, possess and enjoy the Vacation Property on these terms and conditions. If the Club Operator confirms a Club Member's reservation request pursuant to Section 6.6C, then, during his or her Vacation Period, the Club Member and his or her Guests will have the same rights to use the Assigned Unit and Common Elements that an Owner has under Section 8.2. The Club Operator has an easement and the right to allow Other Club Members who make a reservation during the Club Reservation Periods to use, possess and enjoy the Vacation Property in these circumstances. But the Other Club Members do not have an easement of their own. Other Club Members may only use the Vacation Property through the easement rights of the Club Operator.

(a) The Club Operator cannot use these rights in a way that violates the one-to-one use-right to use-night requirement of the Act.

(b) The Club Operator may only make this easement available to: (i) Club Members of Other Club Vacation Plans, and (ii) persons who have deposited in the Club the right to use property that meets the requirements of Subsection 6.11B in return for the right to use a Club Unit. This rule does not prohibit the Club Operator from permitting Exchange Users to reserve the use of a Vacation Unit through an External Exchange Program arranged by or through the Club Operator so long as the Exchange User has also deposited use rights in the External Exchange Program.

D. LIFE OF THE CLUB OPERATOR'S EASEMENTS. The Club Operator's rights and easements under Section 8.8C will remain in effect so long as the Plan is part of the Club. The Club Operator's easements will end automatically (i) when the Plan is no longer participating in the Club, and (ii) all reservations made by the Club Operator under Section 8.8A, and all reservations confirmed by the Club Operator under Section 6.6C, have been used, have expired, or have been canceled. If the Plan decides to rejoin the Club, then the Club Operator will once again have the rights and easements contained in Section 8.8C.

8.9 SPECIAL RULES ABOUT DEVELOPER RENTALS.

A. RENTAL USING THE DEVELOPER'S VACATION OWNERSHIP INTERESTS. The Developer's right to rent Use Periods reserved by the Developer in its capacity as an Owner of a Vacation Ownership Interest pursuant to Section 8.7A is unrestricted. Likewise, the Developer's right to rent Use Periods reserved by the Developer pursuant to Section 8.7B is unrestricted. No matter what the Vacation Plan Documents say, the Developer, and the Developer alone, gets to keep the rent from these kinds of rentals.

B. RESTRICTIONS ON DEVELOPER RENTALS. The Developer also has the right under Section 8.7C to rent any unreserved Use Periods and to keep that money, too. The Developer can only make reservations for those kinds of rentals if and for so long as the Developer, or an entity owned or controlled by the Developer, or under common management and control with the Developer, is the Plan Manager for the Plan. These Rules apply:

1) The Developer may not use its rights under Section 8.7C to reserve any Use Period more than forty-five (45) days before the Check-In Day of that Use Period if the Developer intends to rent it to the public.

2) An Owner's late request to reserve a Use Period must be confirmed unless, for all Vacation Units of the Unit Type requested, the Use Period requested has been reserved by persons other than the Developer or unless the Use Period was already rented to a member of the general public before the reservation request was received.

3) The Developer must reimburse the Association for expenses incurred by or allocated to the Vacation Ownership Plan in connection with renting a Vacation Unit under Section 8.7C. This includes the cost of any maintenance, repair or replacement incurred by reason of damage or destruction to a Vacation Unit when rented under Section 8.7C.

4) The Developer must submit to the Association not less than thirty (30) days before the scheduled mailing of the annual report referred to in Section 13.11A.2), a report for the prior Fiscal Year. The report must state the amount of revenues derived by the Developer from the commercial rental of any Use Periods reserved by the Developer under Section 8.7C, and the amount paid by the Developer to the Association for expenses incurred by or allocated to the Vacation Ownership Plan in connection with the Developer's commercial rental of Vacation Units.

C. ASSOCIATION'S RENTAL RIGHTS.

1) Despite Subsection 8.7C, if the Developer is more than sixty (60) days late in paying any Personal Charge, assessment or Subsidy Contract payment, and does not pay it within ten (10) business days after receiving from the

Association a written demand for payment, then the Association may use the Developer's rights to reserve the Developer's Vacation Periods and any unreserved Use Periods. The Association may then rent those Vacation Periods to the public. The renter and his or her Guests will have the right to use the Assigned Unit, its Limited Common Elements, the Master Association Amenities, and the Common Elements of the Condominium during the Use Period reserved. The Association may not reserve or rent more Use Periods than necessary to pay all sums due in full (plus the reasonable costs of renting the Vacation Period). The Association will apply the rent money first to pay the cost of arranging the rental and then to pay all overdue amounts owed.

2) The Association may not reserve or rent a Use Period that has already been reserved by:

(a) Another Owner whose reservation has been confirmed; or

(b) An Exchange User whose exchange reservation has been confirmed by the Plan Operator or by an external Exchange Company.

3) If the Developer has already rented a Vacation Period, the renter will be permitted to use that Vacation Period. The Association will have the right to collect any unpaid rent from the renter until all amounts due are paid in full.

4) The Association's agents, employees, contractors, and other authorized persons have an easement for the purpose of conducting rental activities under this Section 8.9C to the extent authorized by the Association.

8.10 RENTALS GOVERNED BY HAWAII LAW. Chapter 486K, Hawaii Revised Statutes, or any replacement law, will govern any rentals of Vacation Units to members of the general public on a transient basis.

9. OWNERSHIP RIGHTS AND RULES

9.1 INTRODUCTION. One of the many benefits of owning a Vacation Ownership Interest is that the Owner can transfer it to his or her children, a friend, or just about anyone else. Because it is a real estate interest, an Owner may also mortgage his or her Vacation Ownership Interest. This Chapter explains how to transfer or mortgage a Vacation Ownership Interest and discusses the restrictions that apply. It also explains when a transfer will take effect and creates rules about making a transfer. It concludes with a discussion of certain other real estate rights of the Owners and the Developer's right to repurchase the Vacation Ownership Interest if an Owner decides to sell it.

9.2 DEFINITIONS.

A. "PRIOR OWNER" means an Owner who is transferring a Vacation Ownership Interest to someone else.

B. "NEW OWNER" means the person to whom a Prior Owner is transferring his or her Vacation Ownership Interest.

9.3 TRANSFERS OF VACATION OWNERSHIP INTERESTS.

A. **PERMITTED TRANSFERS.** An Owner may transfer his or her Vacation Ownership Interest or Vacation Ownership Interests. A person who owns more than one Vacation Ownership Interest may treat each one separately. The Owner is not required to do with all the Owner's Vacation Ownership Interests what he or she does with any one.

B. **LIMITS ON TRANSFERS.** Without the Developer's written consent, an Owner may not lease, rent, or otherwise contribute his or her Vacation Ownership Interest or its reservation or use rights to (i) another vacation ownership or time share plan or program, (ii) a fractional ownership plan, or (iii) a Competitor of the Developer (as defined in Section 12.3L.7). Any attempt to do so will not be effective; it will be void. Also, Competitors are not allowed to own any interest in any Vacation Ownership Interest. If a Competitor acquires any interest in a Vacation Ownership Interest without the Developer's consent, or if anyone who has any interest in a Vacation Ownership Interest becomes a Competitor without the Developer's written consent, that interest will return to the Developer automatically. In legal terms, the Developer has a "possibility of reverter". The Developer will transfer the Vacation Ownership Interest back to the Prior Owner (the person who transferred it to a Competitor) if the Prior Owner pays all of the Developer's costs and expenses arising out of the Owner's violation of this Subsection. This includes, among other things, the cost of taking title back, including any court costs and legal fees, and the cost to transfer it back to the Prior Owner. The Developer does not have to transfer title back to a Prior Owner who is a Competitor. However, the Developer is willing to transfer it someone else who is not a Competitor if the Prior Owner pays all of the Developer's costs and expenses arising out of the Owner's violation of this Subsection.

C. **OWNERS MAY NOT TRANSFER LESS THAN AN ENTIRE VACATION OWNERSHIP INTEREST.** No Owner may transfer less than an Entire Vacation Ownership Interest. "Entire Vacation Ownership Interest" means (i) everything transferred in the First Deed for the Vacation Ownership Interest (subject to Section 9.3A when the First Deed transferred more than one Vacation Ownership Interest), and (ii) his or her membership in the Club (while the Plan is part of the Club). Any attempt to transfer anything less than an Entire Vacation Ownership Interest will be void. There are two exceptions:

1) An Owner may pledge or transfer voting rights to a Lender having a mortgage on his or her Vacation Ownership Interest (including but not limited to a Lender who has a nominee – such as Mortgage Electronic Registration Systems, Inc. – hold a mortgage for it); and

2) The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

D. **REQUIREMENTS FOR TRANSFER DOCUMENTS.** Every deed and every Agreement of Sale must meet these requirements:

- ❖ It must be recorded.
- ❖ It must state the identification number of the Vacation Ownership Interest.
- ❖ It must state whether the Vacation Ownership Interest is an Every-Year Vacation Ownership Interest, an Even-Year Vacation Ownership Interest, or an Odd-Year Vacation Ownership Interest.
- ❖ It must state whether the Vacation Ownership Interest has a Floating Vacation Period, a Fixed Vacation Period, an Event Vacation Period, an Ultra Vacation Period, or an Ultra Premium Vacation Period. If it has a Fixed Vacation Period, an Ultra Vacation Period, or an Ultra Premium Vacation Period, then the Deed or Agreement of Sale must identify the Owner's Use Week by Use Week number or Use Week name. If it has an Event Vacation Period, then the First Deed must identify the Event Week by name.

E. **NOTICE OF TRANSFERS.** Written notice must be given to the Association within ten (10) days after any Vacation Ownership Interest is transferred. The notice may be given by either the Prior Owner or the New Owner. The notice must include each of these things:

- ❖ The name and address of both the Prior Owner and the New Owner.
- ❖ The date of the transfer.
- ❖ The Apartment number for the Vacation Ownership Interest.
- ❖ The identification number of the Vacation Ownership Interest.
- ❖ A copy of the recorded document used to make the transfer. It must include the recording information for the document.

F. REGISTRATION OF TRANSFER. The Association may collect a reasonable service charge for changing its records to reflect the transfer in an amount fixed from time to time by the Board. While the Plan is part of the Club, the Plan Operator may also collect a reasonable service charge for registering the change on its records. When the Association receives a proper notice of a transfer and receives the service charges owed to the Association and to the Plan Operator, then the Association will register the change on the Association's list of Owners and notify the Plan Operator.

G. EFFECT OF NOTICE OF TRANSFER. Unless and until the notice is given:

1) Neither the Association nor the Plan Operator has to recognize the New Owner for any purpose.

2) The Association and the Plan Operator may continue to treat the Prior Owner as the Owner.

3) The Prior Owner will remain fully liable as an Owner along with the New Owner.

4) The Association and the Plan Manager may deal exclusively with the Prior Owner, the New Owner, or both. All notices from the Association or the Plan Operator to the "Owner" may be sent to the New Owner, the Prior Owner or both, as the Association or Plan Operator choose.

H. RIGHTS AUTOMATICALLY TRANSFERRED. The transfer of a Vacation Ownership Interest automatically transfers these things to the New Owner:

- ❖ The interest of the Prior Owner in all funds held by the Association.
- ❖ The membership of the Prior Owner in the Association.
- ❖ While the Plan is part of the Club, the membership of the Prior Owner in the Club.

This happens whether or not the document transferring the Vacation Ownership Interest expressly says so.

I. FUNDS HELD BY THE ASSOCIATION, THE CLUB OPERATOR, OR AN EXCHANGE COMPANY. No share of any Owner in funds held by the Association, the Club Operator or an Exchange Company can be withdrawn or separately transferred. An Owner who wants this money must get it from the New Owner. Neither the Association nor the Club Operator nor any Exchange Company is required to refund it.

J. EXISTING RESERVATIONS. If the Prior Owner made a reservation before the transfer took effect, the Plan Operator can assume that the Prior Owner, and not the New Owner, will use the reserved Use Period unless the Prior Owner tells it otherwise in the notice of the transfer. The New Owner cannot cancel the Prior Owner's reservation.

9.4 RELEASE OF AN OWNER'S DUTIES UNDER THIS DECLARATION.

A person's liability as an Owner under the Vacation Plan Documents and the Club Documents ends when:

- ❖ He or she no longer owns that Vacation Ownership Interest, and
- ❖ He or she or the New Owner notifies the Association of the transfer, and
- ❖ He or she has paid all sums and performed all his or her other duties under the Vacation Plan Documents up to the time his or her ownership ends and the notice of the transfer is sent. This includes Assessments, Personal Charges, and Club Fees (while the Plan is part of the Club).

9.5 MORTGAGES.

A. PERMITTED MORTGAGES. An Owner may mortgage his or her Vacation Ownership Interest or Vacation Ownership Interests. The Owner must, however, mortgage all his or her rights in the Vacation Ownership Interest; any attempt to mortgage anything less will be void. Anyone who owns more than one Vacation Ownership Interest may mortgage each one separately.

B. PROHIBITED ACTS. No Owner can mortgage or otherwise encumber all or any part of:

- ❖ Another Owner's Vacation Ownership Interest.
- ❖ The whole Vacation Unit.
- ❖ The Common Furnishings.

Any attempt to do so will not be effective. It will be void. NOTE: "Encumber" is defined in the glossary (Section 19.5).

C. ENFORCEMENT OF MORTGAGES. Any mortgage on a Vacation Ownership Interest will be subordinate to (will be governed by and will not affect) this Declaration or the other Vacation Plan Documents. Likewise, while the Plan is part of the Club, any mortgage will also be subordinate to the Club Documents. If a mortgage is properly recorded and given in good faith and for value, then no violation of the Vacation Plan Documents or enforcement of the Association's Secured Lien will defeat or make the lien of the mortgage invalid. This does not guarantee, however, that the Lender will be fully paid or paid first.

9.6 DUTY TO OTHERS.

A. PROTECTING OTHER'S VACATION OWNERSHIP INTERESTS. No Owner may cause or permit his or her Vacation Ownership Interest or Vacation Unit or the Common

Furnishings to be subject to any claim or lien which (1) could result in the sale of a Vacation Unit, its Common Furnishings, or the Vacation Ownership Interest of any other Owner, or (2) could interfere with another Owner's use or enjoyment of his or her Vacation Ownership Interest.

If any such sale or interference is threatened or if legal proceedings (which could result in such a sale or interference) are begun because of any lien or claim against another Owner (the "Violator") or the Violator's Vacation Ownership Interest, then any other Owner or the Association may (but need not) pay or compromise the lien or claim without checking the proper amount or validity of it. In that case, the Violator must immediately repay the other Owner, or the Association, the total expenses incurred, including all reasonable attorneys' fees and related costs. These amounts will be a Personal Charge to the Violator.

B. ASSOCIATION OR CLUB OPERATOR'S FUNDS. No Owner may permit his or her interest in any funds held by the Association or the Club Operator to become subject to any attachment, lien or claim or other legal process. Each Owner must promptly restore any funds held by the Association or the Club Operator with respect to the Owner's Vacation Ownership Interest if they are taken because of any such attachment, lien, claim or other legal process. The Owner must also repay the Association and the Club Operator for all reasonable attorneys' fees and any other costs they incur to have the funds restored. Amounts incurred by the Association may be charged to the Owner as a Personal Charge. Amounts incurred by the Club Operator may be charged to the Owner as an Additional Fee.

9.7 WAIVER OF RIGHTS.

A. TENANTS IN COMMON. Each Owner owns a share of his or her Vacation Unit as tenants in common. Under the law, each Owner, as a tenant in common, has certain rights, privileges and duties. These rights, privileges and duties are and will remain subordinate to (subject to and restricted by) the Vacation Plan Documents. In case of any conflict, the Vacation Plan Documents will control for so long as this Declaration stays in effect. "Tenants in common" is defined in the glossary (Section 19.5).

B. PARTITION. "Partition" is the right of co-owners to ask a court to divide commonly owned property into separate parts for each co-owner. If the property cannot legally be divided, a court may order the property sold and divide the money from the sale among the co-owners. While this Declaration is in effect, nobody may ask for or obtain partition of a Vacation Ownership Interest or a Vacation Unit or its Common Furnishings. If, however, any Vacation Ownership Interest is owned by two or more persons together, any of them may ask a court to sell their Vacation Ownership Interest and divide the money between them. When this Declaration ends any Owner may ask a court to sell his or her

Vacation Unit and divide the money between the co-owners of that Apartment.

9.8 RIGHT OF FIRST REFUSAL. If an Owner receives an Offer to Buy (the "Offer to Buy") the Owner's Vacation Ownership Interest and if the Owner wishes to accept the Offer to Buy, the Owner must first notify the Developer before accepting the offer. The Owner must provide to the Developer a complete copy of the Offer to Buy. The Developer will then have the right and an option to buy the Owner's Vacation Ownership Interest at the same price and on the same terms contained in the Offer to Buy. If the Developer decides to buy the Vacation Ownership Interest, then the Developer will send the Owner written notice of that decision within ten (10) business days after the Developer receives the Owner's notice of the Offer to Buy. The Developer's notice will create a binding contract between the Owner and the Developer to buy the Owner's Vacation Ownership Interest on the terms stated in the Offer to Buy (subject, however, to a reasonable extension of the closing date). If the Developer does not send notice of its decision to buy the Vacation Ownership Interest within the ten (10) business day period, then the Owner may sell the Vacation Ownership Interest to the person who submitted the Offer to Buy. If the Offer to Buy is changed in any way (for example, a reduction in the price, a change in the buyer or an assignment of the buyer's rights to someone else), or if the sale does not close within ninety days, then the Offer to Buy will be considered a new Offer to Buy and the Owner must re-submit it to the Developer and the requirements of this Section will apply again. If the Developer chooses not to buy the Vacation Ownership Interest, this will not constitute consent by the Developer of a sale or other transfer of the Vacation Ownership Interest to a Competitor in violation of Section 9.3B, or a waiver of the Developer's rights under that Section.

10. OWNER'S RESPONSIBILITY FOR OTHERS

10.1 INTRODUCTION. An Owner may wish to reserve a Vacation Unit so that his or her children, parents, relatives, a friend, or just about anyone else can use it. The Plan allows a member to do this. But each Owner has certain responsibilities for his or her Guests. This Chapter explains those responsibilities. It also explains the responsibilities as between two Owners of a single Vacation Ownership Interest.

10.2 CO-OWNERS OF A SINGLE VACATION OWNERSHIP INTEREST.

If there is more than one Owner of a single Vacation Ownership Interest, each co-Owner is jointly and severally liable to pay all Assessments, Personal Charges, and Club Fees. This means that each person may be held responsible to pay the whole amount of the Personal Charge, Assessment, or Club Fee, not just part of it or his or her share of it. It does

not matter that only one co-Owner uses the Vacation Property during the Vacation Period or that Personal Charges were caused by only one of the co-Owners and not the others. For example, when one co-Owner damages the furniture or makes a long distance call, each of the co-Owners are fully responsible to pay for it, not just the one who did it. "Joint and several liability" is defined in the glossary.

10.3 OWNER'S RESPONSIBILITY FOR GUESTS.

An Owner is personally responsible to see that his or her Guests:

1) Obey the Condominium Documents, the Master Association Documents, the Ka'anapali North Beach Documents, and the Vacation Plan Documents.

2) Promptly pay all Personal Charges incurred during the Owner's Vacation Period (for example, charges for extra housekeeping service or telephone calls).

3) Promptly pay all other Personal Charges arising from or related to use by the Owner's Guests of the Vacation Property, the Condominium, the Ka'anapali North Beach Amenities, or the Master Association Amenities (for example, charges for use of the spa).

10.4 OWNER'S LIABILITY FOR GUESTS.

By permitting his or her Guest to come onto the Condominium (whether or not the Guest is expressly invited), the Owner agrees to be fully responsible for:

- ❖ Any loss, damage or destruction caused by the Guest's act or failure to act;
- ❖ Any violation by the Guest of the Ka'anapali North Beach Documents, the Master Association Documents, the Condominium Documents or the Vacation Plan Documents; and
- ❖ Any Personal Charges or other charges incurred by the Guest.

The Owner will be responsible for the Guest's acts or failure to act just as if they were the Owner's own acts or failure to act. If the Owner's Guests do not pay all amounts charged to them, the Owner must pay those amounts. The Owner must also pay all costs of trying to collect any amounts charged to the Guest, including court costs and reasonable attorneys' fees. And, the Owner must pay all other amounts charged to the Owner as a result of his or her Guests. All these amounts will be charged to the Owner as a Personal Charge.

10.5 AN OWNER AND HIS OR HER GUESTS ARE LIABLE SEPARATELY AND TOGETHER. Each Owner and his or her Guests are jointly and severally liable to pay all Personal Charges and all other charges arising from or related to the

Guest's use of the Assigned Unit, the Common Furnishings, the Condominium, the Master Association Amenities or the Ka'anapali North Beach Amenities. This means that the Owner, the Owner's Guest, or both may be required to pay the whole amount, not just part of it or some share of it.

11. THE ASSOCIATION

11.1 THE ASSOCIATION. The name of the Association is "Ocean Resort Villas Vacation Owners Association". It is a Hawaii non-profit corporation. The Association is intended to continue as a corporation for the life of the Plan. But the state can terminate or "dissolve" a corporation in certain circumstances such as if the officers fail to file yearly reports required by law. If the corporation is ever dissolved, whether on purpose or not, then it will be replaced automatically by an unincorporated association having the same name and same Members, officers and directors. In that event, all property, powers and obligations of the incorporated Association just before it dissolved automatically will be held by the unincorporated Association. To the greatest extent possible, any replacement unincorporated Association will be governed by the Vacation Plan Documents as if they were the governing documents of the unincorporated Association. The Act requires that the Association of Owners be a nonprofit corporation. Any officers or directors of the unincorporated Association may either revive the old corporation or create a new one to be the Association. The name of the new corporation should be the same as or similar to the old name if possible.

11.2 ASSOCIATION MEMBERSHIP. Each Owner is a Member of the Association and only Owners can be Members. If more than one person is the "Owner" of a Vacation Ownership Interest, each of them is a Member. A person's Membership ends automatically when he or she is no longer the "Owner" of a Vacation Ownership Interest, such as when an Owner Deeds it to someone else. An Owner cannot separate his or her Association Membership from his or her Vacation Ownership Interest. He or she cannot sell, transfer, mortgage or otherwise deal with it separately from the Vacation Ownership Interest. Any attempt to do so is void. Anyone who transfers a Vacation Ownership Interest also automatically transfers the Membership for that Vacation Ownership Interest to its New Owner.

11.3 VOTING RIGHTS OF OWNERS. Each Every-Year Vacation Ownership Interest has two votes. Each Every-Other-Year Vacation Ownership Interest has one vote. An Owner who owns more than one Every-Year Vacation Ownership Interest has two votes for each of them. Likewise, an Owner who owns more than one Every-Other-Year Vacation Ownership Interest has one vote for each of them. If a Vacation Ownership Interest is owned by more than one person, they will have to agree among themselves on how to vote. The Association need not settle disputes among co-

Owners as to voting. If they cannot agree, they lose their right to vote on the matter in question. If a Vacation Ownership Interest is owned by more than one person, the vote or votes for that Vacation Ownership Interest may be cast by any of its co-Owners, unless (i) another co-Owner files a written objection with the secretary or the chairperson of the meeting, or (ii) another co-Owner casts an inconsistent vote.

11.4 BOARD OF DIRECTORS. The business and affairs of the Association are controlled by the Board. Except as limited by law or by the Vacation Plan Documents, the Board may exercise all powers of the Association and must perform all of its duties. The Board may not, however, take any action that, by law or under the Vacation Plan Documents, must be taken, authorized or approved by the Owners, or by some part or percentage of them. The Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Plan Manager. This authority is subject to any limits contained in this Declaration or the Bylaws. The first Board will consist of persons named in the Articles or otherwise appointed by the Developer. At the Association's first annual meeting, the Owners will elect a new Board.

12. MANAGING THE PLAN

12.1 THE ASSOCIATION MANAGES THE PLAN. While the Plan is part of the Club, the Club Operator administers and manages the reservation system and all related aspects of the Plan. This is discussed in Section 6. Administration and management of the Vacation Property and all other aspects of the Vacation Ownership Plan is vested in the Association. Owners participate only through the Association.

12.2 ASSOCIATION DUTIES AND POWERS. Except as limited by the Articles, this Declaration, the Club Affiliation Agreement, or by law, the Association has and may exercise any or all of these powers and has each of these duties and obligations:

A. The powers, duties and obligations granted to or imposed on the Association in this Declaration or the Bylaws;

B. The powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawaii;

C. The powers, duties and obligations of an Association of time share owners as provided in the Act and the Rules; and

D. Any other powers, duties and obligations that it has by law or that are necessary or helpful to carry out the functions of the Association under this Declaration, the Bylaws, or the Club Affiliation Agreement, or that otherwise promote the general benefit of the Owners.

12.3 SPECIFIC POWERS AND DUTIES. The Association has the power and duty to do the following things, among others:

A. **PAYMENT OF EXPENSES.** The Association, acting as the agent of the Owners, must pay all expenses of the Plan. The Association may delegate this duty to the Plan Manager. The Association need not do anything it cannot pay for; it may just wait until it has the money.

B. **REPAIR AND MAINTENANCE.** The Association must repair and maintain the Vacation Units and the Common Furnishings, and keep them in good condition. The Association may replace the Common Furnishings and may remodel or upgrade the Vacation Units. The Association may buy any materials and furnishings, and obtain any labor or services, necessary to do so. For example, it may buy or lease replacements for the Common Furnishings.

C. **CLEANING AND HOUSEKEEPING SERVICE.** The Association must provide cleaning, housekeeping service, maintenance and repairs to each Vacation Unit at the end of each Vacation Period, during Service Periods and at any other times required by the Reservation Rules. In addition to the normal service, the Association may set up a program to provide, for an extra charge, additional cleaning and housekeeping service when asked by an Occupant.

D. **RIGHT OF ENTRY.** Except as provided in Section 8.2B, the Association has an easement and the right to exclusive possession of each Vacation Unit during the Service Periods in order to perform its duties under this Declaration. It also has the right and an easement to enter any Vacation Unit at any reasonable time, after giving reasonable notice to anyone in it, to provide cleaning, housekeeping service, maintenance and repair or as otherwise may be necessary to manage or operate the Plan. The Association has the right and power, and an easement, to enter any Vacation Unit:

1) At any time to make emergency repairs or for any other emergency purpose, whether or not the Occupant is present;

2) At reasonable times to do maintenance and repair work that the Association or Plan Manager decides should not be delayed until the Major Service Periods.

The Association must use this right in a way that avoids unreasonable or unnecessary interference with an Occupant's possession, use and enjoyment of a Vacation Unit. If the circumstances permit it, the Association must give an Occupant reasonable notice before entering.

E. **TAXES AND ASSESSMENTS.** The Association must pay all taxes and assessments on the Vacation Property. This includes, for example, assessments by the Condominium Association or the Ka'anapali North Beach Association. It also includes all governmental assessments. The Association

may decide whether it should collect and pay amounts that are separately assessed to each Owner or whether it should permit the Owners to pay those sums directly. The Association must also pay all fees, charges and assessments charged to the Vacation Units or Owners by the Master Association in accordance with the Master Association Documents. The Association will pay these taxes and assessments as the agent of the Owners, and only if it has the money to do so.

F. LIENS OR CLAIMS. The Association may, but need not, pay, compromise or contest liens or claims affecting the Vacation Property.

G. UTILITIES. Unless the Condominium Association already provides these services: (1) the Association must obtain and pay for water, electricity, sewage, garbage disposal, and any other necessary utility services for each Vacation Unit; and (2) the Association will decide whether to obtain or cancel telephone, cable television, and similar services.

H. ASSOCIATION RULES. The Plan Manager may adopt, publish and enforce fair and reasonable rules and regulations relating to the Vacation Units, the Common Furnishings, and use by Occupants of the Common Elements. The Plan Manager may change the rules from time to time with the approval of the Board. The Board may not withhold its approval unreasonably. The Association Rules must be consistent with this Declaration, the Articles and the Bylaws. At any meeting of the Association, a Majority of the Owners may change the Association Rules so long as the notice of meeting stated that the change would be considered at the meeting. So long as the Developer owns, or holds mortgages on, at least fifty Vacation Ownership Interests, no change to the Association Rules will be effective without the Developer's written consent. So long as the Plan is part of the Club, no change to the Association Rules will be effective without the written consent of the Club Operator.

I. LEGAL AND ACCOUNTING SERVICES. The Association may obtain and pay for any legal and accounting services necessary or helpful to manage the Plan or the Vacation Property or to enforce the Ka'anapali North Beach Documents, the Master Association Documents, the Condominium Documents or the Vacation Plan Documents.

1) Even so, the Board may not incur or commit the Association to incur legal fees and costs of more than \$10,000 in a dispute with the Developer, or any company related to the Developer, or in a dispute with the Club Operator, or any company related to the Club Operator, unless it first meets each of these requirements:

(a) The Board must obtain the following information from at least two Hawaii law firms:

(1) A list of all of the Association's claims.

(2) An estimate of the likelihood of prevailing on each claim. The estimate must be based on information then known to the Association. It cannot be based on assumptions or speculation.

(3) An estimate of the total amount of legal fees, court costs and expenses that the Association is likely to incur through the trial or completion of any arbitration or other proceeding (assuming that the Association will prevail on only those claims where the law firms give the Association more than a 60% chance of prevailing).

(4) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board expects to charge to the Owners to pay for legal fees, court costs, and expenses while the lawsuit or other legal proceeding is going on.

In a trial or arbitration of the Association's claims, the Developer cannot use the opinions of the law firms as evidence that the Master Association's claims are not valid.

(b) The Board must call a special meeting of the Association.

(c) The Board must provide a copy of the list of claims and estimates to each Owner together with the notice of the special meeting of the Association.

(d) At the special meeting, a Majority of the Owners (not counting the Vacation Ownership Interests and votes of the Developer) must authorize the Board to start and prosecute the lawsuit or any other arbitration or other legal proceeding.

2) The rule in Section 12.3I.1) does not apply to suits against the Developer or any company related to it if the suit is filed solely to collect Assessments, Personal Charges, or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Association (for example, the Management Agreement or the Club Affiliation Agreement).

3) The \$10,000 ceiling contained in Section 12.3I.1) will rise or fall each year with the rate of inflation in Honolulu, Hawaii, as measured by the C.P.I. Index. The amount of the increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for December of 2003, and (ii) the most recent December C.P.I. Index figure.

(a) The "C.P.I. Index" is the U.S. Department of Labor Consumer Price Index for All Urban Consumers - Honolulu. If the government stops publishing that index, then the most similar index available will be used in its place. The Association will choose any replacement index.

J. FINANCIAL STATEMENTS. The Association must prepare and send financial reports to each Owner as required by Section 13.11A of this Declaration.

K. VOTING IN THE CONDOMINIUM ASSOCIATION. In Condominium Association meetings or votes, the Association must cast the vote of each Vacation Unit unless Owners of a majority of the votes for Vacation Ownership Interests in that Vacation Unit elect to cast the vote for their Apartment themselves.

At least 30 days before the annual meeting and 15 days before any special meeting of the Condominium Association, the Board will obtain the agenda and any other information that is reasonably available on the matters to be voted upon at that meeting. The Board will mail this material to each Owner together with a ballot to be returned to the Association. The ballot will ask the Owners to vote on each question. The Board will appoint an agent to cast the vote of each Vacation Unit. For each Vacation Unit the agent will vote as the Owners of a majority of the votes for that Vacation Unit voted in their ballot; provided that if no ballots are returned or if there is no majority for the Vacation Unit, then the Board, through its agent, may cast the Apartment's vote in the manner it considers to be in the best interests of the Owners.

If, for reasons beyond its control, the Association does not have time to send out ballots, the Board, through its agent, may cast the vote of the Vacation Units in the manner it considers to be in the best interests of the Owners. This rule also applies to matters properly before the Condominium Association that were not on the agenda and not reasonably expected to arise.

Except as provided in the first sentence of this Subsection 12.3K, each Owner will be considered to have authorized the Association, and its agent, to act for him or her at any meeting or vote of the Condominium Association. For this purpose, by taking title to a Vacation Ownership Interest, each Owner irrevocably (permanently) gives the Board a special power of attorney (see Section 19.4) and proxy to represent him, or to appoint an agent to do so, at all meetings and in all votes of the Condominium Association. No further authorization or proxy is or will be needed for the Board or its agent to act for that Owner at any meeting or in any vote of the Condominium Association. But, if the Board asks, each Owner must: (i) sign and deliver any documents (including but not limited to a proxy form prepared by either the Association or the Condominium Association); and (ii) do everything else the Board reasonably requests to enable it or its agent to cast the vote of the Vacation Units at any meeting or in any vote of the Condominium Association or to carry out its other duties under this Declaration.

L. LIST OF MEMBERS.

1) THE ASSOCIATION MUST KEEP A LIST. The Association must at all times keep a current list of the names and addresses of all Owners.

(a) The Association will furnish a copy of the list within a reasonable time after any Owner asks for it in writing, pays a reasonable fee (to be determined by the Board), and complies with any other requirements of this Declaration or the Bylaws, including those contained in Section 12.3L.3).

(b) The Association will furnish a copy of the list to the Club Operator (while the Plan is part of the Club) or the Developer within a reasonable time after either of them requests it. The conditions stated in Section 12.3L.3) do not apply to the Developer or the Club Operator.

2) THE DEVELOPER'S RIGHTS. The Developer has certain important reasons for wanting to protect the list of Owners. For example, the list of Members is also the list of the Developer's customers. In addition, the Condominium Property Act contains certain provisions intended to protect the list of Members. The Developer wants to insure that these requirements are not circumvented, especially for commercial reasons by a Competitor of the Developer. For these and other reasons, the Developer is expressly declared to be an intended third party beneficiary of this Section 12.3L. This means that this Section 12.3L is intended to protect the Developer and that the Developer can enforce it.

3) RELEASE OF THE LIST. Despite anything else stated in the Vacation Plan Documents, the Association will not furnish the list of Owners or any copy of it, or any other documents from which a membership list may be compiled, nor allow anyone to inspect or make copies or extracts of the list or any other documents from which a list may be compiled, until after each of these conditions is satisfied:

(a) The person requesting the list or inspection:

(1) Provides a written statement explaining his or her purpose for obtaining the list. The Board may request that the person requesting the list furnish copies of all documents and materials that he or she intends to distribute using the list. The Board will then decide whether the list is being requested for a proper purpose based on its review of the Owner's statement and documents and materials, and any other information made known to the Board;

(2) Provides an affidavit stating that the list (i) will be used by such Owner personally and only for the purpose of soliciting votes or proxies or providing information to other Owners with respect to Association matters, and (ii) shall not be used by that Owner or furnished to anyone else for any other purpose; and

(3) Satisfies any other conditions to obtaining the list contained in Chapter 415B, Hawaii Revised Statutes.

(b) The Association gives notice of the request to the Developer. The notice must include (i) the name and address of the person requesting the list or inspection; and (ii) copies of the written statement, documents and materials, and affidavit submitted pursuant to Section 12.3L.3)(a);

(c) At least ten days have passed since the Developer received the Association's notice and the Developer has not given the Association a written notice objecting to the release because the affidavit is improper or the person is not requesting the list or inspection for a proper purpose or that the requirements of law or this Section 12.3L.3) have not been fully satisfied.

(1) If the Developer objects and if the Association or the Owner contests the Developer's objection, then the matter will be decided by appropriate legal proceedings. In such a case, the Association will not release the list until the appropriate legal authorities order it to do so.

(d) All other lawful conditions adopted by the Board pursuant to Section 12.3L.8) have been fully satisfied.

4) RELEASE TO OWNERS OTHER THAN COMPETITORS. If the person requesting the list or inspection is not a Competitor then the Association will furnish the list or permit the inspection after each of the requirements of this Declaration and the Bylaws are met.

5) RELEASE TO A COMPETITOR. If the person requesting the list is a Competitor and each of the requirements of this Declaration and the Bylaws are met, then unless the law requires something else, the Association will furnish the list in this way (and only in this way): The Association will provide the list in the form of mailing labels directly to a company providing mailing services chosen by the person requesting the list. The company providing mailing services: (a) cannot be a Competitor; and (b) must provide to the Developer the company's written promise to the Developer that it will not:

(a) Use the list for any purpose except for the mailing;

(b) Provide a copy of the list to anyone else, including but not limited to the Competitor; and

(c) Allow anyone else to inspect or make copies of or extracts from the list.

6) INSPECTION BY A COMPETITOR. If the person requesting the inspection is a Competitor and each of the requirements of this Declaration and the Bylaws are met, then unless the law requires something else, the Association will

permit the person to inspect copies of the records requested. However, the copies will first be modified so as to obliterate entirely the address and any other biographical information from which the person requesting the list could compile a list containing the addresses, email addresses, fax numbers, or phone numbers of the Owners, or any other means of soliciting the Owners.

7) WHO IS A COMPETITOR. A "Competitor" is a person who is:

(a) The developer of another time share plan or fractional ownership plan;

(b) Any marketer or sales agent of another time share plan or fractional ownership plan (including but not limited to any OPC);

(c) The manager of another time share plan or fractional ownership plan;

(d) An Exchange Company other than the Club or the Network;

(e) Any officer, director, agent, employee, independent contractor, partner, co-venturer, attorney, or affiliate of (i) a developer, marketer, sales agent, or manager of another time share plan or fractional ownership plan, or (ii) an Exchange Company other than the Club or the Network; or

(f) A person who is collaborating with anyone listed in Subsections (a) through (e).

8) OTHER CONDITIONS. The Board may impose other reasonable conditions intended to assure the confidentiality of the list of Owners and that the list is not used (i) for commercial purposes by anyone other than the Developer or any company related to the Developer, or (ii) for any other improper purpose.

M. ASSOCIATION REAL PROPERTY. The Association must accept title to any real or personal property transferred to it by the Developer. The Association may buy, lease, or otherwise acquire one or more Apartments or other real property for use by the Association for Association purposes, including among other things, for use as a manager's apartment. The Board may mortgage, lease or rent the Association's real property from time to time as it deems necessary or appropriate, consistent with the purposes permitted above. All costs, expenses, and liabilities incurred in connection with the Association's real property will be Plan Expenses. The Association must buy and at all times have insurance on the Association's real property and any Common Furnishings in it; the requirements of Chapter 15 apply to the Association's real property. The Association's real property is considered to be part of the "Common Furnishings".

N. OTHER POWERS. The Association may do anything else it deems necessary, desirable or useful to run the Vacation Ownership Plan or to maintain, repair, preserve or protect the Vacation Property. These powers are subject to any rights of the Club Operator under the Club Documents.

O. DELEGATION OF ASSOCIATION POWER AND DUTIES. The Association may delegate its power and duties under this Declaration to one or more agents, including, among others, the Plan Manager. The Board must supervise the agents.

12.4 THE PLAN MANAGER. The Association must hire a Plan Manager. The first Plan Manager will be appointed by the Developer and may be the Developer or a company related to the Developer. If the first Plan Manager must be replaced for any reason, the Association must use its best efforts to hire and maintain a reputable firm as the Plan Manager for the Vacation Ownership Plan.

12.5 THE MANAGEMENT CONTRACT. The Plan Manager must sign a written contract (the "*Management Contract*") containing the following provisions:

A. PLAN MANAGER'S DUTIES. The Management Contract must require the Plan Manager to perform the duties and obligations of the Association except those that cannot be delegated by law or under the Vacation Plan Documents. It may permit the Plan Manager, if the Board approves, to delegate its power and duties to one or more sub-agents for any period and upon any terms it deems proper.

B. TERM. The Management Contract:

1) May provide for an initial term of not more than five (5) years from the Starting Date. The "*Starting Date*" is the first date on which a First Deed is recorded.

2) May provide that after the first term and each later term ends, the contract automatically will be renewed for three more years, unless a written notice canceling the Management Contract is sent by either party at least 90 days before the next renewal date. The Management Contract may also provide that the Association cannot give this notice unless a Majority of the Owners vote to do so at an annual or special meeting of the Association held within one year before the renewal date. If the Management Contract contains such a provision, then:

(a) If the Plan Manager is affiliated with the Developer then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted to give the notice; and

(b) A decision to cancel or not to renew the Management Contract cannot be made by the Board alone; and

(c) Neither the Board nor any officer, director, employee or agent of the Association can give the notice before a Majority of the Owners vote to cancel the Management Contract at an annual or special meeting of the Association. Any notice sent before then will not be effective. It will be void.

C. CANCELLATION BY THE ASSOCIATION. The Association must have the right to cancel the Management Contract without paying a cancellation fee whenever the Plan Manager violates a material part of it and fails to cure its violation within the time permitted by the Management Contract or any longer time permitted by the Board. If the Plan Manager disputes the cancellation, the matter will be decided by arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The Board will represent the Association in the arbitration.

D. RESIGNATION. The Management Contract must provide that the Plan Manager can resign only if it gives written notice to the Board at least ninety (90) days in advance and it turns over all books and records of the Association relating to the management and operation of the Vacation Property and the Vacation Ownership Plan to the Board. This does not require that the Plan Manager turn over internal or confidential or other records of the Manager.

E. FEES. The Management Contract must specifically state the fees to be paid to the Plan Manager by the Association. The fees do not have to be stated as a dollar amount. For example, the management fee may be set to a percentage of the Plan Expenses or to costs plus a percentage profit. The fees must not be more than customary charges for similar services provided in Hawaii. The fee, however, may be higher if:

1) The Board reasonably decides that the Association is unable to hire a competent, reputable and experienced management firm to act as Plan Manager without increasing the fees, and

2) The Board notifies the Owners of that finding. The notice must also state that the increase in the management fees will be considered approved unless a Majority of the Owners Voting object to the increase in writing within thirty (30) days after the notice is mailed. The Developer's Vacation Ownership Interests and votes as Owner will not be counted here.

F. PLAN MANAGER'S INSURANCE. The Management Contract must require that the Plan Manager obtain errors and omissions insurance. The Policy must name the Association, as agent for each of the Owners, as an insured. An "*insured*" is someone who is paid if there is a loss is covered by

insurance. The Association will pay for the insurance. The Board will decide what policy limits are appropriate. The Board will buy this insurance only if it is available at a reasonable price. The Board will decide what is reasonable, and its decision will be final. The Management Contract may also provide that the Association must obtain a fidelity bond or buy fidelity insurance that covers the Plan Manager as an employee of the Association with respect to its handling of the Association's funds.

G. ENTRY INTO VACATION UNITS. The Management Contract must state the authority of the Plan Manager or others authorized by the Plan Manager to enter into a Vacation Unit for the purposes of cleaning, housekeeping, maintenance and repair including emergency repairs and for the purpose of stopping or fixing a nuisance or dangerous, unlawful or prohibited activity being conducted in a Vacation Unit.

H. EXCHANGE SERVICES. The Management Contract must state the authority of the Plan Manager with respect to the administration of any External Exchange Programs.

I. RECORDS AND REPORTS. The Management Contract must identify the records to be kept by the Plan Manager and the periodic reports and other information to be communicated to the Association and the Owners.

12.6 LIMITS ON CONTRACTS. The Plan Manager may not enter into a contract with a person to furnish goods or services for the Vacation Ownership Plan for a period longer than one year unless authorized by the vote or written consent of a Majority of the Owners (not counting the Developer's votes and Vacation Ownership Interests). This rule does not apply, however, to:

- ❖ The Management Contract.
- ❖ A contract with a public utility company if the rates charged by it are regulated by the Public Utilities Commission. The term of the contract, however, must be the shortest term that the supplier will accept at the regulated rate.
- ❖ Prepaid casualty and/or liability insurance policies not lasting more than three years, provided that the policy permits "short-rate cancellation" by the insured.
- ❖ A lease of laundry room fixtures and equipment for five years or less but only if neither the Developer nor the Plan Manager owns, directly or indirectly, 10 percent or more of the company leasing the fixtures and equipment.
- ❖ Agreements for cable television, satellite television, and/or internet services and equipment for five years or less but only if neither the Developer nor the Plan Manager owns, directly or indirectly, 10 percent or more of the supplier.

- ❖ Agreements for sale or lease of burglar alarm and fire alarm equipment, installation, and services for five years or less but only if neither the Developer nor the Managing Agent owns, directly or indirectly, 10 percent or more of the supplier.
- ❖ Any other contract for three years or less so long as the Association can cancel it after no more than one year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.

12.7 LEGAL REPRESENTATION OF OWNERS.

A. REPRESENTING THE ASSOCIATION OR OWNERS. By accepting a Vacation Ownership Interest, each Owner agrees that the president of the Association or, if authorized by the Board, the Plan Manager may represent the Association or any two or more Owners similarly situated as a class in any proceeding concerning the Association, the Ka'anapali North Beach Association, the Condominium Association, the Condominium, the Master Association, the Vacation Ownership Plan, or the Vacation Property. The president or the Plan Manager may begin, defend, intervene in, prosecute and settle any such proceedings. This does not, however, limit the rights of any Owner to appear, sue or be sued separately or to decide not to participate. The president or the Plan Manager will be supervised by the Board in any representation.

B. POWER OF ATTORNEY. By accepting a Vacation Ownership Interest, each Owner gives a special power of attorney (see Section 19.4) to the president of the Association and the Plan Manager, with full power to do anything needed or helpful to represent the Owner as provided in Section 12.7A.

C. SERVICE OF PROCESS. Process (such as papers for a lawsuit) for the Association may be served on any member of the Board.

D. LIMITATIONS. The authority of the president of the Association and Plan Manager under this Section is subject to the limitations contained in Section 12.3I.

12.8 LIMITS ON LIABILITY.

A. LIABILITY FOR OWNERS AND GUESTS. The Association, the Developer, the Club Operator, other companies related to the Developer, and the Plan Manager (and each of their directors, officers, employees and agents) cannot be held responsible for the acts, failure to act or conduct of any Owner or an Owner's Guests.

B. SECURITY. The Association, the Developer, or the Plan Manager may, but need not, take steps to make the Vacation Property or the Condominium safer than it otherwise might be. The Association, the Developer, the Club Operator, companies related to the Developer, and the Plan Manager are

not insuring or guaranteeing the safety or security of people or property in the Vacation Property or the Condominium. *The Association, the Developer, the Club Operator, other companies related to the Developer, and the Plan Manager (and each of their directors, officers, employees and agents) cannot be held responsible for any loss or damage for failing to provide adequate or effective safety or security measures. No representation or warranty is made that any fire protection, burglar alarm or other safety or security system or measures will:*

- 1) *be effective in all cases;*
- 2) *prevent all losses;*
- 3) *limit access to the Vacation Property or the Condominium; or*
- 4) *provide the detection or protection that it is designed or intended to provide.*

C. **WARRANTIES.** The Developer is also the Condominium Developer but the Developer is not the general contractor or related to the general contractor. The Condominium Documents disclaim any warranties by the Developer. Those provisions are made a part of this Declaration, just as if they were fully restated right here. This means, among other things, that *everything is being sold "as is"* and that the Developer does not have to correct or fix, or pay to have someone else correct or fix, any defect no matter what causes it or when it is discovered.

13. ASSESSMENTS AND PERSONAL CHARGES

13.1 DEFINITIONS.

A. **"PLAN EXPENSES"** are the costs of operating the Vacation Ownership Plan and maintaining the Vacation Property. The Plan Expenses are shared by the Owners. Plan Expenses may include among other things, any or all of the following:

- ❖ The cost of utility services such as water, electricity, garbage disposal, telephone and cable television.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Vacation Property.
- ❖ The cost of buying insurance required or permitted by the Vacation Plan Documents.
- ❖ Wages, accounting and legal fees, management fees, start-up fees, housekeeping and cleaning fees, and other expenses necessary to maintain, repair, manage and operate the Vacation Property.

- ❖ All amounts charged to the Vacation Units by the Master Association, the Condominium Association or the Ka'anapali North Beach Association (except amounts separately charged to individual Owners). This includes, for example, the expenses of operating and maintaining the Condominium or the Master Association Amenities.
 - ❖ Any amount charged by the Master Association, the Condominium Association or the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant of a Vacation Unit. The Association will pay the charge but will then pass on the charge, and any taxes on it, to the responsible person as a Personal Charge.
 - ❖ Any taxes or other governmental charges upon or charged to the Vacation Property or the use of it or on any other interest of the Owners (except taxes separately charged to individual Owners). Examples of this type of expense include real property taxes, transient occupancy taxes, hotel or bed taxes, and any charges imposed in place of a hotel or bed tax.
 - ❖ Any liability for loss or damage relating to the Vacation Property or the use of it.
 - ❖ Any money owed by any Owner to the Association to the extent the Board decides that it is uncollectible or too expensive to collect, as a practical matter.
 - ❖ Amounts needed to make up any shortfall in funds needed to pay the Plan Expenses for any prior year.
 - ❖ Amounts needed for the Reserve Accounts. These are savings accounts of the Association. The money is used to pay for Capital Improvements. "Capital Improvements" are things like replacing the carpeting or appliances, other major repairs and remodeling, or replacing the Vacation Units or Common Furnishings. (Day to day maintenance and repairs are not Capital Improvements.)
 - ❖ Any amounts due from the Association under the Club Affiliation Agreement, including but not limited to the Annual Club Dues for each Owner (unless separately charged to the individual Owners).
 - ❖ Any amounts needed by the Board to buy one or more Vacation Ownership Interests in a foreclosure sale.
- B. **"RELATIVE VALUATION"** means the number assigned to each Unit Type for comparison purposes. Relative Valuation refers to the idea that each Vacation Unit's share of the Plan Expenses should be based on a comparison of that Vacation Unit to other Vacation Units included in the Plan. While some time share plans compare the size of apartments to determine their share of the plan's expenses, this does not necessarily result in a fair division of

maintenance fees among the apartments. For example, the cost of sending a newsletter or notice of an Association meeting to an Owner is the same whether the owner's unit is a one-bedroom unit or a much larger two-bedroom unit.

As a result, the Developer has adopted a plan for dividing Plan Expenses among the Vacation Units based on their "Relative Valuation". The Developer determines a Relative Valuation for each Unit Type based on the size of the Vacation Unit, the estimated maintenance and expense burden, sleeping capacity, and other relevant factors as determined by the Developer in its sole discretion. The Relative Valuation for Vacation Units currently included in the Plan is listed by Unit Type in Exhibit "B".

Note that Relative Valuation is not intended to reflect the fair market value of (i) Vacation Units that are a particular Unit Type, or (ii) Vacation Ownership Interests in Vacation Units of a particular Unit Type. The Relative Valuation for a Unit Type will not change based on changes in market conditions.

C. "FAIR SHARE" means a share based on a comparison of the Relative Valuation of one Vacation Unit to the total of the Relative Valuations for all of the Vacation Units, as follows:

1) The Fair Share for each Every-Year Vacation Ownership Interest in a Vacation Unit is 1/52 of the following fraction:

The Relative Valuation of that Vacation Unit
The Sum of the Relative Valuations
For All Vacation Units For Which
Assessments Have Begun Under Section 13.3

2) The Fair Share for each Every-Other-Year Vacation Ownership Interest in a Vacation Unit is 1/104th of the following fraction:

The Relative Valuation of that Vacation Unit
The Sum of the Relative Valuations
For All Vacation Units For Which
Assessments Have Begun Under Section 13.3

D. "FISCAL YEAR" means tax year.

E. "ASSESSMENTS" means Regular Assessments, Special Assessments, or both.

13.2 THE BUDGET.

A. ANNUAL BUDGET. At least sixty (60) days before the end of each Fiscal Year, the Plan Manager will prepare and give to the Board an estimate of the Plan Expenses for the following year. The estimate will cover all Apartments paying Assessments or expected to be paying Assessments by the start of the Fiscal Year. This estimate must include, among other things, the information required by H.R.S.

Section 514E-10.3, and any other information required by the law of the State of Hawaii. The estimate must also include:

- ❖ The estimated revenue and operating expenses of the Association on an accrual basis;
- ❖ The amount of the total cash reserves of the Association available to replace or repair common facilities or to cover contingencies;
- ❖ An itemized estimate of the remaining life of, and the methods of paying the cost to repair, replace or add to, major components of any property for which the Association is responsible;
- ❖ A general statement of the procedures used to calculate and establish reserves to pay the cost to repair, replace or add to the major components of the property for which the Association is responsible; and
- ❖ The information required by the law of any place where the Plan is registered for sale.

Upon review and approval by the Board, this estimate (with any changes the Board makes) will become the "Budget" for that year. The Budget must specifically state which Apartments it covers or attach a list of them.

B. BUDGETING FOR RESERVE ACCOUNTS. When it reviews and approves the Budget, the Board must consider what specific Capital Improvements may be needed within any period of time up to twenty (20) years. The Board must then estimate: (i) the cost for each capital improvement; and (ii) the amount of money that should be saved each year to be able to pay for it when it is needed. In making these decisions, the Board may consider interest earned on any savings accounts. The Board must include these amounts in the Budget. The Board must budget for as many Reserve Accounts as it deems necessary or useful. Its decision will be final. Each of these accounts must be earmarked for Capital Improvements.

C. LIMITS ON ASSESSMENTS. The Board may not adopt a budget that increases the Regular Assessment of any Vacation Ownership Interest by more than 20% over the Regular Assessment for the previous year unless approved by the Developer and by vote or written consent of a Majority of the Owners Voting (not counting Vacation Ownership Interests owned by the Developer). No vote or written consent is required in these circumstances:

1) It is not required if the Regular Assessment for a Vacation Ownership Interest would not have exceeded the limit except for an increase in taxes or other governmental assessments (for example real property taxes) or utility expenses.

2) It is not required if the funds are needed to pay the cost to comply with a court order or the requirements of the Condominium Documents, the Master Association Documents, or the Ka'anapali North Beach Documents.

3) It is not required if the funds are necessary for an emergency situation such as repairs or maintenance necessary for personal or public safety.

4) It is not required if the funds are necessary for repairs or maintenance that could not reasonably be foreseen by the Board in preparing its Budget.

The rule limiting increases does not apply to Vacation Ownership Interests not covered by the prior year's Budget. This happens when a Vacation Unit is added to the Plan after the Fiscal Year begins.

13.3 WHEN ASSESSMENTS BEGIN. For any Vacation Unit, Assessments begin on the later of (i) the first day of the month after a First Deed transferring a Vacation Ownership Interest in that Vacation Unit is recorded, or (ii) the date when the County of Maui issues a temporary or permanent certificate of occupancy for that Vacation Unit. From then on, the Owner of each Vacation Ownership Interest in that Vacation Unit, whether it is the Developer or someone else, must pay a Fair Share of the Plan Expenses.

13.4 REGULAR ASSESSMENTS. The Owner of each Vacation Ownership Interest will pay a share of the Plan Expenses, called the "Regular Assessment." The Regular Assessment for each Vacation Ownership Interest is set as follows:

A. For Vacation Units covered by the Budget, the Regular Assessment will be a Fair Share of the Budget.

B. For a Vacation Unit not covered by the Budget (such as an Apartment added to the Plan at mid-year), the Regular Assessment will equal the Fair Share for a Vacation Unit of that Unit Type (as calculated under Subsection A., above). For example, if the Fair Share for an Every-Year Vacation Ownership Interest in a two-bedroom deluxe unit covered by the Budget is \$600, then the Fair Share for an Every-Year Vacation Ownership Interest in a different two-bedroom deluxe unit that is not covered by the Budget will also be \$600.

13.5 SPECIAL ASSESSMENTS.

A. HANDLING SHORTFALLS. If for any reason the Regular Assessments for the Plan Expenses are, or will be, inadequate to pay all Plan Expenses on time, the Board must estimate the shortfall. The Board must then (i) increase the next year's Budget to make up the shortfall, or (ii) charge a Special Assessment.

B. SHORTFALL'S RELATING TO DAMAGE OR DESTRUCTION. If a Vacation Unit or its Common

Furnishings are damaged or destroyed and the costs to repair or replace it cannot be fully paid by using available insurance proceeds and the money from any appropriate Reserve Account, the Board has the same two choices. It may charge a Special Assessment or add the amount needed to next year's Budget. The Special Assessment must be charged against all Vacation Ownership Interests regardless of where or how the damage occurred or whether the Association is entitled to be repaid by an Occupant.

C. HOW SPECIAL ASSESSMENTS ARE CHARGED. To charge a Special Assessment, the Board must prepare and send to each Owner a Special Budget showing the amount of the shortfall. The Board will charge to each Vacation Ownership Interest a Fair Share of the total shortfall shown on the Special Budget.

D. LIMITS ON SPECIAL ASSESSMENTS. The total of all Special Assessments charged to a Vacation Ownership Interest in a Fiscal Year may not exceed 5% of the Regular Assessment for that Fiscal Year. The limit, however, is 10% for Special Assessments to pay the costs to repair or rebuild a damaged or destroyed Vacation Unit or its Common Furnishings. The Board may exceed the limit if approved by the Developer, and by the vote or written consent of a Majority of the Owners Voting (not counting Vacation Ownership Interests owned by the Developer). No vote or written consent is required, however, in these circumstances:

1) It is not required if the Special Assessment for a Vacation Ownership Interest would not have exceeded the limit except for an increase in taxes or other governmental assessments (for example real property taxes) or utility expenses.

2) It is not required if the funds are needed to pay the cost to comply with a court order or the requirements of the Condominium Documents, the Master Association Documents, or the Ka'anapali North Beach Documents.

3) It is not required if the funds are necessary for an emergency situation such as repairs or maintenance necessary for personal or public safety.

4) It is not required if the funds are necessary for repairs or maintenance that could not reasonably be foreseen by the Board in preparing its Budget.

13.6 PERSONAL CHARGES. A "Personal Charge" is an expense not covered by Assessments. This includes expenses that result from the act, failure to act, or other conduct of an Owner or Occupant, or the Guest of an Owner or Occupant. It also includes charges for extra services requested or used by the Owners or Occupants or by their Guests. Personal Charges should not be confused with Regular and Special Assessments. The following expenses are examples of Personal Charges:

- ❖ The cost of food, beverages, telephone charges, optional housekeeping service and other special services or supplies resulting from or related to the occupancy of the Vacation Unit during a person's Vacation Period.
- ❖ Charges arising from or related to the use of the Common Furnishings, the Condominium, the Master Association Amenities, or the Ka'anapali North Beach Amenities (for example, rentals of sports supplies or other recreational equipment, use of a spa, and so on).
- ❖ The cost to repair any Vacation Unit or to repair or replace any Common Furnishings in it because of loss or damage occurring during a person's Vacation Period (unless caused by ordinary wear and tear or by an unavoidable accident or other casualty).
- ❖ Expenses to any other Owner or the Association due to a person's intentional or negligent act or failure to act.
- ❖ Expenses resulting from any intentional or negligent violation of the Ka'anapali North Beach Documents, the Master Association Documents, the Condominium Documents, or the Vacation Plan Documents.
- ❖ The cost to collect any Assessments or other Personal Charges, including court costs and reasonable attorneys' fees.
- ❖ Any late charges and interest on overdue payments.
- ❖ So long as the Plan is part of the Club, any Club Fees charged to the Association or to an Owner by the Club Operator (except for Club Fees that are Plan Expenses).

13.7 DUTY TO PAY ASSESSMENTS AND PERSONAL CHARGES.

A. PROMISE TO PAY. By acquiring a Vacation Ownership Interest, an Owner promises to pay all Assessments on the Owner's Vacation Ownership Interest and all Personal Charges charged to the Owner. Each Owner makes this promise whether or not he or she signs any document that expressly says so.

B. THE DEVELOPER'S DUTY TO PAY; SUBSIDY CONTRACT. The Developer also promises to pay the Assessments and Personal Charges for each Vacation Ownership Interest while the Developer is the Owner of it. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Association in which the Developer agrees to pay to the Association the difference between the actual cost incurred by the Association and the Assessments charged to other Owners.

C. PERSONAL OBLIGATION TO PAY. Each Owner is personally obligated to pay on time all Assessments charged to the Owner's Vacation Ownership Interest and all Personal

Charges charged to the Owner. The amount of an Assessment will become the personal debt of the Owner as of the date when it is assessed. An Owner cannot avoid liability for the Assessments and Personal Charges by not using his or her Vacation Ownership Interest or by abandoning it. Even if the Owner transfers his or her Vacation Ownership Interest to someone else, the Owner is still personally obligated to pay all Assessments and Personal Charges due before the transfer takes effect.

D. INTEREST, LATE CHARGES AND COSTS. All sums not paid within ten days of the due date will be subject to: (i) interest at a rate set by the Board or, if no rate is set, then at one percent (1%) per month from the due date; and (ii) a late charge in the amount set by the Board or, if no amount is set, then fifty dollars (\$50). An Owner must also pay all costs of collection, including court costs and attorneys' fees.

E. HOW PAYMENTS WILL BE APPLIED. Payments will be applied as the Board provides in the Association Rules. If the Association Rules do not say how payments will be applied, then they will be applied (in equal shares for each Vacation Ownership Interest if the Owner owns more than one) first to legal fees, costs and expenses, then to late charges, then to interest, then to the principal amount of the Assessment or Personal Charge.

13.8 COLLECTING ASSESSMENTS.

A. TIME AND METHOD OF PAYMENT. An Owner must pay his or her Assessments and Personal Charges to the Association. An Owner must pay his or her Regular Assessments yearly in advance unless the Board adopts a different payment schedule. The Board may not adopt a schedule in which payments are due more often than monthly. The Board may require Owners of Every-Other-Year Vacation Ownership Interests to pay Assessments:

- 1) Every year, in which case the Owner must pay a Fair Share every year (see Section 13.1C.2)), or
- 2) Every other year. In that case, every other year, the Owner must pay an amount equal to the Fair Share for an Every-Year Vacation Ownership Interest for that year. See Section 13.1C.1).

B. BILLS FOR ASSESSMENTS. The Association or Plan Manager will mail to each Owner, at the address shown on the records of the Association, a bill stating the due date and amount of the Assessment for the Owner's Vacation Ownership Interest. If a single Vacation Ownership Interest is owned by more than one person, the bill may be sent to any of its co-Owners. No matter when the bill is sent, however, for the purpose of fixing the amount of any Secured Lien based on the Assessment, the Assessment will be considered due on the date stated in the bill.

1) **JOINT BILLINGS.** The Association or Plan Manager may join with the Condominium Association, the Master Association, the Ka'anapali North Beach Association, the Club Operator, or any of them to send out single bill covering Assessments due under the Condominium Documents, the Master Association Documents, Ka'anapali North Beach Documents, the Club Documents, and the Vacation Plan Documents. The Association may permit the Condominium Association, the Master Association, the Ka'anapali North Beach Association, or the Club Operator to collect the Assessments and turn them over to the Association or Plan Manager provided that they have adequate fidelity insurance and bonds. The Association may also agree with the Condominium Association, the Master Association, the Ka'anapali North Beach Association, or the Club Operator to act as their agent in collecting amounts due under the Condominium Documents, the Master Association Documents, Ka'anapali North Beach Documents, or the Club Documents.

C. PAYMENT OF PERSONAL CHARGES.

1) **TIME FOR PAYMENT.** Personal Charges (other than Club Fees) will be paid as follows:

(a) Each Occupant must pick up and pay all bills for Personal Charges that are ready at Check-Out Time. Examples include food or beverage charges, optional housekeeping service, and telephone charges.

(b) Personal Charges not paid at Check-Out Time must be paid within thirty (30) days after a bill for the Personal Charges is mailed.

2) **CLUB FEES.** While the Plan is part of the Club, Owners must pay the Club Fees at the times provided in the Club Documents. If the Club Documents do not state a time for payment, then they must be paid when the Club Operator requests payment.

3) **PERSONAL CHARGE DEPOSIT.** At any time before or during a person's Vacation Period, the Association or the Plan Manager may require an advance payment or deposit, or a credit card imprint, from an Occupant if they decide that it is appropriate. The Association or Plan Manager may (but are not required to) use these funds to pay any Personal Charges of that person. The Association may keep the money (or any unspent part of it) until all charges relating to that person's occupancy have been paid. Neither the Association nor the Plan Manager will be liable for not asking for or not keeping advance payments or deposits. The request or failure to request and keep them does not excuse an Occupant's duty to pay the Personal Charges.

D. COLLECTION POLICIES. The Board may establish collection policies and procedures and may delegate the authority to implement those policies and procedures to the Plan Manager. The Board may also compromise and settle

disputed amounts and may delegate the authority to do so to the Plan Manager.

13.9 USE OF AMOUNTS COLLECTED. Assessments must be used exclusively for these purposes:

- ❖ To pay Plan Expenses,
- ❖ To promote the recreation, health, safety and welfare of the Owners,
- ❖ To improve, operate, maintain, repair and replace the Vacation Property,
- ❖ To pay amounts due under the Condominium Documents, the Master Association Documents, the Ka'anapali North Beach Documents, or the Club Documents, or
- ❖ To operate and manage the Vacation Ownership Plan and to pay any expenses incurred by the Association in performing its duties.

13.10 DEPOSIT AND USE OF FUNDS.

A. MANAGEMENT OF ACCOUNTS. All amounts received by the Association or Plan Manager will be deposited in the General Account promptly after the Association receives it. Money received for payment of Club Fees must be paid to the Club Operator immediately. Money received for any Reserve Accounts will be transferred to those accounts promptly. All accounts must be established with a safe and responsible depository (such as a bank, savings and loan Association, or trust company) in Hawaii or, upon approval by the Director on the Hawaii Department of Commerce and Consumer Affairs, another state. This money may be put in a savings or checking account. It also may be invested in treasury bills or certificates of deposit or other obligations of an agency of the United States of America (such as U.S. savings bonds) or obligations that are fully guaranteed as to principal by an agency of the United States of America. It may also be invested in any other investments authorized by the Act or by the Condominium Property Act. All interest will belong to the Association.

B. THE GENERAL ACCOUNT. The Board may spend the money in the General Account to pay Plan Expenses as permitted by the Vacation Plan Documents. Any extra money in the General Account at the end of any Fiscal Year must be used to pay Plan Expenses in the following year. At the annual meeting each year, the Association must adopt a resolution requiring this. For this purpose, each Owner gives the president of the Association a proxy and a special power of attorney to adopt such a resolution.

C. THE RESERVE ACCOUNT. Any part of the Regular Assessment that is intended for a Reserve Account must be put in a separate account. The Board will authorize payments

from the Reserve Accounts as needed. The money may be used only to pay for Capital Improvements.

Money in these accounts will be considered conclusively to be savings of the Owners of the Vacation Units held for their benefit to pay for Capital Improvements. Any part of an Owner's Assessments used or to be used by the Association for Capital Improvements or any other capital expense will be treated as a capital contribution by the Owner. It will be credited by the Association on its books as paid in surplus. It will not be treated as income to the Association or to the Owners.

13.11 FINANCIAL REPORTS.

A. FINANCIAL STATEMENTS. The Association must prepare and send the following statements to each Owner:

1) **THE BUDGET.** At least 45 and not more than 60 days before the Fiscal Year starts the Association must send to the Owners the approved Budget for that year.

2) **THE ANNUAL REPORT.** The Association must send an annual report to each Owner within 120 days after the end of each Fiscal Year. It must include:

(a) A balance sheet showing the assets, liabilities and net worth of the Association at the end of the Fiscal Year;

(b) An operating statement for the Fiscal Year;

(c) A statement of the net changes in the financial condition of the Association for the Fiscal Year;

(d) The name, mailing address and phone number of each Board member; and

(e) Any other information required by the law of any place (for example, another state) where the Vacation Ownership Plan is registered for public sale.

3) **YEARLY AUDIT.** Each year, the Plan Manager, or the Board if there is no Plan Manager, must arrange for an independent audit of the Association's financial accounts. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting principles.

4) **ANNUAL STATEMENT.** Not more than 60 days before the start of each Fiscal Year, the Association must send to the Owners a statement describing the Association's policies and practices in enforcing its remedies against Owners for defaults in the payment of regular and Special Assessments of Plan Expenses, including the recording and foreclosing of liens against Owners' Vacation Ownership Interests. This statement may be mailed with the budget information required in Subsection 13.11A.1).

13.12 DEVELOPER'S DUTIES.

A. DEVELOPER'S LETTER. Within thirty (30) days after the end of each quarter of the Fiscal Year, the Developer must send to each member of the Board at his or her residence address a letter containing the information described in Section B. The Developer must do this only for so long as:

1) The Developer is constructing improvements which are a part of the Vacation Property and either (a) that construction is not complete, or (b) any bond or other security put up by Developer to guaranty that the construction of those improvements will be completed is still in effect and has not been released or canceled; or

2) The Developer and the Association have signed a subsidy agreement and it is still in effect; or

3) The Developer owns more than twenty percent (20%) of all the Vacation Ownership Interests.

B. CONTENTS OF DEVELOPER'S LETTER. The Developer's letter must state:

1) The current status of each improvement that was to be completed during the current quarter.

2) The current status of each improvement that was to be completed during a prior quarter but that still is not complete.

3) The number of Vacation Ownership Interests owned by the Developer as of the first and last day of the quarter.

4) The total Regular and Special Assessments that the Developer was obligated to pay during the quarter as an Owner.

5) The total Regular or Special Assessments paid by the Developer to the Association during the quarter.

6) The amount of any Regular and Special Assessment due from the Developer that remains unpaid as of the date of the report to the Board.

7) An itemized list of funds, goods and services furnished, or caused to be furnished by the Developer to the Association under any Subsidy Contract, including contributions to the Reserve Accounts, and the dollar value of any goods and services furnished.

C. SPECIAL BOARD MEETING. The Board will hold a special meeting to consider and to vote on whether to arbitrate with the Developer, or the company that issued a bond insuring that the Developer would perform its unfulfilled obligations, or both, if:

1) The Board members do not receive the Developer's letter within forty-five (45) days after the end of a quarter, or

2) The letter reflects that the Developer has not fulfilled any of its obligations to the Association.

D. ENFORCEMENT. The special director elected solely by the votes of members of the Association other than the Developer has the power to start an arbitration or file a lawsuit in the name of the Association and at the Association's expense. He or she may only do so if:

1) The Board is required to meet as required by Section 13.12C; and

2) Within seventy-five (75) days after the end of the calendar quarter when the Developer's letter was due or received either:

(a) the Board does not meet; or

(b) the Board decides not to enforce the Developer's unfulfilled obligations.

If the special director starts an arbitration or files a lawsuit in the name of the Association, the Board must take the steps necessary and appropriate to pursue the arbitration or lawsuit. The Association must promptly reimburse the special director for any reasonable fees and costs he or she pays or must pay to start the arbitration or file the lawsuit.

14. ENFORCEMENT

14.1 ENFORCING THE VACATION PLAN DOCUMENTS. If anyone violates the Vacation Plan Documents, the Board or the Plan Manager (acting on behalf of the Association) has full power and the right to enforce compliance in any manner permitted in the Vacation Plan Documents. The Developer and the Club Operator each have the right to enforce any rights they have under the Vacation Plan Documents in any manner permitted by law, by the Vacation Plan Documents or, in the case of the Club Operator, by the Club Documents. The enforcement powers contained in the Club Documents, the Vacation Plan Documents, or provided by law are "cumulative". This means they may be used one at a time or all at once. By acquiring a Vacation Ownership Interest, each Owner promises and agrees that the Association, the Plan Manager, the Developer, and the Club Operator, have all the rights, powers and remedies provided in the Vacation Plan Documents or by law.

A. PRIOR FAILURE TO ENFORCE. Failure to enforce any provision of the Vacation Plan Documents does not mean that the provision cannot be enforced later.

B. ATTORNEYS' FEES AND COSTS. The Association (and the Plan Manager if authorized by the Association) may employ an attorney to enforce the Vacation Plan Documents against any Owner or Occupant. If so, the Owner or Occupant must pay, in addition to any other amounts due, all reasonable attorneys' fees and costs incurred by the Association or Plan Manager. Likewise, the Developer and the Club Operator may employ attorneys to enforce their rights under the Club Documents or the Vacation Plan Documents and may recover their reasonable attorneys' fees and costs.

14.2 RIGHT OF ENTRY. The Association and the Plan Manager have the right and power to enter any Vacation Unit, whether or not during a Service Period and whether or not the Occupant is present, to stop any activity or condition or to remove anything that:

A. Violates the law, the Condominium Documents, the Master Association Documents, the Ka'anapali North Beach Documents, or the Vacation Plan Documents,

B. Is unauthorized, prohibited, harmful, offensive or potentially dangerous to others or their property, or

C. Threatens the property, rights or welfare of others.

14.3 SUSPENSION OF PRIVILEGES; FINES.

A. If any Owner or the Owner's Guests violate the Vacation Plan Documents, the Association may charge the Owner a money penalty and/or suspend the Owner's rights under the Vacation Plan Documents. For example, the Association may do any of these things:

1) It may suspend the Owner's rights to reserve a Unit, to use a Unit during the Owner's Vacation Period, or to participate in any vote under the Vacation Plan Documents.

2) It may suspend utility and other services to the Owner's Assigned Unit during the Owner's Vacation Period.

3) It may cancel the Owner's existing reservation.

4) It may keep the Owner's existing reservation but rent the Vacation Period to someone else for the account of the Association.

B. HEARING. The Board must meet and permit the Owner to present his or her case before it fines the Owner or suspends the Owner's privileges and services. This rule does not apply, however, when an Owner is fined or suspended for failing to pay any Assessment or Personal Charge on time. The Board must give the Owner written notice of the meeting at least 15 days in advance. The notice must state the purpose of the meeting and the reason for seeking the suspension or fine. The Owner has the right to appear and to explain why the penalty should not be imposed. The Board will decide

whether the Owner's defense will be oral or written. A majority of the directors present will decide whether to fine the Owner or to suspend the Owner's privileges. The directors, however, cannot act unless a quorum is present and the meeting is held as provided in the Bylaws.

C. WHEN THE FINE OR SUSPENSION TAKES EFFECT.

The Board must give the Owner written notice of any disciplinary action taken and the reasons for it. Any disciplinary action will take effect on the date that the notice is sent.

D. EFFECT ON EXCHANGE RIGHTS. If an Owner is suspended, the suspension also applies to any exchange rights the Owner may have. See Section 7.3B.

E. WHEN PRIVILEGES WILL BE RESTORED. If an Owner is suspended for failing to pay amounts due under the Vacation Plan Documents, the suspended privileges and services will be restored automatically thirty (30) days after the Owner pays to the Association, in cash or by cashier's or certified check, all amounts past due and any fine imposed. If an Owner is suspended for any other reason, the suspended privileges and services will be restored automatically at the end of the period stated in the suspension notice and after he or she pays any fine.

F. THE PLAN OPERATOR'S AND THE PLAN MANAGER'S ROLE. The Board may delegate to the Plan Operator or to the Plan Manager the power to carry out any disciplinary actions imposed by the Board, including the right to suspend, without a hearing, an Owner's right to reserve or occupy a Vacation Unit when the Owner has not paid all Assessments or Personal Charges due.

14.4 ENFORCEMENT BY FILING A LAWSUIT.

The Association, the Plan Manager, the Developer, the Club Operator, or any Owner may ask a court to enforce the Vacation Plan Documents and ask for any appropriate relief. For example, the appropriate relief could be damages or an order specifically enforcing those documents, or a combination of those things. The Association or the Plan Manager may also enforce the liens provided by this Declaration and any other lien provided by law and have the right to take the Vacation Ownership Interest of any defaulting Owner in any lawful manner.

A. A VIOLATION IS A NUISANCE. Each violation of the Vacation Plan Documents is declared to be a nuisance. The Association, the Plan Manager, the Developer, or the Club Operator may seek an "injunction" (a court order requiring someone to do or stop doing something) or any other appropriate relief to stop the nuisance.

B. DISPUTES WITH THE DEVELOPER. No matter what else the Vacation Plan Documents say, any dispute between the Association and the Developer with respect to whether the

Developer has satisfied its obligations (i) to complete and pay for any improvements of the Condominium, (ii) to pay any Assessments and Personal Charges due under the Vacation Plan Documents, or (iii) to pay the costs of operating the Plan and maintaining the Vacation Property under a Subsidy Contract, must, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

14.5 THE PLAN OPERATOR MAY RENT AN OWNER'S VACATION PERIOD.

A. THE PLAN OPERATOR'S RIGHT TO RENT. If an Owner (other than the Developer) is more than sixty (60) days late in paying any Personal Charge or Assessment charged to the Owner under the Vacation Plan Documents, and does not make that payment within ten (10) business days after the Plan Operator sends a written demand to pay then the Plan Operator may use the Owner's use rights or Points to reserve a Unit. The Plan Operator may then rent that Vacation Period to the public. The renter and his or her Guests will have the right to use the Assigned Unit during the Vacation Period reserved. The Plan Operator may not reserve or rent more Use Periods than necessary to pay all sums due in full (plus the reasonable costs of renting the Vacation Period).

B. USE OF THE RENT MONEY. The Plan Operator will apply the rent money first to pay the cost of arranging the rental and then to pay all overdue Assessments and Personal Charges owed by the Owner (including penalties, late fees and so on). Any excess money may be used by the Association to pay any Plan Expenses and will not be credited to or for the account of the defaulting Owner. (The intent here is to be sure the defaulting Owner doesn't profit by his or her wrongdoing and to avoid violating any securities laws.)

C. LIMITS ON THE PLAN OPERATOR'S RIGHT. The Plan Operator may not reserve or rent a Use Period which is subject to an existing reservation held by:

- 1) Another Owner (including the Developer) whose reservation has been confirmed; or
- 2) An Exchange User whose exchange reservation has been confirmed by the Plan Operator or by an external Exchange Company.

D. WHAT HAPPENS IF THE VACATION PERIOD IS ALREADY RENTED. If the Owner has already rented his or her Vacation Period, the renter will be permitted to use the Use Period. The Plan Operator will have the right to collect any unpaid rent from the renter until all amounts due are paid in full.

E. PLAN OPERATOR'S EASEMENT. The Plan Operator, and its agents, employees, contractors, subcontractors and other authorized persons have an easement for the purpose of conducting rental activities under this Section 14.5.

14.6 THE ASSOCIATION'S "SECURED LIEN"; FORECLOSURE.

A. LIEN. The Association has a "Secured Lien" on each Vacation Ownership Interest for all amounts charged to it or its Owner. This means that the Vacation Ownership Interest is collateral for the Owner's obligations to obey the Vacation Plan Documents and to pay all Assessments and Personal Charges, including late charges, interest, costs of collection, and reasonable attorneys' fees. If the Owner fails to do so, the Association may "foreclose" its Secured Lien. This means that the Vacation Ownership Interest will be sold and the money from the sale will be used to pay the amounts owed. The Secured Lien will cover all interests in a Vacation Ownership Interest, including, for example, (i) the seller's and the buyer's interests under any Agreement of Sale, and (ii) all Condemnation and Insurance Proceeds relating to a Vacation Ownership Interest. The recording of this Declaration is notice of the Secured Lien to each and every person who has or acquires any interest in or to any Vacation Ownership Interest or Vacation Unit, now or later.

B. EFFECT OF ASSOCIATION'S LIEN.

1) EFFECT ON A NEW OWNER. In this Section 14.6B.1), "Prior Owner" means the Owner who transfers a Vacation Ownership Interest, and "New Owner" means the person to whom the Vacation Ownership Interest is transferred. If a Vacation Ownership Interest is transferred, the New Owner is not personally responsible to pay Assessments or Personal Charges charged to the Prior Owner and due before the date the transfer took place. However, the Vacation Ownership Interest will still be subject to the Secured Lien for all the unpaid Assessments and Personal Charges of the Prior Owner. As a result, the Association still may foreclose the Secured Lien on the Vacation Ownership Interest. If so, the Vacation Ownership Interest would be taken from the New Owner and sold to pay the amounts due. The New Owner would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid.

(a) STATEMENT OF UNPAID AMOUNTS. A New Owner can avoid this problem by asking the Association for a statement of unpaid amounts. Any Owner, Lender, potential Lender or potential buyer may ask the Association for a letter listing all amounts unpaid with respect to the Vacation Ownership Interest. Within twenty (20) days after receiving the request, the Association or the Plan Manager must provide the letter. The letter will bind the Association in favor of anyone who relies on it in good faith (except the Prior Owner). As a result, after the transfer or mortgage is made the Association may not foreclose the Secured Lien for any Assessments or Personal Charges due before the date of the letter in excess of the amount stated in the letter except for the amount of any check that is later dishonored and that is mentioned in the letter as having been received within the 30-

day period immediately preceding the date of the letter. The Association and/or the Plan Manager may charge a reasonable fee for preparing the letter.

2) EFFECT ON MORTGAGES AND OTHER ENCUMBRANCES. No matter what else the Vacation Plan Documents say, the Secured Lien is subordinate to (subject to and will not affect) the rights or remedies of any Lender whose mortgage is recorded before a Notice of Lien is recorded. Unless the law says otherwise, this rule only applies if the Lender has a first mortgage on a Vacation Ownership Interest for a loan made in good faith and for value. In all other cases, the liens created by this Declaration will be prior to (superior to and controlling over) all mortgages made by an Owner and all liens or encumbrances imposed by law upon any Vacation Ownership Interest. This will be so whether the Notice of Lien is recorded before or after any such encumbrance. Of course, some liens (such as real property tax liens) may be superior to the liens in this Declaration if the law makes them so.

3) EFFECT ON AGREEMENTS OF SALE. Since the buyer is considered the Owner, only the buyer (and not the seller) under an Agreement of Sale will be personally liable. The Vacation Ownership Interest, however, has a Secured Lien on it for all unpaid Assessments and Personal Charges for which the buyer is personally liable. The Secured Lien will remain on the Vacation Ownership Interest even if the Agreement of Sale is later canceled and the seller again becomes its "Owner." As a result, the Association may foreclose the Secured Lien at any time, before or after the Agreement of Sale is canceled.

If this happens before the Agreement of Sale is canceled, the Vacation Ownership Interest will be taken from both the buyer and the seller and sold to someone else to pay the overdue amounts. The buyer and seller would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid. If this happens after the Agreement of Sale is canceled, the Vacation Ownership Interest will be taken from the seller and sold, and the seller still gets only the money left after all unpaid amounts have been paid.

4) EFFECT ON A BUYER AT A FORECLOSURE SALE. Anyone who buys a Vacation Ownership Interest at a foreclosure sale is not liable for any Assessment or Personal Charge due before the Vacation Ownership Interest is transferred to the buyer. In addition, the Vacation Ownership Interest will not be subject to the Secured Lien for any Assessments or Personal Charges which became due before the Vacation Ownership Interest is transferred to the buyer. However, the Association will have a Secured Lien on the Vacation Ownership Interest for all Assessments and Personal Charges which become due after the Vacation Ownership Interest is transferred to the buyer at the foreclosure sale.

C. FORECLOSURE AND SALE. The Secured Lien is like a mortgage with a private power of sale. The Association may foreclose it in any legal way and the defaulting Owner's Vacation Ownership Interest may be sold at a public auction with or without first obtaining a court order. The Association may foreclose a Secured Lien for Personal Charges, however, only by court order in a foreclosure lawsuit.

1) NOTICE OF DEFAULT. Before the sale, the Association must give a notice to the defaulting Owner explaining the violation. The Association must send a copy of the notice to any Lender of the defaulting Owner which has asked for a copy and furnished its name and address to the Association. The notice must state the date and nature of the violation. If the Owner's default is that he or she failed to pay money, the notice must state the total of any unpaid amounts and include a demand for payment.

2) NOTICE OF LIEN. If the violation is not cured within ten (10) days after the Association gives its notice to the Owner, then an officer of or attorney for the Association or the Plan Manager may sign and record a Notice of Lien ("*Notice of Lien*"). The Notice of Lien must include each of these things:

(a) It must state the name of the defaulting Owner.

(b) It must state the Apartment number of the defaulting Owner's Vacation Unit.

(c) It must state the identification number of the defaulting Owner's Vacation Ownership Interest.

(d) It must state the amount claimed to be due (after any proper offset).

(e) It must say that the Notice of Lien is made by the Association under the terms of the Vacation Plan Documents.

(f) It must say that a Secured Lien is claimed against the Vacation Ownership Interest for the violation and in an amount equal to the net amount due plus interest and the costs of enforcement, including attorneys' fees.

(g) It must say that the Association intends to have the Vacation Ownership Interest sold in a foreclosure sale.

Each violation will be a separate basis for a Notice of Lien. But, a single Notice of Lien may cover more than one default, and may include defaults between the date of the Notice of Lien and the date of the sale.

3) CANCELLATION OF NOTICE OF LIEN. The Association may provide a document canceling a Notice of Lien. It will do so if both of these conditions are met:

(a) The Board must first receive payment in full of the amount claimed to be due and owing (including interest, late fees, and any costs of enforcement and attorneys' fees).

(b) The Owner must ask for the cancellation document and pay a reasonable fee for it.

The document canceling the Notice of Lien must be signed by two (2) directors or officers of the Association or by the Plan Manager.

4) CONDUCTING THE SALE. The sale may be conducted in any lawful way. For example, the Association has a power of sale and may foreclose its Secured Lien in the manner provided in H.R.S. Section 514E-29 and H.R.S. Section 667-5, or in any substitute or replacement laws.

5) POWER OF ATTORNEY. When enforcing its rights, the Association (acting in its own name or in the name of the defaulting Owner) may sign and deliver any legal documents necessary to transfer title to that Owner's Vacation Ownership Interest to a purchaser. For this purpose, the Association is appointed the attorney-in-fact for each Owner.

6) PERMITTED BUYERS. The Association or anyone else except a Competitor may bid on and buy the Vacation Ownership Interest at the foreclosure sale. The Association may offset the debt against the amount bid at the sale. The Board may buy the Vacation Ownership Interest of a defaulting Owner or accept a transfer of it to the Association from the Owner in place of foreclosure.

7) AMOUNTS OWED AFTER THE SALE. The foreclosure sale may not produce enough money to pay all amounts owed by the defaulting Owner. If this happens, the defaulting Owner remains personally liable for the difference, and the Association can sue him or her to collect the unpaid amount.

8) BUYER AT FORECLOSURE. Anyone who buys the Vacation Ownership Interest at the foreclosure sale will have to obey the Vacation Plan Documents just like any other Owner.

15. INSURANCE

15.1 INSURANCE GENERALLY.

A. INSURANCE REQUIRED. The Board must see that, as a minimum, the Association and all of the Owners together are covered by the insurance required by this Chapter. The cost of insurance will be a Plan Expense. Each Policy may be separate or the Board may buy one or more commercial package policies.

B. SOURCE OF INSURANCE. The Association may buy the insurance itself. Or it may join with the Condominium Association or the Master Association in order to buy insurance. If the Plan Manager or any related company manages more than one owners association or real estate project, then the Plan Manager may buy one or more blanket policies that cover the Plan and any other Owners associations or real estate projects. In that case, the covered projects and time share plans will split the costs of the policies. The amount charged to the Vacation Ownership Plan for its share of the costs is subject to approval by the Board. If any part of this Chapter conflicts with the Condominium Documents regarding insurance, the Condominium Documents will control.

C. QUALIFIED INSURANCE COMPANIES. Each insurance company must be licensed to do business in the State of Hawaii. This does not apply to (i) federal flood insurance and other government insurance programs, and (ii) insurance not available, or not available at a reasonable price, from a company licensed in Hawaii. Each insurance company must have a financial rating of Class VI or better according to Best's Insurance Report. If the insurance cannot be obtained from a company having that rating, or if the Board decides that the cost is too high, then the Association may buy the insurance from any financially sound company of recognized responsibility.

D. ADDED INSURANCE. The Board has the right and power to increase the insurance coverage or obtain better terms than those stated in this Chapter whenever the Board deems it necessary or in the best interests of the Association. The Board may also buy other kinds of insurance even if they are not described in this Chapter. For example, the Board may buy business interruption insurance.

E. SUBSTITUTE COVERAGE; REDUCTION IN INSURANCE. Except for insurance required by law, the Board need not buy any insurance if it is advised that it cannot reasonably be obtained or if the Board decides that it is too expensive. In those cases, the Board must buy other insurance that it believes to be appropriate under the circumstances for apartments in condominiums similar in construction, location and use. The Board may accept any deductibles, uninsured retentions, and co-insurance as it chooses in its business judgment. Any amount paid on account of any deductible, uninsured retention, or co-insurance will be a Plan Expense; provided that if a loss results from the negligence or willful misconduct of an Occupant, then the Association may charge the amount to the Occupant as a Personal Charge as provided in Section 16.1B.

F. YEARLY REVIEW OF COVERAGE. The Board must review the insurance program at least yearly. The Plan Manager must prepare or cause to be prepared an analysis of (a) the insurance needs of the Association and the Owners; and (b) the adequacy of the existing insurance policies to meet

those needs. The Board will review this analysis and then make any changes in the insurance program it deems necessary or appropriate. All Board decisions are final.

G. LIABILITY FOR INSURANCE DECISIONS. The Board will not be liable for any decision it makes on insurance unless it was grossly negligent or was guilty of intentional misconduct. Likewise, neither the Developer nor the Plan Manager will be liable either unless they were grossly negligent or guilty of intentional misconduct.

H. INSPECTION AND COPYING. Any Owner (and anyone having a contract to buy a Vacation Ownership Interest) may inspect copies of the Association's insurance policies at the office of the Plan Manager. If asked to do so, the Board will furnish a copy of any Policy, or a current certificate of insurance, to any Lender that has a first mortgage on a Vacation Ownership Interest. The Lender must pay a reasonable fee for the copy.

15.2 PROPERTY INSURANCE. The Board must buy a policy of property insurance. The insurance bought is called the "Policy" in this Section 15.2.

A. WHO IS INSURED. The Policy must name the Association, by the Board, as trustee for each Owner in proportion to the Owner's undivided interest in his or her Unit as the insured.

B. REQUIRED COVERAGE. The Policy must, if possible, cover one hundred percent (100%) of the full insurable replacement cost, without deducting for depreciation, of each Vacation Unit and its Common Furnishings.

C. COVERAGE NOT REQUIRED. The Policy does not have to cover (i) exterior glass if the Board decides that this is too expensive, and (ii) underground improvements, except for conduits, plumbing and wiring.

D. FORM OF POLICY. The Policy must cover those risks generally covered by a special form policy. A "special form policy" commonly insures against these risks: fire, lightning, windstorm and hail, smoke, explosion, civil commotion, riot, and riot attending a strike, aircraft and vehicle damage, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, breakage of glass, falling objects, water damage, collapse of structure, and direct physical loss. If the Project is located in an area prone to earthquakes, the Association must also buy earthquake insurance if it is available at a reasonable cost.

E. ADDITIONAL COVERAGE.

1) The Policy must have an agreed amount endorsement. This protects members from co-insurance clauses. A co-insurance clause reduces benefits if the Association fails to buy enough insurance.

2) The Policy must have an inflation guard endorsement. This automatically increases the Policy limits up to a certain amount each year to keep the Policy limits current with inflation.

F. REQUIRED AND PROHIBITED PROVISIONS. Unless the Board decides the cost is unreasonably high (and its decision will be final), the Policy must provide as follows:

1) The Policy must not relieve the insurance company from liability because of:

(a) Any increased hazard on any part of the Condominium, whether or not within the control or knowledge of the Association, the Board, the Developer, the Plan Manager, the Club Operator, the Condominium Association, the Master Association, any Occupant, or any persons under any of them; or

(b) Any breach of warranty or condition or any other act or neglect by any of those persons.

2) The Policy must not permit the insurance company to cancel or substantially change the Policy or the coverage (whether or not asked by the Board) unless the insurance company gives written notice of the cancellation or change at least thirty (30) days in advance. The insurance company must send the notice to the Board and the Plan Manager.

3) The Policy must provide that the insurance company gives up any right to repair, rebuild or replace a damaged or destroyed Vacation Unit if a decision is made under the Condominium Documents not to do so.

4) The Policy must provide that the insurance company gives up any right of subrogation to any right of the persons insured by the Policy as against the Association, the Board, the Owners and any person under any of them. "Subrogation" is the right of the insurance company to try to recover its costs from the person who caused the loss.

5) The Policy must not limit or prohibit any Owner from buying other insurance for the Owner's own benefit. It must also provide that the liability of the insurance company will be primary and will not be affected by any such other insurance.

6) The Policy must provide that any loss with respect to any Vacation Unit or the Common Furnishings will be adjusted (settled) by the insurance company and the Board.

7) The Policy must contain a standard "Mortgagee Clause". This protects the rights of Lenders. The Mortgagee Clause must do these things:

(a) It must name as an insured any Lender whose name has been furnished to the Board and to the insurance company.

(b) It must provide that any reference to a Lender in the Policy includes all Lenders, in their order of priority, whether or not named in the Policy.

(c) It must provide that any act or neglect of the Association, the Board or any Occupant will not release the insurance company from its duties to the Lender.

(d) It must provide that the insurance company gives up these rights:

(1) Any right to deny coverage for the Lender's benefit because the Lender fails to notify the insurance company of any hazardous use or vacancy.

(2) Any requirement that the Lender pay any Policy premium. (But, the Lender may pay any premium due if the Association fails to do so on time).

(3) Any right to contribution from the Lender.

(4) Any right to be subrogated to the right of any Lender against anyone causing the loss or to require that any mortgage be transferred to the insurance company. However, the insurance company may retain the right of subrogation to the extent of insurance proceeds received and retained by the Lender, if the insurance company gives up any claims for liability against the Lender, the Association, the Board, the Plan Manager, the Club Operator, the Developer, the Owners and their Guests. This must not, however, impair the Lender's right to sue any person for any loss or deficiency not covered by the insurance proceeds.

15.3 LIABILITY INSURANCE. The Board must buy and keep in effect commercial general liability insurance and, if necessary, commercial umbrella insurance. In this Section 15.3, the commercial general liability insurance and commercial umbrella insurance are together called the "Policy".

A. WHO IS INSURED. The Policy must cover (i) the Association, the Board, the Developer, the Plan Manager, and the Club Operator (while the Plan is part of the Club), and (ii) each of their directors, officers, employees, and agents, and (iii) all Owners as a group against claims for personal injury, bodily injury, death and property damage.

B. REQUIRED COVERAGE. The Policy limits for each accident or occurrence may not be less than \$3,000,000 for personal injury, bodily injury, and death, and \$1,000,000 for property damage.

C. REQUIRED AND PROHIBITED PROVISIONS. Unless the Board decides the cost is unreasonably high (and its decision will be final), the Policy must provide as follows:

1) The Policy must not limit or prohibit any Owner from buying other liability insurance for the Owner's own benefit.

2) The Policy must not relieve the insurance company from liability because of any act or neglect of the Association, the Plan Manager, the Developer, the Board, the Club Operator, any Owner or Occupant, or any person under any of them.

3) The Policy must provide that the insurance company gives up any right of subrogation to any right of the persons insured by the Policy as against the Association, the Board, the Plan Manager, the Club Operator, the Developer, the Owners and any persons under any of them.

4) The Policy must contain a "cross-liability" endorsement. This permits one person who is covered by the Policy to file a claim on the Policy based on the acts or failure to act of another person who is also covered by the Policy.

5) The Policy must contain a "severability of interest" provision. This prevents the insurance company from denying the claim of one person who is covered by the Policy because of the negligence of another person who is covered by the Policy.

6) The Policy must provide that the Policy and the coverage it provides may not be canceled or substantially changed by the insurance company (whether or not asked by the Board) unless the insurance company gives a written notice of the cancellation or change at least thirty (30) days in advance. The notice must be sent to the Board, the Plan Manager, the Developer, and, if the Plan is part of the Club, the Club Operator.

15.4 MOTOR VEHICLES. The Board must buy and maintain a commercial automobile liability policy of insurance if the Association owns or leases any motor vehicles. This is called the "Policy" in this Section 15.3C.6). It must insure the Board, the Association, the Developer, the Plan Manager, and each of their officers, directors, agents and employees. It must cover claims for bodily injury, death and property damage arising out of the condition, use, operation, ownership or lease of any motor vehicle owned or leased by the Association. The Policy limits may not be less than \$1,000,000 for bodily injury or death or property damage arising out of a single accident or occurrence. The Policy must contain a severability of interest provision and a cross-liability endorsement.

15.5 DIRECTORS AND OFFICERS INSURANCE. The Board must buy and maintain a policy insuring, to the extent allowed

by law, each person who is or was a director, officer, agent or employee of the Association against all liability in connection with any claim made against him or her as a result of his or her holding that position. This is called the "Policy" in this Section 15.5. The Policy must also cover anyone who serves, at the request of the Association, as a director, officer, member, employee or agent of another company or organization. The Board will choose the Policy limits.

If it can be obtained at a reasonable cost, the Policy must provide coverage to the extent permitted by law for any proceeding whether it is civil or criminal, administrative or investigative. The Policy must pay for any expense actually and reasonably incurred. This includes, but is not limited to, attorneys' fees, court costs, and payment of any judgments, fines and settlements. The Board may decide to buy insurance to cover circumstances where direct reimbursement is not required by law.

15.6 FIDELITY BONDS. A "fidelity bond" covers the loss of money in the care or custody of the Association or the Plan Manager. The Association must buy a fidelity bond or fidelity insurance. It must cover the Association and the Plan Manager. It must also cover each of their directors, officers, agents, and employees who handle funds belonging to or administered by the Association or the Plan Manager. The fidelity bond or insurance must name the Association as the person protected and who gets paid in case of loss (the "obligee" or the "insured"). The amount of the coverage must not be less than one-half of one year's estimated operating expenses plus all of the savings of the Association. The bond or insurance must also do these things:

A. It must meet the requirements of the Act and Rules.

B. It must provide that it may not be canceled or substantially changed without at least thirty (30) days' advance written notice to the Association, the Plan Manager, and the Club Operator (while the Plan is part of the Club).

C. It must cover anyone who serves without pay (for example, a volunteer). It must also waive (give up) any defense based on excluding such persons from the definition of the term "employee" or similar terms.

15.7 OTHER INSURANCE. The Association will buy all other insurance required by law. This may include, for example, temporary disability insurance and worker's compensation insurance. The Owners have the right to buy extra insurance they want for their own benefit and at their own expense.

16. DAMAGE, DESTRUCTION, AND CONDEMNATION

16.1 REPAIRING VACATION PROPERTY. The Condominium Documents govern all matters covered in them relating to

damage or destruction to a Vacation Unit or the Common Elements. In all other cases, if a Vacation Unit or its Common Furnishings are damaged or destroyed (other than by ordinary wear and tear) the Association must immediately repair the damage and replace anything that cannot be repaired. Anything damaged by normal wear and tear, however, need not be repaired or replaced while it is still usable, reasonably attractive, safe, and in good condition. The Board will decide when such things will be repaired or replaced and its decision will be final. If the Board decides it is better to replace something instead of repairing it, the Board may do so.

A. PAYING FOR THE REPAIRS. The Association will use any available Insurance or Condemnation Proceeds to pay for the repair or replacement. The Association also may use any money set aside in a Reserve Account to repair or replace the damaged items. The damage may not be covered by insurance, or the available proceeds or applicable Reserve Account may not be enough to pay the total cost of repairing or replacing the damaged property. If so, the Association may charge a Special Assessment to raise the money.

1) “*Insurance Proceeds*” means any money paid by an insurance company for a loss.

2) “*Condemnation Proceeds*” means any money paid if the Vacation Property or any part of it is “taken”, meaning that it is condemned or is sold to a Condemning Agency that has threatened to condemn it. The government and certain other persons have the “*power of eminent domain*”. This means that they can make someone sell their property to them. This process is called “*condemnation*”. Anyone having the power of eminent domain is called a “*Condemning Agency*”.

B. LIABILITY OF OWNERS AND OCCUPANTS FOR DAMAGES. If an Owner or an Owner’s Guest intentionally or negligently damages or destroys any Vacation Property or any other part of the Condominium, that person must repay the Association for all expenses related to repairing or replacing it. That amount will be a Personal Charge. If an Exchange User or his or her Guest intentionally or negligently damages or destroys any Vacation Property or any other part of the Condominium, that person must repay the Association for all expenses related to repairing or replacing it; the Owner of the Vacation Ownership Interest whose Vacation Period is used by the Exchange User, however, is not responsible to repay the Association. The Board will decide what should be repaired or replaced as a result of any damage or destruction. The Board’s decision will be binding on any person responsible for repayment. This Section 16.1B does not apply to damage or destruction that the Board decides is the result of ordinary wear and tear.

C. NO CLAIM FOR LOSSES PAID FOR BY INSURANCE. Despite what Section 16.1B says, the Association and the Owners will have no claim or cause of action against any Occupant for damage or destruction to the extent the loss is covered by insurance. An Occupant will have no claim or cause of action for any damage or destruction of his or her own property against the Association, the Board, the Plan Manager, the Developer, the Club Operator, any other company related to the Developer (or any of their officers, directors, employees or agents) or against any other Owner or Occupant to the extent that the loss is covered by insurance.

16.2 EXCESS PROCEEDS. Any Excess Proceeds payable to the Owners of a Vacation Unit must be divided into one hundred and four (104) shares. The Owner of an Every-Year Vacation Ownership Interest in that Vacation Unit will be paid two shares for his or her Vacation Ownership Interest, and the Owner of an Every-Other-Year Vacation Ownership Interest in that Vacation Unit will be paid one share for his or her Vacation Ownership Interest. If a Lender has a mortgage on a Vacation Ownership Interest, then the share of Excess Proceeds for that Vacation Ownership Interest will be paid to the Owner and the Lender. Likewise, if a Vacation Ownership Interest is subject to an Agreement of Sale, then the share of Excess Proceeds for that Vacation Ownership Interest will be paid to the buyer and the seller under the Agreement of Sale. “*Excess Proceeds*” are Insurance Proceeds or Condemnation Proceeds:

- ❖ from dissolving or terminating (winding up) the Condominium or the Vacation Ownership Plan for any reason;
- ❖ remaining after paying the cost of repairs and replacements;
- ❖ paid on account of a Vacation Unit that is destroyed and is not rebuilt. This could happen, for example, if the law is changed so it cannot be rebuilt or if a decision not to rebuild it is made under the Condominium Documents; or
- ❖ not required (i) to repair or replace any Vacation Unit or its Common Furnishings, or (ii) to pay any one or more Owners for personal injury or loss or damage to their property (in which case the proceeds will be distributed with due regard to the loss or damage).

17. ADDING AND REMOVING APARTMENTS

17.1 ADDING APARTMENTS TO THE PLAN. The Developer may add more Apartments to the Vacation Ownership Plan at any time and without the consent of any Owner or anyone else. Only the Developer may add Apartments to the Vacation Ownership Plan. The Developer is not promising to add any more Apartments to the Vacation Ownership Plan. Owners who buy a Vacation Ownership Interest may enjoy

certain advantages from having Units added but will have no legal right to insist that Units be added.

17.2 DECLARATION OF ANNEXATION.

A. REQUIRED CONTENT. The Developer may add Apartments to the Plan by recording a "Declaration of Annexation." It must contain each of the following:

- 1) A legal description of the Apartment and the name of its record Owner.
- 2) A statement submitting the Apartment to this Declaration. This Declaration must be identified by title and recording data.
- 3) The Unit Type for the Apartment. If an Apartment is being added to an existing Unit Type, it must have at least as many bedrooms and bathrooms as other Vacation Units in that Unit Type.

B. OTHER PROVISIONS: The Declaration of Annexation may establish new Unit Types or new kinds of Vacation Ownership Interests for any or all Apartments being added. It may also contain any other provisions that the Developer may consider appropriate. If it creates a new Unit Type or new kinds of Vacation Ownership Interests, or if the Developer owns all Vacation Units of a particular Unit Type, then the Declaration of Annexation may change the Vacation Plan Documents with respect to that Unit Type. For example, the Developer could create new kinds of Vacation Ownership Interests that give the Owners of them:

- 1) The first chance to reserve certain Vacation Units.
- 2) The exclusive right to reserve certain Vacation Units.
- 3) The exclusive right or the first chance to reserve certain Vacation Units during certain holidays, such as Christmas, New Years, Presidents Day, and so on, or during times when certain events occur such as Aloha Week or the Hula Bowl.
- 4) Permanent reservations to use a certain Vacation Unit or kind of Vacation Unit for certain time periods.

C. LIMITATIONS ON DEVELOPER'S RIGHTS. Despite what Section 17.2B says:

- 1) The Declaration of Annexation cannot change the rights of existing Owners (other than the Developer) to reserve and use the existing Vacation Property (other than property that the Developer can remove from the Plan as described in Section 17.4A);

2) The Declaration of Annexation cannot create Vacation Ownership Interests that give certain Owners the exclusive right to reserve or use certain Vacation Units (the "Preferred Units") while also giving those Owners the right to reserve generally available Vacation Units.

(a) For example, suppose the Developer creates a new kind of Vacation Ownership Interest that gives their Owners the exclusive right to reserve a Preferred Unit. The Developer cannot also give those Owners the right to reserve Vacation Units other than the Preferred Unit. However, the Declaration of Annexation could permit an Owner to give up his or her special rights to reserve the Preferred Unit in any Use Year. In that case:

- (1) The Owner could reserve a Use Week in another Vacation Unit; and
- (2) Another Owner can use the special reservation or use rights given up by that Owner to reserve a Use Week in the Preferred Unit. It will be as though the Owners swapped their reservation rights.

(b) Subsection 2) does not mean, however, that the Developer cannot create Reservation Periods when only certain Owners can reserve certain Vacation Units set aside for their use. Rather, Subsection 2) applies when certain Owners are the only Owners who can ever reserve the Preferred Units. It also applies during Reservation Periods when certain Owners are the only Owners who can reserve the Preferred Units.

3) The Declaration of Annexation cannot give certain Owners the right to use a certain Vacation Unit or kind of Unit, or to use certain Use Periods every year while also giving them the right to reserve generally available Vacation Units. However, the Declaration of Annexation can give those Owners the right to give up their fixed use right in return for the right to reserve a Vacation Unit or Use Period on a floating basis similar to that stated in Section 4.4C.2).

4) The Declaration of Annexation cannot give the Owners of new kinds of Vacation Ownership Interests more than one vote for an Every-Other-Year Vacation Ownership Interest, or two votes for an Every-Year Vacation Ownership Interest, or change the rights of other Owners from one vote for an Every-Other-Year Vacation Ownership Interest or two votes for an Every-Year Vacation Ownership Interest. However, this does not mean that an amendment cannot change other voting rights. For example, if certain Owners have the exclusive right to use certain preferred property and that property is destroyed by a fire, then the Declaration of Annexation might say that only those Owners can vote on whether or how to repair or replace that property.

5) If the Declaration of Annexation creates a new Unit Type, it must state the Relative Valuation for the new Unit Type. The Relative Valuation per square foot for a new

Unit Type cannot be more than twenty percent (20%) higher or lower than the Relative Valuation per square foot for other Unit Types having the same number of bedrooms if the Unit Types have similar features (for example, size [±150 square fee], location, number of bathrooms, and views).

6) If the Developer has identified a Unit Type in Section 3.5 but the Plan does not include any Vacation Units of that Unit Type, then the Developer must state the Relative Valuation for that Unit Type in the Declaration of Annexation that first adds a Vacation Unit that is that Unit Type. The Relative Valuation per square foot cannot be more than twenty percent (20%) higher or lower than the Relative Valuation per square foot for other Unit Types having the same number of bedrooms if the Unit Types have similar features (for example, size [±150 square fee], location, number of bathrooms, and views).

17.3 ADDED APARTMENTS ARE GOVERNED BY THE VACATION PLAN DOCUMENTS. The Vacation Plan Documents will govern the ownership, use and transfer of any Apartment added to the Vacation Ownership Plan. Any added Apartment will be considered a Vacation Unit. Any money encumbrances or liens on the Apartment on the date it is added must be subordinated to this Declaration and to the lien rights given to the Association by this Declaration. This rule will apply unless arrangements are made so that when the Developer transfers the Vacation Ownership Interests in that Apartment, the Vacation Ownership Interests are released from the encumbrances and liens, or other reasonable arrangements are made to pay them off or to protect the Owners from them.

17.4 APARTMENTS MAY BE REMOVED FROM THE PLAN.

A. THE DEVELOPER'S RIGHTS.

1) WHEN THE DEVELOPER CAN REMOVE A UNIT.

If the Developer owns all Vacation Ownership Interests in a Vacation Unit, it may remove that Vacation Unit from the Vacation Ownership Plan.

2) STEPS TO REMOVE A UNIT. To remove a Vacation Unit, the Developer must sign and record a document named "*Declaration of Removal*." It must contain both of these things:

- ❖ A legal description of the Apartment being removed from the Plan.
- ❖ A statement that the Apartment is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) EFFECT OF REMOVAL. After the Declaration of Removal is recorded, the Apartments described in it will no longer be Vacation Units nor part of the Vacation Ownership Plan.

B. THE OWNERS' RIGHTS.

1) WHEN THE OWNERS' CAN REMOVE A UNIT. If all of the Owners of all Vacation Ownership Interests in a particular Vacation Unit decide to do so, and if their Lenders consent, they may remove that Vacation Unit from the operation of this Declaration and the Vacation Ownership Plan.

2) STEPS TO REMOVE A UNIT. To remove a Vacation Unit, the Owners must record a document named "*Declaration of Removal*." It must contain each of these things:

- ❖ A legal description of the Apartment being removed.
- ❖ An affidavit of the Owners saying that they own all Vacation Ownership Interests in that Vacation Unit and that they desire to remove that Apartment from the Vacation Ownership Plan.
- ❖ A letter from the Association, acting under Section 14.6B.1)(a), showing that all Assessments and Personal Charges relating to that Vacation Unit have been paid.
- ❖ The written consent of each such Owner's Lenders.
- ❖ The written consent of the Developer so long as the Developer owns, or holds mortgages on, at least fifty (50) Vacation Ownership Interests.
- ❖ The written consent of the Club Operator if the Plan is part of the Club.
- ❖ A statement that the Apartment is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) EFFECT OF REMOVAL. After the Declaration of Removal is recorded, the Apartment described in it will no longer be a Vacation Unit nor part of the Vacation Ownership Plan.

C. DAMAGED OR CONDEMNED UNITS.

1) WHEN THE ASSOCIATION CAN REMOVE A UNIT. The Association, through the Board, may remove a Vacation Unit from the Plan if that Vacation Unit is destroyed and a decision is made not to rebuild it, or if a Vacation Unit is condemned or is to be transferred under threat of condemnation. The Board may remove a Vacation Unit even if all Assessments and Personal Charges with respect to that Vacation Unit have not been paid.

2) STEPS TO REMOVE A UNIT. To remove a Vacation Unit, the Association must record a document named "*Declaration of Removal*." It must contain each of these things:

(a) A legal description of the Apartment being removed.

(b) An affidavit signed by any two officers of the Association. It must say either (i) that the Vacation Unit was destroyed and is not being rebuilt, or (ii) that the Vacation Unit was condemned or is being transferred under threat of Condemnation.

(c) A statement that the Apartment is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) **EFFECT OF REMOVAL.** After the Declaration of Removal is recorded:

(a) The Apartment will no longer be a Vacation Unit nor part of the Vacation Ownership Plan.

(b) The Owners of Vacation Ownership Interests in that Vacation Unit will still be personally liable for all Assessments and Personal Charges owed by them even though the Vacation Unit is no longer part of the Plan, and

(c) The Association's Secured Lien and security interest will remain on the Vacation Unit and any money received from the sale of it, until all Assessments and Personal Charges (including interest, late fees, and attorneys' fees) are paid in full. The Association may sign a document releasing its lien in connection with any sale of the Vacation Unit.

18. REVISING, TERMINATING, AND INTERPRETING THIS DECLARATION

18.1 AMENDMENTS.

A. OWNERS' RIGHTS. This Declaration may be "*amended*" (changed) from time to time by the vote or written consent of (i) the Developer (if it owns, or holds a mortgage on, a Vacation Ownership Interest), and (ii) a Majority of the Owners Voting (not counting the Developer's Vacation Ownership Interests and votes); provided that the Owners voting for the amendment must hold at least twenty-five percent of the total number of votes for all Vacation Ownership Interests (not counting the Developer's Vacation Ownership Interests and votes). There is an exception to this rule: Some parts of the Vacation Plan Documents require the approval of more than a Majority of the Owners before taking certain actions (a "*super-majority*"). Such a provision cannot be amended unless (1) Owners casting votes equal to or exceeding the same super-majority required to take action under that provision vote in favor of that amendment, and (2) if the Developer owns, or holds a mortgage on, any Vacation Ownership Interest, the Developer signs the amendment. No amendment will take effect until it is signed by any two officers of the Association and recorded.

B. DEVELOPER'S RIGHTS. Without the consent or approval of any person, including any Owner and anyone having a contract to buy a Vacation Ownership Interest, the Developer may change this Declaration at any time:

1) And for any purpose before any First Deed or Agreement of Sale is recorded.

2) To comply with the laws and regulations of the State of Hawaii.

3) To comply with the real estate laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with (i) the registration of the Plan to permit the sale of Vacation Ownership Interests there, or (ii) so long as the Plan is part of the Club, to permit the registration of the Club, or (ii) so long as any Owner is a Network Member, to permit the registration of the Network.

4) To satisfy requests for changes made to the Developer by any institutional lender loaning money to the Developer, by any investor in mortgages initially made in favor of the Developer, or by any title company licensed to do business in the State of Hawaii.

5) In any Declaration of Annexation adding new Unit Types or creating new kinds of Vacation Ownership Interests to the extent permitted by Sections 3.5A or 17.2.

6) In any amendment creating new Event Weeks to the extent permitted by Section 3.4B.

No amendment under Subsections 18.1B.3) or 4) will be effective, however, unless:

(i) The Developer gives written notice of the proposed amendment (and a copy of the amendment) to each governmental authority (other than Hawaii governmental authorities) having authority over the Plan as a result of the registration of it (or the Condominium, the Master Association, the Club or the Network) with that governmental authority, and

(ii) The amendment includes as an attachment a copy of a letter or other document showing either that the amendment has been accepted or approved by that governmental authority or an affidavit signed by the Developer and stating that approval or acceptance is not necessary.

An amendment made by the Developer under this Section 18.1B will take effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

C. LIMITS ON AMENDMENTS.

1) Unless it is signed by the Owner and the Owner's Lender (if any), no amendment may:

(a) Take away the right of any Owner to reserve a Use Week and to use a Vacation Unit during his Vacation Period.

(b) Take away the right of an Owner having a Fixed, Event, Ultra or Ultra Premium Vacation Period to use a Vacation Unit during the Owner's Use Week.

(c) Take away the right of an Owner having the right to use a certain Vacation Unit during his or her Vacation Period.

(d) Change an Owner's undivided interest in a Vacation Unit. This rule does not apply to changes in an Owner's undivided interest in the Condominium made in connection with the rights of the Condominium Developer when using the Developer's Reserved Rights under the Condominium Documents, such as the right to create more Apartments in the Condominium.

(e) Change the right of the Owner to cast one vote for an Every-Other-Year Vacation Ownership Interest or two votes for an Every-Year Vacation Ownership Interest.

2) No amendment may change the rights and privileges of the Developer unless the Developer signs it.

3) At any time when the Plan is part of the Club, no amendment may change the rights and privileges of the Plan Operator or the Club Operator unless the Club Operator signs it.

D. BINDING EFFECT. If an amendment complies with these provisions, it will be binding on every Vacation Ownership Interest and everyone, including any Owners and their Lenders, who has any interest in the Vacation Ownership Interest.

18.2 TERMINATING THIS DECLARATION. This Declaration will remain in effect for sixty (60) years from the day it is recorded. After that, it will continue in effect for additional ten (10) year periods until an amendment canceling it is recorded. This Declaration may be terminated earlier if:

- ❖ All of the Vacation Units are removed from the Declaration under Section 17.4 above, or
- ❖ All of the Vacation Units are destroyed and a decision is made under the Condominium Documents not to repair, rebuild, or restore them, or
- ❖ All the Vacation Units are taken in condemnation proceedings or under threat of condemnation, or
- ❖ The Condominium Declaration terminates.

When this Declaration terminates, (a) the Owners of Vacation Ownership Interests will remain personally liable for all

Assessments and Personal Charges owed by them, and (b) the Association's Secured Lien and security interest will remain on each Owner's interest in the Vacation Unit and any money received from the sale of it, until all Assessments and Personal Charges (including interest, late fees, and attorneys' fees) are paid in full and the Association's affairs are finally settled. Each present and future Owner, and every other person who obtains any interest in a Vacation Ownership Interest (such as a Lender), gives the Association a special power of attorney to sell any and/or all Vacation Units when (and only when) this Declaration terminates as to any particular Vacation Unit. All money received from the sale of any Vacation Property will be distributed as provided above for Excess Proceeds.

18.3 THE RULE AGAINST PERPETUITIES.

A. GENERAL NATURE OF THE RULE. The "Rule Against Perpetuities" (the "RAP") is a legal rule. It limits the amount of time that may pass between (i) the date when an interest in real estate is created, and (ii) the date when the interest "vests" such as when the Owner of that interest becomes entitled to possession of the property. The RAP creates a deadline for this to happen. This deadline is called the "RAP Deadline" in this Declaration. In legal terms, the interest becomes "vested" in the future. For convenience, however, we will say that the transfer "takes effect in the future".

B. CLUB OPERATOR'S OPERATOR'S EASEMENTS. Section 8.8D provides that the Club Operator's easements under Section 8.8C will end when the Plan is no longer part of the Club and certain other conditions are met. But if the Plan decides to rejoin the Club, then Section 8.8D provides that the Club Operator will once again have these easements. If the RAP applies, however, then the Club Operator will only get these easements back if the Plan rejoins the Club before the RAP Deadline. If it rejoins after that, then the Club Operator will only have these easements if the Association grants them to the Club Operator in a separate document (and the Board is here and now specifically given the right to grant them). But if the RAP does not apply, then the Club Operator will have these easements no matter when the Plan rejoins the Club.

C. APPLYING THE RULE. No matter what else this Declaration says, if any part of this Declaration violates the RAP or any other limit imposed by law on the duration of the part, then that part will be effective only until the earlier of:

- ❖ the maximum period permitted by law, or
- ❖ 21 years after the death of the last survivor of the now living descendants of Joseph and Rose Kennedy of Massachusetts and George H. W. Bush of Texas.

18.4 EFFECT OF INVALID PROVISIONS. The provisions of this Declaration are "severable". This means that if any part of it is not legal or valid, that part can be ignored. But the rest of this Declaration will remain in effect and everyone must obey it.

18.5 EFFECT OF FAILURE TO ENFORCE. A violation of any part of the Vacation Plan Documents by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of the Vacation Plan Documents. Any failure to enforce any provision of the Vacation Plan Documents does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked.

18.6 INTERPRETING THIS DECLARATION. To make this Declaration easier to read and understand, many Chapters include an introduction. The introduction is intended to help you understand what the Chapter is about by giving you a general explanation. Likewise, captions have been added to many Sections. These are intended to help you find particular parts of this Declaration. But it is important to realize that the captions and introductions have been included as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of the provisions of this Declaration. You should read with care each and every part of this Declaration, not just the captions or the introductions.

Where this Declaration or the other Vacation Plan Documents say things like "for example", it means that there may be other examples besides the examples described in the document.

18.7 PRONOUNS. Pronouns (for example, "his" or "her") used in the Vacation Plan Documents include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

19. MISCELLANEOUS PROVISIONS AND GLOSSARY OF LEGAL TERMS

19.1 TRANSFER OF DEVELOPER'S RIGHTS.

A. If the Developer signs and records a document that expressly transfers some or all of its rights or duties as the Developer under the Vacation Plan Documents to someone else, then that person will become the "Developer" to the extent of the rights and duties transferred.

B. The Developer may transfer its rights as collateral for a loan. If so, the Lender will not have the rights or duties of the "Developer" until (i) it forecloses the loan, (ii) it holds the rights of the Developer outright, and (iii) it notifies the Association that this has happened and provides a copy of the legal documents by which it holds the rights of the Developer. Under Section 19.1A, the Developer may also transfer its rights and duties to a Lender in place of foreclosure.

C. A transfer of all rights of the Developer will automatically transfer the Developer's easements under this Declaration. This will happen even if the transfer document does not say so.

19.2 TRANSFER OF CLUB OPERATOR'S RIGHTS.

A. If the Club Operator signs and records a document that expressly transfers some or all of its rights or duties as the Club Operator to someone else, then that person will become the Club Operator to the extent of the rights and duties transferred.

B. The Club Operator may also transfer its rights as collateral for a loan. If so, the Lender will not have the rights or duties of the "Club Operator" until (i) it forecloses the loan, (ii) it holds the rights of the Club Operator outright, and (iii) it notifies the Association that this has happened and provides a copy of the legal documents by which it holds the rights of the Club Operator. Under Section 19.2A, the Club Operator may also transfer its rights and duties to a Lender in place of foreclosure.

C. A transfer of all rights of the Club Operator will automatically transfer the Club Operator's easements under this Declaration. This will happen even if the transfer document does not say so.

19.3 NOTICES. Except as otherwise expressly provided in this Declaration or in the Bylaws, all notices must be given as follows:

A. NOTICE TO OWNERS. Notice to an Owner may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to his or her address as it is shown on the membership list. If more than one person is the "Owner" of a Vacation Ownership Interest, notice to all Owners of that Vacation Ownership Interest may be given by providing notice to any one of them.

B. NOTICE TO THE ASSOCIATION. Notice to the Association must be given to the president, vice-president, secretary, or any director. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to them at their addresses as shown on the membership list, or to any other address that they designate by notice to the Developer and to all Owners and Lenders.

C. NOTICE TO THE PLAN MANAGER. Notice to the Plan Manager must be mailed or delivered to the Plan Manager at its address as shown on in the Management Contract, or to any other address that the Plan Manager designates by notice to the Association from time to time.

D. NOTICE TO THE DEVELOPER. Notice to the Developer must be given to the president of the Developer. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to

the president of the Developer at the address shown on the membership list, or to any other address that the Developer designates by notice to the Association from time to time.

E. NOTICE TO A LENDER. Notice to a Lender or to an insurer or guarantor of a mortgage may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to its address as it is shown on the membership list, or to any other address that it designates by notice to the Board.

F. CHANGE OF ADDRESS. All notices must be in writing. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Association's records. Regardless of the prior two sentences, notices of addresses and changes of addresses will be deemed given only when they are actually received. The addresses for purposes of this Section 19.3 may be changed by giving written notice of the change. Unless written notice of an address change is received, the last address will remain effective for all purposes.

19.4 SPECIAL POWER OF ATTORNEY. Whenever this Declaration provides that an Owner or other person gives a "power of attorney" or appoints someone as "attorney-in-fact", the following Rules apply:

A. The power of attorney appointment is permanent. In legal terms, it is *coupled with an interest*, it is *irrevocable*, it is a *durable* power of attorney, and it will not be affected by the death or disability of the person who gives it.

B. It includes "*full power of substitution*". This means that the person given the power of attorney can let someone else act in his or her place as a substitute attorney-in-fact.

C. Each Owner (or other person) gives the power of attorney whether or not it expressly says so in the deed, mortgage or other document by which he or she obtained any interest in the Vacation Ownership Plan or the Vacation Property.

D. It is a "*special power of attorney*." This means that the attorney-in-fact has the power to do only the things stated or intended by the Vacation Plan Documents; this includes, however, the power to do anything else necessary or convenient to accomplish the stated or intended goal. Ambiguities must be resolved in favor of giving, not denying, the attorney-in-fact the power to act.

E. If asked by the attorney-in-fact, the person who is giving the special power of attorney must promptly deliver a signed and notarized special power of attorney in the form requested by the attorney-in-fact.

19.5 GLOSSARY OF LEGAL TERMS.

A. "ACT" means the Hawaii Time Share Act, Chapter 514E, Hawaii Revised Statutes, or any law that replaces that law.

B. "AGREEMENT OF SALE" means a recorded contract which binds the seller to sell and the buyer to buy a Vacation Ownership Interest and under which the seller keeps the title to the Vacation Ownership Interest as collateral for payment of the sales price. The buyer, however, is considered the Owner of the Vacation Ownership Interest and can use a Vacation Unit during his or her Vacation Period so long as the buyer makes all payments and keeps his or her promises under the Agreement of Sale.

C. "ATTACHMENT" refers to the act or process of seizing property under a court order.

D. "CONDOMINIUM PROPERTY ACT" means the Hawaii Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, or any law that replaces that law.

E. "DEED" means any document (except a recorded lease or Agreement of Sale) used to transfer ownership of a Vacation Ownership Interest.

F. "EASEMENT" means any right to use property possessed by someone else.

G. "ENCUMBER" refers to putting a legal claim or "encumbrance" on property.

H. "ENCUMBRANCE" means a right or interest in property held by someone other than the owner of that property.

I. "INCUR" means to pay or to become obligated to pay, or both.

J. "JOINT AND SEVERAL LIABILITY" means that two or more people are each fully responsible to keep a promise or pay a sum of money. This means that each person may be required to pay the whole amount due, not just part of it or his or her share of it.

K. "LENDER" means anyone who has a mortgage on a Vacation Ownership Interest.

L. "LIEN" means a claim against property. For example, a mortgage on a Vacation Ownership Interest is a claim on the Vacation Ownership Interest as collateral for the payment of money.

M. "MAJORITY OF THE OWNERS" mean Owners of more than fifty percent (50%) of the total number of votes for all Vacation Ownership Interests in the Vacation Ownership Plan. Any reference to a specific percentage of Owners

means Owners having that percentage of the total number of votes for all Vacation Ownership Interests in the Plan. When it refers to having a quorum or taking a vote, these terms mean Owners of a majority or other specific percentage of the votes for all Vacation Ownership Interests then entitled to vote. The Bylaws explain how and when an Owner's voting rights may be suspended.

N. "MAJORITY OF THE OWNERS VOTING" mean Owners of more than fifty percent (50%) of the total number of votes for all Vacation Ownership Interests held by Owners present and casting votes on the matter at hand. Any reference to a specific percentage of "Owners Voting" means Owners having that percentage of the total number of votes held by Owners present and casting votes on the matter. When it refers to having a quorum or taking a vote, only the votes of Vacation Ownership Interests then entitled to vote will be considered. The Bylaws explain how and when an Owner's voting rights may be suspended.

O. "MORTGAGE" when used as a noun means a recorded mortgage or deed of trust by which an Owner's Vacation Ownership Interest becomes collateral for the repayment of a loan. Usually, if the loan isn't repaid, the Vacation Ownership Interest will be sold and the money will be used to repay the loan. When used as a verb, "mortgage" refers to making a Vacation Ownership Interest subject to a mortgage or deed of trust.

P. "PERSON" means any natural person or any corporation, partnership, limited partnership, limited liability partnership, joint venture, trust, limited liability company, or other legal entity. Terms like "somebody", "nobody", "someone", "anyone", and so on refer to a "person" and, depending on the context, may refer to a person who is an "Owner."

Q. "RECORD", "RECORDED", "RECORDING", and similar terms mean recorded in the Land Court. Hawaii law may be changed to require that deeds, mortgages, notices of liens, amendments to the Vacation Plan Documents, or other documents, be recorded in the Bureau. After any such law takes effect, "record", "recorded", "recording" and similar terms will mean and refer to recording in the Bureau to the extent provided by the change in the law.

1) "BUREAU" means the Bureau of Conveyances of the State of Hawaii.

2) "LAND COURT" means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

R. "RULES" means the Rules Relating to Time Sharing, Chapter 16-106, Hawaii Administrative Rules, and any other Rules adopted under the Act.

S. "SUBORDINATE TO" means governed by. For example, if a mortgage is "subordinate to" the Declaration then the mortgage will be governed by and will not affect the Declaration. If something in the mortgage does not agree with the Declaration, then the Declaration will control and must be obeyed.

T. "TENANTS IN COMMON" refers to the relationship between co-Owners of property. When the co-Owners are tenants in common, then each person owns an undivided interest or Ownership Share in the property. An Owner may mortgage or sell his or her Ownership Share. The Owner may also leave it to someone else in his or her will.

U. "TRANSFER" means any way one person may receive a Vacation Ownership Interest from another, including for example a voluntary sale, an involuntary sale (such as a foreclosure sale), a recorded lease, an inheritance or a gift.

V. "UNDIVIDED INTEREST" refers to the ownership of property by two or more persons as tenants in common. Each person owns a share in the property, sometimes called an "Ownership Share". For example, if two people own an Apartment, each person would own a one-half Ownership Share. If four people own it, each would own a one-fourth Ownership Share, also called a one-fourth undivided interest. Each Owner of an Every-Year Vacation Ownership Interest owns a one-fifty-second (1/52nd) undivided interest in a Vacation Unit as tenants in common with the other Owners of Vacation Ownership Interests in that Vacation Unit. An Owner of an Every-Other-Year Vacation Ownership Interest owns a one-one-hundred and fourth (1/104th) undivided interest in a Vacation Unit as tenants in common with the other Owners of Vacation Ownership Interests in that Vacation Unit.

The Developer signed this Declaration on September 14, 2001.

SVO PACIFIC, INC.

By: [Signature]

Name: James A. McKnight

Its: Vice President

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 14 day of September, 2001, before me personally appeared James A. McKnight, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]

Name: _____

Notary Public, State of Florida

My Commission expires: _____



Victoria H. Carter
MY COMMISSION # CC969913 EXPIRES
October 15, 2004
BONDED TRULY TRUST FARM INSURANCE, INC.

EXHIBIT "A"

FIRST:

Those certain forty-nine (49) Apartments listed in Exhibit "B" of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238, (herein with any amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 1431, (herein with any amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;
3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;
4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

For each of said Apartments, an undivided percentage interest, as listed in Exhibit "B", in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001,

and recorded as Land Court Document No. 2734237, (herein with any amendments called the "Declaration of Merger"), and/or (iii) in that certain Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association, dated September 5, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii immediately prior hereto (herein with any amendments called the "Master Declaration"), and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger;
2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made; and
3. The Master Declaration, the Bylaws of the Ocean Resort Master Association attached to the Master Declaration, (the "Master Bylaws") and any rules and regulations adopted thereunder (the "Master Rules and Regulations"), as any of the same may be amended from time to time.

BEING A PORTION of the premises described in Transfer Certificate of Title No. 569,700, issued to SVO Pacific, Inc., a Florida corporation, as tenant in severalty.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.
5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; (iv) the Condominium Map; and (v) the Declaration of Merger.
6. The "Master Association Documents" consisting of the following documents and any lawful amendments to them: (i) the Master Declaration, (ii) the Articles of Incorporation of the Ocean Resort Master Association; (iii) the Master Bylaws; and (iv) the Master Rules and Regulations.

NOTE: For purposes of that certain Notice of Time Share Plan dated December 4, 2000, filed December 6, 2000, as Document No. 2669185 and recorded December 6, 2000, as Document No. 2000-171389, this instrument is one of the "Vacation Plan Documents" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT B
TO
VACATION OWNERSHIP PLAN DECLARATION

Apartment No.	Apartment Type	Valuation	Common Interest
First Floor			
2108/10	Two Bedroom Ocean View	52,000.00	0.003382575
2109/11	Two Bedroom Ocean View	52,000.00	0.003382575
2112/14	Two Bedroom Ocean View	52,000.00	0.003382575
2113/15	Two Bedroom Ocean View	52,000.00	0.003382575
2116/18	Two Bedroom Ocean View	52,000.00	0.003382575
2117/19	Two Bedroom Ocean View	52,000.00	0.003382575
2120/22	Two Bedroom Ocean View	52,000.00	0.003382575
2121/23	Two Bedroom Ocean View	52,000.00	0.003382575
2124	One Bedroom Ocean View	43,873.44	0.002853946
2125	One Bedroom Ocean View	43,873.44	0.002853946
2126/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2127/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2130/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Third Floor			
2300/02	Two Bedroom Ocean View	52,000.00	0.003382575
2301	One Bedroom Ocean View	43,873.44	0.002853946
2303	One Bedroom Ocean View	43,873.44	0.002853946
2304/06	Two Bedroom Ocean View	52,000.00	0.003382575
2305/07	Two Bedroom Ocean View	52,000.00	0.003382575
2308/10	Two Bedroom Ocean View	52,000.00	0.003382575
2309/11	Two Bedroom Ocean View	52,000.00	0.003382575
2312/14	Two Bedroom Ocean View	52,000.00	0.003382575
2313/15	Two Bedroom Ocean View	52,000.00	0.003382575
2316/18	Two Bedroom Ocean View	52,000.00	0.003382575
2317/19	Two Bedroom Ocean View	52,000.00	0.003382575
2320/22	Two Bedroom Ocean View	52,000.00	0.003382575
2321/23	Two Bedroom Ocean View	52,000.00	0.003382575
2324	One Bedroom Ocean View	43,873.44	0.002853946
2325	One Bedroom Ocean View	43,873.44	0.002853946
2326/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2327/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2330/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Sixth Floor			
2600/02	Two Bedroom Ocean View	52,000.00	0.003382575
2601	One Bedroom Ocean View	43,873.44	0.002853946
2603	One Bedroom Ocean View	43,873.44	0.002853946
2604/06	Two Bedroom Ocean View	52,000.00	0.003382575
2605/07	Two Bedroom Ocean View	52,000.00	0.003382575
2608/10	Two Bedroom Ocean View	52,000.00	0.003382575
2609/11	Two Bedroom Ocean View	52,000.00	0.003382575
2612/14	Two Bedroom Ocean View	52,000.00	0.003382575
2613/15	Two Bedroom Ocean View	52,000.00	0.003382575
2616/18	Two Bedroom Ocean View	52,000.00	0.003382575
2617/19	Two Bedroom Ocean View	52,000.00	0.003382575
2620/22	Two Bedroom Ocean View	52,000.00	0.003382575
2621/23	Two Bedroom Ocean View	52,000.00	0.003382575
2624	One Bedroom Ocean View	43,873.44	0.002853946
2625	One Bedroom Ocean View	43,873.44	0.002853946
2626/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2627/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2630/31	Two Bedroom Ocean Front	52,000.00	0.003382575

Exhibit "C"

**Bylaws of the Ocean Resort Villas
Vacation Owners Association**

**Please refer to Exhibit "2" of the First Amendment to the Declaration of
Covenants, Conditions, Easements and Restrictions
For Vacation Ownership
For
The Amended and Restated Bylaws of the
Ocean Resort Villas
Vacation Owners Association**

Exhibit "D"
Vacation Calendar
Ocean Resort Villas Vacation Ownership Plan

Week No.	Friday Check In		Saturday Check In		Sunday Check In	
	Start Date	End Date	Start Date	End Date	Start Date	End Date
1	04-Jan-02	11-Jan-02	05-Jan-02	12-Jan-02	06-Jan-02	13-Jan-02
2	11-Jan-02	18-Jan-02	12-Jan-02	19-Jan-02	13-Jan-02	20-Jan-02
3	18-Jan-02	25-Jan-02	19-Jan-02	26-Jan-02	20-Jan-02	27-Jan-02
4	25-Jan-02	01-Feb-02	26-Jan-02	02-Feb-02	27-Jan-02	03-Feb-02
5	01-Feb-02	08-Feb-02	02-Feb-02	09-Feb-02	03-Feb-02	10-Feb-02
6	08-Feb-02	15-Feb-02	09-Feb-02	16-Feb-02	10-Feb-02	17-Feb-02
7	15-Feb-02	22-Feb-02	16-Feb-02	23-Feb-02	17-Feb-02	24-Feb-02
8	22-Feb-02	01-Mar-02	23-Feb-02	02-Mar-02	24-Feb-02	03-Mar-02
9	01-Mar-02	08-Mar-02	02-Mar-02	09-Mar-02	03-Mar-02	10-Mar-02
10	08-Mar-02	15-Mar-02	09-Mar-02	16-Mar-02	10-Mar-02	17-Mar-02
11	15-Mar-02	22-Mar-02	16-Mar-02	23-Mar-02	17-Mar-02	24-Mar-02
12	22-Mar-02	29-Mar-02	23-Mar-02	30-Mar-02	24-Mar-02	31-Mar-02
13	29-Mar-02	05-Apr-02	30-Mar-02	06-Apr-02	31-Mar-02	07-Apr-02
14	05-Apr-02	12-Apr-02	06-Apr-02	13-Apr-02	07-Apr-02	14-Apr-02
15	12-Apr-02	19-Apr-02	13-Apr-02	20-Apr-02	14-Apr-02	21-Apr-02
16	19-Apr-02	26-Apr-02	20-Apr-02	27-Apr-02	21-Apr-02	28-Apr-02
17	26-Apr-02	03-May-02	27-Apr-02	04-May-02	28-Apr-02	05-May-02
18	03-May-02	10-May-02	04-May-02	11-May-02	05-May-02	12-May-02
19	10-May-02	17-May-02	11-May-02	18-May-02	12-May-02	19-May-02
20	17-May-02	24-May-02	18-May-02	25-May-02	19-May-02	26-May-02
21	24-May-02	31-May-02	25-May-02	01-Jun-02	26-May-02	02-Jun-02
22	31-May-02	07-Jun-02	01-Jun-02	08-Jun-02	02-Jun-02	09-Jun-02
23	07-Jun-02	14-Jun-02	08-Jun-02	15-Jun-02	09-Jun-02	16-Jun-02
24	14-Jun-02	21-Jun-02	15-Jun-02	22-Jun-02	16-Jun-02	23-Jun-02
25	21-Jun-02	28-Jun-02	22-Jun-02	29-Jun-02	23-Jun-02	30-Jun-02
26	28-Jun-02	05-Jul-02	29-Jun-02	06-Jul-02	30-Jun-02	07-Jul-02
27	05-Jul-02	12-Jul-02	06-Jul-02	13-Jul-02	07-Jul-02	14-Jul-02
28	12-Jul-02	19-Jul-02	13-Jul-02	20-Jul-02	14-Jul-02	21-Jul-02
29	19-Jul-02	26-Jul-02	20-Jul-02	27-Jul-02	21-Jul-02	28-Jul-02
30	26-Jul-02	02-Aug-02	27-Jul-02	03-Aug-02	28-Jul-02	04-Aug-02
31	02-Aug-02	09-Aug-02	03-Aug-02	10-Aug-02	04-Aug-02	11-Aug-02
32	09-Aug-02	16-Aug-02	10-Aug-02	17-Aug-02	11-Aug-02	18-Aug-02
33	16-Aug-02	23-Aug-02	17-Aug-02	24-Aug-02	18-Aug-02	25-Aug-02
34	23-Aug-02	30-Aug-02	24-Aug-02	31-Aug-02	25-Aug-02	01-Sep-02
35	30-Aug-02	06-Sep-02	31-Aug-02	07-Sep-02	01-Sep-02	08-Sep-02
36	06-Sep-02	13-Sep-02	07-Sep-02	14-Sep-02	08-Sep-02	15-Sep-02
37	13-Sep-02	20-Sep-02	14-Sep-02	21-Sep-02	15-Sep-02	22-Sep-02
38	20-Sep-02	27-Sep-02	21-Sep-02	28-Sep-02	22-Sep-02	29-Sep-02
39	27-Sep-02	04-Oct-02	28-Sep-02	05-Oct-02	29-Sep-02	06-Oct-02
40	04-Oct-02	11-Oct-02	05-Oct-02	12-Oct-02	06-Oct-02	13-Oct-02
41	11-Oct-02	18-Oct-02	12-Oct-02	19-Oct-02	13-Oct-02	20-Oct-02
42	18-Oct-02	25-Oct-02	19-Oct-02	26-Oct-02	20-Oct-02	27-Oct-02
43	25-Oct-02	01-Nov-02	26-Oct-02	02-Nov-02	27-Oct-02	03-Nov-02
44	01-Nov-02	08-Nov-02	02-Nov-02	09-Nov-02	03-Nov-02	10-Nov-02
45	08-Nov-02	15-Nov-02	09-Nov-02	16-Nov-02	10-Nov-02	17-Nov-02
46	15-Nov-02	22-Nov-02	16-Nov-02	23-Nov-02	17-Nov-02	24-Nov-02
47	22-Nov-02	29-Nov-02	23-Nov-02	30-Nov-02	24-Nov-02	01-Dec-02
48	29-Nov-02	06-Dec-02	30-Nov-02	07-Dec-02	01-Dec-02	08-Dec-02
49	06-Dec-02	13-Dec-02	07-Dec-02	14-Dec-02	08-Dec-02	15-Dec-02
50	13-Dec-02	20-Dec-02	14-Dec-02	21-Dec-02	15-Dec-02	22-Dec-02
51	20-Dec-02	27-Dec-02	21-Dec-02	28-Dec-02	22-Dec-02	29-Dec-02
52	27-Dec-02	03-Jan-03	28-Dec-02	04-Jan-03	29-Dec-02	05-Jan-03

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

The original of this document was
recorded as follows:

DOCUMENT NO 2852617
DATE Oct. 21, 2002 TIME 3:29

RETURN BY MAIL () PICK-UP () TO:

STARWOOD VACATION OWNERSHIP, LLC
1000 ALA MOANA BLVD., HONOLULU, HI 96803
ATTN: WATERFRONT PLAZA, SUITE 400
500 ALA MOANA BLVD., HONOLULU, HI 96813

This document contains
10 pages

TMK No. (2) 4-4-14-3 CPR No.s: [Not yet assigned]

Ocean Resort Villas

DECLARATION OF ANNEXATION

THIS DECLARATION OF ANNEXATION is made on this 13th day of September, 2002, by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND INFORMATION

A. The Developer filed a document called the "Ocean Resort Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements, and Restrictions for Vacation Ownership" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737497. That document is called the "Declaration" in this document. All terms defined in the Declaration will have the same meaning in this document.

B. The Developer is the record owner of the property described in Exhibit "A" which is attached to and part of this document (the "Property"). The Developer desires to include the Property in the Vacation Ownership Plan.

DEDICATION OF THE PROPERTY TO THE PROGRAM

The Developer declares that from now on:

1. The Property, and all rights of the Developer in it, is subject to the Declaration and the other Vacation Plan Documents. (In legal terms, the Developer is submitting all of its "estate, right, title and interest" in the Property to the Vacation Plan Documents).

2. The individual apartments comprising the Property are Vacation Units and are part of the Vacation Property. In legal terms, the Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Vacation Plan Documents, from now until the Vacation Ownership Plan ends. Anyone who occupies or uses any of the Vacation Property must obey the Vacation Plan Documents.

3. The Vacation Plan Documents will be binding on the Property. They will also be binding on, and are intended to benefit these persons:

A. The Developer.

B. The Association.

C. The Club Operator.

D. Anyone who owns all or any part of any Vacation Unit, or any Vacation Ownership Interest or other interest in it, now or in the future. This includes, for example, all present and future Owners and their Lenders.

E. Anyone who, by law or by agreement, stands in the place of the persons listed in items A. to D., above. Such people are called, in technical legal terms, "heirs", "devisees", "personal representatives", "successors", and "assigns".

All of these people must obey the Vacation Plan Documents. It does not matter how or when someone obtains an interest in a Vacation Unit or whether they ever signed the Vacation Plan Documents or expressly agreed to obey them. They must still obey them just as if they signed them.

All of these people also have the right to enforce the Vacation Plan Documents in any way permitted by the Act or the Vacation Plan Documents.

In legal terms, the Vacation Plan Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this section 3.

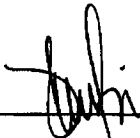
4. Regardless of what sections 1 to 3 say, the Developer reserves to itself any and all rights it has (i) under the Condominium Documents as the Condominium Developer, and (ii) under the Master Association Documents as the Developer of the Master Association. The Developer alone may exercise the Developer's Reserved Rights under the Condominium Documents and/or under the Master Association Documents. Those rights will not be subject to the Vacation Plan Documents.

5. The Unit Type and Valuation for each Apartment is listed in Exhibit B which is attached to and part of this document.

6. Under the Declaration, a Use Period is defined to mean a Use Week, a Split Week, or a Use Night. A Use Night lasts from Check-In Time on one day until Check-Out Time the next day. A Use Week means a period of time beginning at Check-In Time on one day and ending at Check-Out Time on the same day of the following week. A Split Week is a period of less than seven consecutive Use Nights. The Reservation Rules may further define "Split Week". Accordingly, the "schedule of use periods" consists of all nights of the year. Each year, the Plan Operator prepares a Vacation Calendar. A sample Vacation Calendar is attached to this document as Exhibit "C". The Vacation Calendar divides the year into 52 (or, depending on the calendar year, 53) Use Weeks. The Use Weeks are numbered from 1 to 52 (or 53).

The Developer signed this document as of the date first written above.

SVO PACIFIC, INC.

By:  _____

Name: Dale Curtin

Its: Senior Vice President, CFO,
Treasurer and Assistant Secretary

STATE OF Florida)
) ss:
COUNTY OF Orange)

On this 13th day of September, 2002, before me personally appeared Dale Curtin, Sr. Vice Pres, CFO, Treasurer and Asst Sec. of SVO Pacific, Inc., a Florida corporation to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Cynthia M. Keene
Notary Public, State of Florida
My Commission expires: 11/11/02



EXHIBIT "A"

FIRST:

Those certain fifty-four (54) Apartments listed in Exhibit "B" of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238, (herein with any amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 1431, (herein with any amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;

2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;

3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;

4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

For each of said Apartments, an undivided percentage interest, as listed in Exhibit "B", in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001, and recorded as Land Court Document No. 2734237, (herein with any amendments called the "Declaration of Merger"), and/or (iii) in that certain Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association, dated September 5, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii immediately prior hereto (herein with any amendments called the "Master Declaration"), and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger;

2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made; and

3. The Master Declaration, the Bylaws of the Ocean Resort Master Association attached to the Master Declaration, (the "Master Bylaws") and any rules and regulations adopted thereunder (the "Master Rules and Regulations"), as any of the same may be amended from time to time.

BEING A PORTION of the premises described in Transfer Certificate of Title No. 569,700,

issued to SVO Pacific, Inc., a Florida corporation, as tenant in severalty.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.
5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; (iv) the Condominium Map; and (v) the Declaration of Merger.
6. The "Master Association Documents" consisting of the following documents and any lawful amendments to them: (i) the Master Declaration, (ii) the Articles of Incorporation of the Ocean Resort Master Association; (iii) the Master Bylaws; and (iv) the Master Rules and Regulations.

NOTE: For purposes of that certain Notice of Time Share Plan dated December 4, 2000, filed December 6, 2000, as Document No. 2669185 and recorded December 6, 2000, as Document No. 2000-171389, this instrument is one of the "Vacation Plan Documents" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT B
TO
VACATION OWNERSHIP PLAN DECLARATION

Apartment No.	Unit Type	Relative Valuation	Common Interest
Second Floor			
2200/02	Two Bedroom Ocean View	52,000.00	0.003382575
2201	One Bedroom Ocean View	43,873.44	0.002853946
2203	One Bedroom Ocean View	43,873.44	0.002853946
2204/06	Two Bedroom Ocean View	52,000.00	0.003382575
2205/07	Two Bedroom Ocean View	52,000.00	0.003382575
2208/10	Two Bedroom Ocean View	52,000.00	0.003382575
2209/11	Two Bedroom Ocean View	52,000.00	0.003382575
2212/14	Two Bedroom Ocean View	52,000.00	0.003382575
2213/15	Two Bedroom Ocean View	52,000.00	0.003382575
2216/18	Two Bedroom Ocean View	52,000.00	0.003382575
2217/19	Two Bedroom Ocean View	52,000.00	0.003382575
2220/22	Two Bedroom Ocean View	52,000.00	0.003382575
2221/23	Two Bedroom Ocean View	52,000.00	0.003382575
2224	One Bedroom Ocean View	43,873.44	0.002853946
2225	One Bedroom Ocean View	43,873.44	0.002853946
2226/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2227/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2230/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Fourth Floor			
2400/02	Two Bedroom Ocean View	52,000.00	0.003382575
2401	One Bedroom Ocean View	43,873.44	0.002853946
2403	One Bedroom Ocean View	43,873.44	0.002853946
2404/06	Two Bedroom Ocean View	52,000.00	0.003382575
2405/07	Two Bedroom Ocean View	52,000.00	0.003382575
2408/10	Two Bedroom Ocean View	52,000.00	0.003382575
2409/11	Two Bedroom Ocean View	52,000.00	0.003382575
2412/14	Two Bedroom Ocean View	52,000.00	0.003382575
2413/15	Two Bedroom Ocean View	52,000.00	0.003382575
2416/18	Two Bedroom Ocean View	52,000.00	0.003382575
2417/19	Two Bedroom Ocean View	52,000.00	0.003382575
2420/22	Two Bedroom Ocean View	52,000.00	0.003382575
2421/23	Two Bedroom Ocean View	52,000.00	0.003382575
2424	One Bedroom Ocean View	43,873.44	0.002853946
2425	One Bedroom Ocean View	43,873.44	0.002853946
2426/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2427/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2430/31	Two Bedroom Ocean Front	52,000.00	0.003382575

9/11/2002

EXHIBIT B
TO
VACATION OWNERSHIP PLAN DECLARATION

Apartment No.	Unit Type	Relative Valuation	Common Interest
Fifth Floor			
2500/02	Two Bedroom Ocean View	52,000.00	0.003382575
2501	One Bedroom Ocean View	43,873.44	0.002853946
2503	One Bedroom Ocean View	43,873.44	0.002853946
2504/06	Two Bedroom Ocean View	52,000.00	0.003382575
2505/07	Two Bedroom Ocean View	52,000.00	0.003382575
2508/10	Two Bedroom Ocean View	52,000.00	0.003382575
2509/11	Two Bedroom Ocean View	52,000.00	0.003382575
2512/14	Two Bedroom Ocean View	52,000.00	0.003382575
2513/15	Two Bedroom Ocean View	52,000.00	0.003382575
2516/18	Two Bedroom Ocean View	52,000.00	0.003382575
2517/19	Two Bedroom Ocean View	52,000.00	0.003382575
2520/22	Two Bedroom Ocean View	52,000.00	0.003382575
2521/23	Two Bedroom Ocean View	52,000.00	0.003382575
2524	One Bedroom Ocean View	43,873.44	0.002853946
2525	One Bedroom Ocean View	43,873.44	0.002853946
2526/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2527/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
2530/31	Two Bedroom Ocean Front	52,000.00	0.003382575

9/11/2002

Exhibit "C"
Vacation Calendar
Ocean Resort Villas Vacation Ownership Plan

Week No.	Friday Check In		Saturday Check In		Sunday Check In	
	Start Date	End Date	Start Date	End Date	Start Date	End Date
1	04-Jan-02	11-Jan-02	05-Jan-02	12-Jan-02	06-Jan-02	13-Jan-02
2	11-Jan-02	18-Jan-02	12-Jan-02	19-Jan-02	13-Jan-02	20-Jan-02
3	18-Jan-02	25-Jan-02	19-Jan-02	26-Jan-02	20-Jan-02	27-Jan-02
4	25-Jan-02	01-Feb-02	26-Jan-02	02-Feb-02	27-Jan-02	03-Feb-02
5	01-Feb-02	08-Feb-02	02-Feb-02	09-Feb-02	03-Feb-02	10-Feb-02
6	08-Feb-02	15-Feb-02	09-Feb-02	16-Feb-02	10-Feb-02	17-Feb-02
7	15-Feb-02	22-Feb-02	16-Feb-02	23-Feb-02	17-Feb-02	24-Feb-02
8	22-Feb-02	01-Mar-02	23-Feb-02	02-Mar-02	24-Feb-02	03-Mar-02
9	01-Mar-02	08-Mar-02	02-Mar-02	09-Mar-02	03-Mar-02	10-Mar-02
10	08-Mar-02	15-Mar-02	09-Mar-02	16-Mar-02	10-Mar-02	17-Mar-02
11	15-Mar-02	22-Mar-02	16-Mar-02	23-Mar-02	17-Mar-02	24-Mar-02
12	22-Mar-02	29-Mar-02	23-Mar-02	30-Mar-02	24-Mar-02	31-Mar-02
13	29-Mar-02	05-Apr-02	30-Mar-02	06-Apr-02	31-Mar-02	07-Apr-02
14	05-Apr-02	12-Apr-02	06-Apr-02	13-Apr-02	07-Apr-02	14-Apr-02
15	12-Apr-02	19-Apr-02	13-Apr-02	20-Apr-02	14-Apr-02	21-Apr-02
16	19-Apr-02	26-Apr-02	20-Apr-02	27-Apr-02	21-Apr-02	28-Apr-02
17	26-Apr-02	03-May-02	27-Apr-02	04-May-02	28-Apr-02	05-May-02
18	03-May-02	10-May-02	04-May-02	11-May-02	05-May-02	12-May-02
19	10-May-02	17-May-02	11-May-02	18-May-02	12-May-02	19-May-02
20	17-May-02	24-May-02	18-May-02	25-May-02	19-May-02	26-May-02
21	24-May-02	31-May-02	25-May-02	01-Jun-02	26-May-02	02-Jun-02
22	31-May-02	07-Jun-02	01-Jun-02	08-Jun-02	02-Jun-02	09-Jun-02
23	07-Jun-02	14-Jun-02	08-Jun-02	15-Jun-02	09-Jun-02	16-Jun-02
24	14-Jun-02	21-Jun-02	15-Jun-02	22-Jun-02	16-Jun-02	23-Jun-02
25	21-Jun-02	28-Jun-02	22-Jun-02	29-Jun-02	23-Jun-02	30-Jun-02
26	28-Jun-02	05-Jul-02	29-Jun-02	06-Jul-02	30-Jun-02	07-Jul-02
27	05-Jul-02	12-Jul-02	06-Jul-02	13-Jul-02	07-Jul-02	14-Jul-02
28	12-Jul-02	19-Jul-02	13-Jul-02	20-Jul-02	14-Jul-02	21-Jul-02
29	19-Jul-02	26-Jul-02	20-Jul-02	27-Jul-02	21-Jul-02	28-Jul-02
30	26-Jul-02	02-Aug-02	27-Jul-02	03-Aug-02	28-Jul-02	04-Aug-02
31	02-Aug-02	09-Aug-02	03-Aug-02	10-Aug-02	04-Aug-02	11-Aug-02
32	09-Aug-02	16-Aug-02	10-Aug-02	17-Aug-02	11-Aug-02	18-Aug-02
33	16-Aug-02	23-Aug-02	17-Aug-02	24-Aug-02	18-Aug-02	25-Aug-02
34	23-Aug-02	30-Aug-02	24-Aug-02	31-Aug-02	25-Aug-02	01-Sep-02
35	30-Aug-02	06-Sep-02	31-Aug-02	07-Sep-02	01-Sep-02	08-Sep-02
36	06-Sep-02	13-Sep-02	07-Sep-02	14-Sep-02	08-Sep-02	15-Sep-02
37	13-Sep-02	20-Sep-02	14-Sep-02	21-Sep-02	15-Sep-02	22-Sep-02
38	20-Sep-02	27-Sep-02	21-Sep-02	28-Sep-02	22-Sep-02	29-Sep-02
39	27-Sep-02	04-Oct-02	28-Sep-02	05-Oct-02	29-Sep-02	06-Oct-02
40	04-Oct-02	11-Oct-02	05-Oct-02	12-Oct-02	06-Oct-02	13-Oct-02
41	11-Oct-02	18-Oct-02	12-Oct-02	19-Oct-02	13-Oct-02	20-Oct-02
42	18-Oct-02	25-Oct-02	19-Oct-02	26-Oct-02	20-Oct-02	27-Oct-02
43	25-Oct-02	01-Nov-02	26-Oct-02	02-Nov-02	27-Oct-02	03-Nov-02
44	01-Nov-02	08-Nov-02	02-Nov-02	09-Nov-02	03-Nov-02	10-Nov-02
45	08-Nov-02	15-Nov-02	09-Nov-02	16-Nov-02	10-Nov-02	17-Nov-02
46	15-Nov-02	22-Nov-02	16-Nov-02	23-Nov-02	17-Nov-02	24-Nov-02
47	22-Nov-02	29-Nov-02	23-Nov-02	30-Nov-02	24-Nov-02	01-Dec-02
48	29-Nov-02	06-Dec-02	30-Nov-02	07-Dec-02	01-Dec-02	08-Dec-02
49	06-Dec-02	13-Dec-02	07-Dec-02	14-Dec-02	08-Dec-02	15-Dec-02
50	13-Dec-02	20-Dec-02	14-Dec-02	21-Dec-02	15-Dec-02	22-Dec-02
51	20-Dec-02	27-Dec-02	21-Dec-02	28-Dec-02	22-Dec-02	29-Dec-02
52	27-Dec-02	03-Jan-03	28-Dec-02	04-Jan-03	29-Dec-02	05-Jan-03

Certified to be a true and correct copy of the document
on 8/8/03 at 1:00 pm;
in the Office of the Assistant Registrar of the Land Court,

State of Hawaii, as Document No. 2974212
Island Title Corporation

By [Signature]

Issued TGT 659079 thru 659265

RETURN BY MAIL () PICK-UP () TO:

McCorriston Miller Mukai MacKinnon
P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor
500 Ala Moana Blvd. • Honolulu, Hawaii 96813
Attn: Charles E. Pear, Jr.

This document contains
— pages

ITC 198298 4

TMK No. (2) 4-4-14-3 CPR No.s: [Not yet assigned]

Ocean Resort Villas Vacation Ownership Plan

DECLARATION OF ANNEXATION

THIS DECLARATION OF ANNEXATION is made on this 5th day of August, 2003, by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND INFORMATION

A. The Developer filed a document called the "Ocean Resort Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements, and Restrictions for Vacation Ownership" and dated September 14, 2001, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737947. That document is called the "Declaration" in this document. All terms defined in the Declaration will have the same meaning in this document.

B. The Developer is the record owner of the property described in Exhibit "A" which is attached to and part of this document (the "Property"). The Developer desires to include the Property in the Vacation Ownership Plan.

DEDICATION OF THE PROPERTY TO THE PROGRAM

The Developer declares that from now on:

1. The Property, and all rights of the Developer in it, is subject to the Declaration and the other Vacation Plan Documents. (In legal terms, the Developer is submitting all of its "estate, right, title and interest" in the Property to the Vacation Plan Documents).

2. The individual apartments comprising the Property are Vacation Units and are part of the Vacation Property. In legal terms, the Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Vacation Plan Documents, from now until the Vacation Ownership Plan ends. Anyone who occupies or uses any of the Vacation Property must obey the Vacation Plan Documents.

3. The Vacation Plan Documents will be binding on the Property. They will also be binding on, and are intended to benefit these persons:

- A. The Developer.
- B. The Association.
- C. The Club Operator.

D. Anyone who owns all or any part of any Vacation Unit, or any Vacation Ownership Interest or other interest in it, now or in the future. This includes, for example, all present and future Owners and their Lenders.

E. Anyone who, by law or by agreement, stands in the place of the persons listed in items A. to D., above. Such people are called, in technical legal terms, "heirs", "devises", "personal representatives", "successors", and "assigns".

All of these people must obey the Vacation Plan Documents. It does not matter how or when someone obtains an interest in a Vacation Unit or whether they ever signed the Vacation Plan Documents or expressly agreed to obey them. They must still obey them just as if they signed them.

All of these people also have the right to enforce the Vacation Plan Documents in any way permitted by the Act or the Vacation Plan Documents.

In legal terms, the Vacation Plan Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this section 3.

4. Regardless of what sections 1 to 3 say, the Developer reserves to itself any and all rights it has (i) under the Condominium Documents as the Condominium Developer, and (ii)

under the Master Association Documents as the Developer of the Master Association. The Developer alone may exercise the Developer's Reserved Rights under the Condominium Documents and/or under the Master Association Documents. Those rights will not be subject to the Vacation Plan Documents.

5. The Unit Type and Relative Valuation for each Apartment is listed in Exhibit "B" which is attached to and part of this document.

6. Under the Declaration, a Use Period is defined to mean a Use Week, a Split Week, or a Use Night. A Use Night lasts from Check-In Time on one day until Check-Out Time the next day. A Use Week means a period of time beginning at Check-In Time on one day and ending at Check-Out Time on the same day of the following week. A Split Week is a period of less than seven consecutive Use Nights. The Reservation Rules may further define "Split Week". Accordingly, the "schedule of use periods" consists of all nights of the year. Each year, the Plan Operator prepares a Vacation Calendar. A sample Vacation Calendar is attached to this document as Exhibit "C". The Vacation Calendar divides the year into 52 (or, depending on the calendar year, 53) Use Weeks. The Use Weeks are numbered from 1 to 52 (or 53).

The Developer signed this document as of the date first written above.

SVO PACIFIC, INC.

By: 

Name: Susan Werth

Its: Senior Vice President/Law, Secretary

STATE OF Florida)
) ss:
COUNTY OF Orange)

On this 5th day of August, 2003, before me personally appeared Susan Werth, Senior Vice President/Law, Secretary of SVO Pacific, Inc., a Florida corporation to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina C. Churchwell
Name: SABRINA C. Churchwell
Notary Public, State of Florida
My Commission expires: 10/20/2006

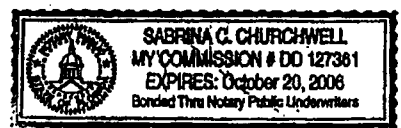


EXHIBIT "A"

FIRST:

Those certain one hundred and seventy-seven (177) Apartments, as listed in the attached Exhibit "B", of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238, as amended and restated by that certain Amended and Restated Declaration of Condominium Property Regime of Ocean Resort Villas, dated and recorded concurrently herewith (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 1431, (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;

prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;

3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;

4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

For each of said Apartments, an undivided percentage interest, as listed in Exhibit "B", in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001, and recorded as Land Court Document No. 2734237 (herein with any amendments called the "Declaration of Merger"), and/or (iii) in that certain Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association, dated September 5, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2737946 (herein with any amendments called the "Master Declaration"), and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger;

2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made; and

3. The Master Declaration, the Bylaws of the Ocean Resort Master Association attached to the Master Declaration, (the "Master Bylaws") and any rules and regulations adopted thereunder (the "Master Rules and Regulations"), as any of the same may be amended from time to time.

BEING THE PREMISES described in Transfer Certificate of Title No. 569,700 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.

2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.

4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; (iv) the Condominium Map; and (v) the Declaration of Merger.

6. The "Master Association Documents" consisting of the following documents and any lawful amendments to them: (i) the Master Declaration; (ii) the Articles of Incorporation of the Ocean Resort Master Association; (iii) the Master Bylaws; and (iv) the Master Rules and Regulations.

NOTE: For purposes of that certain Notice of Time Share Plan dated December 4, 2000, filed December 6, 2000, as Document No. 2669185 and recorded December 6, 2000, as Document No. 2000-171389, this instrument is one of the "Vacation Plan Documents" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT "B"
TO
OCEAN RESORT VILLAS VACATION OWNERSHIP PLAN DECLARATION OF ANNEXATION

Apartment No.	Unit Type	Relative Valuation Per Unit	Common Interest Per Unit
MAKANAKAI BUILDING (BUILDING B)			
First Floor			
3101/03	Two Bedroom Ocean View	52,000.00	0.003382575
3102	One Bedroom Ocean View	43,873.44	0.002853946
3104/06	Two Bedroom Ocean View	52,000.00	0.003382575
3105/07	Two Bedroom Ocean View	52,000.00	0.003382575
3108/10	Two Bedroom Ocean View	52,000.00	0.003382575
3109/11	Two Bedroom Ocean View	52,000.00	0.003382575
3112/14	Two Bedroom Ocean View	52,000.00	0.003382575
3113/15	Two Bedroom Ocean View	52,000.00	0.003382575
3116/18	Two Bedroom Ocean View	52,000.00	0.003382575
3117/19	Two Bedroom Ocean View	52,000.00	0.003382575
3120/22	Two Bedroom Ocean View	52,000.00	0.003382575
3121/23	Two Bedroom Ocean View	52,000.00	0.003382575
3124	One Bedroom Ocean View	43,873.44	0.002853946
3125	One Bedroom Ocean View	43,873.44	0.002853946
3126/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3127/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3130/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Second Floor			
3200	One Bedroom Ocean View	43,873.44	0.002853946
3201/03	Two Bedroom Ocean View	52,000.00	0.003382575
3202	One Bedroom Ocean View	43,873.44	0.002853946
3204/06	Two Bedroom Ocean View	52,000.00	0.003382575
3205/07	Two Bedroom Ocean View	52,000.00	0.003382575
3208/10	Two Bedroom Ocean View	52,000.00	0.003382575
3209/11	Two Bedroom Ocean View	52,000.00	0.003382575
3212/14	Two Bedroom Ocean View	52,000.00	0.003382575
3213/15	Two Bedroom Ocean View	52,000.00	0.003382575
3216/18	Two Bedroom Ocean View	52,000.00	0.003382575
3217/19	Two Bedroom Ocean View	52,000.00	0.003382575
3220/22	Two Bedroom Ocean View	52,000.00	0.003382575
3221/23	Two Bedroom Ocean View	52,000.00	0.003382575
3224	One Bedroom Ocean View	43,873.44	0.002853946
3225	One Bedroom Ocean View	43,873.44	0.002853946
3226/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3227/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3230/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Third Floor			
3300	One Bedroom Ocean View	43,873.44	0.002853946
3301/03	Two Bedroom Ocean View	52,000.00	0.003382575

Apartment No.	Unit Type	Relative Valuation Per Unit	Common Interest Per Unit
3302	One Bedroom Ocean View	43,873.44	0.002853946
3304/06	Two Bedroom Ocean View	52,000.00	0.003382575
3305/07	Two Bedroom Ocean View	52,000.00	0.003382575
3308/10	Two Bedroom Ocean View	52,000.00	0.003382575
3309/11	Two Bedroom Ocean View	52,000.00	0.003382575
3312/14	Two Bedroom Ocean View	52,000.00	0.003382575
3313/15	Two Bedroom Ocean View	52,000.00	0.003382575
3316/18	Two Bedroom Ocean View	52,000.00	0.003382575
3317/19	Two Bedroom Ocean View	52,000.00	0.003382575
3320/22	Two Bedroom Ocean View	52,000.00	0.003382575
3321/23	Two Bedroom Ocean View	52,000.00	0.003382575
3324	One Bedroom Ocean View	43,873.44	0.002853946
3325	One Bedroom Ocean View	43,873.44	0.002853946
3326/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3327/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3330/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Fourth Floor			
3400	One Bedroom Ocean View	43,873.44	0.002853946
3401/3403	Two Bedroom Ocean View	52,000.00	0.003382575
3402	One Bedroom Ocean View	43,873.44	0.002853946
3404/06	Two Bedroom Ocean View	52,000.00	0.003382575
3405/07	Two Bedroom Ocean View	52,000.00	0.003382575
3408/10	Two Bedroom Ocean View	52,000.00	0.003382575
3409/11	Two Bedroom Ocean View	52,000.00	0.003382575
3412/14	Two Bedroom Ocean View	52,000.00	0.003382575
3413/15	Two Bedroom Ocean View	52,000.00	0.003382575
3416/18	Two Bedroom Ocean View	52,000.00	0.003382575
3417/19	Two Bedroom Ocean View	52,000.00	0.003382575
3420/22	Two Bedroom Ocean View	52,000.00	0.003382575
3421/23	Two Bedroom Ocean View	52,000.00	0.003382575
3424	One Bedroom Ocean View	43,873.44	0.002853946
3425	One Bedroom Ocean View	43,873.44	0.002853946
3426/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3427/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3430/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Fifth Floor			
3500	One Bedroom Ocean View	43,873.44	0.002853946
3501/03	Two Bedroom Ocean View	52,000.00	0.003382575
3502	One Bedroom Ocean View	43,873.44	0.002853946
3504/06	Two Bedroom Ocean View	52,000.00	0.003382575
3505/07	Two Bedroom Ocean View	52,000.00	0.003382575
3508/10	Two Bedroom Ocean View	52,000.00	0.003382575
3509/11	Two Bedroom Ocean View	52,000.00	0.003382575
3512/14	Two Bedroom Ocean View	52,000.00	0.003382575
3513/15	Two Bedroom Ocean View	52,000.00	0.003382575
3516/18	Two Bedroom Ocean View	52,000.00	0.003382575
3517/19	Two Bedroom Ocean View	52,000.00	0.003382575
3520/22	Two Bedroom Ocean View	52,000.00	0.003382575

Apartment No.	Unit Type	Relative Valuation Per Unit	Common Interest Per Unit
3521/23	Two Bedroom Ocean View	52,000.00	0.003382575
3524	One Bedroom Ocean View	43,873.44	0.002853946
3525	One Bedroom Ocean View	43,873.44	0.002853946
3526/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3527/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3530/31	Two Bedroom Ocean Front	52,000.00	0.003382575
Sixth Floor			
3600	One Bedroom Ocean View	43,873.44	0.002853946
3601/03	Two Bedroom Ocean View	52,000.00	0.003382575
3602	One Bedroom Ocean View	43,873.44	0.002853946
3604/06	Two Bedroom Ocean View	52,000.00	0.003382575
3605/07	Two Bedroom Ocean View	52,000.00	0.003382575
3608/10	Two Bedroom Ocean View	52,000.00	0.003382575
3609/11	Two Bedroom Ocean View	52,000.00	0.003382575
3612/14	Two Bedroom Ocean View	52,000.00	0.003382575
3613/15	Two Bedroom Ocean View	52,000.00	0.003382575
3616/18	Two Bedroom Ocean View	52,000.00	0.003382575
3617/19	Two Bedroom Ocean View	52,000.00	0.003382575
3620/22	Two Bedroom Ocean View	52,000.00	0.003382575
3621/23	Two Bedroom Ocean View	52,000.00	0.003382575
3624	One Bedroom Ocean View	43,873.44	0.002853946
3625	One Bedroom Ocean View	43,873.44	0.002853946
3626/28	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3627/29	Two Bedroom Deluxe Ocean Front	71,653.10	0.004661000
3630/31	Two Bedroom Ocean Front	52,000.00	0.003382575
THE CANI BUILDING (BUILDING C)			
First Floor			
4100/01	Two Bedroom Island View	52,000.00	0.003382575
4102/04	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4103/05	Two Bedroom Deluxe Ocean View	71,653.10	0.004661000
4106/08	Two Bedroom Island View	52,000.00	0.003382575
4107/09	Two Bedroom Ocean View	52,000.00	0.003382575
4114/16	Two Bedroom Island View	52,000.00	0.003382575
4115/17	Two Bedroom Island View	52,000.00	0.003382575
4118/20	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4119/21	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4122/23	Two Bedroom Island View	52,000.00	0.003382575
Second Floor			
4200/01	Two Bedroom Island View	52,000.00	0.003382575
4202/04	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4203/05	Two Bedroom Deluxe Ocean View	71,653.10	0.004661000
4206/08	Two Bedroom Island View	52,000.00	0.003382575

Apartment No.	Unit Type	Relative Valuation Per Unit	Common Interest Per Unit
4207/09	Two Bedroom Ocean View	52,000.00	0.003382575
4211	One Bedroom Ocean View	43,873.44	0.002853946
4213	One Bedroom Ocean View	43,873.44	0.002853946
4214/16	Two Bedroom Island View	52,000.00	0.003382575
4215/17	Two Bedroom Island View	52,000.00	0.003382575
4218/20	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4219/21	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4222/23	Two Bedroom Island View	52,000.00	0.003382575
Third Floor			
4300/01	Two Bedroom Island View	52,000.00	0.003382575
4302/04	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4303/05	Two Bedroom Deluxe Ocean View	71,653.10	0.004661000
4306/08	Two Bedroom Island View	52,000.00	0.003382575
4307/09	Two Bedroom Ocean View	52,000.00	0.003382575
4311	One Bedroom Ocean View	43,873.44	0.002853946
4313	One Bedroom Ocean View	43,873.44	0.002853946
4314/16	Two Bedroom Island View	52,000.00	0.003382575
4315/17	Two Bedroom Island View	52,000.00	0.003382575
4318/20	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4319/21	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4322/23	Two Bedroom Island View	52,000.00	0.003382575
Fourth Floor			
4400/01	Two Bedroom Island View	52,000.00	0.003382575
4402/04	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4403/05	Two Bedroom Deluxe Ocean View	71,653.10	0.004661000
4406/08	Two Bedroom Island View	52,000.00	0.003382575
4407/09	Two Bedroom Ocean View	52,000.00	0.003382575
4411	One Bedroom Ocean View	43,873.44	0.002853946
4413	One Bedroom Ocean View	43,873.44	0.002853946
4414/16	Two Bedroom Island View	52,000.00	0.003382575
4415/17	Two Bedroom Island View	52,000.00	0.003382575
4418/20	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4419/21	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4422/23	Two Bedroom Island View	52,000.00	0.003382575
Fifth Floor			
4500/01	Two Bedroom Island View	52,000.00	0.003382575
4502/04	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4503/05	Two Bedroom Deluxe Ocean View	71,653.10	0.004661000
4506/08	Two Bedroom Island View	52,000.00	0.003382575
4507/09	Two Bedroom Ocean View	52,000.00	0.003382575
4511	One Bedroom Ocean View	43,873.44	0.002853946

Apartment No.	Unit Type	Relative Valuation Per Unit	Common Interest Per Unit
4513	One Bedroom Ocean View	43,873.44	0.002853946
4514/16	Two Bedroom Island View	52,000.00	0.003382575
4515/17	Two Bedroom Island View	52,000.00	0.003382575
4518/20	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4519/21	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4522/23	Two Bedroom Island View	52,000.00	0.003382575
Sixth Floor			
4600/01	Two Bedroom Island View	52,000.00	0.003382575
4602/04	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4603/05	Two Bedroom Deluxe Ocean View	71,653.10	0.004661000
4606/08	Two Bedroom Island View	52,000.00	0.003382575
4607/09	Two Bedroom Ocean View	52,000.00	0.003382575
4611	One Bedroom Ocean View	43,873.44	0.002853946
4613	One Bedroom Ocean View	43,873.44	0.002853946
4614/16	Two Bedroom Island View	52,000.00	0.003382575
4615/17	Two Bedroom Island View	52,000.00	0.003382575
4618/20	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4619/21	Two Bedroom Deluxe Island View	71,653.10	0.004661000
4622/23	Two Bedroom Island View	52,000.00	0.003382575

EXHIBIT "C"
TO
OCEAN RESORT VILLAS VACATION OWNERSHIP PLAN DECLARATION OF ANNEXATION

**Vacation Calendar
Ocean Resort Villas Ownership Plan**

Week No.	Friday Check In		Saturday Check In		Sunday Check In	
	Start Date	End Date	Start Date	End Date	Start Date	End Date
1	02-Jan-04	09-Jan-04	03-Jan-04	10-Jan-04	04-Jan-04	11-Jan-04
2	09-Jan-04	16-Jan-04	10-Jan-04	17-Jan-04	11-Jan-04	18-Jan-04
3	16-Jan-04	23-Jan-04	17-Jan-04	24-Jan-04	18-Jan-04	25-Jan-04
4	23-Jan-04	30-Jan-04	24-Jan-04	31-Jan-04	25-Jan-04	01-Feb-04
5	30-Jan-04	06-Feb-04	31-Jan-04	07-Feb-04	01-Feb-04	08-Feb-04
6	06-Feb-04	13-Feb-04	07-Feb-04	14-Feb-04	08-Feb-04	15-Feb-04
7	13-Feb-04	20-Feb-04	14-Feb-04	21-Feb-04	15-Feb-04	22-Feb-04
8	20-Feb-04	27-Feb-04	21-Feb-04	28-Feb-04	22-Feb-04	29-Feb-04
9	27-Feb-04	05-Mar-04	28-Feb-04	06-Mar-04	29-Feb-04	07-Mar-04
10	05-Mar-04	12-Mar-04	06-Mar-04	13-Mar-04	07-Mar-04	14-Mar-04
11	12-Mar-04	19-Mar-04	13-Mar-04	20-Mar-04	14-Mar-04	21-Mar-04
12	19-Mar-04	26-Mar-04	20-Mar-04	27-Mar-04	21-Mar-04	28-Mar-04
13	26-Mar-04	02-Apr-04	27-Mar-04	03-Apr-04	28-Mar-04	04-Apr-04
14	02-Apr-04	09-Apr-04	03-Apr-04	10-Apr-04	04-Apr-04	11-Apr-04
15	09-Apr-04	16-Apr-04	10-Apr-04	17-Apr-04	11-Apr-04	18-Apr-04
16	16-Apr-04	23-Apr-04	17-Apr-04	24-Apr-04	18-Apr-04	25-Apr-04
17	23-Apr-04	30-Apr-04	24-Apr-04	01-May-04	25-Apr-04	02-May-04
18	30-Apr-04	07-May-04	01-May-04	08-May-04	02-May-04	09-May-04
19	07-May-04	14-May-04	08-May-04	15-May-04	09-May-04	16-May-04
20	14-May-04	21-May-04	15-May-04	22-May-04	16-May-04	23-May-04
21	21-May-04	28-May-04	22-May-04	29-May-04	23-May-04	30-May-04
22	28-May-04	04-Jun-04	29-May-04	05-Jun-04	30-May-04	06-Jun-04
23	04-Jun-04	11-Jun-04	05-Jun-04	12-Jun-04	06-Jun-04	13-Jun-04
24	11-Jun-04	18-Jun-04	12-Jun-04	19-Jun-04	13-Jun-04	20-Jun-04
25	18-Jun-04	25-Jun-04	19-Jun-04	26-Jun-04	20-Jun-04	27-Jun-04
26	25-Jun-04	02-Jul-04	26-Jun-04	03-Jul-04	27-Jun-04	04-Jul-04
27	02-Jul-04	09-Jul-04	03-Jul-04	10-Jul-04	04-Jul-04	11-Jul-04
28	09-Jul-04	16-Jul-04	10-Jul-04	17-Jul-04	11-Jul-04	18-Jul-04
29	16-Jul-04	23-Jul-04	17-Jul-04	24-Jul-04	18-Jul-04	25-Jul-04
30	23-Jul-04	30-Jul-04	24-Jul-04	31-Jul-04	25-Jul-04	01-Aug-04
31	30-Jul-04	06-Aug-04	31-Jul-04	07-Aug-04	01-Aug-04	08-Aug-04
32	06-Aug-04	13-Aug-04	07-Aug-04	14-Aug-04	08-Aug-04	15-Aug-04
33	13-Aug-04	20-Aug-04	14-Aug-04	21-Aug-04	15-Aug-04	22-Aug-04
34	20-Aug-04	27-Aug-04	21-Aug-04	28-Aug-04	22-Aug-04	29-Aug-04
35	27-Aug-04	03-Sep-04	28-Aug-04	04-Sep-04	29-Aug-04	05-Sep-04
36	03-Sep-04	10-Sep-04	04-Sep-04	11-Sep-04	05-Sep-04	12-Sep-04
37	10-Sep-04	17-Sep-04	11-Sep-04	18-Sep-04	12-Sep-04	19-Sep-04
38	17-Sep-04	24-Sep-04	18-Sep-04	25-Sep-04	19-Sep-04	26-Sep-04
39	24-Sep-04	01-Oct-04	25-Sep-04	02-Oct-04	26-Sep-04	03-Oct-04
40	01-Oct-04	08-Oct-04	02-Oct-04	09-Oct-04	03-Oct-04	10-Oct-04
41	08-Oct-04	15-Oct-04	09-Oct-04	16-Oct-04	10-Oct-04	17-Oct-04

42	15-Oct-04	22-Oct-04	16-Oct-04	23-Oct-04	17-Oct-04	24-Oct-04
43	22-Oct-04	29-Oct-04	23-Oct-04	30-Oct-04	24-Oct-04	31-Oct-04
44	29-Oct-04	05-Nov-04	30-Oct-04	06-Nov-04	31-Oct-04	07-Nov-04
45	05-Nov-04	12-Nov-04	06-Nov-04	13-Nov-04	07-Nov-04	14-Nov-04
46	12-Nov-04	19-Nov-04	13-Nov-04	20-Nov-04	14-Nov-04	21-Nov-04
47	19-Nov-04	26-Nov-04	20-Nov-04	27-Nov-04	21-Nov-04	28-Nov-04
48	26-Nov-04	03-Dec-04	27-Nov-04	04-Dec-04	28-Nov-04	05-Dec-04
49	03-Dec-04	10-Dec-04	04-Dec-04	11-Dec-04	05-Dec-04	12-Dec-04
50	10-Dec-04	17-Dec-04	11-Dec-04	18-Dec-04	12-Dec-04	19-Dec-04
51	17-Dec-04	24-Dec-04	18-Dec-04	25-Dec-04	19-Dec-04	26-Dec-04
52	24-Dec-04	31-Dec-04	25-Dec-04	01-Jan-05	26-Dec-04	02-Jan-05
53	31-Dec-04	07-Jan-05				

Certified to be a true and correct copy of the document recorded on 8-26-03 at 8:02 am in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2982411.

Island Title Corporation

By [Signature]

LAND COURT

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL]

PICK-UP]

McCorrison Miller Mukai MacKinnon LLP (CEP)
Five Waterfront Plaza, Suite 400
500 Ala Moana Blvd.
Honolulu, Hawaii 96813

ITC: 198298

This Document Contains 50 Pages

(2)

TMK No. (2) 4-4-14-3
CPR Nos.: [Not assigned yet]
TCT No.s [See Exhibit "1"]

Ocean Resort Villas Vacation Ownership Plan

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR VACATION OWNERSHIP

THIS FIRST AMENDMENT TO OCEAN RESORT VILLAS VACATION OWNERSHIP PLAN DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR VACATION OWNERSHIP (this "Amendment") is made this 21 day of August, 2003. It is made by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND

The Developer is the developer of Ocean Resort Villas Vacation Ownership Plan (the "Plan"). The Plan is subject to that certain "Ocean Resort Villas Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership, dated September 14, 2001, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2 737 947 (the "Declaration"). The Declaration has been noted on the Transfer Certificates of Title listed in Exhibit "1". All terms defined in the Declaration will have the same meaning in this Amendment.

The Developer has filed an application to register the Plan in the State of California. The California Department of Real Estate has required that the Developer make certain changes to the Declaration as a condition to the registration of the Plan. The Declaration authorizes the Developer to change the Declaration in connection with the registration of the Plan in California.

AMENDMENT

THE DEVELOPER HERE AND NOW AMENDS THE DECLARATION as follows:

1. Section 5.1E 1) of the Declaration is amended to add a new subsection (c), to read as follows:

(c) LENGTH OF HOME RESORT RESERVATION PERIOD.
The Home Resort Reservation Periods must last a total of at least ninety (90) days.

2. Section 5.2 J. of the Declaration is amended to read as follows:

J. TRANSACTION FEES. The Reservation Rules may require that the Owners pay Transaction Fees. "*Transaction Fees*" are reasonable fees charged to an Owner by the Plan Operator and that relate to the manner in which an Owner uses his or her reservation or use rights. For example, the Plan Operator may charge Transaction Fees (i) for making multiple reservations, (ii) for Banking or Borrowing, (iii) for canceling or changing reservations, (iv) for bonus week reservations and other special reservation or use requests, or (v) to cover the added housekeeping and reservation costs of permitting an Owner to use a Vacation Unit on a lock-off basis or for a Split Week Use Period. To the extent that Transaction Fees are charged to pay for costs incurred by the Association (for example, additional housekeeping expenses), the Plan Operator will collect the Transaction Fees as an agent of the Association and must pay them to the Association promptly after the Plan Operator receives them.

3. Section 6.9 C. of the Declaration is amended to add the following additional sentence at the end of the paragraph.

C. EXTERNAL EXCHANGE PROGRAMS.

1) The Club Operator has the option but no duty to enter into one or more agreements, including "corporate" membership agreements, to affiliate the Club with one or more External Exchange Programs, including but not limited to the

Network, vacation networks, vacation clubs, or multi-site vacation ownership plans, on such terms and conditions as are acceptable to the Club Operator. The Club Operator may do so without the consent or approval of the Owners, the Association, or anyone else. The Club Operator shall have no obligation to make any such program available to Owners, and the Plan and the Owners will have no right or obligation to participate in any such program, unless the Board consents; provided that Board consent is not required for the Plan and the Owners to participate in the Network.

2) The Club Operator has the option, from time to time, to enter into or otherwise arrange for one or more special exchange relationships with any entity other than an Exchange Company pursuant to which Club Members will have access to selected non-Club Resorts and non-Club owners will have access to Club Units after one or more of the Home Resort Reservation Periods have expired. The Club Operator may do so without the consent or approval of the Owners, the Association, or anyone else. The Club Operator shall have no obligation to make any such program available to Owners, and the Plan and the Owners will have no right or obligation to participate in any such program, unless the Board consents.

3) If the Club Operator enters into an agreement pursuant to Subsections 6.9C.1) or 2), and if any necessary consent of the Board is given, then the Association, the Plan Manager, and the Owners must cooperate fully with the Club Operator and must comply with the terms and conditions of any such contract or agreement. Any special exchange relationship, and any arrangement with any vacation network, vacation club, or multi-site vacation ownership plan, must not violate the one-to-one use-right to use-night requirement of the Act.

4. Section 8.4 D. of the Declaration is amended to read as follows:

D. USE OF MASTER ASSOCIATION AMENITIES. Use of the Master Association Amenities is available only to the persons and on the terms and conditions set by the Master Association. The Master Association may change the terms and conditions from time to time. Except as otherwise provided in the Master Association Documents, Master Association Amenities available at one time may not continue to be available, or available to Owners and Occupants, in the future. Also, the Master Association may charge the user for the use of any of any facilities, products or services made available through the Master Association including, for example, a fee for a massage, surfing lessons, sports equipment

rentals, use of a cabana, amounts charged by a concession operator, and so on. This Declaration gives the Owners and Occupants no greater rights than they otherwise have under the Master Association Documents.

5. Section 8.7 of the Declaration is amended as follows:

A. Section 8.7 C. of the Declaration is amended to read as follows:

C. UNRESERVED AND UNUSED USE PERIODS. The Developer has the right to reserve any Use Periods that, for any reason, are not reserved as of sixty (60) days before the Check-In Day. This right of the Developer is in addition to the reservation rights it has for any Vacation Ownership Interests it owns. If the Developer uses its rights under this Subsection 8.7C., then the Developer must pay to the Association an amount equal to (i) the actual expense to the Association in maintaining and providing services (such as housekeeping) to the Vacation Unit and its Occupants during the Use Periods reserved and used by the Developer under this Subsection 8.7C., and (ii) a reasonable amount, to be set by the Board, for reserve expenses allocable to such use. The Developer must pay these amounts promptly after it receives a bill itemizing these charges.

B. Section 8.7 E. of the Declaration is amended to read as follows:

E. USE OF VACATION UNITS. The Developer may: (i) use one or more Vacation Units as model apartments; (ii) use one or more of the Vacation Units for customer relations, sales, marketing, and/or administrative offices, and (iii) show the Vacation Units to potential buyers. The rights of the Developer under this Subsection 8.7 E. apply only to Vacation Units for which no First Deed or Agreement of Sale has been recorded.

6. Section 8.8 of the Declaration is amended to read as follows:

8.8. SPECIAL RIGHTS OF THE CLUB OPERATOR. No matter what else the Vacation Plan Documents provide, the Club Operator has the following special rights and privileges:

A. CLUB OPERATOR'S EASEMENT. The Club Operator has the right and an easement to permit Other Club Members to use, possess and enjoy the Vacation Property on these terms and conditions. If the Club Operator confirms a Club Member's reservation request pursuant to Section 6.6C, then, during his or her Vacation Period, the Club Member and his or her Guests will

have the same rights to use the Assigned Unit and Common Elements that an Owner has under Section 8.2. The Club Operator has an easement and the right to allow Other Club Members who make a reservation during the Club Reservation Periods to use, possess and enjoy the Vacation Property in these circumstances. But the Other Club Members do not have an easement of their own. Other Club Members may only use the Vacation Property through the easement rights of the Club Operator.

1) The Club Operator cannot use these rights in a way that violates the one-to-one use-right to use-night requirement of the Act.

2) The Club Operator may only make this easement available to: (i) Club Members of Other Club Vacation Plans, and (ii) persons who have deposited in the Club the right to use property that meets the requirements of Subsection 6.11B in return for the right to use a Club Unit. This rule does not prohibit the Club Operator from permitting Exchange Users to reserve the use of a Vacation Unit through an External Exchange Program arranged by or through the Club Operator so long as the Exchange User has also deposited use rights in the External Exchange Program.

B. LIFE OF THE CLUB OPERATOR'S EASEMENT. The Club Operator's rights and easements under Section 8.8A will remain in effect so long as the Plan is part of the Club. The Club Operator's easements will end automatically (i) when the Plan is no longer participating in the Club, and (ii) all reservations confirmed by the Club Operator under Section 6.6C, have been used, have expired, or have been canceled. If the Plan decides to rejoin the Club, then the Club Operator will once again have the rights and easements contained in Section 8.8A.

7. Section 8.9 B. of the Declaration is amended to add a new subsection 5), to read as follows:

5) The Developer's right to rent unreserved Use Periods under this Section 9.9B will end if a Majority of the Owners Voting (not counting the Developer's votes and Vacation Ownership Interests) vote to terminate this right of the Developer.

(a) The first such vote will be conducted at the earlier of:

(1) The first annual meeting of the Association that is held after the Developer has sold, and closed

the sale, of at least two-thirds (2/3rds) of the total number of Vacation Ownership Interests in the Plan, or

(2) The annual meeting that occurs just before the expiration date of the Management Contract.

(b) The Association will vote on the matter at each later annual meeting for so long as the Developer right to rent unreserved Use Periods under this Section 8.9B continues.

(c) Instead of conducting the vote at a meeting, the vote may be conducted by ballot if and when the Hawaii Non-Profit Corporations Law is amended to permit the use of ballots.

8. Section 12.5 B. 2) of the Declaration is amended to read as follows:

2) May provide that after the first term and each later term ends, the contract automatically will be renewed for three more years, unless a written notice canceling the Management Contract is sent by either party at least 90 days before the next renewal date. The Management Contract shall provide that the Association cannot give this notice unless a Majority of the Owners vote to do so at an annual or special meeting of the Association held within one year before the renewal date. If the Management Contract contains such a provision, then:

(a) If the Plan Manager is affiliated with the Developer then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted to give the notice; and

(b) A decision to cancel or not to renew the Management Contract cannot be made by the Board alone; and

(c) Neither the Board nor any officer, director, employee or agent of the Association can give the notice before a Majority of the Owners vote to cancel the Management Contract at an annual or special meeting of the Association. Any notice sent before then will not be effective. It will be void.

9. Section 12.8 C. of the Declaration is entirely deleted.

10. Section 14.5 of the Declaration is amended to read as follows:

14.5 THE ASSOCIATION MAY RENT AN OWNER'S VACATION PERIOD.

A. THE ASSOCIATION'S RIGHT TO RENT. If an Owner (other than the Developer) is more than sixty (60) days late in paying any Personal Charge or Assessment charged to the Owner under the Vacation Plan Documents, and does not make that payment within ten (10) business days after the Association sends a written demand to pay then the Association may use the Owner's use rights or Points to reserve a Unit. The Association may then rent that Vacation Period to the public. The renter and his or her Guests will have the right to use the Assigned Unit during the Vacation Period reserved. The Association may not reserve or rent more Use Periods than necessary to pay all sums due in full (plus the reasonable costs of renting the Vacation Period).

B. USE OF THE RENT MONEY. The Association will apply the rent money first to pay the cost of arranging the rental and then to pay all overdue Assessments and Personal Charges owed by the Owner (including penalties, late fees and so on). Any excess money may be used by the Association to pay any Plan Expenses and will not be credited to or for the account of the defaulting Owner. (The intent here is to be sure the defaulting Owner doesn't profit by his or her wrongdoing and to avoid violating any securities laws.)

C. LIMITS ON THE ASSOCIATION'S RIGHT. The Association may not reserve or rent a Use Period which is subject to an existing reservation held by:

- 1) Another Owner (including the Developer) whose reservation has been confirmed; or
- 2) An Exchange User whose exchange reservation has been confirmed by the Association or by an external Exchange Company.

D. WHAT HAPPENS IF THE VACATION PERIOD IS ALREADY RENTED. If the Owner has already rented his or her Vacation Period, the renter will be permitted to use the Use Period. The Association will have the right to collect any unpaid rent from the renter until all amounts due are paid in full.

E. ASSOCIATION'S EASEMENT. The Association, and its agents, employees, contractors, subcontractors and other

authorized persons have an easement for the purpose of conducting rental activities under this Section 14.5.

11. Section 18.1 B. 4) of the Declaration is entirely deleted.

12. The Bylaws attached as Exhibit "C" to the Declaration are entirely deleted and the Amended and Restated Bylaws of the Ocean Resort Villas Vacation Owners Association attached to this Amendment as Exhibit "2" are substituted in their place.

CERTIFICATE OF ADOPTION

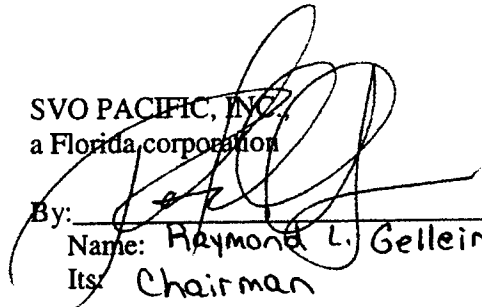
The Developer certifies that it has given notice of this Amendment, and a copy of it, to each governmental authority (other than Hawaii governmental authorities) having authority over the Plan as a result of the registration of it (or the Condominium, the Club, or SVN).

Attached as Exhibit "3" is an affidavit signed by the Developer and stating that approval or acceptance of this Amendment by any such governmental authority is not necessary.

The Declaration and Bylaws, as amended by this Amendment, are here and now ratified and confirmed and remain in full force and effect. The Developer signed this Amendment effective as of the date stated on page one.

Developer:

SVO PACIFIC, INC.
a Florida corporation

By: 
Name: Raymond L. Gellein, Jr.
Its: Chairman

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

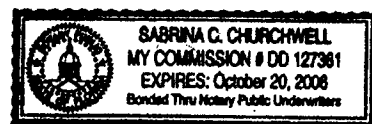
On this 21 day of August, 2003, before me personally appeared Raymond L. Gellein, Jr., to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Name: Sabrina C. Churchwell
Notary Public, State of Florida

My Commission expires: 10/20/2006

45195_6.DOC



RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawaii 96813
Phone No. (808) 529-7300

This document contains ____ pages.

Tax Map Key: 2nd Div. 4-4-14.3

AMENDED AND RESTATED BYLAWS
OF THE
Ocean Resort Villas
Vacation Owners Association

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Starwood Vacation Ownership, Inc.

Exhibit 2

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1. GENERAL PROVISIONS.

1.1 THE ASSOCIATION; ITS NAME AND ADDRESS. The "Association" is a non-profit Hawaii corporation. Its name is "Ocean Resort Villas Vacation Owners Association." Its principal office is at the Ocean Resort Villas condominium located at Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761. From time to time, the Board of Directors may choose a new principal office elsewhere in Hawaii.

1.2 DEFINITIONS. This Section defines certain words or phrases having special meanings in these Bylaws. Other terms are defined elsewhere in these Bylaws in order to put them in context. Defined terms will have these special meanings except where the context clearly requires otherwise. In addition to the terms defined in these Bylaws, the Declaration also defines a number of key words and phrases. Terms defined in the Declaration have the same meaning in these Bylaws unless the context clearly indicates otherwise.

A. "DECLARATION" means the "Ocean Resort Villas Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership", and all changes and additions properly made to it from time to time. It was recorded with these Bylaws.

B. "ARTICLES" means the "Ocean Resort Villas Vacation Owners Association Articles of Incorporation". It also includes all changes and additions properly made to them from time to time.

C. "MEMBER" and "OWNER" mean the same thing.

1.3 POWERS AND DUTIES OF THE ASSOCIATION. Except as limited by the Declaration, these Bylaws, the Club Affiliation Agreement, or by law, the Association has and may exercise any or all of these powers and has each of these duties and obligations:

- ❖ It has the powers, duties and obligations granted to or imposed on the Association in the Declaration or these Bylaws.
- ❖ It has the powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawaii.
- ❖ It has the powers, duties and obligations of an association of time share owners as provided in the Act and the Rules.
- ❖ It has any other powers, duties and obligations that it has by law or that are necessary or helpful to carry out the functions of the Association under the

Declaration, these Bylaws, or the Club Affiliation Agreement, or that otherwise promote the general benefit of the Owners.

1.4 WHO MUST OBEY THESE BYLAWS. These Bylaws apply to anyone who has any rights or interests in a Vacation Unit or who uses a Vacation Unit. This includes, among others (i) all present and future Owners, Lenders, Exchange Users, Occupants, and Guests, and (ii) all of their officers, Directors, employees and agents. Anyone who has or acquires any interest in a Vacation Ownership Interest or Vacation Unit, or who uses a Vacation Unit, automatically accepts, approves and agrees to obey the Vacation Plan Documents.

1.5 CONFLICTS AMONG THE DOCUMENTS. The Declaration controls over any inconsistent provision in the Articles. The Declaration and the Articles control over any inconsistent Bylaw. If any part of the Vacation Plan Documents is inconsistent with any law that applies, the law will control.

2. MEMBERSHIP

2.1 QUALIFICATIONS FOR MEMBERSHIP. "Owner" is defined in the Declaration. Anyone (including the Developer) who is the Owner of a Vacation Ownership Interest automatically is a Member of the Association. If more than one person is the Owner of a Vacation Ownership Interest, each of them is a Member. An Owner will be a Member for so long as he or she is the Owner of a Vacation Ownership Interest. A person's Membership ends automatically when he or she is no longer the Owner of a Vacation Ownership Interest, such as when an Owner deeds it to someone else. Being the Owner of a Vacation Ownership Interest is the sole qualification for Membership.

2.2 MEMBERSHIP GOES WITH THE VACATION OWNERSHIP INTEREST. Anyone who transfers a Vacation Ownership Interest also automatically transfers the Membership for that Vacation Ownership Interest to its new Owner. An Owner cannot separate his or her Association Membership from his or her Vacation Ownership Interest. He or she cannot sell, transfer, mortgage or otherwise deal with it separately from the Vacation Ownership Interest. Any attempt to do so will not be effective. It will be void. There are two exceptions:

A. An Owner may Pledge or transfer voting rights to a Lender having a mortgage on his or her Vacation Ownership Interest; and

B. The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

3. ASSESSMENTS AND PERSONAL CHARGES

3.1 MEMBERSHIP ASSESSMENTS AND PERSONAL CHARGES. Each Member must pay Assessments, Personal Charges, and Club Fees as provided in the Declaration. The Board will set, levy, collect and enforce the Assessments and Personal Charges as provided in the Declaration. The Club Fees will be set, levied, collected and enforced as provided in the Declaration and/or in the Club Documents. The Club Operator may require that the Association collect and enforce the Club Fees.

3.2 ENFORCEMENT; LIEN RIGHTS. The Association has the lien rights described in the Declaration to enforce and collect Assessments, Personal Charges, and Club Fees. The Board can enforce those rights in the manner described in the Declaration. The Club Operator has the rights described in the Declaration and/or the Club Documents to enforce and collect Club Fees. The Board and the Club Operator also have and may use all other rights and remedies available under the Declaration or by law or in equity.

3.3 FISCAL YEAR. The Association's fiscal year ends on December 31st of each year unless the Board chooses a different date.

4. MEMBERSHIP RIGHTS AND PRIVILEGES

4.1 MEMBERS' RIGHT AND DUTIES. Each Member has the rights, duties and obligations described in the Vacation Plan Documents.

4.2 AUTHORITY OF MEMBERS. Unless the Board approves it, no Member can exercise any powers or perform any acts delegated by the Vacation Plan Documents to the Association, the Board, or the Club Operator.

4.3 ASSOCIATION RULES. From time to time, the Board may adopt, publish and enforce such rules and regulations as it may deem advisable relating to the Vacation Units, the Common Furnishings, and use by Occupants of the common elements of the Condominium. These are called the "Association Rules". The Developer adopted the initial rules. At any meeting of the Association, a Majority of the Owners may change the Association Rules so long as the notice of meeting stated that the change would be considered at the meeting.

4.4 SUSPENSION OF PRIVILEGES; FINES. If any Member or the Member's Guest violates the Vacation Plan Documents (including but not limited to the failure of the Member to pay any Assessment, Personal Charge, or Club Fee on time), the Association may charge him or her a money penalty and/or suspend his or her rights under the Vacation Plan Documents. For example, the Board may suspend a Member's right to participate in any vote under the Vacation Plan Documents. The Declaration contains detailed requirements that must be satisfied in order for the Association to do these things. Each of those requirements is made a part of these Bylaws, just as if they were repeated here. The Board may delegate to the Plan Operator or to the Plan Manager the power to carry out any disciplinary actions imposed by the Board. The Board may also delegate to the Plan Operator or to the Plan Manager the authority to perform the Board's disciplinary duties. This includes the right to conduct hearings and to fine a Member and/or to suspend a Member's right to reserve or occupy a Vacation Unit when the Member has not paid all Assessments or Personal Charges due, and temporarily for gross misconduct or similar reasons.

5. MEETINGS OF MEMBERS

5.1 MEETING OF THE ASSOCIATION. Subject to Section 5.14, and unless otherwise expressly authorized by the Vacation Plan Documents:

A. All action required or permitted to be taken by the Members may only be taken at a meeting of the Association;

B. The Association must give proper notice of the meeting; and

C. Enough Members must attend to have a quorum.

5.2 ANNUAL MEETINGS. The Association must hold the first annual meeting of the Association within twelve (12) months from the Starting Date. In the years after that, the Association will hold an annual meeting each year on a day that the Board chooses. If the Board does not choose a meeting date by the first day of September of each year, then the meeting will be held at the Condominium at 11:00 a.m. on the third Wednesday in October. The Developer may set the date and time for the first annual meeting. At each annual meeting the Members:

A. Will elect, by written ballot, Directors as provided in these Bylaws; and

B. May transact any other Association business that properly comes before them.

5.3 SPECIAL MEETINGS. A special meeting of the Association may be called at any time for any one or more purposes. It may be called by: (i) the Association President, (ii) a majority of the Directors; (iii) the Developer; or (iv) a petition signed by Members holding at least five percent (5%) of the total voting power of all Members (not counting the Developer's votes). The Members may transact only that business the general nature of which is described in the notice of the special meeting.

5.4 MEETING PLACE. The Association will hold its meetings at the Condominium unless the Board chooses another place.

5.5 NOTICE OF MEETINGS AND OTHER NOTICES.

A. NOTICE REQUIRED. Notice must be given for each meeting of the Association, whether it is an annual or special meeting.

B. CONTENTS. The notice must meet these requirements:

- ❖ It must be in writing.
- ❖ It must state the authority for calling the meeting.
- ❖ It must state the place, date and time of the meeting.
- ❖ It must state whether it is an annual or special meeting. If it is a special meeting, it must state the matter or matters for which the meeting was called.
- ❖ It must include the name, address, and a brief biographical sketch of each Member who has announced his or her intention to stand for election to the Board (but only if Directors are to be elected at the meeting).
- ❖ It must list the items on the agenda. The agenda must include anything that, as of the day when the notice is prepared: (i) the Board expects to present; or (ii) a Member expects to present, but only if the Member has given written notice of it to the Board. Note: A Member may still present any other proper business at any annual meeting unless notice of that business is specifically and expressly required by another part of the Vacation Plan Documents.

C. STANDARD PROXY FORM. The Board may include with the notice a standard proxy form authorized by the Association. It may also include any other necessary or helpful information.

D. WHEN NOTICE MUST BE SENT. Notice of each annual and special meeting must be given at least thirty (30) days but not more than sixty (60) days before the meeting date; provided that if Chapter 414D, Hawaii Revised Statutes, permits it and if the Board adopts a resolution permitting it, the notice may be given up to ninety (90) days before the date of the meeting.

E. WHO MUST SEND THE NOTICE. The Secretary will give the notice except when these Bylaws provide otherwise. The Secretary may delegate this task to the Plan Manager. If neither the Secretary nor the Plan Manager sends the notice within thirty (30) days after an officer of the Association receives a proper demand for a special meeting, a person or persons signing the demand may set the time and place of the meeting and give notice in the manner required by law and these Bylaws.

F. WHO IS ENTITLED TO NOTICE. Notice must be sent to each person entitled to vote as of the Record Date. Notice must also be sent to each holder, insurer or guarantor of a mortgage on a Vacation Ownership Interest if, as of the Record Date, it has made a proper request for copies of such notices.

G. DELIVERY. The notice must be given: (a) by delivering it personally; or (b) by mailing it by first-class mail, postage prepaid or, (c) if the Act or the Hawaii Nonprofit Corporations Act explicitly permits it, by posting notice on a world wide web site or by sending it by email. Any notice given by mail or email must be sent to the address listed in the Association's record of ownership.

1) CHANGE IN ADDRESS. Each Member and anyone who holds, insures or guarantees a mortgage must inform the Association of any change in address at once.

2) MULTIPLE OWNERS. If more than one person is the Owner of a Vacation Ownership Interest, notice to all Owners of that Vacation Ownership Interest may be given by providing notice to any one of them.

H. NOTICE DOES NOT HAVE TO BE RECEIVED. If notice is given in the manner required by this Section 5.5, (i) nobody entitled to notice can object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

I. WAIVER OF NOTICE.

1) **ATTENDANCE.** Anyone who attends a meeting, in person or by proxy, gives up (in legal terms, "waives") any right to claim that notice was not given properly unless, when the meeting begins, he or she objects to holding it because notice was not given properly.

2) **WRITTEN WAIVER.** A Member may waive notice of any Association meeting by signing a document (i) that waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. All such documents must be filed with the Association records and made a part of the minutes of the meeting.

3) **WAIVER BY INACTION.** A Member automatically waives notice of any Association meeting if he or she does not file a written objection with the Secretary or the Plan Manager within fifteen (15) days after he or she receives written notice of any action taken at an Association meeting. A copy of the minutes, among other things, will be treated as written notice.

4) **EFFECT OF WAIVER.** If a Member waives notice under this Section 5.5I, the fact that notice was not given to that Member will not, by itself, make the meeting or any proceedings at the meeting invalid.

J. WHO MAY OBJECT TO NOTICE. A person entitled to receive notice may object if notice was not sent to him or her. A person cannot object that notice was not sent to someone else.

5.6 RECORD DATE FOR NOTICES AND VOTING.

A. PURPOSE OF THE RECORD DATE. The "Record Date" is the date used to determine who is entitled to receive notice and to vote at Association meetings or on any action to be taken without a meeting. The Record Date is also used to determine who may object to and waive lack of notice and exercise other such rights for or as a Member.

B. SETTING THE RECORD DATE. The Board may choose the Record Date. The Record Date for a meeting may not be more than seventy (70) days before the meeting date. The Record Date for action without a meeting may not be more than thirty (30) days before the ballot or request for consent or approval is sent. Unless the Board chooses another date, the Record Date will be the date and time when the mailing list is prepared, or, if notice is waived, the last business day before the day of the meeting. If a meeting is adjourned and a new notice must be given, then a new Record Date must be set.

C. EFFECT OF SETTING RECORD DATE. When a Record Date is set, only the Members of Record on that date (or someone authorized to act for them) have the

right to notice and to vote at a meeting or on a ballot or other request for consent or approval. This rule applies despite any issuance or transfer of a Membership in the records of the Association after the Record Date. A person holding a Membership as of the Record Date is considered to be the "Member of Record". A person who becomes a Member after the Record Date can, of course, act for the Member of Record by simply obtaining a proxy from the Member of Record. When these Bylaws refer to the "Owner" or "Member" with respect to notice (including waivers of notice) and voting, it means the Member of Record or someone authorized to act for the Member of Record.

5.7 QUORUM. The term "quorum" refers to the number or percentage of Owners who must be present at a meeting to conduct business. For all meetings of the Association, fifteen percent (15%) of the Owners (not counting the votes and Vacation Ownership Interests of the Developer) must be present to have a quorum unless a different number is required or allowed by law, the Declaration or another part of these Bylaws.

A. WHEN A MEMBER IS "PRESENT". Members are "present" at a meeting if: (i) they attend it in person, or (ii) their Proxy Holder attends it for them, or (iii) someone else permitted by the Declaration or these Bylaws attends it for them.

5.8 ASSOCIATION ACTION. At any Association meeting at which a quorum is present, the acts and decisions of a Majority of the Owners Voting will be regarded as the acts and decisions of the Association, and will be binding on all Members for all purposes, unless a different percentage is required or allowed by law or by the Declaration or these Bylaws. If Owners of less than one-third of the votes are present, however, the Association may vote on only those matters of business, the general nature of which was described in the notice of meeting.

5.9 RULES FOR CONDUCTING MEETINGS. All meetings must be conducted in accordance with the latest available edition of Roberts Rules of Order.

5.10 ADJOURNING ASSOCIATION MEETINGS. Any meeting of the Association may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a Majority of the Owners Voting, whether or not a quorum is present. If no quorum is present, then the meeting must be adjourned *sine die*, which means that it cannot be resumed at a later date. If a meeting is adjourned for thirty (30) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 5.4. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is

resumed, and if a quorum is present, the Association may do anything that it could have done at the meeting as originally called.

5.11 INSPECTORS FOR VOTING AND PROXIES.

A. **APPOINTMENT.** At least ten (10) days before any meeting of the Association or before any ballot is sent to the Members pursuant to Section 5.14, the Board will appoint inspectors of the voting at the meeting, including voting for the election of Directors. The Board may appoint either one or three inspectors of voting. If the Board fails or chooses not to do so, then the Plan Manager will be the inspector of the voting.

B. **DUTIES.** The voting inspectors will have these duties:

- 1) They will determine the authenticity, validity and effect of proxies, Pledges, and other documents purporting to give any person the right to represent, act and vote for a Member.
- 2) They will receive votes, ballots and consents.
- 3) They will hear and determine all challenges, questions and conflicts relating in any way to the right to cast votes.
- 4) They will count and tabulate all votes and consents.
- 5) They will decide when the polls will close.
- 6) They will determine the results of all votes and elections.
- 7) They may do anything else appropriate to conduct the vote or election fairly as to all Members.

If there is more than one inspector, the decision, act or certificate of a majority of them will be effective. Any facts stated in any effective report or certificate are presumed to be accurate.

5.12 VOTING.

A. **NUMBER OF VOTES.** Except as provided in Section 4.4, the Owner of each Every-Year Vacation Ownership Interest has two (2) votes and the Owner of each Every-Other-Year Vacation Ownership Interest has one (1) vote. When a Vacation Ownership Interest is owned by more than one person, its co-Owners do not each receive one or two votes. Instead, the co-Owners of that Vacation Ownership Interest must share the one or two votes for that Vacation Ownership Interest. Only one vote may be cast for each Every-Other-Year Vacation

Ownership Interest, and only two votes may be cast for each Every-Year Vacation Ownership Interest.

Where the Vacation Plan Documents refer to a certain number or percentage of Members entitled to vote, this Section 5 and Section 4.4 govern the total number of available votes, the number of votes an Owner is entitled to cast, and how to cast the vote of each Vacation Ownership Interest having more than one Owner.

B. WHO MAY VOTE.

1) **GENERALLY.** Votes may be cast in person or by proxy by an Owner listed in the Association's records of ownership or by anyone lawfully acting for or on behalf of the Owner.

2) **LEGAL REPRESENTATIVES.** Sometimes a Vacation Ownership Interest may be owned or controlled by a person acting as a personal representative, guardian, or trustee. At any meeting of the Association, that person may cast the vote of each Vacation Ownership Interest held by him or her in this capacity. He or she may vote in person or by proxy. It does not matter whether the Association's record of ownership shows that the personal representative, guardian, or trustee owns or controls the Vacation Ownership Interest so long as that person presents evidence satisfactory to the Secretary that he or she owns or controls it in that capacity.

3) **AGREEMENT OF SALE.** A person buying a Vacation Ownership Interest under a recorded Agreement of Sale has the rights of an Owner. This includes the right to vote except on matters where, under the Agreement of Sale and as permitted by law, the seller expressly retains the right to vote.

4) **PLEDGES.** Except as otherwise limited by law, an Owner may transfer or pledge the Owner's voting rights to someone else in a mortgage or in any other lawful document. Or a court order may transfer an Owner's voting rights to someone else. For simplicity, these arrangements are called a "Pledge" in this paragraph, and the person to whom the voting rights are transferred is called the "Proxy Holder". If a true copy of a document containing a Pledge is filed with the Secretary before the Record Date for a meeting, only the Proxy Holder may vote in person or by proxy at that meeting. The Proxy Holder may, however, substitute someone else to vote for it as the Proxy Holder. The Proxy Holder will have the right to vote at all later meetings until someone files with the Secretary satisfactory evidence that the Pledge has ended or has been released.

C. **CO-OWNER DISPUTES.** If a Vacation Ownership Interest is owned by more than one person and they cannot agree on how to cast the vote or votes of that Vacation Ownership Interest, they lose their right to vote

on the matter in question. Fractional (split) votes are not allowed. When one or more co-Owners of a Vacation Ownership Interest casts its vote, it is conclusively presumed for all purposes that he or she acted with the authority and consent of all its co-Owners unless (i) another co-Owner files a written objection with the Secretary or the chairperson of the meeting, or (ii) another co-Owner casts an inconsistent vote.

5.13 PROXIES. An Owner may appoint someone else to represent the Owner at meetings of the Association.

A. PROXY REQUIREMENTS. To be effective, the appointment must be stated in a document (a "proxy") signed by the Member and filed as required by Section 5.13B. Any proxy distributed by the Association to the Members must be in the form and contain any information required by law. It must also meet these requirements:

1) It must state the name of the person picked to represent the Owner (the "Proxy Holder").

2) It must provide a way for the Member to indicate whether he or she approves or disapproves each matter or group of matters of business proposed to be considered.

3) It must provide that if the Member makes a choice, the vote of the Member will be cast according to the choice(s) made.

B. FILING OF PROXY. A proxy, to be valid, must be filed with the Secretary or the Plan Manager at the time required by law. If the law does not specify a time, then it must be filed no later than 4:30 p.m. on the fifth business day before the date of the meeting.

C. USE OF DUPLICATES OF PROXIES. A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used instead 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 must be a complete reproduction of the entire original proxy.

D. DURATION. Unless otherwise provided in the proxy, no proxy will be valid after eleven months from the date it is signed.

E. PROXY COUPLED WITH AN INTEREST. The requirements of Sections 5.13A through 5.13D do not apply to voting rights transferred by an Agreement of Sale under 5.12B.3) or a Pledge under Section 5.12B.4).

5.14 ACTION WITHOUT A MEETING. Except as otherwise limited by law, any action that may be taken at a meeting of the Members (such as, for example, electing

Directors) also may be taken without a meeting and without advance notice if the action is taken in the manner permitted by Section 414D-104, Hawaii Revised Statutes, or if each of these requirements are met:

A. A written ballot must be sent to each Member entitled to vote. The ballot must be sent as though it were a notice of meeting and the rules of Section 5.5F will apply.

B. The ballot form must meet each of these requirements:

- ❖ It must state the proposed action and provide a way for the Member to indicate whether he or she approves or disapproves the proposal.
- ❖ It must state the deadline by which the ballot must be returned to count.
- ❖ It must provide a reasonable time for the ballot to be returned.

C. The number of ballots cast within the time period specified must equal or exceed the quorum required to be present at a meeting authorizing the action.

D. The number of approvals must equal or exceed the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of ballots cast.

An Owner may cancel or change his or her ballot by sending a letter or other document to the Association. It will take effect when the Secretary receives it, and only if it is received before the deadline for returning ballots.

6. BOARD OF DIRECTORS

6.1 NUMBER OF DIRECTORS. The Board of Directors will consist of five (5) persons.

A. The Association may increase or decrease the number of Directors from time to time by amending these Bylaws.

B. The number of Directors for the Condominium Association may increase or decrease. This might happen if the Condominium Developer builds more Apartments. It might also happen if the Condominium is merged for administrative purposes with another Condominium as permitted under the Declaration of Merger. If this happens, the Board may amend these Bylaws so that the Association has the same number of Directors as the Condominium Association. The Board may do this without a vote by the Owners. So long as the Developer owns, or holds mortgages on, at least 50 Vacation

Ownership Interests, the Board must have the consent of the Developer before it changes the number of Directors under this Subsection 6.1B.

C. In no case may the number of Director positions be less than three (3) nor more than five (5).

6.2 POWERS AND DUTIES OF THE BOARD. Except as limited by law or by the Vacation Plan Documents, the Board may exercise all powers of the Association and must perform all of its duties. The Board may not, however, take any action that, by law or under the Vacation Plan Documents, must be taken, authorized or approved by the Members of the Association, or by some part or percentage of them. The Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Plan Manager or the Plan Operator. This authority is subject to any limits contained in the Declaration or these Bylaws. The Board may not act on behalf of the Association to amend the Declaration or to terminate the Vacation Ownership Plan.

6.3 QUALIFICATIONS OF DIRECTORS.

A. All Directors, except for Directors appointed by the Developer, must be Owners, co-Owners, or an officer of any corporate Owner, or in the case of fiduciary Owners, the fiduciary or officers of corporate fiduciaries. For purposes of this Section:

- ❖ The partners in a general partnership and the general partners of a limited partnership are considered to be the Owners of a Vacation Ownership Interest owned by their partnership.
- ❖ The general partners of a limited liability partnership are considered to be the Owners of a Vacation Ownership Interest owned by their partnership.
- ❖ The managers of a manager-managed limited liability company are considered to be the Owners of a Vacation Ownership Interest owned by such a company.
- ❖ The members of a member-managed limited liability company are considered to be the Owners of a Vacation Ownership Interest owned by such a company.

B. No person may serve as a Director for more than six (6) years in a row. No person may be elected or appointed as a Director if serving out his or her full term as a Director would result in a violation of the rule against serving more than six years in a row. This Subsection 6.3B does not apply to Representatives of the Developer who serve as Directors.

6.4 ELECTION OF DIRECTORS.

A. **ELECTION.** The first Directors will be any persons appointed by the Developer. They will serve until their replacements are elected at the first meeting of the Association and qualified. At each annual meeting of the Association after the first meeting, and at any special meeting called for that purpose, the Members will elect a new Director to replace each Director whose term has expired or to fill any vacancy caused by any increase in the number of Directors. Directors will be elected by secret ballot.

B. **CUMULATIVE VOTING.** When electing Directors, an Owner may cumulate his or her votes. This means the Owner can give to one candidate, or divide among any number of candidates, a number of votes equal to the number of Directors being elected multiplied by the number of votes which that Owner has the right to cast. The candidates who receive the highest number of votes, up to the number of available positions, are elected.

C. **INDEPENDENT DIRECTOR.** So long as the Developer holds a majority of the voting power of the Association, at least one Director will be elected solely by the votes of the Members other than the Developer. At the first annual meeting of the Association, one Director will be elected solely by Members other than the Developer. At each later election of Directors, one Director will be elected solely by Members other than the Developer if there is then no such Director remaining on the Board. The election of this Director will be handled according to the following special election procedures:

1) The notice of the meeting must state that one Director will be elected by Members other than the Developer.

2) Members other than the Developer will then elect that Director by written ballot before the regular election of the remaining Directors. The rest of the Directors will then be elected by all Members according to the regular election procedures set forth in these Bylaws.

6.5 NOMINATIONS.

A. **BY THE BOARD.** Each year, the Board will will nominate people for election to the Board at the annual meeting. The Board must do so before the Secretary gives notice of the annual meeting. The Secretary will send to each Member, with the notice of meeting required by Section 5.4, a list of the people nominated.

B. **FLOOR NOMINATIONS.** Any Member may nominate one or more candidates during an Association meeting.

6.6 TERM OF OFFICE OF ELECTED DIRECTORS.

A. Five (5) Directors will be elected at the first meeting of the Association. The term of office of the three (3) Directors receiving the most votes will end when the second annual meeting after their election ends. The term of office of the remaining two (2) Directors will end when the next annual meeting ends.

B. After the term of office of each of the initial elected Directors expires, each replacement Director will hold office until the end of the third annual meeting after his or her election. This should be a term of about three (3) years.

C. Each Director will continue to have the powers and duties of the office until someone else is elected or appointed to replace him or her.

6.7 REMOVING DIRECTORS.

A. BY VOTE OF THE OWNERS.

1) The Association may remove any one or more Directors from office, with or without cause, at any annual meeting or at any special meeting called for that purpose. Any Director whose removal is proposed must have an opportunity to be heard at the meeting. A Director will be removed if a Majority of the Owners Voting vote to remove him or her; provided that:

(a) Unless the entire Board is removed, no individual Director may be removed if the votes cast against removal, or not consenting in writing to the removal, would be sufficient to elect a Director if voted cumulatively (see Section 6.4B) at an election at which the same number of votes were cast and the entire number of Directors authorized to be elected at the most recent election of the Directors were then being elected.

(b) A Director who was elected solely by the votes of Members other than the Developer according to the special election procedure set forth in Section 6.4C, may be removed only by the vote of Members other than the Developer.

2) If a Director is removed, the Association must then and there elect a replacement Director. The replacement will hold office for the rest of the term of the person replaced.

B. BY VOTE OF THE DIRECTORS. If any Director misses three (3) regular Board meetings in a row, the Board, by a vote of a majority of the other Directors, may remove him or her. The Board may do this at the third or any later meeting. But if the Director attends a Board meeting before being removed, the Director must miss at

least three (3) more regular meetings in a row before the Board can remove him or her.

6.8 VACANCIES.

A. FILLING VACANCIES. Vacancies in the Board caused by any reason other than removal of a Director by the Association may be filled by the vote of a majority of the remaining Directors, even if there are not enough Directors remaining to have a quorum. A vacancy exists when any authorized position of Director is not filled. For example, a vacancy exists when:

- ❖ A Director dies or resigns. Unless required by its terms, a resignation does not have to be accepted by the Board to be effective. Instead, it will take effect as of the time stated. If no time is stated, it will take effect when the Board receives it. If a resignation will take effect at a later date, a majority of the remaining Directors can elect a replacement to take office when the resignation takes effect.
- ❖ A Director is removed by the other Directors. See Section 6.7B.
- ❖ A Director is no longer qualified to serve as a Director. See Section 6.3.
- ❖ The Members increase the authorized number of Directors but the Members fail to fill the new positions at the same meeting.
- ❖ An authorized position is not filled for any other reason by a properly elected Director.

B. TERM OF OFFICE OF APPOINTED DIRECTORS. Except as otherwise required by law, a replacement Director will hold office for the rest of the term of the person replaced. A Director appointed because the Members fail to elect a Director will hold office for the term that he or she would have held it if he or she had been elected by the Members.

6.9 PLACE OF BOARD MEETINGS. Board meetings will be held at or near the Condominium unless the Board decides that meeting elsewhere would significantly reduce the costs to the Association and/or any inconvenience to the Directors.

6.10 ANNUAL MEETING OF THE BOARD. Immediately after each annual meeting of the Association, the Board must hold a regular meeting at the same place. This meeting will be held to organize the Board. The Board must also elect any required officers. The Board may transact any other business. Except as otherwise required by law, no call or notice of this meeting is necessary.

6.11 OTHER REGULAR MEETINGS.

A. MEETING REQUIREMENTS. In addition to the annual meeting, the Board must hold other regular meetings. The number of meetings and the time and place of these meetings will be set from time to time by a majority of the Directors.

B. NOTICE. Notice of regular Board meetings must be given to each Director. The notice may be given personally or by mail, email, telephone, fax, or messenger service. It must be given at least thirty (30) days before the date of the meeting. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Association's records.

C. WHEN NOTICE MUST BE RECEIVED. If notice is not given in writing, then it must actually be received to be effective. In all other cases, if notice is given in the manner required by this Section, (i) Directors cannot object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

6.12 SPECIAL MEETINGS.

A. HOW CALLED. The President or any two Directors may call a special Board meeting for any purpose and at any reasonable time.

B. NOTICE. Except in an emergency, as determined by the President, notice of special meetings of the Board must be given in the same manner as notice of a regular meeting except that: (i) it must be given at least fifteen (15) days, instead of thirty days, before the meeting date, and (ii) the notice must state the nature of the special business to be considered. The provisions of Subsection 6.11C will also apply to notices of special meetings.

6.13 WAIVER OF NOTICE.

A. ATTENDANCE. Any Director who attends a meeting, in person or by proxy, gives up (in legal terms "waives") any right to claim that notice was not given properly unless, when the meeting begins, that Director objects to holding it because notice was not given properly.

B. IN WRITING. A Director may waive notice of any Board meeting by signing a document that (i) waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. If this happens, the fact that notice was not given to that Director will not, by itself, make the meeting or any proceedings at the meeting invalid. All such

documents must be filed with the Association records and made a part of the minutes of the meeting.

6.14 QUORUM. When referring to the Board, "*quorum*" means the number or percentage of Directors who must be present at a meeting for the Board to conduct business. A majority of all Directors will be a quorum of the Board. "All Directors" means all the authorized number of Directors, even if a position is not filled.

A. WHEN A DIRECTOR IS "PRESENT". Directors are "present" at a Board meeting if they attend it in person or by telephone or other similar equipment as provided in Section 6.18.

6.15 DECISIONS OF THE BOARD. At any Board meeting at which a quorum is present, the acts and decisions of a majority of the Directors present will be regarded as the acts and decisions of the Board unless a different percentage is required or allowed by law or by the Declaration or these Bylaws.

6.16 RULES FOR CONDUCTING BOARD MEETINGS. All meetings of the Board must be conducted in accordance with the latest available edition of Robert's Rules of Order.

6.17 MEMBERS MAY ATTEND MOST BOARD MEETINGS.

A. OPEN MEETINGS. All Board meetings are open to all Members of the Association. Members who are not on the Board may not participate in any deliberation or discussion unless a majority of the Directors present vote to let them do so. If there is not enough room for all the Members wishing to attend at the place of the meeting, the Board must adjourn and reconvene the meeting as soon as possible in a place that has enough room. Any Member may ask to be connected to any meeting being held by telephone conference call or similar device. If the number of Members asking to be connected makes the meeting impractical or impossible, the meeting may not be held by telephone conference or similar device.

B. PRIVATE MEETINGS. The Board, with the approval of a majority of a quorum of the Directors, may adjourn a meeting and reconvene in "*executive session*". This means that only Board Members and persons invited by the Board may attend. In executive session the Board may discuss and vote on personnel matters, lawsuits and other legal proceedings in which the Association is or may become involved, and other matters of a similar nature. The general nature of any and all business to be considered in executive session must first be announced in open session.

6.18 MEETINGS BY TELEPHONE. Regardless of any other provision of these Bylaws, and unless the law

provides otherwise, one or more Directors may take part in any meeting by telephone or other communications equipment. They may do so only if everyone authorized to participate in and actually participating in the meeting (including Owners who are not on the Board and who may listen and/or participate pursuant to Section 6.17A) can hear and be heard by each other. The Board may carry on all business within the Board's authority as if everyone participating by telephone or other communications equipment were physically present at the meeting.

6.19 ADJOURNING BOARD MEETINGS. Any meeting of the Board may be "*adjourned*" (temporarily ended, to resume later) to a date and time set by the vote of a majority of the Directors voting, whether or not a quorum is present. If a meeting is adjourned for fifteen (15) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 6.11B or 6.12B. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Board may do anything that it could have done at the meeting as originally called.

6.20 ACTION WITHOUT A BOARD MEETING. Any action that the Board is required or permitted to take, by law or by the Vacation Plan Documents, also may be taken without a meeting if all Directors consent in writing to that action. Each written consent must describe the action taken, be signed by the Director, and be included in the minutes of the meetings of the Board. Any action taken in this way has the same force and effect as a unanimous vote of the Directors.

6.21 CONFLICTS OF INTEREST. Except as otherwise provided by law, any Member of the Board, any officer of the Association, and any Member of any Association committee (i.e. an "*interested party*") may be present at any Board or committee meeting, may be counted for quorum purposes, and may participate in the discussion of and voting on any matter on which the interested party, or any entity in which the interested party has any financial or other special interest, has an interest; provided that:

A. The interested party must first disclose his or her conflict of interest or the conflict must be known to all the other persons considering the matter; and

B. If the vote of the interested party is necessary in order for the matter to be authorized, approved or ratified, the result must be fair and reasonable to the Association.

Any claim of the Association that such a matter is void or voidable or otherwise subject to change because the result was not fair or equitable to it, must be made within three

(3) years from the date the matter was authorized, approved or ratified. Before pursuing any such claim, the Association must make reasonable efforts to modify the result so as to make it fair and equitable.

6.22 PAYMENTS TO DIRECTORS AND OFFICERS.

A. **PAYMENT; EXPENSES.** No one will receive any compensation for acting as a Director or officer of the Association unless that compensation is specifically authorized by vote of a Majority of the Owners Voting (not counting the votes of the Developer) at an Association meeting. However, Directors and officers will be reimbursed for transportation expenses incurred and reasonable per diem payments for expenses incurred in connection with their attendance at regular and special meetings of the Board.

B. **OTHER WORK.** Nothing in these Bylaws prevents any Director or officer from serving the Association in any capacity other than as an officer or a Director and being paid for those services as authorized and approved by the Board. But regardless of what Section 6.21 says, he or she must be excluded from the discussions and voting by the Board on whether to hire him or her and how much to pay him or her for serving in that other capacity.

6.23 MINUTES OF MEETINGS OF THE BOARD. A copy of the written minutes of any meeting of the Board, or a summary of the minutes, will be sent to all Members within 60 days after the meeting ends. If notice of a meeting was properly given but a Director is absent, the minutes must say so.

7. OFFICERS

7.1 OFFICERS.

A. **REQUIRED OFFICERS.** The Association must have a President, a Vice President, a Secretary, and a Treasurer.

B. **OTHER OFFICERS.** The Association may have any other officers as may be deemed necessary or useful or as required by the Articles. The Board will determine the title, term of office, authority and duties of these officers.

7.2 QUALIFICATIONS OF OFFICERS. Any person may hold more than one office, except that neither the Secretary nor the Treasurer may also be the President at the same time. The President must be a Director. The Vice President, Secretary and Treasurer may be Directors but they do not have to be Directors.

7.3 APPOINTMENT OF OFFICERS. The Board will appoint the officers required by Section 7.1A at the annual meeting of the Board. The Board may appoint any other officers permitted by Section 7.1B, or it may authorize the President or another officer to do so. Officers may be appointed at any meeting of the Board by vote of a majority of the entire Board.

7.4 TERM OF OFFICE. All officers will take office upon appointment. They will hold office only for so long as the Board desires.

7.5 REMOVAL OF OFFICERS. The Board may remove any officer, with or without cause, by vote of a majority of the Directors at any regular meeting of the Board or at any special meeting called for that purpose. Removal of an officer will not affect any contract rights of the officer.

7.6 VACANCIES. If any required officer resigns or dies, or if his or her office otherwise becomes vacant, then the Board must appoint a replacement at once. A majority of the remaining Directors may appoint a replacement even if there are not enough Directors remaining to have a quorum.

7.7 PRESIDENT. The President is the chief executive officer of the Association. The President has these powers and duties:

- ❖ The President supervises, directs and controls the business and affairs of the Association subject, however, to the control of the Board.
- ❖ The President chairs all meetings of the Association and all meetings of the Board.
- ❖ The President is a member of all committees.
- ❖ The President has the general powers and duties of management usually authorized for the office of president of a Hawaii corporation. This includes, among others, the power to appoint committees from among the Owners from time to time as the President alone decides are appropriate to assist in conducting the affairs of the Association.
- ❖ The President has any and all other powers and duties assigned to the President by the Declaration or these Bylaws, or by the Board.

7.8 VICE PRESIDENT. If the President is absent or unable to act, or if that office is vacant, the Vice President performs all the duties of the President. When doing so, the Vice President has all the powers and duties of, and is subject to all the restrictions on, the President. The Vice President also has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

A. OTHER TEMPORARY REPLACEMENT OF THE PRESIDENT. If the Vice President is also absent or unable to act, or if that office is also vacant, the Board must appoint another of its members to take the place of the President temporarily. The Board must do so even if there are not enough Directors remaining to have a quorum. The Director who is so appointed and acting will also have all of the powers and duties of, and is subject to all the restrictions on, the President.

7.9 SECRETARY. The Secretary has these powers and duties:

- ❖ The Secretary must keep the minutes of all meetings of the Association, the Board and all committees. For this purpose, the Secretary is a member of all committees.
- ❖ The Secretary must give all required notices of those meetings.
- ❖ The Secretary must keep a list of (i) all Owners, and (ii) anyone who is holding, insuring, or guaranteeing a mortgage and who has requested copies of all notices or other Association information and whose name is furnished as required by these Bylaws or the Declaration.
- ❖ The Secretary must keep all other books, records and documents of the Association except for financial records kept by the Treasurer.
- ❖ The Secretary has the general powers and duties of management usually authorized for the office of secretary of a Hawaii corporation.
- ❖ The Secretary has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

The duties of the Secretary may be delegated to and performed by the Plan Manager or any other person appointed for that purpose. If the Secretary is absent or unable to act at any meeting, or if the office is vacant, another person must be appointed to act as the Secretary at least temporarily.

7.10 TREASURER. The Treasurer is the chief financial officer of the Association. The Treasurer has these powers and duties:

- ❖ The Treasurer must keep full and accurate financial and books and records of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

- ❖ The Treasurer must deposit all money and other valuables in the name and to the credit of the Association with the depositories (such as a bank) chosen by the Board.
- ❖ The Treasurer must pay out the funds of the Association as ordered by the Board.
- ❖ The Treasurer must prepare all financial statements and reports requested by the President or the Board.
- ❖ The Treasurer has the general powers and duties of management usually authorized for the office of treasurer of a Hawaii corporation.
- ❖ The Treasurer has any other powers and performs any other duties assigned to him or her by the President, the Board, the Declaration, or these Bylaws.

The duties of the Treasurer may be delegated to and performed by the Plan Manager, accountants, or other suitable persons providing professional financial services. If the Treasurer is unable to act or if the office is vacant, another person must be appointed to act as the Treasurer at least temporarily.

8. INDEMNIFICATION

8.1 DEFINITIONS. For the purpose of this Section 8:

A. "Agent" means any person who is or was a director, officer, employee, or other agent of the Association, or who is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan, or other enterprise. An Agent is considered to be serving an employee benefit plan at the corporation's request if the Agent's duties to the Association also impose duties on, or otherwise involve services by, the Agent to the plan or to participants in or beneficiaries of the plan. "Agent" also includes, unless the context requires otherwise, the estate or personal representative of an "Agent."

B. "Proceeding" means any threatened, pending, or completed action or proceeding (such as a lawsuit), whether formal or informal. It could be for example, a civil suit, a criminal matter, or an administrative or investigative proceeding.

C. "Expenses" includes, but is not limited to, attorneys' fees and costs.

D. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise

tax assessed with respect to an employee benefit plan), or reasonable Expenses actually incurred with respect to a proceeding.

8.2 THE ASSOCIATION WILL INDEMNIFY (REIMBURSE) ITS AGENTS. To the extent allowed by law, the Association must indemnify (which means that it will reimburse) each of its Agents with respect to any liability incurred by the Agent in any proceeding. The Hawaii Nonprofit Corporations Act defines how, when, and under what conditions the Association can make those reimbursements. These bylaws authorize and require the Association to make those reimbursements, and to make advances for expenses, to the full extent allowed by law. If available, the Association must buy insurance to cover the reimbursements. The Association may, but need not, buy insurance that provides for payment of liabilities of an Agent in circumstances where the Association does not have the power to indemnify the Agent for those liabilities.

9. ASSOCIATION RECORDS

9.1 THE ASSOCIATION'S BOOKS AND RECORDS.

A. **WHAT THE ASSOCIATION MUST KEEP.** The Association must keep (i) correct and complete books and records of account of the Association; (ii) minutes of the meetings and all other proceedings of the Association, Board, and any committee; (iii) all notices, objections, waivers, consents, dissents, and other matters related to these meetings; (iv) the original or a copy of all of the Vacation Plan Documents; and (v) anything else required by law. The Association will keep the books and records of account, minutes, and other documents at the principal place of business of the Association or any other place or places selected by the Board.

B. **MEMBER'S RIGHT TO INSPECT.** The Members may inspect the Vacation Plan Documents at any reasonable time during normal hours. Members may also buy copies of the Vacation Plan Documents at a reasonable cost. Except as provided in Section 9.2, the books and records of account, minutes, papers and other books and records of the Association are open to inspection for any proper purpose at the written request of any Member. The inspection may be made at any reasonable time during normal business hours. The inspection may be made in person or by the Member's agent or attorney. Except as provided in Section 9.2, the right to inspect includes the right to copy and make extracts, at the Member's expense. The Board may make reasonable rules: (i) requiring notice before inspection; (ii) limiting the hours and days of the week for inspection; and (iii) setting the costs of making copies of documents requested by a Member.

C. DIRECTOR'S RIGHT TO INSPECT. Except as provided in Section 9.2, each Director has the absolute right at any reasonable time to inspect the books and records of account, minutes, papers and other books and records of the Association and the physical properties owned or controlled by the Association.

9.2 LIST OF MEMBERS. The Association must at all times keep a current list of the names and addresses of all Members of the Association.

A. The Association will furnish a copy of the list within a reasonable time after any Member asks for it in writing, pays a reasonable fee (to be determined by the Board), and complies with any other requirements of the Declaration or these Bylaws. The Declaration contains detailed requirements that must be satisfied before the Association is allowed (i) to furnish the list of Members or any copy of it, or any other documents from which a Membership list may be compiled, or (ii) to let anyone inspect or make copies or extracts of the list or any other documents from which a list may be compiled. Those provisions of the Declaration are made a part of these Bylaws, just as if they were repeated here.

B. The Association will furnish a copy of the list to the Developer and the Club Operator (while the Plan is part of the Club) within a reasonable time after any of them requests it. The requirements of the Declaration governing release of the list to the Members do not apply to the Developer or companies related to the Developer.

C. The Board may impose other reasonable conditions intended to assure the confidentiality of the list of Members and that the list is not used (i) for commercial purposes by anyone other than the Developer or companies related to the Developer, or (ii) for any other improper purpose.

9.3 CERTIFICATE OF MEMBERSHIP. The Board may, but is not obligated to, issue to the Members certificates of membership in the Association in any form the Board chooses.

10. MISCELLANEOUS

10.1 WHO CAN SIGN CHECKS AND SO ON. All checks, drafts or other orders for payment of money, notes, or similar documents issued by or payable to the Association must be signed or endorsed as stated in a resolution adopted by the Board. If no resolution is adopted, they must be signed by any two of the President, Vice President, Secretary or Treasurer. The same rule applies to signing and delivering other documents authorized by the Vacation Plan Documents or by action of the Board or the Association.

10.2 WHO CAN SIGN CONTRACTS AND OTHER DOCUMENTS. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or sign any document for the Association. This authority may be general or it may be limited to specific things. Unless authorized by the Board, no officer, agent or employee has any power or authority to bind the Association or to pledge its credit or to make it liable for any purpose or for any amount.

10.3 AMENDMENTS.

A. THE ASSOCIATION'S RIGHTS. These Bylaws may be "amended" (changed) from time to time by the vote or written consent of (i) the Developer (if it owns, or holds a mortgage on, a Vacation Ownership Interest), and (ii) a Majority of the Owners Voting (not counting the Developer's Vacation Ownership Interests and votes) provided that the Owners voting for the amendment must hold at least ten percent of the total number of votes for all Vacation Ownership Interests (not counting the Developer's Vacation Ownership Interests and votes). There is an exception to this rule: Some parts of the Vacation Plan Documents require the approval of a Majority or more than a Majority of the Owners before taking certain actions (a "super-majority"). Such a provision cannot be amended unless (1) the number of votes cast by Owners voting in favor of that amendment equals or exceeds the number of votes required to take action under that provision (i.e., a super-majority), and (2) if the Developer owns, or holds a mortgage on, any Vacation Ownership Interest, the Developer signs the amendment. No amendment made under this Subsection 10.3A will take effect until it is signed by any two officers of the Association and recorded.

B. THE DEVELOPER'S RIGHTS. Without the consent or approval of any person, including any Owner and anyone having a contract to buy a Vacation Ownership Interest, the Developer may change these Bylaws at any time:

1) And for any purpose before any first deed or Agreement of Sale is recorded.

2) To comply with the laws and regulations of the State of Hawaii.

3) To comply with the real estate laws of any place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of (i) the Plan, or (ii) the Club (if any Owner is a Club Member), or (iii) the Network (if any Owner is a Network Member).

4) In any Declaration of Annexation adding new Unit Types or creating new kinds of Vacation Ownership Interests. See the provisions of the Declaration governing addition of new Unit Types and creation of new kinds of Vacation Ownership Interests.

No amendment under Subsections 10.3B.3) will be effective, however, unless:

(i) The Developer gives written notice of the proposed amendment (and a copy of the amendment) to each governmental authority (other than Hawaii governmental authorities) having authority over the Plan as a result of the registration of it (or the Condominium, the Club, or the Network) with that governmental authority, and

(ii) The amendment includes as an attachment a copy of a letter or other document showing either that the amendment has been accepted or approved by that governmental authority or an affidavit signed by the Developer and stating that approval or acceptance is not necessary.

An amendment made by the Developer under this Section 10.3B takes effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

10.4 CAPTIONS. The Developer has tried to divide these Bylaws into useful Sections and to provide captions describing each Section. The captions are here only for convenience and as a matter of reference. They do not define, limit or describe the scope or intent of the provisions of these Bylaws. Members must read with

care each and every part of these Bylaws, not just the captions.

10.5 PRONOUNS. Pronouns (for example, "his" or "her") used in the Vacation Plan Documents include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

10.6 ENFORCEMENT. A violation of any part of these Bylaws by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of these Bylaws. Any failure to enforce any provision of these Bylaws does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked.

10.7 INTERPRETATION. These Bylaws should be liberally interpreted to carry out the purpose of creating a uniform plan for sharing the ownership, expenses and use of the Vacation Units under which the Association carries out and pays for the operation and maintenance of the Vacation Property and the Vacation Ownership Plan.

10.8 EFFECT OF INVALID PROVISIONS. The provisions of these Bylaws are "severable". This means that if any part of them is not legal or valid, that part can be ignored. But the rest of these Bylaws will remain in effect and everyone must obey them.

END OF BYLAWS

45014_7.DOC

***Ocean Resort Villas
Vacation Ownership Plan***

**DEVELOPER AFFIDAVIT TO THE
FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR VACATION OWNERSHIP**

This AFFIDAVIT ("Affidavit") to the First Amendment To Ocean Resort Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership ("Amendment") is made this 21 day of August, 2003. It is made by SVO Pacific, Inc., a Florida corporation (the "Developer"). The Developer is the developer of Ocean Resort Villas Vacation Ownership Plan (the "Plan").

The Developer hereby affirms that (i) written notice of the proposed Amendment (and a copy of it) has been given to each governmental authority having authority over the Plan as a result of the registration of the Plan (or the Condominium, the Master Association, the Club, or SVN) and (ii) it is not necessary to obtain the approval or acceptance of the content of the Amendment by any such governmental authority as a condition to adopting the Amendment.

The Developer signed this Affidavit on the date referenced above.

SVO PACIFIC, INC.,
a Florida corporation

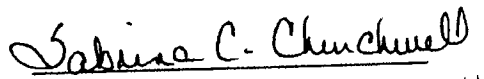
By: 

Name: Raymond L. Gellein, Jr.

Its: Chairman

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 21 day of August, 2003, before me personally appeared Raymond L. Gellein, Jr. to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.


Name: Sabrina C. Churchwell
Notary Public, State of Florida
My Commission expires: 10/20/2006

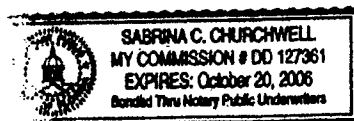


Exhibit 3

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

The original of this document was
recorded as follows:

DOCUMENT NO. 3102691

DATE Apr. 29, 2004 TIME 3:29

LAND COURT

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL]

PICK-UP]

McCorriston Miller Mukai MacKinnon LLP (CEP)

Five Waterfront Plaza, Suite 400

500 Ala Moana Blvd.

Honolulu, Hawaii 96813

This Document Contains __ Pages

TMK No. (2) 4-4-14-3
CPR Nos.: [Not yet assigned]
TCT Nos.: [See Exhibit "1"]

Ocean Resort Villas Vacation Ownership Plan

SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR VACATION OWNERSHIP

THIS OCEAN RESORT VILLAS VACATION OWNERSHIP PLAN SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR VACATION OWNERSHIP (this "Amendment") is made this 10th day of November, 2003. It is made by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND

The Developer is the developer of Ocean Resort Villas Vacation Ownership Plan (the "Plan"). The Plan is subject to the following documents (the "Declaration"):

- "Ocean Resort Villas Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership," dated September 14, 2001, and recorded September 18, 2001, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737947 ; and

- “Ocean Resort Villas Vacation Ownership Plan First Amendment to Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership,” dated August 21, 2003, and recorded August 23, 2003, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2982411.

The Declaration has been noted on the Transfer Certificates of Title listed in Exhibit “1” which is attached to and part of this Amendment. All terms defined in the Declaration have the same meaning in this Amendment.

The Developer has filed an application to register the Plan in the State of California. The California Department of Real Estate has requested that the Developer record an amendment to the Declaration to describe the method used to assign identification numbers to the Vacation Ownership Interests. The Declaration authorizes the Developer to change the Declaration in connection with the registration of the Plan in California.

AMENDMENT

THE DEVELOPER HERE AND NOW AMENDS Section 4.9 B. 1) of the Declaration to read as follows:

- 1) It must assign an identification number to the Vacation Ownership Interest. It will assign identification numbers in the manner described in Exhibit “E”, which is attached to and is a part of this Declaration.

CERTIFICATE OF ADOPTION

The Developer certifies that it has given notice of this Amendment, and a copy of it, to each governmental authority (other than Hawaii governmental authorities) having authority over the Plan as a result of the registration of it (or the Condominium, the Club, or the Network).

Attached is a copy of a letter or other document showing either that this Amendment has been accepted or approved by each such governmental authority or an affidavit signed by the Developer and stating that approval or acceptance is not necessary, as follows:

- Exhibit 2: Letter from California Department of Real Estate.
- Exhibit 3: Affidavit of Developer.

The Declaration, as amended by this Amendment, is here and now ratified and confirmed and remains in full force and effect. The Developer signed this Amendment effective as of the date stated on page one.

Developer:

SVO PACIFIC, INC.,
a Florida corporation

By: *Victoria H. Carter*
Name: *Victoria H. Carter*
Its: *Vice Pres. & Asst. Sec.*

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 10th day of November, 2003, before me personally appeared *Victoria H. Carter* to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Cynthia M. Keene
Name: *Cynthia M. Keene*
Notary Public, State of Florida
My Commission expires: *11/11/2006*

Building B

First Floor	Transfer Certificate of Title	Third Floor	Transfer Certificate of Title	Fifth Floor	Transfer Certificate of Title
3101/03	659079	3300	659114	3500	659150
3102	659080	3301/03	659115	3501/03	659151
3104/06	659081	3302	659116	3502	659152
3105/07	659082	3304/06	659117	3504/06	659153
3108/10	659083	3305/07	659118	3505/07	659154
3109/11	659084	3308/10	659119	3508/10	659155
3112/14	659085	3309/11	659120	3509/11	659156
3113/15	659086	3312/14	659121	3512/14	659157
3116/18	659087	3313/15	659122	3513/15	659158
3117/19	659088	3316/18	659123	3516/18	659159
3120/22	659089	3317/19	659124	3517/19	659160
3121/23	659090	3320/22	659125	3520/22	659161
3124	659091	3520/22	659126	3521/23	659162
3125	659092	3324	659127	3524	659163
3126/28	659093	3325	659128	3525	659164
3127/29	659094	3326/28	659129	3528/28	659165
3130/31	659095	3327/29	659130	3527/29	659166
		3330/31	659131	3530/31	659167
Second Floor	Transfer Certificate of Title	Fourth Floor	Transfer Certificate of Title	Sixth Floor	Transfer Certificate of Title
3200	659096	3400	659132	3600	659168
3201/03	659097			3601/03	659169
3202	659098			3602	659170
3204/06	659099	3404/06	659135	3604/06	659171
3205/07	659100	3405/07	659136	3605/07	659172
3208/10	659101	3408/10	659137	3608/10	659173
3209/11	659102	3409/11	659138	3609/11	659174
3212/14	659103	3412/14	659139	3612/14	659175
3213/15	659104	3413/15	659140	3613/15	659176
3216/18	659105	3416/18	659141	3616/18	659177
3217/19	659106	3417/19	659142	3617/19	659178
3220/22	659107	3420/22	659143	3620/22	659179
3221/23	659108	3421/23	659144	3621/23	659180
3224	659109	3424	659145	3624	659181
3225	659110	3425	659146	3625	659182
3226/28	659111	3426/28	659147	3626/28	659183
3227/29	659112	3427/29	659148	3627/29	659184
3230/31	659113	3430/31	659149	3630/31	659185



Building C

First Floor	Transfer Certificate of Title	Fourth Floor	Transfer Certificate of Title
4100/01	659186	4400/01	659220
4102/04	659187	4402/04	659221
4103/05	659188	4403/05	659222
4106/08	659189	4406/08	659223
4107/09	659190	4407/09	659224
4114/16	659191	4411	659225
4115/17	659192	4413	659226
4118/20	659193	4414/16	659227
4119/21	659194	4415/17	659228
4122/23	659195	4418/20	659229
		4419/21	659230
		4422/23	659231
Second Floor	Transfer Certificate of Title	Fifth Floor	Transfer Certificate of Title
4200/01	659196	4500/01	659232
4202/04	659197	4502/04	659233
4203/05	659198	4503/05	659234
4206/08	659199	4506/08	659235
4207/09	659200	4507/09	659236
4211	659201	4511	659237
4213	659202	4513	659238
4214/16	659203	4514/16	659239
4215/17	659204	4515/17	659240
4218/20	659205	4518/20	659241
4219/21	659206	4519/21	659242
4222/23	659207	4522/23	659243
Third Floor	Certificate of Title	Sixth Floor	Certificate of Title
4300/01	659208	4600/01	659244
4302/04	659209	4602/04	659245
4303/05	659210	4603/05	659246
4306/08	659211	4606/08	659247
4307/09	659212	4607/09	659248
4311	659213	4611	659249
4313	659214	4613	659250
4314/16	659215	4614/16	659251
4315/17	659216	4615/17	659252
4318/20	659217	4618/20	659253
4319/21	659218	4619/21	659254
4322/23	659219	4622/23	659255

DEPARTMENT OF REAL ESTATE

2201 BROADWAY
P.O. BOX 187005
SACRAMENTO, CA 95818-7005
(916) 227-0813



April 14, 2004

D. Scott Turner
Cox, Castle & Nicholson
19800 MacArthur Boulevard, Suite 600
Irvine, CA 92612-2435

RE: *DRE File Number:* 114065HS-F00
Subdivision: Ka'anapali Ocean Resort Villas

Dear Scott:

This will confirm that the California Department of Real Estate required the developer of the referenced time-share project to record an amendment to the Declaration to describe the method used to assign identification numbers to the Vacation Ownership Interests.

The Amendment has been accepted by the Department of Real Estate.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hatfield".

Gil Hatfield
Deputy Commissioner III
Subdivisions, Technical Section

EXHIBIT 2

RE 617E (New 11/99)

EXHIBIT 3

Ocean Resort Villas
Vacation Ownership Plan

DEVELOPER AFFIDAVIT TO THE
SECOND AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR VACATION OWNERSHIP

THIS AFFIDAVIT ("Affidavit") to the Ocean Resort Villas Vacation Ownership Plan Second Amendment To Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership ("Amendment") is made this 10th day of November, 2003. It is made by SVO Pacific, Inc., a Florida corporation (the "Developer"). The Developer is the developer of Ocean Resort Villas Vacation Ownership Plan (the "Plan").

The Developer hereby affirms that (i) written notice of the proposed Amendment (and a copy of it) has been given to each governmental authority having authority over the Plan as a result of the registration of the Plan (or the Condominium, the Master Association, the Club, or the Network) and (ii) except for the California Department of Real Estate (whose approval is attached to the Amendment) it is not necessary to obtain the approval or acceptance of the content of the Amendment by any such governmental authority as a condition to adopting the Amendment.

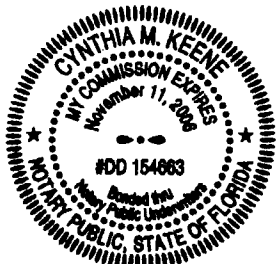
The Developer signed this Affidavit on the date referenced above.

SVO PACIFIC, INC.,
a Florida corporation

By: Victoria H. Carter
Name: Victoria H. Carter
Its: Vice Pres. & Asst. Sec.

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 10th day of November, 2003, before me personally appeared Victoria H. Carter to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Cynthia M. Keene
Name: Cynthia M. Keene
Notary Public, State of Florida
My Commission expires: 11/11/2006

EXHIBIT "E"

IDENTIFICATION NUMBERING SYSTEM FOR VACATION OWNERSHIP INTERESTS

The Developer will assign identification numbers (the "ICN") pursuant to Section 4.9B. of the Declaration according to the following system:

1. **Apartment Number**: The first part of the ICN apartment number consists of the apartment number for the Owner's Vacation Unit (the apartment in which the Owner owns an undivided interest as described in Section 4.2B. of the Declaration).

2. **Vacation Ownership Interest Number**: The second part of the ICN is a Vacation Ownership Interest number ranging from 1 to 52. This number is used merely for tracking purposes. It does not indicate that the Owner of the Vacation Ownership Interest has the right to use a specific Use Week.

3. **Kind of Vacation Ownership Interest and Unit Type**: The third part of the ICN identifies whether the Vacation Ownership Interest has every-year or every-other-year use rights, as follows:

- "A" for an Every Year Vacation Ownership Interest.
- "E" for an Even-Year Vacation Ownership Interest.
- "D" or "X" for an Odd-Year Vacation Ownership Interest.

4. **Unit Type**. The fourth part of the ICN is used by the Developer for internal tracking purposes only. It generally relates to the Unit Type of the Owner's Vacation:

- "D" or "L" for an Ocean View Two Bedroom Unit.
- "O" for an Ocean View One Bedroom Unit.
- "P" for a Two Bedroom Deluxe Ocean Front Unit.
- "2" for a Two Bedroom Ocean Front Unit.

The following are examples of the ICN System:

- Every Year Ocean View Two Bedroom in Unit 2108/10 (assuming that this is the 50th Vacation Ownership Interest sold in that unit) = **2108/10-50-AL**.
- Every Other Year Odd One Bedroom Ocean View in Unit 2301 (assuming that this is the 7th Vacation Ownership Interest sold in that unit) = **2301-7-DO**. In this case, there would also be a corresponding Even-Year Vacation Ownership Interest, which might be owned by someone else, and its identification number would be **2301-7-EO**.

Note: If multiple interests are conveyed on the same Deed, the ICN number for each interest shall be listed separately. For example, a sale of three Every Year Vacation Ownership Interests in One Bedroom Ocean View Unit 2301 (assuming that these are the 4th, 5th, and 6th Vacation Ownership Interests sold in that apartment) will be shown as follows: 2301-4-AO, 2301-5-AO, 2301-6-AO.

68087.1

Certified to be a true and correct copy of the document
on 8/8/03 at 4:00 pm.
in the Office of the Assistant Registrar of the Land Court,

State of Hawaii, as Document No. 2974209

Island Title Corporation

By [Signature]

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawaii 96813
Phone No. (808) 529-7300

ITC 198298

This document contains 85 pages.

Tax Map Key: 2nd Div., 4-4-14-3

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM PROPERTY REGIME

OF

Ocean Resort Villas

MCCORRISTON MILLER MUKAI MACKINNON LLP
Copyright © August 7, 2003, Starwood Vacation Ownership, Inc. / Charles E. Pear, Jr.
Attorneys at Law

OUTLINE

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AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF
OCEAN RESORT VILLAS

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF OCEAN RESORT VILLAS is made by SVO PACIFIC, INC., a Florida corporation (the "Developer").

BACKGROUND

- I. By that certain Declaration of Condominium Property Regime of Ocean Resort Villas dated August 24, 2001 (the "Original Declaration"), filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court") as Document No. 2734238, together with that certain Condominium Map No. 1431 filed in the Land Court (the "Original Condominium Map"), the land described in Exhibit A, together with the improvements on it, as more particularly described in the Original Declaration and shown on the Original Condominium Map, was submitted to the provisions of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and the "OCEAN RESORT VILLAS" condominium project was established.
- II. The Original Declaration was later amended by First Amendment to Declaration of Condominium Property Regime of Ocean Resort Villas. It was dated March 12, 2003, and filed in the Land Court as Document No. 2920781. The Original Declaration, as so amended, is currently noted on the Transfer Certificates of Title listed in Exhibit 1 to Exhibit A.
- III. The Original Declaration, as amended, provides for the Project to be developed in one or more phases as more particularly described and set forth in the Original Declaration, as amended, and Developer reserved all necessary and appropriate rights under the Original Declaration, as amended, to amend and modify the Original Declaration, as amended, in order to incorporate into the Original Declaration, as amended, additional phases in the Project as more particularly described and set forth therein, including, without limitation, in Sections 4, 18, and 19 of the Original Declaration, as amended.
- IV. Developer now intends to (a) concurrently develop and construct Phase 2 and Phase 3 as described in Section 4 of the Original Declaration, as amended, and (b) further amend and restate the Original Declaration, as amended, in its entirety as set forth herein in order to add Phase 2 and Phase 3 to the Project. The Developer is also recording an amendment to the Original Condominium Map. That amendment depicts Phases 2 and 3.
- V. To make the Declaration easier to read, the Developer has chosen to restate the entire Declaration, including the amendments needed to add Phases 2 and 3 to the Project, in this document. This document completely replaces the Original Declaration, as amended.

NOW, THEREFORE, in consideration of the recitals set forth above and the Reserved Rights of the Developer set forth in the Original Declaration, as amended, Developer does hereby further amend and restate the Original Declaration, as amended, in its entirety as follows:

INTRODUCTION

- A. The Developer is the owner in fee simple of the land described in Exhibit A which is attached to and is part of this document.
- B. The Developer intends to construct or place certain buildings and other improvements on that land.
- C. The Developer intends to establish a condominium that consists of the land and the improvements on it.

- D. This Declaration is one of the documents required by law to create the condominium. It divides the land and the improvements into separately owned "Apartments" and commonly owned "Common Elements". It also establishes the rights of the Developer and anyone who owns an Apartment.

1. DEFINITIONS.

This Section 1 defines certain words or phrases having special meanings in this document. Other key words and phrases are defined elsewhere in this document. Defined terms will have these special meanings except where the context clearly required otherwise.

1.1 "ADJACENT CONDOMINIUM" means any condominium project established on an Adjacent Parcel.

1.2 "ADJACENT PARCEL" means:

A. Any property that was part of the Land but that the Developer deleted from the Project using its rights under Section 21, and

B. All or any part of Lot 101 as shown on Land Court Map 86, of Land Court Application 1744 filed by Pioneer Mill Company, Limited. If that lot is subdivided into separate lots, each of them will be an "Adjacent Parcel, whether or not they are each physically adjacent to the Project.

1.3 "ADJACENT PROJECT" means any hotel, vacation ownership or time share project, fractional ownership project, Adjacent Condominium, or other real estate development established on an Adjacent Parcel.

1.4 "APARTMENT" means any part of the Project designated as an Apartment in Section 5, and any New Apartment. All Resort Apartments and all Commercial Apartments are Apartments.

1.5 "APARTMENT OWNER" or "OWNER" means the person or persons who own an Apartment and its Common Interest; provided that:

A. To the extent and for the purposes, including voting, provided by a recorded lease of an Apartment, the person or persons leasing the Apartment will be deemed to be the Owner of it; and

B. The buyer of an Apartment under a recorded agreement of sale has all the rights of an Apartment Owner, including the right to vote. The seller may keep the right to vote, however, on "matters substantially affecting the seller's security interest in the Apartment" as that phrase is used in the Condominium Property Act.

Note: Anyone who owns a Vacation Ownership Interest is an Apartment Owner.

1.6 "ASSOCIATION" means the Association of Apartment Owners of Ocean Resort Villas.

1.7 "BOARD OF DIRECTORS" or "BOARD" means the Board of Directors of the Association.

1.8 "BYLAWS" means the "Bylaws of the Association of Apartment Owners of Ocean Resort Villas" recorded with this Declaration. It also includes any changes and additions properly made to them from time to time.

1.9 "CLUB" means the Starwood Pacific Vacation Club. "Starwood Pacific Vacation Club" is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered from time to time by the Club Operator to owners of Vacation Ownership Interests and other members of the Club. The Club is not a legal entity or association of any kind. It is a business owned and operated by the Club Operator.

1.10 "CLUB OPERATOR" means SVO Hawaii Management, Inc., a Hawaii corporation. If the Club Operator signs and records a document that transfers some or all of its rights as the "Club Operator" to someone else (other than as security for a loan), then that person will become "Club Operator" to the extent of the rights transferred.

1.11 "COMMERCIAL APARTMENTS" means the Apartments designated as Commercial Apartments in Section 5.2, and any New Apartments designated as a Commercial Apartments.

1.12 "COMMERCIAL APARTMENT OWNER" means the Owner of a Commercial Apartment.

1.13 "COMMON ELEMENTS" means all parts of the Project except for the Apartments, including those parts of the Project designated in this Declaration as Common Elements or as Limited Common Elements.

1.14 "COMMON EXPENSES" means (i) all expenses of operation of the Project, and (ii) all sums designated as Common Expenses by or pursuant to the Condominium Property Act, this Declaration or the Bylaws.

1.15 "COMMON INTEREST" means the undivided percentage interest in the Common Elements appurtenant to each Apartment in the Project as stated in this Declaration or in any amendment to this Declaration.

1.16 "CONDOMINIUM DOCUMENTS" means this Declaration, the Bylaws, any Rules and Regulations, and the Condominium Map.

1.17 "CONDOMINIUM MAP" means the plans and elevations for the Project recorded as Condominium Map No. 1431. It also includes any changes and additions properly made to them from time to time.

1.18 "CONDOMINIUM PROPERTY ACT" means the Hawaii Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, and any changes to it. If that law is replaced, then "Condominium Property Act" will mean the substitute or replacement law. If the State of Hawaii adopts the Uniform Common Interest Ownership Act or any other law that permits condominium projects to choose to be governed by that law, and if this Project chooses to do so, then the term "Condominium Property Act" will mean that law, as amended from time to time, or any substitute or replacement for that law.

1.19 "CONDOMINIUM REGULATIONS" means the regulations adopted under the Condominium Property Act from time to time.

1.20 "COURTYARD" means the part of the Project designated on the Condominium Map as the Courtyard. Note that the Courtyard does not include the Snack Bar Building, the lanai area surrounding the Snack Bar Building, and the bridge leading from the lanai to terrace no. 5. The lanai and bridge are colored in green on the Condominium Map.

1.21 "C.P.I. INDEX" means the U.S. Department of Labor Consumer Price Index for All Urban Consumers – Honolulu. But if the government stops publishing that index, then the most similar index available will be used in its place. The Association will choose the replacement index.

1.22 "C.P.I. ADJUSTED" means that the figure will be increased or decreased as the C.P.I. Index changes. The amount of the increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for December of 2003, and (ii) the most recent December C.P.I. Index figure.

1.23 "DECLARATION" means the Original Declaration as amended and restated in this document and any changes and additions properly made to it.

1.24 "DECLARATION OF MERGER" means the "Declaration of Merger of Condominium Phases of Ocean Resort Villas" listed in Exhibit A or recorded with this Declaration. It also includes any changes and additions properly made to it from time to time.

1.25 "DEVELOPER" means SVO Pacific, Inc., a Florida corporation. If the Developer transfers some or all of its rights to another person as provided by Section 28.5, then that person will become the "Developer" to the extent of the rights transferred.

1.26 "DEVELOPER'S RESERVED RIGHTS" means all rights reserved to the Developer under this Declaration or in the Bylaws. For example, see the descriptions of the Developer's Reserved Rights contained in Sections 7.1I, 7.1J, 7.1K, 7.1R, 7.1S, 7.1T, 7.2, 7.4, 9.7, 17.2A (as to the Developer only), 18 through 29, and 34.3 of this Declaration.

1.27 "DEVELOPMENT PERIOD" means the period starting on the date that this Declaration is recorded and ending on the earlier of (i) December 31, 2019, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights.

1.28 "HALEKIPA LIMITED COMMON ELEMENTS" means the Common Elements designated as Halekipa Limited Common Elements in Section 5.4D or pursuant to Sections 18, 22, or 24.

1.29 "IMPROVEMENTS" means all improvements located on the Land, now or in the future. If the Developer deletes any part of the Land using its rights in Section 21, then the term "Improvements" will not include any Improvements located on the part of the Land that is deleted. If the Developer annexes any Adjacent Parcel using its rights in Section 22, then the term "Improvements" will include both the improvements located on the Land before the annexation plus the improvements located on the Adjacent Parcel annexed.

1.30 "INTERESTED PERSON" means any person who has any interest in the Project or who has the right to use the Project or any part of it. For example, it includes (i) each Owner, each Lender, and anyone who rents or leases an Apartment, and (ii) anyone who has the right (in legal terms, an "easement") or who has permission to use the Project or any part of it.

1.31 "KA'ANAPALI NORTH BEACH" means all of the property that is subject to the Ka'anapali North Beach Declaration.

1.32 "KA'ANAPALI NORTH BEACH ASSOCIATION" means the Ka'anapali North Beach Master Association, Inc., a Hawaii non-profit corporation. If the rights or duties of the Master Association are transferred to someone else, then that person will become the "Ka'anapali North Beach Association" to the extent of the rights or duties transferred.

1.33 "KA'ANAPALI NORTH BEACH DECLARATION" means that certain "Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach" described in Exhibit A. It also includes any changes and additions properly made to it from time to time.

1.34 "KA'ANAPALI NORTH BEACH DEVELOPER" means the Declarant under the Ka'anapali North Beach Declaration. If the rights of the Ka'anapali North Beach Developer are transferred to someone else, then that person will become the "Ka'anapali North Beach Developer" to the extent of the rights or duties transferred.

1.35 "KA'ANAPALI NORTH BEACH DOCUMENTS" means the Ka'anapali North Beach Declaration, the Articles of

Incorporation of the Ka'anapali North Beach Master Association, Inc., the Bylaws of Ka'anapali North Beach Master Association, Inc., and the other "Governing Documents" as that term is defined in the Ka'anapali North Beach Declaration. It also includes any changes and additions properly made to any of those documents from time to time.

1.36 "LAND" means the real property described in Exhibit A and any appurtenances to it. If the Developer deletes any part of the Land using its rights in Section 21, then the term "Land" will not include any part of the Land that is deleted. If the Developer annexes any Adjacent Parcel using its rights in Section 22, then the term "Land" will include both the Land just before the annexation plus the Adjacent Parcel annexed.

1.37 "LENDER" means anyone who holds a recorded Mortgage on an Apartment or on a Vacation Ownership Interest. It also includes the beneficiary of a deed of trust recorded against an Apartment or a Vacation Ownership Interest.

1.38 "LIMITED COMMON ELEMENTS" means (i) those parts of the Common Elements designated in Section 5.4 as Limited Common Elements, and (ii) any Common Elements later designated as Limited Common Elements as expressly permitted by this Declaration. For example, see Sections 17.2A, 18, 22, and 24.

1.39 "MAJORITY OF THE OWNERS" means Owners of Apartments having more than fifty percent (50%) of the Common Interests for the whole Project. Any other reference to a certain percentage of the Apartment Owners means the Owners of Apartments having that percentage of the Common Interests for the whole Project.

1.40 "MAJORITY OF THE OWNERS VOTING" means Owners of Apartments having more than fifty percent (50%) of the Common Interests voted on a particular issue. Any other percentage of the "Apartment Owners voting" means the Owners of Apartments having that percentage of the Common Interests voted on a particular issue.

1.41 "MANAGING AGENT" means the agent hired by the Developer using its authority to do so under the Bylaws. It also includes any replacement agent hired by the Board as allowed by the Bylaws.

1.42 "MASTER ASSOCIATION" means the Ocean Resort Master Association. It is a non-profit Hawaii corporation. It was created to permit Apartment Owners and others to share the use and the costs of the Master Association Amenities.

1.43 "MASTER ASSOCIATION AMENITIES" means the amenities available through the Master Association from time to time.

1.44 "MASTER ASSOCIATION APARTMENT" means the Arcade Apartment. It is a Commercial Apartment.

1.45 "MASTER ASSOCIATION DECLARATION" means that certain "Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association", dated September 5, 2001, and recorded in the Land Court as Document No. 2737946. It also includes any changes and additions properly made to it from time to time.

1.46 "MASTER ASSOCIATION DOCUMENTS" means the Master Association Declaration, the Articles of Incorporation of the Ocean Resort Master Association, the Bylaws of the Ocean Resort Master Association, and any rules and regulations of the Master Association. It also includes any changes and additions properly made to any of those documents from time to time.

1.47 "MASTER ASSOCIATION MEMBER" means any person who is a member of the Master Association from time to time. This includes, for example, the Owners of Resort Apartments and the Owners of Vacation Ownership Interests.

1.48 "MASTER ASSOCIATION MANAGER" means the person appointed as the "managing agent" of the Master Association. The Master Association Manager operates the Master Association and operates, maintains, repairs and replaces the Master Association Amenities.

1.49 "MEMBER" means the same thing as "Owner".

1.50 "MORTGAGE", when used as a noun, means a recorded mortgage or deed of trust on an Apartment or a Vacation Ownership Interest as collateral for a loan. When used as a verb, it refers to making an Apartment or a Vacation Ownership Interest subject to a mortgage or deed of trust.

1.51 "NETWORK" means the Starwood Vacation Network. "Starwood Vacation Network" is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered from time to time by the Network Operator to owners of Vacation Ownership Interests and other members of the Network. The Network is not a legal entity or association of any kind. It is a business owned and operated by the Network Operator.

1.52 "NETWORK OPERATOR" means the Starwood Vacation Exchange Company, a Delaware corporation. If the Network Operator signs and records a document that transfers some or all of its rights as the "Network Operator" to someone else (other than as security for a loan), then that person will become "Network Operator" to the extent of the rights transferred.

1.53 "NEW APARTMENT" means any Apartment that the Developer creates from time to time using its rights under Sections 18 or 24.

1.54 "NEW IMPROVEMENT" means any improvements that the Developer develops, builds, or adds from time to time on the Land using its rights under Sections 19, 24, or 25, or on any Adjacent Parcel that the Developer adds to the Project using its rights in Section 22.

1.55 "PERSON" means any natural person or any corporation, partnership, limited partnership, limited liability partnership, joint venture, trust, limited liability company or other legal entity or organization.

1.56 "PROJECT" means the condominium project created by this Declaration and the other Condominium Documents.

1.57 "PROPERTY" means the Land and the Improvements.

1.58 "RECORD", "RECORDED", "RECORDING", and similar terms mean recorded in the Land Court. Hawaii law may be changed to require that deeds, Mortgages, changes to the Condominium Documents, or other documents, be recorded in the Bureau of Conveyances. After any such law takes effect, "record", "recorded", "recording", and similar terms will mean and refer to recording in the Bureau to the extent provided by the change in the law.

A. "BUREAU" means the Bureau of Conveyances of the State of Hawaii.

B. "LAND COURT" means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

1.59 "REPRESENTATIVES" means a person's directors, officers, members (in the case a limited liability company), agents, employees and independent contractors.

1.60 "RESORT APARTMENTS" means the Apartments designated as Resort Apartments in Section 5.1, and any New Apartments designated as a Resort Apartments.

1.61 "RESORT APARTMENT OWNER" means the Owner of a Resort Apartment.

1.62 "RESORT LIMITED COMMON ELEMENTS" means Common Elements designated as Resort Limited Common Elements in Section 5.4C, or pursuant to Sections 18, 22, or 24.

1.63 "RULES AND REGULATIONS" means the rules and regulations adopted by the Board, as permitted by the Bylaws, governing the details of the operation and use of the Common Elements and (to the extent permitted by the Condominium Property Act, this Declaration, and the Bylaws) the Apartments. It also includes any changes and additions properly made to them from time to time.

1.64 "SHORELINE SETBACK AREA" means the parts of the Land that lie in the "Shoreline Setback Area" described in the Shoreline Setback Declaration.

1.65 "SHORELINE SETBACK DECLARATION" means the document named "Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions (North Beach Shoreline Setback Area)". It is dated December 29, 1998. It was recorded in the Land Court as Document No. 2513420, and in the Bureau as Document No. 99-005138.

1.66 "SMA PERMITS" means, with respect to the Project, the following permits and documents:

A. The Special Management Area Permit (88/SM1-023) and the Shoreline Setback Variance (88/SSV-002) issued by the County of Maui, dated July 19, 1988,

B. The Special Management Area Permit (SM1 970006) issued by the County of Maui, having an effective date of December 14, 1998,

C. Any other Special Management Area Permit and/or Shoreline Setback Variance that affects the Project, and

D. Any and all changes and additions properly made to any of those permits from time to time, any replacement permits, and any supplementary requirements related to those permit such as, for example, that certain Recreation and Park Plan approved by the Planning Commission of the County of Maui.

1.67 "TIME SHARE ACT" means Chapter 514E, Hawaii Revised Statutes, and any changes to it. If that law is replaced, then "Time Share Act" will mean the substitute or replacement law.

1.68 "VACATION OWNERSHIP PLAN" or "VACATION PLAN" means a time share plan that includes one or more Resort Apartments in the Project and that is either created by the Developer or is created by someone else with the Developer's written consent in a recorded document.

A. "VACATION PLAN DOCUMENTS" means the documents creating or governing a Vacation Ownership Plan. This includes, for example, any declaration of covenants, conditions, easements and restrictions, and the articles and bylaws of the Vacation Owners Association. It also includes any changes properly made to any of those documents from time to time.

B. "VACATION OWNERSHIP INTEREST" means a time share interest in a Vacation Ownership Plan.

C. "VACATION OWNER" means the owner of a Vacation Ownership Interest.

D. "VACATION OWNERS ASSOCIATION" means the association of Vacation Owners for a particular Vacation Ownership Plan.

2. SUBMISSION TO CONDOMINIUM PROPERTY REGIME.

2.1 **PURPOSE AND EFFECT OF THIS DOCUMENT.** By signing and recording this Declaration, the Developer intends to:

- Comply with the legal requirements necessary to create a mixed-use condominium that consists of the Land and the Improvements.

- Divide the Project into Apartments and Common Elements.
- Designate some of the Common Elements as Limited Common Elements.
- Create easements in favor of the Developer or other persons.
- Reserve to the Developer certain rights to make changes to the Project and to develop it further.
- Establish a plan for the ownership, use, enjoyment, management, operation, upkeep, and repair of the Project.
- Increase the value, desirability, and enjoyment of each Apartment and the Common Elements.

2.2 SUBMISSION TO CONDOMINIUM PROPERTY REGIME.
The Developer declares that:

A. The Property is a condominium.

B. The Property is subject to this Declaration and to the Condominium Property Act. In legal terms, the Developer submits all of its estate, right, title and interest in the Property to this Declaration and the Bylaws and to the condominium property regime created by the Condominium Property Act.

C. The Project is divided into Apartments and Common Elements. The Common Elements are divided into general and Limited Common Elements. The Property is subject to these divisions and to any other divisions, limitations, covenants, conditions, easements and restrictions contained in this Declaration.

D. This Declaration, the Bylaws, and the Condominium Property Act will govern the Project. This includes, for example, the ownership, use, enjoyment, management, operation, upkeep, repair, and improvement of the Project. In legal terms, the Property will be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the Condominium Documents and the Condominium Property Act. Anyone who occupies or uses any Apartment or any other part of the Project must obey them.

E. The Condominium Documents are binding on the Property. They will also be binding on, and are intended to benefit these persons:

- 1) The Developer.
- 2) Anyone else who owns the Property or any Apartment or other interest in it, now or in the future. This includes, for example, all present and future Apartment Owners and their Lenders.
- 3) Anyone who, by law or by agreement, stands in the place of the persons listed in items 1) and 2). Such people

are called, in technical legal terms, "heirs", " devisees", "personal representatives", "successors", and "assigns".

All of these people have the right to enforce the Condominium Documents in any way permitted by the Condominium Property Act or the Condominium Documents.

In legal terms, the Condominium Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this Subsection.

2.3 EASEMENTS AND DEVELOPER'S RESERVED RIGHTS. The Developer grants and reserves the easements described in this Declaration. The Developer also reserves to itself the Developer's Reserved Rights in the Property and the Project. The Developer declares that all Apartments and their Common Interests and all Common Elements (including the Limited Common Elements) are subject to the Developer's Reserved Rights and to the easements granted or reserved in this Declaration or in the Bylaws.

3. NAME OF THE CONDOMINIUM

The name of the Project is "Ocean Resort Villas".

4. DESCRIPTION OF THE PROJECT.

The Developer plans to develop the Project in stages. Each stage is called a "phase" or an "increment". Each phase may include Apartments and other Improvements. The phases are described as follows:

4.1 PHASE 1. The first phase consists of the Halekipa Building, the Kahakai Building, the Snack Bar Building, the Courtyard, the Tennis Courts and Tennis Pavilion, and related Improvements.

A. KAHAKAI BUILDING. The Kahakai Building is a six-story building. It also has a basement. It is constructed principally of steel-reinforced concrete, gypsum board, and glass. The building contains one hundred and three (103) Resort Apartments, one (1) whole Commercial Apartment (the Master Association Apartment), and part of one (1) other Commercial Apartment (Apartment 101).

B. HALEKIPA BUILDING. The Halekipa Building is a one-story building. It also has a basement. It is constructed principally of steel, concrete, gypsum board, and glass. It contains part of one (1) Commercial Apartment (Apartment 101).

C. Snack Bar Building. The Snack Bar Building is constructed principally of concrete, steel, concrete masonry unit blocks, and gypsum board. It contains part of one (1) Commercial Apartment (Apartment 101).

D. OTHER BUILDINGS. The Project also includes a tennis pavilion. It has a concrete slab floor, wood roof framing, and concrete masonry unit block columns. There is also a

cooling tower enclosure. It is constructed of concrete and concrete masonry unit blocks. It has no roof. The tennis pavilion and the cooling tower enclosure contain no Apartments.

4.2 PHASE 2. The second phase consists of the Makani Kai Building and related Improvements.

A. MAKANI KAI BUILDING. The Makani Kai Building is a six-story building. It also has a basement. It is constructed principally of steel-reinforced concrete, gypsum board, and glass. The building contains one hundred seven (107) Resort Apartments, and part of one (1) Commercial Apartment (Apartment 101).

B. OTHER BUILDINGS. Phase 2 also includes a cooling tower enclosure. It is constructed of concrete and concrete masonry unit blocks. It has no roof. The cooling tower enclosure contains no Apartments. Phase 2 also includes an electric co-generation plant and related improvements.

4.3 PHASE 3. The third phase consists of the Ahelani Building and related Improvements.

A. AHELANI BUILDING. The Ahelani Building is a six-story building. It also has a basement. It is constructed principally of steel-reinforced concrete, gypsum board, and glass. The building contains seventy (70) Resort Apartments.

B. OTHER BUILDINGS. Phase 3 also includes a mechanical yard enclosure. It is constructed of concrete and concrete masonry unit blocks. It has no roof. The mechanical yard enclosure contains no Apartments.

4.4 PHASE 4. The fourth phase, if it is constructed, is presently planned to consist of a Gazebo. The Gazebo is likely to consist of a concrete slab floor, wood roof framing, and concrete masonry unit block columns. It contains one (1) Commercial Apartment (the Gazebo Apartment).

4.5 ORDER OF DEVELOPMENT. The Developer has no obligation to build any phase beyond phases 1, 2 and 3. The Developer can develop the phases in any order that it wishes. It can also develop more than one phase at a time. The Developer can also divide a phase into separate smaller phases. For example, the Developer might decide to develop the Makani Kai Building in two phases and possibly as two separate buildings. Instead of developing later phases, the Developer may choose to delete part of the Land as discussed in Section 21.

5. DIVISION OF PROPERTY.

The Project is divided into Apartments and Common Elements, as follows:

5.1 RESORT APARTMENTS. The Developer hereby designates two hundred eighty (280) fee simple condominium apartment estates in the spaces within the boundaries of the two hundred

eighty (280) Resort Apartments shown on the Condominium Map.

A. RESORT APARTMENT NUMBERS AND LOCATIONS. The Condominium Map shows the location and Apartment number of each Resort Apartment.

B. RESORT APARTMENT LAYOUTS AND AREA. The layout and approximate net living area of each Resort Apartment is shown on the Condominium Map and is described in Exhibit B which is attached to and is a part of this Declaration.

1) The approximate net living area for each Resort Apartment consists of the net interior floor area plus the net lanai floor area as listed in Exhibit B.

2) The net interior floor areas listed in Exhibit B are based on measurements taken from the boundaries of the Apartment interior. Floor areas were not reduced, however, to account for interior walls, ducts, vents, shafts, stairways and so on located within the Apartment boundaries.

3) All net lanai floor areas listed in Exhibit B are based on measurements taken from the boundaries of the Apartment lanais.

4) The net interior floor areas and net lanai floor areas listed in Exhibit B are not exact. Instead, they are estimates based on the floor plans of each type of Resort Apartment. The measurements are based upon the requirements of the Condominium Regulations and do not necessarily follow the boundaries of the Apartments in every detail. The Developer makes no representation or warranty as to the actual area of any Resort Apartment.

C. ACCESS TO COMMON ELEMENTS. Each Resort Apartment has immediate access to Common Element corridors, stairways and/or elevators of the building. These lead to the grounds of the Project and to walkways, driveways, or roadways leading to a public street or highway.

D. BOUNDARIES OF THE RESORT APARTMENTS. The Resort Apartments consist of an Apartment interior and one or more lanais.

1) **APARTMENT INTERIOR.** The boundaries of the Apartment interior consist of the interior surface of the perimeter walls, windows, doors, floors, and ceilings.

2) **LANAI.** The lanai boundaries consist of these things:

➤ The decorated or finished surfaces of the outside walls of the building that separate the lanai from the Apartment;

➤ The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Apartment; and

- The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai.

3) THINGS THAT ARE PART OF THE RESORT APARTMENTS. These things are part of each Resort Apartment:

- All of the walls and partitions that are not load-bearing and that are located inside of the Apartment's boundaries.
- All movable lanai doors and the door frames.
- All doors and door frames located inside of the Apartment's boundaries.
- The inner decorated or finished surfaces of all boundary walls, panels, windows and window frames, doors and their door frames, floors and ceilings.
- All fixtures originally installed in the Apartments and all replacements of those fixtures.

4) THINGS THAT ARE NOT PART OF THE RESORT APARTMENTS. These things are not part of the Resort Apartments:

- The undecorated or unfinished surfaces of the boundary walls.
- Any load-bearing walls or columns inside of the Apartment. However the decorated or finished surfaces are part of the Apartment.
- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Resort Apartment.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within an Apartment if they are used for or serve the Common Elements or more than one Apartment.

All of these things are Common Elements. This is so regardless of the net living areas listed in Exhibit B and the way in which they were measured.

5.2 COMMERCIAL APARTMENTS. The Developer hereby designates three (3) fee simple condominium apartment estates in the spaces within the boundaries of the three (3) Commercial Apartments shown on the Condominium Map.

A. COMMERCIAL APARTMENT NUMBERS AND LOCATIONS. The Condominium Map shows the location and Apartment number of each Commercial Apartment.

B. COMMERCIAL APARTMENT LAYOUTS AND AREA. The layout and approximate area of each Commercial Apartment is shown on the Condominium Map and is described

in Exhibit B which is attached to and is a part of this Declaration.

1) The approximate net living area for each Commercial Apartment is equal to the net interior floor area plus the net lanai floor area listed in Exhibit B. Except for the portion of Commercial Apartment 101 on the first floor of the Makani Kai Building, the Commercial Apartments do not have a lanai that is a part of the Apartment. (Some of the Commercial Apartments have a Limited Common Element lanai, but those are not discussed in this Section 5.2)

2) The net interior floor areas listed in Exhibit B are based on measurements taken from interior surface of the perimeter walls, windows, doors, floors and ceilings. Floor areas were not reduced, however, to account for interior walls, ducts, vents, shafts, stairways and so on located within the Apartment boundaries.

3) The net lanai floor areas listed in Exhibit B are based on measurements taken from the boundaries of the Apartment lanais.

4) The net interior floor areas and net lanai floor areas set forth in Exhibit B are not exact. Instead, they are estimates based on the floor plans of each Commercial Apartment. The measurements are based upon the requirements of the Condominium Regulations and do not necessarily follow the boundaries of the Apartments. The Developer makes no representation or warranty as to the actual area of any Commercial Apartment.

C. ACCESS TO COMMON ELEMENTS. Each Commercial Apartment has immediate access to Common Element corridors, stairways and/or elevators or to the grounds of the Project and to walkways, driveways, or roadways leading to a public street or highway.

D. BOUNDARIES OF THE COMMERCIAL APARTMENTS. The Commercial Apartments consist of an Apartment interior and in some cases an Apartment lanai.

1) **APARTMENT INTERIOR.** The boundaries of the Apartment interior consist of: (i) the centerline of all perimeter walls that separate one commercial apartment from another, (ii) the interior surface of all other perimeter walls, and (iii) the interior surface of all perimeter windows, doors, floors, and ceilings. If the Condominium Map does not use walls or other physical improvements to mark the boundaries of the Apartment, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map. For purposes of this subsection and subsections 5.2D.3) and 5.2D.4):

(a) The "ceiling" of any Commercial Apartment (or part of a Commercial Apartment) located in the Kahakai Building or the Makani Kai Building is the surface of the underside of the floor above it.

(b) The "ceiling" of any Commercial Apartment (or part of a Commercial Apartment) located in the basement of the Halekipa Building is the surface of the underside of the floor above it.

(c) The "ceiling" of any Commercial Apartment (or part of a Commercial Apartment) located on the first floor of the Halekipa Building is the underside of the roofing structure above it.

(d) The "ceiling" of the Snack Bar and the Gazebo is the underside of the roofing structure above it.

This means that the Commercial Apartments include any crawl space or plenum between the "ceiling" and any acoustic tiles or other ceiling system.

2) LANAI. The lanai boundaries consist of these things:

- The decorated or finished surfaces of the outside walls of the building that separate the lanai from the Apartment;
- The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Apartment; and
- The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai.

3) THINGS THAT ARE PART OF THE COMMERCIAL APARTMENTS. These things are part of each Commercial Apartment:

- All of the walls and partitions that are not load-bearing and that are located inside of the Apartment's boundaries.
- All movable lanai doors and the door frames.
- All doors and door frames located inside of the Apartment's boundaries.
- The inner decorated or finished surfaces of all boundary walls, panels, windows and window frames, doors and their door frames, floors and ceilings.
- All fixtures originally installed in the Apartments and all replacements of those fixtures.

4) THINGS THAT ARE NOT PART OF THE COMMERCIAL APARTMENTS. These things are not part of the Commercial Apartments:

- The undecorated or unfinished surfaces of the boundary walls (except for any part within the centerline of the boundary walls that separate one commercial apartment from another).

- Any load-bearing walls or columns inside of the Apartment. However the decorated or finished surfaces are part of the Apartment.
- The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Commercial Apartment.
- Any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within an Apartment if they are used for or serve the Common Elements or more than one Apartment.

All of these things are Common Elements. This is so regardless of the net living areas listed in Exhibit B and the way in which they were measured.

5.3 COMMON ELEMENTS. One freehold estate is hereby designated in all remaining parts of the Project, called the "Common Elements". The Common Elements include, among other things, the following:

A. The Land in fee simple.

B. All foundations, floor slabs, columns, girders, beams, supports, Apartment boundary and load-bearing walls and partitions (except for the finishes on them and except as otherwise provided for the Commercial Apartments), roofs, and the porte cochere.

C. All of the following so long as they are not located within an Apartment: all lobby areas, stairways, elevators, walkways, corridors, elevator lobby areas, entrances, entry ways and exits of each building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, and trash rooms.

D. All yards, grounds, walkways, walkway railings, waterfalls, ponds, gardens, decorative rocks, and other landscaping, and all refuse facilities.

E. All roads, driveways, parking stalls and parking areas, access lanes, paved areas, ramps, and loading areas.

F. All mailboxes.

G. All vents, shafts, sewer lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project that serve more than one Apartment for services such as power, light, gas (if any), water, air conditioning, sewer, refuse, telephone, and radio and television signal distribution (if any); provided that the telephone system and all related wiring and equipment are not Common Elements but belong to the Developer.

H. Any and all other equipment, apparatus and installations existing for common use, such as tanks, pumps,

motors, fans, compressors, boilers, and, in general, any and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

5.4 LIMITED COMMON ELEMENTS. Some Common Elements, called "*Limited Common Elements*", are designated and set aside for the exclusive use of certain Apartments. Except as otherwise specifically provided in this Declaration, those Apartments have the exclusive right (in legal terms, an "*exclusive easement*") to use the Limited Common Elements set aside for their use. The following Common Elements are here and now designated as Limited Common Elements:

A. PARKING STALLS. Each Apartment has the exclusive right to use the parking stall or stalls assigned to it in Exhibit B. The Condominium Map assigns numbers to each parking stall.

B. MAILBOXES. Each Apartment has the exclusive right to use the mailbox having the same number as the Apartment.

C. RESORT LIMITED COMMON ELEMENTS. "*Resort Limited Common Elements*" are Limited Common Elements appurtenant to all of the Resort Apartments and to the Arcade Apartment.

1) THINGS THAT ARE RESORT LIMITED COMMON ELEMENTS. Except as provided in Subsection 5.4C.2), all Common Elements contained in or that are part of a building containing Resort Apartments are Resort Limited Common Elements. This includes, for example, the following Common Elements to the extent that they are located within a building containing Resort Apartments:

(a) The structural components of the building. This includes, among other things, all foundations, footings, floor slabs, girders, beams, supports, Apartment boundary and load-bearing walls and columns (except for the finishes on them and except as otherwise provided for the walls separating Commercial Apartments), and roofs.

(b) All of the following so long as they are not located within an Apartment or its Limited Common Elements: all lobby areas, stairways, elevators, hallways, elevator lobby areas, entrances, entry ways and exits of the building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, housekeeping closets, and trash rooms.

(c) All other apparatus and installations existing for common use, as described in Sections 5.3G and 5.3H, that serve only a building containing Resort Apartments and that serve more than one Resort Apartment or the Common Elements of the building.

2) THINGS THAT ARE NOT RESORT LIMITED COMMON ELEMENTS. The following Common Elements are contained in or are part of the Kahakai Building, the Makani Kai Building, or the Ahelani Building. Even so, they are not Resort Limited Common Elements.

- The parking stalls located in the basement of the Kahakai Building, the Makani Kai Building, and the Ahelani Building.
- The driveways and ramps within or leading to parking stalls located in the basement of the Kahakai Building, the Makani Kai Building, and the Ahelani Building. These are colored in yellow on the Condominium Map.
- The areas in the basement of the Kahakai Building colored in green or gray on the Condominium Map.
- Terrace No. 2 on the first floor of the Kahakai Building. It is colored yellow on the Condominium Map.
- The corridor leading from Terrace No. 2 to the corridor in the middle of the Kahakai Building. It is colored yellow on the Condominium Map.
- The telecom rooms located between stairway no. 2 and elevator no. 2 on all floors of the Kahakai Building. They are colored green on the Condominium Map.
- The electrical room on the first floor of the Kahakai Building. It is colored yellow on the Condominium Map.
- The elevator shown on the Condominium Map as elevator no. 4, the elevator lobbies for that elevator, and the stairway adjacent to those lobbies. They are colored yellow on the Condominium Map.
- The areas in the basement and all other floors of the Makani Kai Building colored in green on the Condominium Map, including without limitation, Terrace No. 1 on the first floor, the telecom rooms located between stairway no. B-2 and elevator no. B-2 on each floor, and the room that lies between elevator no. B-3 and electrical room no. 1 on the first floor through sixth floor of the Makani Kai Building.
- The access way to the portion of Apartment 101 located on the first floor of the Makani Kai Building. It is colored in yellow on the Condominium Map.
- The access ways to the trash chute colored in yellow on the Condominium Map located in the room that lies between elevator no. B-3 and electrical room no. 1 on the first floor through sixth floor of the Makani Kai Building.
- The areas in the basement and all other floors of the Ahelani Building colored in green on the Condominium Map, including but not limited to the telecom rooms and the room that lies between elevator no. C-1 and the electrical room of first floor through sixth floor of the Ahelani Building.
- The access ways to the trash chute and elevator no. C-1 colored in yellow on the Condominium Map on the first floor through sixth floor of the Ahelani Building.

- Any other areas colored in yellow on the Condominium Map.

D. HALEKIPA LIMITED COMMON ELEMENTS. "Halekipa Limited Common Elements" are Limited Common Elements appurtenant to all of the Commercial Apartments located in the Halekipa Building. Initially this consists of only Apartment 101.

1) THINGS THAT ARE HALEKIPA LIMITED COMMON ELEMENTS.

(a) Except as provided in subsection 5.4D.2), all Common Elements contained in or that are part of the Halekipa Building are Halekipa Limited Common Elements. This includes, for example, the following Common Elements to the extent that they are located within the Halekipa Building:

(1) The structural components of the Halekipa Building. This includes, among other things, all foundations, footings, floor slabs, girders, beams, supports, Apartment boundary and load-bearing walls and columns (except for the finishes on them and except as otherwise provided for the walls separating Commercial Apartments), and roofs.

(2) All of the following so long as they are not located within an Apartment or its Limited Common Elements: all lobby areas, stairways, elevators, hallways, elevator lobby areas, entrances, entry ways and exits of the Halekipa Building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, and trash rooms.

(3) All other apparatus and installations existing for common use, as described in Sections 5.3G and 5.3H, that serve only the Halekipa Building and that serve more than one Commercial Apartment or the Common Elements of the Halekipa Building.

(b) Without limiting Subsection 5.4D.1), the supporting columns and roof of the porte cochere are Halekipa Limited Common Elements.

2) THINGS THAT ARE NOT HALEKIPA LIMITED COMMON ELEMENTS. The following Common Elements are contained in or are part of the Halekipa Building. Even so, they are not Halekipa Limited Common Elements:

- The parking stalls located in the basement of the Halekipa Building.
- The driveways and ramps within or leading to parking stalls located in the basement of the Halekipa Building.
- The areas in the basement of the Halekipa Building colored in green or gray on the Condominium Map.
- The trash room in the basement of the Halekipa Building. It is colored yellow on the Condominium Map.

- The corridors of the basement of the Halekipa Building. They are colored yellow on the Condominium Map.
- The areas on the first floor of the Halekipa Building colored in green on the Condominium Map.
- Terrace No. 3 on the first floor of the Halekipa Building. It is colored yellow on the Condominium Map.
- The driveway and entryway beneath the porte cochere adjacent to Apartment 101. They are colored green on the Condominium Map.

E. MASTER ASSOCIATION APARTMENT. These Common Elements are Limited Common Elements of the Master Association Apartment:

- The Land and Improvements located within the boundaries of the Courtyard as designated on the Condominium Map. This does not include the Snack Bar Building. It also does not include the lanai surrounding the Snack Bar Building or the bridge leading from it to terrace no. 3. The lanai and bridge are colored green on the Condominium Map.
- The amenities located within the Courtyard. This includes, among other things, the waterfalls, water slide, slide mountain, swimming pool, koi pond, spa, pool decks, pool bathrooms, towel pavilion, and beach and pool showers.
- The tennis courts and tennis pavilion.
- The fitness center, late departure guest lounge, bathrooms, and locker rooms in the basement of the Kahakai Building. These are colored gray on the Condominium Map.
- The pool laundry room, water feature equipment room, and the water feature pump room in the basement of the Halekipa Building. These are colored gray on the Condominium Map.
- All Common Element yards, grounds, walkways, walkway railings, waterfalls, ponds, gardens, decorative rocks, and other landscaping not located in the Shoreline Setback Area.
- All apparatus and installations, as described in Sections 5.3G and 5.3H, that serve only the Master Association Apartment or any of its Limited Common Elements as listed above.

F. APARTMENT 101. These Common Elements are Limited Common Elements appurtenant to and are set aside for the exclusive use of Apartment 101:

- The driveway and entryway beneath the porte cochere adjacent to Apartment 101. This does not include the roof and supporting columns.

- Terrace nos. 1, 4, 5, and 6 on the first floor of the Halekipa Building. They are colored green on the Condominium Map.
- Stairway nos. 7 and 7a and ramp no. 2 leading from the terrace to the Courtyard. They are colored green on the Condominium Map.
- The lanai surrounding the Snack Bar Building and the bridge leading from it to terrace no. 5. They are colored green on the Condominium Map.
- The telecom rooms located between stairway no. 2 and elevator no. 2 on all floors of the Kahakai Building.
- The areas in the basements of the Halekipa Building and the Kahakai Building colored green on the Condominium Map.
- The attic of the Halekipa Building.
- The telecom rooms on the basement through sixth floors of the Makani Kai Building. These are colored in green on the Condominium Map.
- The other areas of the basement through sixth floors of the Makani Kai Building that are colored in green on the Condominium Map.
- The telecom rooms on the basement through sixth floors of the Ahelani Building. These are colored in green on the Condominium Map.
- The other areas of the basement through sixth floors of the Ahelani Building that are colored in green on the Condominium Map.
- The terrace and enclosed grounds located on the Southeast corner of the Halekipa Building and colored in green on the Condominium Map.

6. COMMON INTEREST.

Each Apartment comes with an undivided percentage interest, called the "*Common Interest*", in all Common Elements and for all other purposes, including voting.

Except as otherwise provided in this Declaration, an Apartment and its Common Interest cannot be separated. In legal terms, the Common Interest is "appurtenant to" the Apartment.

The initial Common Interest for each Apartment is listed in Exhibit B. However, an Apartment's Common Interest may be adjusted pursuant to Section 29. This might happen, for example, when the Developer creates New Apartments.

Except as otherwise provided by law or in this Declaration or the Bylaws, the common profits of the Project will be distributed among, and the Common Expenses will be charged to the Apartment Owners, including the Developer, in

proportion to the Common Interest appurtenant to their Apartments.

7. EASEMENTS.

7.1 CREATION OF EASEMENTS. "Easement" is a legal term. In general, it refers to the right of one person to use property in the possession of someone else. The Property is subject to (a) any recorded easements, (b) the exclusive easements to use the Limited Common Elements, (c) any easements granted or reserved in or pursuant to the Ka'anapali North Beach Documents, and (d) any easements granted or reserved in or pursuant to the Declaration of Merger. In addition, the Apartments and Common Elements also have and/or are subject to the following easements:

A. EASEMENTS IN THE COMMON ELEMENTS. Each Apartment has these non-exclusive easements:

1) An easement to use the Common Elements designed for such purposes for access to and from, utility services for, and support, maintenance and repair of the Apartment and its Limited Common Elements.

2) An easement in the other Common Elements for use according to their intended purposes (but this right is subject to the exclusive use of the Limited Common Elements as provided in this Declaration).

3) An easement in all other Apartments of the building(s) for support.

B. EASEMENTS FOR ENCROACHMENT.

1) If either of these things happens:

(a) Any part of the Common Elements now or later encroaches on any Apartment or any Limited Common Element, or

(b) Any Apartment or Limited Common Element now or later encroaches on the Common Elements or any other Apartment or Limited Common Element,

then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues.

2) If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Project, minor encroachments of any parts of the Common Elements or Apartments or Limited Common Elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

C. EASEMENT FOR ASSOCIATION ACCESS. The Association has the right to enter any Apartments and/or Limited Common Elements from time to time. This right

cannot be revoked. It may be exercised by the Board or its Managing Agent and by anyone authorized by them. They may use this right only as follows:

1) They may enter during reasonable hours as may be necessary or appropriate to operate or maintain the Project or to inspect, repair, paint, resurface, alter, add to, maintain, install, or replace any Common Elements. Requests for entry must be made in advance. The entry must occur at a time that is reasonably convenient to the Owner or occupant.

2) They may also enter at any time to make emergency repairs necessary to prevent damage to any Apartment or Common Element or injury to any person. No advance notice is required. It is not necessary for the Owner or any other occupant to be present at the time of entry.

D. ACCESS CORRIDOR. The Apartments located in the Kahakai Building have a non-exclusive right and an easement to enter the Project through the porte cochere (subject to the right of the Owner of Apartment 101 to control the flow of traffic) and to use a corridor on the first floor of the Halekipa Building leading from the porte cochere to Terrace no. 3 for the purpose of going to and from the Apartments.

1) The Owner of Apartment 101 has the absolute right to designate the location of the access corridor, and to change the lobby and the location of the access corridor, so long as there is always a corridor leading from the porte cochere to Terrace no. 3.

2) If the Owner of Apartment 101 requests it, the Owners of Apartments in the Kahakai Building must pay the operating expenses of the use of the access corridor. This includes a share of the Common Expenses, real property taxes, utilities, and all other expenses charged to or incurred by the Owner of Apartment 101. However it does not include Mortgage payments. The Owners of Apartments in the Kahakai Building will pay a share equal to the total amount of the expenses multiplied by a fraction equal to the number of square feet used for the access corridor divided by the total number of square feet for Apartment 101. The Association will collect this amount from the Owners of Apartments in the Kahakai Building as a Common Expense and will pay it to the Owner of Apartment 101.

E. CHECK-IN DESK. In the event that the Developer, or a company related to the Developer, is no longer the Managing Agent, then upon request by the Association, the Owner of Apartment 101 must make available to the Association an area of at least one hundred fifty (150) square feet for use as a check-in and check-out desk. This area may be used by the Association only for check-in and check-out purposes and related purposes.

1) The check-in and check-out desk may not be used for the promotion, sale, or resale of Vacation Ownership Interests or other time share interests or interests in any fractional ownership plan or for any other purpose prohibited by

Section 9.4. This restriction is intended to benefit the Developer alone and it will apply in every case unless the Developer gives its written consent in a recorded document.

2) The Owner of Apartment 101 has the absolute right to select the location for the check-in and check-out desk, and may change the location from time to time.

3) The Owner of Apartment 101 must provide an access corridor from the porte cochere to the check-in and check-out desk. It has the absolute right to designate the location of the access corridor, and to change the lobby and the location of that corridor, so long as there is always a corridor leading from the porte cochere to the check-in and check-out desk.

4) The Association must pay to the Owner of Apartment 101 all expenses of the check-in and check-out desk and the corridor leading from to it from the porte cochere. This includes a share of the Common Expenses, real property taxes, utilities, and all other expenses charged to or incurred by the Owner of Apartment 101. However it does not include Mortgage payments. The Association's share will be equal to the total amount of the expenses multiplied by a fraction equal to the number of square feet used for the check-in and check-out desk and access corridor divided by the total number of square feet for Apartment 101. The Association's share will be a Common Expense.

F. EASEMENT FOR PUBLIC USE; PARK. The Shoreline Setback Area is subject to an existing easement. This easement requires that the Shoreline Setback Area remain open and available to the public as open space, for recreational access and passive recreational uses, and for Native Hawaiian use for traditional and customary uses of the shoreline and near-shore ocean waters. The Native Hawaiian uses include fishing, diving, ho'okupu ceremonies (ritual prayers on the shoreline) and gathering. The terms and conditions of that easement may be further defined or changed by appropriate documents recorded by the Association pursuant to Section 7.3A, or by the Developer pursuant to Sections 7.4, 26 and 27. In addition, the Project is located adjacent to a parcel of land currently owned by a private landowner but open to the public for beach access and park use. A road crossing the Project is used for access to that park. Each Interested Person understands, acknowledges and accepts that the use of these easements may result in noise, gathering of crowds, security risks, and related inconveniences. Despite this, each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions such person may have, now or in the future, against the Developer and/or the Association, and each of their Representatives, and their successors and assigns, arising from or with respect to the use of these easements.

G. EASEMENT FOR COMMERCIAL APARTMENT EMPLOYEES, CUSTOMERS AND GUESTS. Each Commercial Apartment has an appurtenant easement under which the Owner's Representatives, vendors, licensees, and invitees have the right, for the purposes of the business conducted in the

Commercial Apartment or its Limited Common Elements to do these things:

1) To come onto the Project using the Common Elements intended for access to and from any nearby roads, streets or highways.

2) To park motor vehicles in any unassigned parking stalls.

3) To make deliveries using any delivery area and any Common Elements connecting the delivery area to the Commercial Apartment or its Limited Common Elements.

4) To go to and from the Apartment and its Limited Common Elements using the walkways and other Common Elements intended for such purposes.

5) For casual use (such as an after-dinner stroll) of the Common Element pathways and walkways of the Project located outside of the buildings, including but not limited to the pathways and walkways within the Master Association Limited Common Elements and the Shoreline Setback Area. This right is subject to any reasonable limitations set by the Board.

6) To use the Common Elements otherwise as may be reasonably necessary in connection with the ordinary conduct of business operations in the Commercial Apartment and/or its Limited Common Elements.

H. EASEMENT FOR MASTER ASSOCIATION APARTMENT.

1) The Master Association and its Representatives, licensees, and invitees (including, for example, the Master Association Manager), have a non-exclusive easement over, under and upon the Common Elements of the Project as necessary or convenient to use, operate, maintain, repair, paint, resurface, alter, add to, install, or replace the Master Association Apartment or its Limited Common Elements or any Master Association Amenities located on the Project.

2) In addition to the easements described in Section 7.1G, the Master Association Apartment has an appurtenant easement under which (i) the Master Association, (ii) Master Association Members, (iii) occupants of property participating in the Master Association, and (iv) each of their guests have the right to do these things:

(a) They may come onto the Project through the Common Elements intended for access to and from any nearby roads, streets or highways.

(b) They may park motor vehicles in any unassigned parking stalls.

(c) They may go to and from (i) the Master Association Apartment and/or its Limited Common Elements, and (ii) the Shoreline Setback Area, the beach, and the ocean.

(d) They may use the Shoreline Setback Area and any other Common Element areas adjacent to the beach intended for use as picnic areas, play areas, recreation areas, or otherwise available for use by Owners for outdoor recreational activities, and any facilities located on them. This includes, for example, any showers, restrooms, pedestrian walkways, trails, bike paths and other passageways.

3) The use of these rights is subject to the covenants, conditions and restrictions contained in the Master Association Documents, the SMA Permits, and the Shoreline Setback Declaration.

4) Each Interested Person understands, acknowledges and accepts that the easements provided in this Section 7.1H, and the use of them, may result in increased traffic, noise, gathering of crowds, and related inconveniences. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions arising from or with respect to the proper use of this easement that the Interested Person may have, now or in the future, against (i) the Master Association and its Representatives, licensees, and invitees, (ii) the Master Association Manager and its Representatives, licensees, and invitees, and (iii) the Master Association Members and occupants of property participating in the Master Association, (iv) the guests of any of the persons listed in items (i) to (iii), and (v) the successors and assigns of anyone listed in items (i) to (iv).

L. EASEMENT FOR SPECIAL EVENTS. The Developer and its Representatives, licensees and invitees may use the Limited Common Elements of the Master Association Apartment for the purpose of conducting educational, cultural, entertainment or sporting events, and other activities of general community interest. These events may occur at times they deem appropriate in their sole discretion. However, no such events may be held before 8:00 a.m. or after 10:00 p.m. The rights under Section 7.1G may be used in connection with any such events. The Developer must reimburse the Master Association for its costs of such activity as provided in the Master Association Documents. Each Interested Person understands, acknowledges and accepts that the use of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions such person may have, now or in the future, against the Developer, the Master Association, and each of their Representatives, licensees, invitees, successors and assigns and arising from or with respect to the proper use of this easement.

J. DEVELOPER'S EASEMENT FOR SALES ACTIVITIES.

1) The Developer and its Representatives, licensees, and invitees have the exclusive right and an easement to conduct extensive marketing and sales activities on the Common Elements (including but not limited to the Resort Limited Common Elements and the Limited Common Elements of the Master Association Apartment) and from any Apartment

owned by it. This right includes but it is not limited to the following rights:

(a) The right to permit purchasers and prospective purchasers and their family members and guests, to come onto the Project through the Common Elements intended for access to and from any nearby roads, streets or highways.

(b) The right to permit purchasers and prospective purchasers to park motor vehicles in any unassigned parking stalls.

(c) The right to show the Project (including but not limited to model Apartments, the Master Association Amenities, the Shoreline Setback Area, and the beach) or any Adjacent Project to purchasers and prospective purchasers (who will have a right of access for these purposes).

(d) The right to use Apartments owned by the Developer as model Apartments, sales, management, and/or administrative offices.

(e) The right to establish and operate tour or activity desks or other businesses intended to promote sales from any Apartment owned by the Developer or its Limited Common Elements, or from any booth that the Developer has the right to use pursuant to Section 7.4A or pursuant to the Master Association Documents.

(f) The right to use banners, signs or other extensive sales displays and activities at the Project.

2) This easement applies to activities conducted in connection with the initial sale and/or any resale of (i) one or more Apartments and/or Vacation Ownership Interests in the Project, and (ii) one or more apartments, time share interests and/or fractional ownership interests in any Adjacent Project.

3) Each Interested Person understands, acknowledges and accepts that the easements provided in this Section 7.1J, and the use of them, may result in increased traffic, noise, and related inconveniences. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions such person may have, now or in the future, against the Developer and its Representatives, licensees, invitees, successors and assigns and arising from or with respect to the use of this easement.

K. DEVELOPER'S EASEMENTS FOR ACCESS. The Developer and its Representatives, licensees, invitees (including any governmental officials that the Developer may invite), successors and assigns, have an easement over, under and upon the Project, including the Common Elements, Limited Common Elements, and any Apartment, as may be reasonably necessary or convenient to complete any Improvements and to correct any defects and other punchlist items in the Common Elements or any Apartment or to use any of the other Developer's Reserved Rights. The easement to complete Improvements or correct defects or punchlist items ends, as to any particular phase or

increment of the Project, sixty (60) months after the later to occur of (i) the recording date of the first deed of an Apartment or Vacation Ownership Interest in that increment or phase of the Project; or (ii) the "date of completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the Improvement to be completed or corrected.

L. EASEMENTS FOR THE VACATION OWNER'S ASSOCIATION. Any Vacation Owners Association and its Representatives (including, for example, its plan manager), licensees, and invitees, have a non-exclusive easement over, under and upon the general Common Elements of the Project. They also have the right to use any Resort Limited Common Elements. This easement does not include the right to use the Limited Common Elements of any Commercial Apartment (for example, the Master Association Apartment).

1) They may only use this easement as necessary or appropriate for these purposes:

- > The administration, management or operation of the Vacation Ownership Plan.
- > The use, maintenance or servicing of Apartments included in the Vacation Ownership Plan.
- > The use of any easements reserved or granted in the Vacation Plan Documents that allows them to use the Apartments included in the Vacation Ownership Plan.

2) Under no circumstances, however, may this easement be used for either of these purposes:

(a) To sell or promote the sale of Vacation Ownership Interests or other time share interests, or interests in any fractional ownership plan.

(b) To operate a tour or activity desk or any other business intended to sell or promote the sale of Vacation Ownership Interests, time share interests, or interests in a fractional ownership plan.

Any such activity is prohibited by and would violate Section 9.4.

3) This easement applies only to Vacation Owners Associations established within twenty (20) years after the date that this Declaration is recorded.

M. EASEMENTS FOR USE OF HOUSEKEEPING FACILITIES. Without limiting the generality of Section 7.1L, the Vacation Owners Association and its Representatives (including, for example, its plan manager), licensees, and invitees, have a non-exclusive easement (in common with the Association) to use the housekeeping rooms behind elevator no. 4 on the second to the sixth floors of the Kahakai Building, any housekeeping rooms that are general Common Elements and that are located on the basement to sixth floors of the Makani Kai Building and the Ahelani Building, and any linen and storage closets that are general Common Elements and that are

located on the basement to the sixth floors of the Kahakai Building, the Makani Kai Building and the Ahelani Building. They may use the housekeeping rooms to store linens, cleaning supplies and equipment, and for purposes related to providing housekeeping services to apartments in the Vacation Ownership Plan. The Association will provide keys to the Vacation Owners Association and its housekeeping staff. If necessary, the Association will modify these facilities so that the Association may keep its supplies and equipment separate from those of the Vacation Owners Association. For example, the Association may install partitions, locks, or similar security measures. The Association may require that the Vacation Owners Association reimburse the Association for a reasonable share of the costs to use, maintain, repair and replace the housekeeping rooms.

N. EASEMENT FOR USE OF TELEPHONE ROOMS. In the event that the Developer, or a company related to the Developer, is not the Managing Agent, then the Association will have a non-exclusive easement (in common with Apartment 101) for use of the telecom rooms located (a) between stairway no. 2 and elevator no. 2 on all floors of the Kahakai Building, (b) between stairway no. B2 and elevator no. B2 on all floors of the Makani Kai Building, and (c) on all floors of the Ahelani Building, for the purpose of providing any necessary telephone service to Resort Apartments located in the Kahakai Building, the Makani Kai Building, or Ahelani Building, respectively. In such case, all costs of maintenance and repairs of such rooms shall be divided equally between Apartment 101 and the Association. However, if the Owner of Apartment 101 is no longer using the telecom rooms, then the Association will pay all costs to maintain and repair those rooms.

O. RIGHTS OF OCCUPANTS. Anyone who has the right or permission to occupy an Apartment also has the right and a license to use the general Common Elements, and any Limited Common Elements of the Apartment occupied, to the same extent that the Owner would have the right to do so. This right of use and license remains in effect only during the time period when the person has the right to occupy the Apartment.

1) This includes, for example, anyone who rents or leases an apartment (subject to any limits contained in any rental agreement or lease with the Owner).

2) It also includes (i) a Vacation Owner who occupies an Apartment as allowed by the Vacation Plan Documents, and (ii) anyone else (an "Exchange User") whose use of an Apartment is arranged through an exchange program or is otherwise confirmed by the Vacation Association, the Club or the Network. Of course the rights of any Vacation Owner or Exchange User are subject to any limits contained in the Vacation Plan Documents. In addition to any other exchange program, the Club and the Network are expressly declared to be exchange programs for purposes of this Section.

P. EASEMENT FOR BELLHOP SERVICE. The Owner of Apartment 101 has the exclusive right (but no duty) to provide bellhop services to the occupants of the Resort Apartments. For

this purpose, the Owner and its Representatives and licensees have an easement across the Common Elements of the Project, and the Limited Common Element corridors, hallways, stairways, elevators, and other means of access within each building containing Resort Apartments. Bellhop activity must not be conducted in a way that unreasonably disturbs the occupants of the Resort Apartments. This easement is appurtenant to Apartment 101.

Q. EASEMENT FOR ROOM SERVICE. The Owner of Apartment 101 has the exclusive right (but no duty) to provide room service to the Resort Apartments or to arrange with someone else to provide room service. For this purpose, the Owner and its Representatives and licensees have an easement to use the Common Elements of the Project, and the Limited Common Element corridors, hallways, stairways, elevators, and other means of access within each building containing Resort Apartments, to provide room service to the occupants of the Resort Apartments. Room service must not be provided in a way that unreasonably disturbs the occupants of the Resort Apartments. Regular sweeps of the hallways and corridors must be made at reasonable intervals or times to remove carts, trays, dishes, and so on, placed in the hallways or corridors by occupants. This easement is appurtenant to Apartment 101.

R. EASEMENT FOR VENDING MACHINES, ETC. The Association has the exclusive right and an easement to install, maintain, operate, stock and restock, service, repair, and replace, cold drink, hot drink, and other vending machines, but not electronic game machines, in the areas of the Kahakai Building, the Makani Kai Building, and the Ahelani Building, shown on the Condominium Map as suitable for vending machines. The Association may not install the machines in a way that violates any fire or safety codes that apply to the Project. The machines may not unreasonably disturb the Apartment occupants.

S. EASEMENT FOR VALET PARKING SERVICE. The Owner of Apartment 101 has an exclusive right (but not an obligation) to provide valet parking services to the Apartment occupants and their guests, and to customers and other invitees of the Commercial Apartments. This includes the right for the Owner of Apartment 101 and its Representatives and licensees to use the Common Elements of the Project, and the porte cochere and semi-circular driveway fronting the Halekupa Building, to provide valet parking services. This easement includes the right to control the flow of vehicles through the port cochere and semi-circular driveway, and the loading, unloading, and parking of vehicles in the semi-circular driveway. If the Owner of Apartment 101 requests it, the Board must designate thirty (30) of the unassigned parking stalls for exclusive use as valet parking stalls. The Board may set aside any greater number of stalls that the Board reasonably determines to be necessary and, during the Development Period, as the Developer approves. This easement is appurtenant to Apartment 101.

T. EASEMENT FOR CHILDREN'S PROGRAMS. The Developer and the Master Association have the exclusive right

and an easement (but no duty) to operate one or more children's programs. They may make these programs available to children of (i) Apartment Owners and occupants, (ii) other Master Association Members and occupants of their property, (iii) potential Master Association Members while they are attending a sales presentation, and (iv) guests of any of these persons. The Developer or the Master Association may contract with someone else to operate such a program for them. The programs may involve use of the Master Association Amenities, the Project amenities, the Shoreline Setback Area (subject to the requirements of the SMA Permits) and the beach. Each Interested Person understands, acknowledges and accepts that the use of this easement may result in increased noise and other nuisances. Each Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions he or she may have arising from or with respect to the proper use of this easement, now or in the future, against: (1) the Developer and its Representatives, licensees, invitees, successors and assigns, and (2) the Master Association and its Representatives, licensees, invitees, successors and assigns.

U. EASEMENT FOR SNACK BAR OPERATIONS.

1) The Owner of the Apartment 101 and its Representatives and licensees have the following rights and easements:

(a) The right and an easement to place up to thirty (30) tables, with chairs and umbrellas, in the Courtyard.

(b) The exclusive right and an easement to provide food and beverage services to those tables and to customers elsewhere around the Courtyard, including the right to employ waiters, waitresses, busboys, etc., to do so.

(c) The right and an easement across the Courtyard and the Common Elements to transport food, beverages, supplies, glasses, dishes, and so on, to and from Apartment 101.

(d) The right and an easement to use the restrooms beneath the slide mountain. This includes, for example, use by employees, waiters, waitresses, busboys, etc., while they are working.

2) When using these rights and easements, the Owner of Apartment 101 has these duties:

(a) It must keep its tables, chairs, and umbrellas in a neat and attractive condition at all times.

(b) It must pick up and remove all of its glasses, trays, dishes, trash, and so on in a timely fashion so as to maintain the premises in a good and orderly condition at all times.

(c) It must indemnify (which means that it agrees to pay) the Association, the Developer, and the Master Association from any claim, loss or damage resulting from any failure to do these things.

3) The easements in this Section do not obligate the Owner of Apartment 101 to provide food and beverage service or any related services but permit it to do so. These easements are appurtenant to Apartment 101.

V. EASEMENTS FOR APARTMENT 101. The Owner of Apartment 101 has a non-exclusive right of access to and from its Limited Common Elements (such as the telecom rooms) in the Kahakai Building, the Makani Kai Building, and/or the Ahelani Building. For this purpose, the Owner and its Representatives and licensees have an easement across the Resort Limited Common Element corridors, hallways, stairways, elevators, and other means of access to and from its Limited Common Elements. This easement is appurtenant to Apartment 101.

7.2 DEVELOPER'S EASEMENT FOR NOISE, DUST, ETC. The Developer and its Representatives, licensees, and invitees, have an easement over, under and upon the Project and all of its parts, to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the use of the easements it has under this Section 7, (b) the development of any Adjacent Parcel, or (c) the use of the Developer's Reserved Rights or any other rights of the Developer described elsewhere in this Declaration. Each Interested Party (i) understands, acknowledges and accepts that these activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that he or she may have, now or in the future, against the Developer and/or its Representatives, licensees, invitees, successors and assigns. Each Owner and other Interested Person assumes the risk of any property damage, personal injury or loss in property value arising from these activities. The rights of the Developer under this Section 7.2 are Developer's Reserved Rights.

7.3 GRANT OF ADDITIONAL EASEMENTS AND MODIFICATION OF EASEMENTS BY THE ASSOCIATION.

A. EASEMENTS THROUGH COMMON ELEMENTS. The Association has the right, exercisable by the Board, to designate, grant, lease, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements for any reasonable purpose. This includes, for example:

1) Any purpose necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements or any Limited Common Element.

2) Any easements for utilities or for any public purpose. This would include, for example, beach access, pedestrian walkways, stairs, ramps, or other passageways, or restroom facilities.

During the Development Period, the Association must have the written consent of the Developer before it can do any of these things.

B. EASEMENTS THROUGH ADJACENT LANDS. The Association has the right, exercisable by the Board, to transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land or the Project, for any reasonable purpose. This includes, for example, any of the purposes mentioned in Subsection 7.3A. During the Development Period, the Association must have the written consent of the Developer before it can do any of these things. The Board may also use these rights if the owner of property that is subject to an easement in favor of the Land or the Project uses any right he or she has to require a change in the location of that easement. The Developer's consent is not required in this case.

7.4 GRANT OF ADDITIONAL EASEMENTS AND MODIFICATION OF EASEMENTS BY THE DEVELOPER.

The Developer hereby reserves, as additional Developer's Reserved Rights, the following rights:

A. EASEMENTS THROUGH COMMON ELEMENTS. The Developer reserves the right to designate, grant, lease, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary or convenient to the use of any of the Developer's Reserved Rights, or for any reasonable purpose. This includes, but is not limited to:

1) Any purpose necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements or any Limited Common Element.

2) Any easements for utilities or for any public purpose. This would include, for example, beach access, pedestrian walkways, stairs, ramps, paths, trails, bikeways, or other passageways, or restroom facilities.

3) Any easements needed by the Developer and its Representatives, licensees and invitees, to establish, operate and maintain in the Shoreline Setback Area no more than three beach or beach side (meaning on the parts of the Project near the beach) concession stands. The stands may be used only for these purposes:

(a) They may be used for sales of food and/or beverages, rental and storage of portable beach cabanas, surfboards, boogie boards, boats, jet skis, snorkels, fins, bicycles, or other recreational equipment.

(b) They may also be used for the operation by the Developer of tour or activity desks or other businesses intended to promote the sales of Apartments or Vacation Ownership Interests in the Project or Apartments or time share interests or fractional ownership interests in any Adjacent Project.

The easement under this Subsection 7.4A.3) includes the right to connect the concession stands with utility services. However, each month the Developer must reimburse the Association in an amount equal to the estimated cost of utility services. Any concession stands must be built, set up, operated and maintained in accordance with the SMA Permits, the Shoreline Setback Declaration, and all laws that apply. The Developer must pay all costs to build, set up, operate and maintain any concession stands.

B. EASEMENTS THROUGH ADJACENT LANDS.

1) The Developer also reserves the right to transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land or the Project for any reasonable purpose. This includes, for example, any of the purposes mentioned in Subsection 7.4A, above. The Developer may also use these rights if the owner of property that is subject to an easement in favor of the Land or the Project uses any right he or she has to require a change in the location of that easement.

2) The Developer also reserves the right to accept any easements or licenses over, under, across or through any part of the Land being deleted from the Project pursuant to Section 21. This may include, for example easements for access to and from the Project. These easements will be Common Elements of the Project.

C. CONSENT OF OTHER PERSONS. The Developer may use its reserved rights in this Section 7.4 without the consent or joinder of anyone else. This is discussed in more detail in Section 28. To the extent that the Developer determines that the consent or joinder of any Interested Person may be required or desirable in order to validate any act or thing done by the Developer using its reserved rights, such consent or joinder may be accomplished by power of attorney or otherwise as provided in Section 28.

8. ALTERATION AND TRANSFER OF INTERESTS.

8.1 COMMON INTERESTS AND EASEMENTS. Except as otherwise provided in this Declaration, an Apartment's Common Interest and any easements in favor of the Apartment, will each have these characteristics:

A. It will have a permanent character.

B. It cannot be changed without the consent of all Owners of affected Apartments. This consent must be expressed in an amendment to this Declaration. The amendment must be recorded. It must also contain the consent of each Lender who has a first Mortgage on an affected Apartment but only if:

1) The Lender is listed in the Association's record of ownership; or

2) The Lender has given the Board notice of its interest through the Secretary of the Association or the Managing Agent.

C. It cannot be separated from the Apartment to which it is appurtenant.

D. It will automatically be transferred or encumbered with the Apartment even if the deed or other encumbrance document does not say so.

8.2 PARTITION. "Partition" is the right of co-owners to ask a court to divide commonly owned property into separate parts for each co-owner. If the property cannot legally be divided, a court may order the property sold and divide the money from the sale among the co-owners. Except as otherwise provided in this Declaration, the Common Elements shall remain undivided, and no right shall exist to partition or divide any part of them except as provided by the Condominium Property Act. Without limiting Section 514A-21(a) of the Hawaii Revised Statutes, no partition or division may take place without the prior written consent of each Lender holding a first Mortgage on an Apartment or Vacation Ownership Interest.

9. PURPOSES AND USE.

9.1 RESORT APARTMENTS.

A. The Resort Apartments may be occupied and used as a permanent or temporary residence or for hotel or transient vacation rental purposes.

B. NO MATTER WHAT ELSE THE CONDOMINIUM DOCUMENTS SAY, THE RESORT APARTMENTS MAY BE USED AS TIME SHARE UNITS IN A TIME SHARE PLAN IF THE DEVELOPER CREATES THE PLAN OR IF THE DEVELOPER AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT.

C. The Resort Apartments may also be used in a fractional ownership plan if the Developer creates the plan or if it authorizes or consents to that use in a recorded document. A "fractional ownership plan" is any plan or program, other than a time share plan, in which the use, occupancy, or possession of one or more Resort Apartments circulates among various persons. Under the current definition of "time share plan" contained in the Time Share Act, a fractional ownership plan would contemplate circulation for a period of sixty or more days in any year, for any occupant.

D. The following rules apply except where this Declaration allows the Developer to do otherwise:

1) The Resort Apartments and their Limited Common Elements must not be used to carry on any business, trade or profession.

2) The Resort Apartments and their Limited Common Elements must not be used for sales of any articles or goods.

3) No Apartment Owner, lessee, tenant or other occupant of a Resort Apartment can bring clients, customers or

other business invitees onto the premises on a regular basis for business purposes.

E. The Apartment Owners have the absolute right to sell, lease, rent or otherwise transfer their own Apartments. This right is subject to the restrictions in this Section 9.1. It is also subject to all other provisions of this Declaration and the Bylaws.

9.2 COMMERCIAL APARTMENTS.

A. The Commercial Apartments are established with the intent that business be conducted in them. Accordingly, the Commercial Apartments may be operated and used for any purpose permitted by law. For example, the Commercial Apartments may be used as a permanent or temporary residence, for hotel or transient vacation rental purposes, as administrative offices, restaurants, bars, liquor stores and other retail stores, health spas, fitness club, conference center, sales and marketing offices, and activity desks or offices.

B. The Owner of a Commercial Apartment has the absolute right to rent or lease all or any part of it and/or its Limited Common Elements for any length of time and upon any terms and conditions that the Owner chooses. The Owner has the right to keep the rent and any other amounts paid pursuant to the rental agreement or lease.

C. The Owner of any Commercial Apartment may contract with various providers of goods and services, such as food and beverage operators, retail stores and other vendors, to provide goods and services at the Project. The Owner may retain any compensation paid to the Owner in return for permitting that vendor to use space at the Project, whether that space is inside the Owner's Apartment or its Limited Common Elements. An Owner's rights under this Subsection are subject to the exclusive right of the Snack Bar Apartment under Section 7.1U and the exclusive right of Apartment 101 under Section 7.1Q, and any other exclusive rights granted or reserved in this Declaration.

D. NO MATTER WHAT ELSE THE CONDOMINIUM DOCUMENTS SAY, ANY PART OF APARTMENT 101 LOCATED IN A BUILDING CONTAINING RESORT APARTMENTS (AND ANY APARTMENTS THAT WERE ORIGINALLY PART OF APARTMENT 101 AND THAT ARE LOCATED IN A BUILDING CONTAINING RESORT APARTMENTS) MAY BE CONFIGURED FOR USE AS RESORT APARTMENTS AND THEN USED AS TIME SHARE UNITS IN A TIME SHARE PLAN OR UNITS IN A FRACTIONAL OWNERSHIP PLAN IF THE DEVELOPER CREATES THE PLAN OR IF THE DEVELOPER AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT. During any such use, Section 9.1 instead of this Section 9.2, will govern the use of those parts of Apartment 101, or formerly part of Apartment 101, being used for time

sharing or fractional ownership purposes. It will be as if they were Resort Apartments.

E. Any amendment to this Section 9.2 and any amendment to the Condominium Documents that would limit or interfere in any way with the use of a Commercial Apartment or its Limited Common Elements, or with access to or from the Commercial Apartment or its Limited Common Elements, will not be effective without the written consent of the Owner of that Apartment.

9.3 USE OF THE COMMON ELEMENTS. Subject to the rights reserved by the Developer elsewhere in this Declaration or in the Bylaws:

A. Each Apartment Owner may use the Common Elements for the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other Apartment Owners. This right is subject to the following:

1) The exclusive use of the Limited Common Elements as provided in this Declaration.

2) The right of the Board to change the use of the Common Elements or to lease or otherwise use the Common Elements for the benefit of the Association. The Board may only do so upon the terms and subject to the limits contained in the Condominium Property Act. See, for example, Section 514A-13(d) of the Condominium Property Act. However, no such lease, use or change in use may be made before the Development Period ends unless the Developer consents to it in writing.

3) The right of the Developer to change the use of or otherwise deal with the Common Elements and Limited Common Elements in the exercise of the Developer's Reserved Rights.

B. Each Owner of a Commercial Apartment may operate and use any Limited Common Elements of that Apartment for any purpose permitted by law and by Section 9.2. If a Limited Common Element is appurtenant to more than one Commercial Apartment then these rules apply:

1) The Owners of those Commercial Apartments may operate and use that Limited Common Element for any purpose permitted by law and by Section 9.2.

2) The Owners of at least seventy-five percent (75%) of the Common Interests for all of the Apartments to which that Limited Common Element is appurtenant have the right to choose, and to change, the use of that Limited Common Element.

An Owner has the right to keep all revenues generated by any business that the Owner operates on the Limited Common Elements of his or her Commercial Apartment.

C. Regardless of anything else stated in the Condominium Documents, neither the Board nor the

Association has any right to change the use of or to lease or otherwise use any Limited Common Element of a Commercial Apartment. The only exception is when the Owners of all Apartments to which a Limited Common Element is appurtenant give their written consent in advance.

D. Regardless of anything else stated in the Condominium Documents, neither the Board nor the Association has any right, without first getting the written consent of the Owner of each Commercial Apartment affected, to obstruct the entrance to, or the visibility of any signage, notice, picture, placard, poster, or other advertising matter pertaining to or posted inside of any Commercial Apartment. However, any such signage and so on that is visible from outside of the Apartment must be consistent with a first class destination resort.

9.4 LIMITS ON USE OF THE APARTMENTS AND COMMON ELEMENTS. Notwithstanding the provisions of Sections 9.1, 9.2, and 9.3, no Apartment Owner, lessee, tenant, occupant, or other Interested Person can use the Project or any part of it:

- > For the promotion or sale of Vacation Ownership Interests, other time share interests, or interests in a fractional ownership plan, whether directly or indirectly, or
- > For the operation of a tour or activity desk or any other business that directly or indirectly promotes the sale of Vacation Ownership Interests, time share interests, or interests in a fractional ownership plan.

These restrictions are intended to benefit the Developer alone and they will apply in every case unless the Developer gives its written consent in a recorded document. Of course, these restrictions do not apply to the Developer. It has the right to use its Apartments and the Developer's Reserved Rights for the promotion and sale of Vacation Ownership Interests, other time share interests and fractional ownership interests.

9.5 CHANGES TO PROJECT APPEARANCE. Owners are not allowed to change or cause a change to the exterior appearance of the Project unless they have the prior written consent of either the Board or the Managing Agent. This rule applies even though some of the Common Elements are Limited Common Elements of certain Apartments. This rule does not apply to:

A. The Developer when using the Developer's Reserved Rights, or

B. The Master Association Apartment when acting as permitted by the Master Association Documents and Section 17.2A.1)(b).

The Board has the right to change the exterior appearance of the Project. During the Development Period, however, the Board cannot do so without the Developer's written consent. Nobody is allowed to change the appearance of the Project in a way that is not consistent with a first class destination resort.

9.6 MAINTENANCE AND REPAIR OF APARTMENTS AND LIMITED COMMON ELEMENTS.

A. Each Owner must keep the interior of his or her Apartment, and its Limited Common Elements, in good order and repair, and in a condition consistent with a first class destination resort. This includes not just the walls, windows, and so on but also includes all plumbing, electrical and other fixtures and equipment that are part of the Apartment or its Limited Common Elements. The Board, however, will provide for periodic resurfacing and other routine maintenance of parking stalls. This does not relieve an Owner from the obligation to pay for damages beyond normal wear and tear to his or her parking stall.

B. The Owner of a Commercial Apartment has the right to make decisions on repairs or changes to its Limited Common Elements. If a Limited Common Element is appurtenant to more than one Commercial Apartment then the Owners of at least seventy-five percent (75%) of the Common Interests for all of those Apartments have the right to make decisions on repairs and changes to it. These rights of the Commercial Apartment Owners are subject to the requirements of Sections 9.5 and 9.6A, and any additional provisions contained in the Bylaws.

9.7 DEVELOPER'S RIGHTS OF USE. Regardless of anything else stated in the Condominium Documents, the Developer has the right to use any Apartment that it owns for promotional purposes or in connection with the initial sale and/or any resale of Apartments, Vacation Ownership Interests, fractional ownership interests, and/or time share interests or apartments in any Adjacent Project. This includes, for example, the right to have guests stay in those Apartments for any length of time. Of course, guests must comply with the Condominium Documents. It also includes the right to use its Apartments and their Limited Common Elements as model Apartments, or as sales, management or administrative offices or to sell tours and activities or to provide services to the Owners or other occupants of the Project. These rights are subject to any requirements of the zoning code and any other laws that may apply.

10. ADMINISTRATION OF PROJECT.

Administration of the Project is vested in the Association, consisting of all of the Apartment Owners, acting in accordance with this Declaration and the Bylaws. Except as otherwise provided in the Condominium Documents, operation of the Project and maintenance, repair, replacement and restoration of the Common Elements, and any additions and alterations to them, shall be in accordance with the provisions of the Condominium Property Act, this Declaration and the Bylaws. Without limiting the general nature of this statement, the Association has these rights and duties:

10.1 IMPROVEMENTS REQUIRED BY LAW. The Association must do the following things to the extent required by law or by any recorded document that applies to the Project: It must make, build, maintain and repair all fences, sewers, drains, roads,

driveways, driveway ramps, curbs, sidewalks, streetlights, parking areas and other Improvements that must be made, built, maintained and repaired on, or next to, or in connection with, or for the use of the Project or any part of it.

10.2 OBSERVANCE OF LAWS. The Association must keep all Common Elements in a strictly clean and sanitary condition. It must also obey and do anything required by all laws and regulations that apply to the Project or to the use of it from time to time.

10.3 MAINTENANCE IN GOOD ORDER.

A. The Association must do the following things, and it must do them in a way that maintains the Project as a first class destination resort:

1) It must repair, maintain, and keep all of the Common Elements in good order and condition except as otherwise provided in this Declaration.

2) It must maintain and keep the Common Elements in a neat and attractive condition.

3) It must keep all trees, shrubs, and landscaping (except trees, shrubs, and landscaping located within an Apartment or its Limited Common Elements) in good cultivation. It must also replant them if necessary.

B. If any Owner or an Owner's agent gives written notice of any material and substantial deficiency in the repair or maintenance of any Common Element, the Association, consistent with generally accepted standards of practice and sound business judgment, must, if practicable, start making the appropriate repairs or maintenance or corrections to the defect not less than thirty (30) days after receiving the notice. After starting the work, the Association must work diligently to complete it. The Owner must bear any costs of temporary relocation during the times when the Association is doing the maintenance and repairs.

10.4 ADMINISTRATION OF COMMERCIAL LIMITED COMMON ELEMENTS. Subject to the provisions of Section 9.5, the Owner of a Commercial Apartment has the right to assume administration and maintenance of one or more of its Limited Common Elements. If a Limited Common Element is appurtenant to two or more Commercial Apartments then the Owners of at least seventy-five percent (75%) of the Common Interests for all of those Apartments have the right to assume administration and maintenance of it. In either case:

A. The Owner or Owners must give notice to the Association that they are assuming the administration and maintenance of the Limited Common Element.

B. The Owner or Owners must administer and maintain the Limited Common Elements in a manner consistent with a first class destination resort.

C. The Association and the Managing Agent must cooperate with the Owner or Owners by paying to them the part of the assessments for Common Expenses collected to maintain that area. Alternately, it may delegate to the Owner or Owners the right to pay directly any sums required to maintain that area. All such sums will be deemed sums paid for Common Expenses.

10.5 CONSTRUCTION PLANS. The Association must not erect or place on the Project any building or structure, including fences and walls, nor make material additions or structural alterations to or exterior changes of any Common Elements of the Project, except in accordance with plans and specifications prepared by a licensed architect and approved by the Developer (until the expiration of the Development Period) and by any other Owners whose consent is required by the Condominium Property Act. After starting the Improvements, the Association must work diligently to complete them.

10.6 BOND FOR CONSTRUCTION. The Association must require that the contractor provide a performance bond and a labor and materials payment bond before it begins construction of any Improvement on the Project that costs more than Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) on a C.P.I. Adjusted basis. The bonds must name the Association, all Apartment Owners and each of their Lenders, as obligees (the persons who can make a claim on the bond if there is a loss). The bonds must be issued by a responsible company authorized to do business in the State of Hawaii. It must guarantee the full and faithful performance of the construction contract free and clear of any mechanics' and materialmen's liens. And it must cover at least one hundred percent (100%) of the estimated cost of the construction.

10.7 SETBACK LINES. The Association must observe any setback lines affecting the Project. It must not erect, place or maintain any building or structure of any kind, except approved fences or walls, between any street boundary of the Project and the setback line along the boundary.

10.8 IMPROPER USE. The Association must not neglect or abuse the Project, or use it for any unlawful, improper or offensive purpose. It also must not allow anyone else to do so.

11. SERVICE OF PROCESS.

Helen H. W. Lanford is designated as the agent to receive service of process (legal papers) for the Association from the date that this Declaration is recorded until the first Board is elected. After that, process may be served only on an officer of the Association or of the Managing Agent. Ms. Lanford's place of business and post office address is 10 Hoohui Street, Suite 307, Lahaina, Maui, Hawaii 96761.

12. COMPLIANCE WITH DECLARATION AND BYLAWS.

12.1 DUTY TO COMPLY. All Apartment Owners, their tenants, families, servants, guest, and invitees, and anyone else who may

in any manner use the Project, or any part of it, are bound by and must comply strictly with the Condominium Documents and all agreements, decisions and determinations of the Association as lawfully made from time to time. Any failure to comply is grounds for an action to recover sums due, for damages or injunctive relief, or both. The Board or the Managing Agent acting on behalf of the Association or, in a proper case, an aggrieved Apartment Owner may bring such an action.

12.2 COSTS AND EXPENSES OF ENFORCEMENT. All costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the Association for:

- A. Collecting any delinquent assessments against any Owner's Apartment;
- B. Foreclosing any lien on it;
- C. Enforcing any part of the Condominium Documents or the Condominium Property Act; or
- D. Enforcing the Condominium Regulations;

against an Owner, occupant, tenant, employee of an Owner, or anyone else who may in any manner use the Project or any part of it must be paid, promptly on demand, to the Association by that person or persons. If the claims upon which the Association takes any action are not substantiated, however, then promptly on demand the Association must pay all costs and expenses, including reasonable attorneys' fees, incurred by the Apartment Owner as a result of the Association's action.

12.3 EXEMPTIONS FOR PERSONS WITH DISABILITIES. No matter what else the Condominium Documents say, and except as otherwise provided by law, Owners with disabilities are allowed reasonable exemptions from the requirements of the Condominium Documents when necessary and to the extent appropriate to enable them to use and enjoy their Apartments or the Common Elements. Any Owner with a disability and who wants an exemption must ask the Board in writing. The request must include a specific and detailed description of the exemption requested and the reason why the Owner needs it. The Board must not unreasonably withhold or delay its consent to the request. A request will be granted automatically unless the Board denies it in writing within forty-five (45) days after the Board receives it, or within forty-five (45) days after the Board receives any additional information reasonably required by the Board in order to consider the request, whichever occurs last.

13. INSURANCE.

13.1 INSURANCE GENERALLY. The Association must see that, at a minimum, the Association and the Apartment Owners are covered by the insurance required by this Section 13. The cost of the insurance will be a Common Expense. Each policy may be separate, or the Association can buy one or more commercial package policies.

A. SOURCE OF THE INSURANCE. The Association may buy the insurance itself. Or it may join with the Master Association or any Vacation Owners Association in order to buy insurance. If the Managing Agent or any related company manages more than one owners association or real estate project, then the Managing Agent may buy one or more blanket policies that cover the Project and any other owners associations or real estate projects. In that case, the covered projects will split the costs of the policies. The amount charged to the Project for its share of the costs is subject to approval by the Board.

B. QUALIFIED INSURANCE COMPANIES. Each insurance company must be licensed to do business in the State of Hawaii. The only exceptions are for (i) federal flood insurance and other government insurance programs, and (ii) insurance not available, or not available at a reasonable price, from a company licensed in Hawaii. Each insurance company must have a financial performance rating of Class VI or better according to Best's Insurance Report. If the insurance cannot be obtained from a company having that rating, or if the Board decides that the cost is too high, then the Association may buy the insurance from any financially sound company of recognized responsibility.

C. ADDITIONAL INSURANCE. The Board has the right and power to increase coverage or to obtain better terms than those stated in this Section 13 if the Board decides that it is necessary or is in the best interests of the Association. The Board may also buy other kinds of insurance even if they are not described in this Section 13. For example, the Board might buy business interruption insurance.

D. SUBSTITUTE COVERAGE; REDUCTION IN INSURANCE. Except for insurance required by law, the Board need not buy any insurance if it is advised that it cannot reasonably be obtained or if the Board decides that it is too expensive. In those cases, the Board may buy other insurance that it believes to be appropriate under the circumstances for apartments in condominiums similar in construction, location and use. The Board may accept any deductibles, uninsured retentions, and co-insurance as it chooses in its business judgment. Any amount paid on account of any deductible, uninsured retention, or co-insurance will be a Common Expense; provided that if a loss results from the negligence or willful misconduct of an Owner, then the Association may charge the amount to the Owner as provided in Section 8.3B.2. of the Bylaws.

E. YEARLY REVIEW OF INSURANCE PROGRAMS. The Board must review the adequacy of its entire insurance program at least yearly. The Managing Agent must furnish an analysis of (a) the insurance needs of the Association and the Owners; and (b) the adequacy of the existing insurance policies to meet those needs. The Board will review this analysis and then make any changes in the insurance program that it deems necessary or appropriate. All Board decisions are final. The Board must report in writing its conclusions and the action taken after its review.

F. LIABILITY FOR INSURANCE DECISIONS. The Board will not be liable for any decision it makes on insurance unless it was grossly negligent or was guilty of intentional misconduct. Likewise, neither the Developer nor the Managing Agent will be liable except for their gross negligence or intentional misconduct.

G. INSPECTION AND COPIES OF INSURANCE POLICIES. Any Owner (and anyone having a contract to buy an Apartment or a Vacation Ownership Interest) may inspect copies of the Association's insurance policies at the office of the Managing Agent. If asked to do so, the Board will furnish a copy of any policy, or a current certificate of insurance, to any Lender that has a first Mortgage on an Apartment or a Vacation Ownership Interest. The Lender must pay a reasonable fee for the copy.

H. NOTICE OF CHANGES IN INSURANCE. The Association will send notice to the Owners if:

1) The Association's policy of property insurance under Section 13.2 or liability insurance under Section 13.4 has lapsed, has been canceled, or will not be renewed. However, the Association does not have to send notice if replacement coverage will be in effect before the policies lapse or are canceled.

2) There is a significant adverse change in the coverage of those policies (for example, a significant reduction in the policy limits or an increase in the deductible).

The Association must send any notice required by this Subsection by first-class mail and it must do so as soon as reasonably possible.

13.2 PROPERTY INSURANCE. The Association must buy and keep in effect at all times a policy of property insurance. This is called the "Policy" in this Section 13.2.

A. WHO IS INSURED. The Policy must name the Association, as trustee for all Apartment Owners and any Lenders, as the insured. The Developer must also be named as an insured.

B. REQUIRED COVERAGE. The Policy must insure all Common Elements of the Project and, whether or not part of the Common Elements, all exterior and interior walls, floors, and ceilings, all in accordance with the as-built plans and specifications. The Policy must cover 100% of the cost of replacing that property without deductions for depreciation.

C. COVERAGE NOT REQUIRED. The Policy does not have to cover (i) exterior glass if the Board decides that this is too expensive, and (ii) underground Improvements, except for conduits, plumbing and wiring.

D. FORM OF POLICY. The Policy must cover those risks generally covered by a special form policy. A "special form policy" usually insures against these risks: fire, lightning, windstorm and hail, smoke, explosion, civil commotion, riot,

and riot attending a strike, aircraft and vehicle damage, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, breakage of glass, falling objects, water damage, collapse of structure, and direct physical loss. If the Project is located in an area prone to earthquakes, the Association must also buy earthquake insurance if it is available at a reasonable cost.

E. ADDITIONAL COVERAGE.

1) The Policy must have an agreed amount endorsement. This protects Owners from co-insurance clauses. A co-insurance clause reduces benefits if the Association fails to buy enough insurance.

2) The Policy must also have an inflation guard endorsement. This automatically increases the Policy limits up to a certain amount each year to keep the Policy limits current with inflation.

F. REQUIRED AND PROHIBITED PROVISIONS. Unless the Board decides the cost is unreasonably high (and its decision will be final), the Policy must provide as follows:

1) The Policy must not relieve the insurance company from liability because of:

(a) Any increased hazard on any part of the Project, whether or not within the control or knowledge of the Association, the Board, the Developer, the Managing Agent, any Owner, or any persons under any of them; or

(b) Any breach of warranty or condition or any other act or neglect by any of those persons.

2) The Policy must not permit the insurance company to cancel or substantially change the Policy or the coverage (whether or not asked by the Board) unless the insurance company gives written notice of the cancellation or change at least thirty (30) days in advance. The insurance company must send the notice to the Board and the Managing Agent. The Board will send a copy to each Lender and any other Interested Person who has, in either case, requested a copy of any such notice.

3) The Policy must provide that the insurance company gives up ("waives") any right to repair, rebuild or replace any damaged or destroyed Improvements if the Association decides not to do so pursuant to Section 16.

4) The Policy must provide that the insurance company gives up ("waives") any right of subrogation to any right of the persons insured by the policy as against the Association, the Board, the Managing Agent, the Developer, the Owners and any person under any of them. "Subrogation" is the right of the insurance company to try to recover its costs from the person who caused the loss.

5) The Policy must provide that the insurance company gives up any right to deny liability because any Apartment or Apartments are vacant.

6) The Policy must not limit or prohibit any Apartment Owner from buying other insurance for the Owner's own benefit. It must also provide that the liability of the insurance company will be primary and will not be affected by any such other insurance, and that the insurance company cannot claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Apartment Owner.

7) The Policy must provide that any loss will be adjusted (settled) by (i) the insurance company, (ii) the Board, and (iii) any Lender having a Mortgage on an Apartment directly affected by the loss.

8) The Policy must contain a standard "mortgagee clause". This protects the rights of Lenders. Unless it cannot be obtained, the mortgagee clause must do these things:

(a) It must name as an insured any Lender whose name has been furnished to the Board and to the insurance company.

(b) It must provide that any reference to a Lender in the policy includes all Lenders, in their order of priority, whether or not named in the policy.

(c) It must provide that any act or neglect of the Association, the Board, or any occupant will not release the insurance company from its duties to the lender.

(d) It must provide that the insurance company gives up these rights:

(1) Any right to deny coverage for the Lender's benefit because the Lender fails to notify the insurance company of any hazardous use or vacancy.

(2) Any requirement that the Lender pay any policy premium. (But, the Lender may pay any premium due if the Association fails to do so on time).

(3) Any right to contribution from the Lender.

(4) Any right to be subrogated to the right of any Lender against anyone causing the loss or to require that any Mortgage be transferred to the insurance company. However, the insurance company may retain the right of subrogation to the extent of insurance proceeds received and retained by the Lender, if the insurance company gives up any claims for liability against the Lender, the Association, the Board, the Managing Agent, the Developer, the Owners and all persons under them. This must not, however, impair the Lender's right to sue any person for any loss or deficiency not covered by the insurance proceeds.

9) The Policy must provide that if there is a loss to the Project and the amount paid by the insurance company exceeds Two Hundred Fifty Thousand Dollars (\$250,000.00) on a C.P.I. Adjusted basis, then the money must be paid to a bank

or trust company authorized to do business in Hawaii and chosen by the board to have custody and control of the insurance proceeds (the "Insurance Trustee"). The Policy must also require that the insurance company recognize the Insurance Trust Agreement. Whenever insurance proceeds are deposited with an Insurance Trustee, the Association must promptly notify each Lender listed in the Association's records of ownership.

13.3 FLOOD INSURANCE. The Project may be located in a place designated by the federal Department of Housing and Urban Development as a flood hazard area. If so, the Association must buy a policy of flood insurance under the federal Flood Disaster Protection Act of 1973. The policy must be equal to the lesser of:

A. The aggregate of the outstanding principal balances of all Mortgage loans on Apartments in the Project, or

B. The maximum limit of coverage available under the National Flood Disaster Protection Act of 1973.

13.4 LIABILITY INSURANCE. The Board must buy and keep in effect a commercial general liability insurance and, if necessary, commercial umbrella insurance. In this Section 13.4, the commercial general liability insurance and commercial umbrella insurance are together called the "Policy".

A. **WHO IS INSURED.** The Policy must cover all Apartment Owners, the Board, the Association, the Developer, the Managing Agent, and each of their Representatives against claims for personal injury, bodily injury, death and property damage.

B. **REQUIRED COVERAGE.** The Policy limits, on a C.P.I. Adjusted basis, must not be less than THREE MILLION DOLLARS (\$3,000,000) for personal injury, bodily injury, and death, and ONE MILLION DOLLARS (\$1,000,000) for property damage.

C. **REQUIRED AND PROHIBITED PROVISIONS.** Unless the Board decides the cost is unreasonably high (and its decision will be final), the Policy must provide as follows:

1) The Policy must not limit or prohibit any Apartment Owner from buying other liability insurance for the Owner's own benefit.

2) The Policy must not relieve the insurance company from liability because of any act or neglect of the Association, the Managing Agent, the Developer, the Board, the Apartments Owners and occupants, or any person under any of them.

3) The Policy must provide that the insurance company gives up any right of subrogation to any right of the persons insured by the policy as against the Association, the Board, the Managing Agent, the Developer, the Owners and any persons under any of them.

4) The Policy must contain a "cross-liability" endorsement. This permits one person who is covered by the Policy to file a claim on the Policy based on the acts or failure to act of another person who is also covered by the Policy.

5) The Policy must contain a "severability of interest" provision. This prevents the insurance company from denying the claim of one person who is covered by the Policy because of the negligence of another person who is covered by the Policy.

6) The Policy must not permit the insurance company to cancel or substantially change the Policy or the coverage (whether or not asked by the Board) unless the insurance company gives written notice of the cancellation or change at least thirty (30) days in advance. The insurance company must send the notice to the Board, the Managing Agent, and the Developer. The Board will send a copy to every Lender and any other Interested Person who has, in either case, requested a copy of any such notice.

13.5 DIRECTORS' AND OFFICERS' LIABILITY INSURANCE. The Board must buy and maintain a policy insuring, to the extent allowed by law, each person who is or was a director, officer, agent or employee of the Association against all liability in connection with any claim made against him or her as a result of his or her holding that position. This is called the "Policy" in this Section 13.5. The Policy must also cover anyone who serves, at the request of the Association, as a director, officer, member, employee or agent of another company or organization. The Board will choose the Policy limits.

If it can be obtained at a reasonable cost, the Policy must provide coverage to the extent permitted by law for any proceeding whether it is civil or criminal, administrative or investigative. The Policy must pay for any expense actually and reasonably incurred. This includes, but is not limited to, attorneys' fees, court costs, and payment of any judgments, fines and settlements. The Board may decide to buy insurance to cover circumstances where direct reimbursement is not required by law.

13.6 FIDELITY BONDS. A "fidelity bond" covers the loss of money in the care or custody of the Association or the Managing Agent. The Association must buy a fidelity bond or fidelity insurance. It must cover the Association and the Managing Agent. It must also cover each of their directors, officers, agents, and employees who handle funds belonging to or administered by the Association or the Managing Agent. And it must cover anyone who serves without pay (for example, a volunteer) and waive (give up) any defense based on excluding such persons from the definition of the term "employee" or similar terms. The fidelity bond or insurance must name the Association as the person protected and who gets paid in case of loss (the "obligee" or the "insured"). It must also satisfy the requirements of the Condominium Property Act and Condominium Rules. The cost of the bond or insurance will be a Common Expense.

14. INSURED DAMAGE OR DESTRUCTION.

14.1 APPLICATION. This Section 14 applies if all or any part of the Project is damaged and if the damage is covered by insurance. If this happens, then the Association or the Insurance Trustee will use the insurance proceeds as provided in this Section 14. In this Section 14 "proceeds" means any money paid by an insurance company for a loss under an insurance policy paid for by the Association.

14.2 DAMAGE TO A SINGLE APARTMENT OR ITS LIMITED COMMON ELEMENTS. If only a single Apartment or its Limited Common Elements are damaged then the Board will hire one or more contractors to rebuild or repair the Apartment and/or its Limited Common Elements. The repairs will include paint, floor covering and fixtures, and any Common Element mechanical, electrical and other equipment in the Apartment or Limited Common Elements.

A. The Association will rebuild and repair the Apartment and/or its Limited Common Elements according to their design just before the damage happened. If it cannot do this (for example, if changes in the law prevent it) then the Association will rebuild or repair the Apartment and/or Limited Common Elements according to a new design. The new design must comply with all laws then in effect. Any modified plans and specifications must first be approved by the Board and by any Lender having a Mortgage on that Apartment.

14.3 OTHER INSURED CASUALTY. In all other cases, the Board must hire one or more contractors to repair or rebuild the damaged parts of the Project, including all Common Elements, Apartments and Limited Common Elements damaged.

A. The Association will rebuild and repair the Project according to their design just before the damage. If it cannot do this (for example, if changes in the law prevent this) then the Association will rebuild or repair the Project according to a new design. The new design must comply with all laws then in effect. Any modified plans and specifications must first be approved by the Board and by any Lender having a Mortgage on any Apartment that is directly affected.

B. It is possible that the modified plans and specifications will not provide for rebuilding or repairing a particular Apartment or its Limited Common Elements. Also, if the law or this Declaration allows it, the Association may decide not to rebuild or repair a particular Apartment or its Limited Common Elements. In either case the Association or the Insurance Trustee will use the insurance proceeds as follows:

1) Proceeds will be applied first to pay that Apartment's share of the cost of debris removal.

2) The part of the insurance proceeds allocable to that Apartment and/or its Limited Common Elements will be paid to the Owner of the Apartment and to any Lender having a Mortgage on that Apartment, as their interests may appear.

14.4 SHORTFALL OF INSURANCE PROCEEDS. The Association or the Insurance Trustee will use insurance proceeds to pay any contractor hired by the Board. Payments will be made as and when required by the construction contract and this Section 14. If there are not enough insurance proceeds to pay the full cost to repair and/or rebuild the Common Elements, then the Board can pay the shortfall from the replacement reserve fund. If this is not enough, then the Board must (i) determine the amount of the remaining shortfall, and (ii) charge a special assessment to each Apartment except for Apartments that are not being rebuilt or repaired. Each Apartment will pay a percentage of the special assessment equal to the percentage of the Common Expenses that it will be paying after the removal of any Apartments that are not being rebuilt or repaired. The Association will also charge a special assessment to the Owner of an Apartment for any costs in excess of the insurance proceeds for repairing and/or rebuilding an Apartment or its Limited Common Elements (but not including any Common Elements within any Apartment).

14.5 DISBURSEMENT OF INSURANCE PROCEEDS. The Association or the Insurance Trustee will pay the cost of the work (as estimated by the Board) from time to time or at the direction of the Board as the work progresses. If an Insurance Trust is required, then the Insurance Trustee will make payment only if these conditions are met:

A. An architect or engineer (who may be an employee of the Board) must be in charge of the work.

B. Each request for payment must be given to the Insurance Trustee at least seven (7) days in advance. It must include a certificate signed by the architect or engineer.

1) The certificate must state that all of the work completed complies with the approved plans and specifications.

2) It must also state that the amount requested is justly required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons providing services or materials for the work. It must include a brief description of those services or materials.

3) The certificate must also state that when the amount requested is added to all sums previously paid by the Insurance Trustee, the total does not exceed the value of the work done as of the date of the certificate.

C. Each request must include releases of liens. The releases must be satisfactory to the Insurance Trustee. They must cover the work for which payment or reimbursement is being requested.

D. Each request must include a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Insurance Trustee, that nobody has recorded with respect to the Property any mechanics' or other lien or instrument for

the retention of title with respect to any part of the work not discharged of record.

E. If the work is finished, then the request for any payment must include a copy of any certificate or certificates required by law to make it legal to occupy the Property. This includes, for example, a certificate of occupancy in the case of a Resort Apartment.

F. The fees and expenses of the Insurance Trustee, as agreed by the Board and the Insurance Trustee, are a Common Expense. The Insurance Trustee may pay these fees and expenses from any proceeds it holds from time to time.

G. The Insurance Trustee may establish any other reasonable conditions to payment if they are not inconsistent with the conditions listed in this Section 14.5.

14.6 EXCESS INSURANCE PROCEEDS. "Excess proceeds" are proceeds remaining after paying the cost to rebuild or repair any damage. Any excess proceeds will be paid to the Apartment Owners and their Lenders in proportion to their share of the Common Expenses.

14.7 RELEASE OF CLAIMS. To the extent that the Association's insurance covers any loss, damage or destruction to any part of the Project, the Association and the Owners will have no claim or cause of action for that loss, damage or destruction against the Developer, the Managing Agent, the Association, or any of their Representatives or against any Apartment Owner (except for any special assessment charged under Section 14.4) or any person under any of them. To the extent that any loss, damage or destruction to the property of any Apartment Owner or anyone under the Apartment Owner is covered by insurance purchased by that Owner, the Owner will have no claim or cause of action for that loss, damage or destruction against the Association, the Developer, the Managing Agent or any other Apartment Owner, or any person under any of them, or any of their Representatives.

15. CONDEMNATION.

15.1 CONDEMNATION. The government and certain other persons have the "power of eminent domain". This means that they can make someone sell their property to them. This process is called "condemnation". Anyone having the power of eminent domain is called a "condemning agency". This Section 15 explains what happens if the Project or any part of it is "taken", meaning that it is condemned or is sold to a condemning agency that has threatened to condemn it.

15.2 CONDEMNATION TRUSTEE. The Association must pay the condemnation proceeds it receives to a bank or trust company (the "Condemnation Trustee") designated by the Board and authorized to do business in the State of Hawaii. In this Section 15, "proceeds" means any money paid by the condemning agency as compensation or damages for taking the Project or any part of it.

15.3 REPRESENTATION IN CONDEMNATION MATTERS. Each Owner gives the Association a special power of attorney to represent the Owner in any proceedings, negotiations, settlements or agreements related to any actual or threatened condemnation of the Project or any part of it. However, the Developer will represent itself with respect to any right or claim it may have to proceeds payable for the Developer's Reserved Rights.

15.4 NOTICE TO LENDERS. The Association must provide a copy of any notice of a condemnation proceeding to anyone who holds, insures or guarantees a Mortgage and who files a written demand for notice with the Board. The notice must state the person's name and address and the Apartment number for the Apartment on which it has (or insures or guarantees) a Mortgage.

15.5 DIVISION OF PROCEEDS BETWEEN DEVELOPER AND OWNERS. If all or any part the Project is taken or is sold under threat of condemnation before the end of the Development Period, then the condemnation proceeds must first be divided between the Developer and the Apartment Owners.

A. HOW PROCEEDS ARE DIVIDED.

1) The Developer will be entitled to receive all proceeds payable for or on account of the loss of the Developer's Reserved Rights. This includes, for example, (i) the right to all proceeds paid for any part of the Land that the Developer has the right to delete under Section 21, and (ii) the right to all proceeds paid for Improvements made by the Developer to serve phases or increments of the Project to be built in the future. For example, if the Developer builds more parking stalls than needed for the current phase of the Project, the Developer can claim any proceeds payable for the excess stalls.

2) The Apartment Owners will be entitled to receive the rest of the proceeds. The Condemnation Trustee will use them as provided in Sections 15.6, 15.7 and 15.8. The Developer will, of course, be entitled to receive any part of those proceeds paid on account of any Apartments owned by the Developer.

B. HOW TO DETERMINE THE DEVELOPER'S SHARE.

1) If a court makes a final decision as to how much of the proceeds to pay to the Developer for the Developer's Reserved Rights, then the Condemnation Trustee will pay that amount to the Developer.

2) In all other cases, the Condemnation Trustee must pay to the Developer a share of proceeds equal to the value of the Developer's Reserved Rights. A qualified real estate appraiser will determine the value of Developer's Reserved Rights. To be qualified, the appraiser must be a member of the American Institute of Real Estate Appraisers, or of a successor organization. If a single qualified appraiser acted on behalf of the Developer and the Apartment Owners in the

condemnation proceedings, then he or she will make the decision. If there was no such appraiser, or if that appraiser is not qualified, or if there was more than one appraiser, or if the Developer and the Apartment Owners used different appraisers, then the Board and the Developer must choose an appraiser. However the Developer may elect to require that a panel of three appraisers make the decision simply by giving written notice to the Board. Within fifteen days after the notice is received, the Board and the Developer will each choose an appraiser. Within fifteen days after that, the two appraisers will choose the third appraiser. If either party fails to choose an appraiser on time, then the appraiser chosen by the other party will decide how much of the proceeds will be paid to the Developer for the Developer's Reserved Rights. Otherwise, the decision of any two appraisers will decide how much to pay to the Developer. The Developer and the Association will each pay half the cost and expenses of the appraisers.

15.6 HOW PROCEEDS WILL BE DIVIDED BETWEEN THE APARTMENTS. Any proceeds remaining after payment of the Developer's share under Section 15.5 will be split by the Apartment Owners in this way:

A. If a court makes a final decision as to how much of the proceeds to pay to each Apartment, then the proceeds will be divided in that way.

B. In all other cases, a qualified real estate appraiser will divide the proceeds among the Apartments based on the value of each Apartment and its Common Interest. To be qualified, the appraiser must be a member of the American Institute of Real Estate Appraisers, or of a successor organization. If the appraiser who acted on behalf of the Apartment Owners in the condemnation proceedings is qualified, then he or she will make the decision. If there was no such appraiser, or if that appraiser is not qualified, or if there was more than one appraiser, then the Board must choose an appraiser. However, the Owners of the Apartments taken may elect, by a majority vote, to require that a panel of three appraisers make the decision. They must make this election within fifteen days after the Board announces the appointment of the appraiser. If they elect to do so, the Board must choose three appraisers and the decision of any two of them will decide how to divide the proceeds.

15.7 CONDEMNATION OR TERMINATION OF THE WHOLE PROJECT. If the whole Project is taken or so much of it is taken that the Association decides to terminate the condominium property regime, then the Condemnation Trustee must pay the condemnation proceeds as follows:

A. It must pay to the Developer and to its Lender, if any, the Developer's share of the proceeds for the Developer's Reserved Rights as required by Section 15.5.

B. It must pay to each Apartment Owner and to the Owner's Lender, as their interests may appear, the share of the proceeds for the Owner's Apartment as provided in Section 15.6.

15.8 PARTIAL TAKING. If only part of the Project is taken and if the Association does not decide to terminate the condominium property regime, then the Condemnation Trustee must use the condemnation proceeds as follows: It must pay to the Developer and to its Lender, if any, the Developer's share of the proceeds for the Developer's Reserved Rights as provided in Section 15.5. It must use the rest of the proceeds in this way:

A. **ELIMINATION OF APARTMENTS.** This is what happens if (i) an Apartment or its Limited Common Elements are physically eliminated, or (ii) only a portion is eliminated and the rest cannot be repaired or rebuilt in a way that is satisfactory to the Owner of the Apartment.

1) The Condemnation Trustee will pay to the Owner and to any Lender having a Mortgage on the Apartment, as their interests may appear and in full satisfaction of their interests in the Apartment, the share of the proceeds allocable to that Apartment and its Limited Common Elements. However, the Condemnation Trustee must first deduct from those proceeds that Apartment's share of the cost of debris removal.

2) The Association must amend this Declaration to remove the Apartment and to adjust the Common Interests of the remaining Apartments.

B. **REPAIR AND RESTORATION.** In all other cases, the Association must repair and restore the remaining Improvements according to their design just before the taking. If this cannot be done, then the Association must repair or restore the remaining Improvements according to a new design. The new design must comply with all laws then in effect. Any changed plans and specifications must first be approved by the Board and by any Lender having a Mortgage on each Apartment remaining after the taking. If there are not enough proceeds to pay the cost of the repairs and restoration, the Association must pay the shortfall as Common Expense. The Board is expressly authorized to pay the shortfall using money in the replacement reserve funds. If this is not enough, then the Board must (i) determine the remaining amount of the shortfall, and (ii) charge a special assessment to the Owners of all Apartments except any Apartments eliminated as provided in Section 15.8A. Each Apartment will pay a percentage of the special assessment equal to the percentage of the Common Expenses that it will be paying after the removal of any Apartments being eliminated as provided in Section 15.8A.

C. **EXCESS CONDEMNATION PROCEEDS.** "Excess proceeds" are proceeds remaining after paying (i) all amounts payable to Owners and Lenders of removed Apartments, (ii) the costs of debris removal, and (iii) the costs to repair and restore the rest of the Project. Each Apartment (including Apartments eliminated under Section 15.8A) will each receive a percentage of the excess proceeds equal to the percentage of the Common Expenses that it paid before the condemnation.

D. **REMOVAL OF DEBRIS.** Unless restoration or replacement is undertaken within a reasonable time after such taking, condemnation or sale, the Association at its Common

Expense must remove all remains of the Improvements on the remaining Land and restore the site to good orderly condition and even grade.

16. UNINSURED DAMAGE; DECISION NOT TO REPAIR.

16.1 UNINSURED DAMAGE. This Section 16.1 applies if the Common Elements are substantially damaged or destroyed and if the damage or destruction is not covered by insurance.

A. DECISION NOT TO REBUILD. The Association may decide not to repair, rebuild or restore the Improvements. The Association may make this decision only if at least seventy-five percent (75%) of the Apartment Owners vote to do so at an annual or special meeting of the Association and their Lenders consent in writing. The meeting must be held within ninety (90) days after the damage or destruction occurs. During the Development Period the consent of the Developer is also required.

B. REBUILDING. In all other cases, the Project will be repaired, rebuilt and restored as follows:

1) The Association must work diligently to repair, rebuild or restore the Common Elements, except for the Limited Common Elements. It will pay the cost to do so as a Common Expense.

2) Each Apartment Owner will pay the cost to repair, rebuild, and restore the Owner's Apartment and its Limited Common Elements. The Association will, however, will pay the cost to repair, rebuild and restore all parking stalls, mailboxes, and other Limited Common Elements where the Association decides that it is more practical for it to do so.

3) The Improvements must be repaired, rebuilt or restored according to their design just before the damage occurred. If this cannot be done, then they must be repaired, rebuilt or replaced according to a new design that complies with all laws then in effect. Any changed plans and specifications must first be approved (i) by the Board, (ii) by any Lender having a Mortgage on any Apartment directly affected, and (iii) by the Developer during the Development Period.

16.2 DETERMINATION AGAINST RESTORATION. Except as otherwise provided in Sections 16.1, in the event of an insured casualty or the condemnation of any part or all of the Project, the Project will be repaired, rebuilt and restored as provided in Section 14 (in the case of an insured casualty) or Section 15 (in the case of condemnation) unless, within ninety (90) days after such a casualty or condemnation, the Association decides by the affirmative vote of eighty percent (80%) of the Apartment Owners (including the Owners of eighty percent (80%) of the damaged or condemned Apartments) not to repair, rebuild, or restore the Project and their Lenders give their consent in a recorded document.

17. CHANGES TO THE PROJECT.

17.1 GENERAL PROVISIONS.

A. This Section 17.1 applies except as otherwise provided by the federal Fair Housing Act (42 U.S.C. Sec. 3601 et seq.), as amended by the Fair Housing Amendments Act of 1988, and the rules and regulations adopted under it, as either of them may be amended from time to time and except as otherwise provided in this Declaration. This Section 17.1 does not apply to changes made by the Developer when using the Developer's Reserved Rights.

B. Neither the Association nor any Owner may:

1) Restore or replace the Project or any building or other structure on it,

2) Construct any new building or other structure on it, or

3) Make any structural change or addition to it, that is different in any material respect from the Condominium Map, except pursuant to an amendment of this Declaration. The amendment must be adopted by the vote or the written consent of (i) seventy-five percent (75%) of the Apartment Owners, (ii) the Developer until the end of the Development Period, and (iii) all Apartment Owners whose Apartments or whose Limited Common Elements are directly affected (as the Board reasonably determines). Any such restoration, replacement, construction, alteration or addition must be made in accordance with complete plans and specifications that are first approved by the Board in writing. Promptly after the work is completed, the Association must record (1) the amendment, and (2) a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. This section does not apply to "nonmaterial structural additions to the Common Elements" as that term is used in §514A-89 of the Condominium Property Act.

17.2 CHANGES BY OWNERS OR BY THE DEVELOPER.

A. CHANGES PERMITTED. No matter what else the Condominium Documents say (including, for example, Section 17.1), and except as otherwise provided by law, (i) the Developer here and now reserves the rights listed in this Section 17.2A for itself (and these will be Developer's Reserved Rights), and (ii) each Owner (including the Developer to the extent that it is an Owner) will also have the rights listed in this Section 17.2A. The Developer and the Owners may use their rights under this Section 17.2A at any time and may use them more than once. The Developer or the Owners must pay all costs associated with the use of these rights.

1) ADDITIONS OR CHANGES WITHIN AN APARTMENT OR LIMITED COMMON ELEMENT.

(a) **ALL APARTMENTS.** Each Owner has the right to make any of the following changes, additions and improvements solely within the Owner's Apartment or within any Limited Common Element that the Owner controls:

(1) The Owner may install, maintain, remove and rearrange partitions and other structures from time to time within the Apartment or Limited Common Element.

(2) The Owner may finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the Apartment or Limited Common Element.

(3) The Owner may decorate, paint, repaint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the Apartment or Limited Common Element.

(4) The Owner may tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Apartment or Limited Common Element.

(5) The Owner may install, change or remove the ceiling system of a Commercial Apartment or its Limited Common Element.

In addition, an Owner may make "nonmaterial structural additions to the Common Elements" as that term is used in §514A-89 of the Condominium Property Act.

The Developer's Reserved Rights include the right to do any or all of these things with respect to any Apartment that the Developer owns or the Limited Common Elements of an Apartment that it owns.

(b) THE MASTER ASSOCIATION APARTMENT.

In addition to the rights under Section 17.2A.1), the Owner of the Master Association Apartment has the right to do these things:

(1) It may plant, change and remove grasses, shrubs, trees, gardens, and other landscaping within the Limited Common Elements of the Master Association Apartment.

(2) It may install, change and remove waterfalls, ponds, streams, or foot bridges, benches, decorative rocks, and other landscaping enhancements within the Limited Common Elements of the Master Association Apartment;

(3) It may install, change and remove, from time to time, automatic sprinkler systems and other systems for the maintenance and upkeep of the landscaping within the Limited Common Elements of the Master Association Apartment.

(4) It may install, change and remove walkways, walkway railings, pathways, driveways, and other accessways within the Limited Common Elements of the Master Association Apartment.

(5) It may install, change and remove tiki torches within the Limited Common Elements of the Master Association Apartment.

(6) It may install, change and remove special lighting, security, and/or sound systems within the Master Association Apartment or its Limited Common Elements.

(7) It may install electric lines, gas lines, water lines, and other utilities to serve the Master Association Apartment and/or its Limited Common Elements.

(8) It may install, change and remove tile, carpet, flooring, paint, or other products that change the finish or appearance of the pool and pool deck.

(9) It may install, change and remove Master Association Amenities within the Master Association Apartment or its Limited Common Elements. This includes, for example, changes to the pools or water slides, whether for safety reasons, updating, or for other reasons, installation of new waterfalls, slides, volleyball courts, putting greens, shuffleboard courts, or other new amenities, removal of the existing amenities, and so on.

The Developer's Reserved Rights include the right to do any or all of these things while the Developer owns the Master Association Apartment.

During the Development Period, the Master Association must first get the Developer's consent before making any material changes to the Limited Common Elements of the Master Association Apartment.

2) CHANGES BETWEEN APARTMENTS AND/OR LIMITED COMMON ELEMENTS.

(a) BETWEEN AN APARTMENT AND ITS LIMITED COMMON ELEMENTS. The Owner of a Commercial Apartment has the right and an easement to do these things:

(1) It can change or remove all or any part of any Common Element wall, floor, or ceiling that separates the Apartment from its Limited Common Elements.

(2) It can install doors, stairways and other improvements in any opening that it makes.

(3) It can seal hallways or other openings.

(4) It can make other reasonable changes or additions.

The Developer's Reserved Rights include the right to do the same things with respect to any Commercial Apartment that it owns.

(b) BETWEEN TWO APARTMENTS. The Owner of two (2) Commercial Apartments which are separated by a Common Element that is a wall, floor or a ceiling, or whose Limited Common Elements are separated from each other or from such Commercial Apartments by a Common Element that

is a wall, floor or ceiling, has the right and an easement to do these things:

- (1) It can change or remove all or part of the intervening wall, floor and/or ceiling.
- (2) It can install doors, stairways and other improvements in such opening or openings in the intervening Common Element.
- (3) It can seal hallways or other openings.
- (4) It can make other reasonable changes or additions.

The Developer's Reserved Rights include the right to do the same things with respect to any two (2) Commercial Apartments that it owns. Before terminating its common ownership of any of the adjacent Apartments, the Owner or Developer must restore the Common Element wall, floor, ceiling, hallway and/or other openings to substantially the same condition as before the change or removal unless the new Owners each agree otherwise in writing.

(c) **CONDITIONS.** The Owners and the Developer may do the things permitted by this Section 17.2A.2) only if:

- (1) The structural integrity of the building will not be adversely affected,
- (2) The finish of the remaining Common Element Improvements are restored to substantially the same condition they were in before the change or removal, and
- (3) All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

3) **SUBDIVISION OF APARTMENT.** The Owner of a Commercial Apartment has the right to do these things:

- (a) It can subdivide the Apartment to create two or more Apartments.
- (b) It can designate which Limited Common Elements of the subdivided Apartment will be appurtenant to the Apartments resulting from the subdivision.
- (c) It can convert parts of the existing Apartment to Common Element status to facilitate the subdivision.

The total of the Common Interests for the newly created Apartments must be equal to the Common Interest of the Apartment that was subdivided. If the Owner of Apartment 101 subdivides that Apartment, the Owner can decide whether one

or more than one of the resulting Apartments will have any special rights or easements of Apartment 101 under this Declaration, or it can divide some or all of those rights among the resulting Apartments.

The Developer's Reserved Rights include the right to do the same things with respect to any Commercial Apartment that it owns.

4) **CONSOLIDATION OF APARTMENTS.** An Owner who owns any two (2) Commercial Apartments has these rights:

(a) The Owner may consolidate the Apartments into a single Apartment (whether or not the Apartments are adjacent to each other).

(b) If the Apartments are adjacent to each other, the Owner may make any Common Element walls, floors or ceilings between the Apartments part of the Apartment or its Limited Common Elements.

The Common Interest of the newly created Apartment will be equal to the sum of the Common Interests of the Apartments being consolidated.

The Developer's Reserved Rights include the right to do the same things with respect to any two (2) Commercial Apartments that it owns.

5) **REDESIGNATION OF LIMITED COMMON ELEMENTS.** The Owners of any two (2) Commercial Apartments have the right to change the designation of the Limited Common Elements that go with their Apartments so that all or any part of one Apartment's Limited Common Elements now will be appurtenant either to the other Apartment or to both of the Apartments. The Owners cannot do this without the written consent of each Lender who has a Mortgage on either Apartment. The Developer's Reserved Rights include the right to do the same things with respect to any two (2) Commercial Apartments that it owns.

B. LIMITS ON OWNER ALTERATIONS. Nothing contained in Section 17.2A:

1) Authorizes any work or change by an Owner or the Developer that would not be consistent with a first-class destination resort.

2) Authorizes any work or change by an Owner or the Developer that would jeopardize the soundness or safety of any part of the Project, or reduce the value of it.

3) Authorizes any work or change by an Owner (other than the Developer or the Master Association) that would materially change the uniform external appearance of the Project without the consent of the Board and, during the Development Period, the Developer.

4) Prohibits the Board from making or requiring that an Owner or the Developer make changes within an

Apartment or Limited Common Element as needed to comply with the fire code and all other laws that apply to the Project.

C. **FINANCING AND BOND.** If the Board reasonably decides that any changes or additions to be made under Section 17.2A are substantial in nature then the Board may require that the Owner of the Apartment (or the Developer as to its Apartments):

1) Provide evidence satisfactory to the Board that the Owner (or Developer) has sufficient financing to complete the changes or additions, or

2) Provide a performance and a labor and materials payment bond. The bonds must name as obligees (the persons protected) the Board on behalf of the Association, the Apartment Owners and their Lenders, as their interests may appear. The bonds must cover at least one hundred percent (100%) of the estimated cost of the construction.

17.3 BOARD APPROVAL. Changes and additions made under Section 17.2A by any Owner other than the Developer require the consent of the Board if and to the extent required by the Condominium Property Act. See Section 514A-89 of that Act. Changes and additions made under Section 17.2A by the Developer do not require the vote or consent of the Board or anyone else. See Section 514A-11(12) of the Condominium Property Act. Subdivisions and consolidations of Apartments made under Section 17.2A by the Developer or by an Owner or Owners do not require the vote or consent of the Board or anyone else except any Lenders having a Mortgage on the subdivided or consolidated Apartments. See Section 514A-13(b) of the Condominium Property Act.

17.4 AMENDMENT TO DECLARATION. If any change to an Apartment made under the authority of Section 17.2 materially changes the depiction of a particular Apartment or Apartments on the Condominium Map or the description of it in the Declaration, then the Owner or Owners of the Apartment(s) (or the Developer as to its Apartments) must amend this Declaration and/or the Condominium Map to reflect the change. The amendment will take effect when it is recorded.

A. The Owner of the changed Apartment or Apartments (or the Developer as to its Apartments) must sign the amendment. No matter what Section 34 says, it is not necessary for anyone else to vote for, consent to, or sign the amendment except for any Lender who has a Mortgage on the Apartment or Apartments that are changed or altered.

B. When an Apartment Owner or other Interested Person acquires an Apartment or any other interest in the Project, he or she automatically:

1) Consents to the change;

2) Agrees that he or she will, if required by law or by the Owner who has changed an Apartment under the authority of Section 17.2, join in, consent to, sign, deliver and

record all documents necessary or desirable to make the amendment of the Condominium Documents effective; and

3) Gives the Owner a special power of attorney to sign, deliver and record such documents and to do such things for him or her.

18. DEVELOPER'S RESERVED RIGHTS TO CREATE NEW APARTMENTS AND TO EXPAND APARTMENT 101.

No matter what else the Condominium Documents say, the Developer reserves the right to create one or more New Apartments in the Project, to expand Apartment 101, and to designate Limited Common Elements appurtenant to any New Apartment or to Apartment 101. The Developer may do this more than once and at any time before the Development Period ends.

18.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 18 are subject to these terms and conditions:

A. The Developer can only expand Apartment 101 to include, or create New Apartments with respect to: (i) New Improvements constructed or intended to be constructed or added to the Project pursuant to Section 19, or (ii) New Improvements constructed or to be constructed on any Adjacent Parcel annexed into the Project pursuant to Section 22.

B. The total number of Apartments in the Project may not exceed the limits contained in the SMA Permit. In applying this rule, an Apartment is still considered to be only one Apartment even if it can be used on a "lock-off" or "lock-out" basis.

C. The Developer may only expand Apartment 101 if the Developer is the Owner of it or if the Owner of it consents in writing. If Apartment 101 subject to a Mortgage, the Lender must also give its consent in a recorded document. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owner or Lender.

D. The Developer must pay all costs of creating the New Apartments, expanding Apartment 101, and designating the Limited Common Elements appurtenant to the New Apartments and/or Apartment 101.

18.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limit stated in Section 18.1:

A. The Developer's Reserved Rights in this Section 18 include the right to do anything necessary or convenient to create the New Apartments, to expand Apartment 101 or to designate Limited Common Elements appurtenant to the New Apartments or Apartment 101. For example, the Developer has the right to sign, acknowledge and record one or more amendments to this Declaration and to the Condominium Map meeting the requirements of Section 18.3. It also has the right to amend any recorded deed or other document conveying or

encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. Or it can record a new deed or conveyance document for that purpose.

For example, if the Developer creates New Apartments or expands Apartment 101, it may need to adjust the Common Interest of each existing Apartment as provided in Section 29. If so, the Land Court may insist that the Developer change the deeds for existing Apartments to reflect the change in the Common Interest or it may require that the Developer issue replacement deeds reflecting the new Common Interest of each Apartment.

B. The Developer may also use any of the other Developer's Reserved Rights as may be necessary or convenient to create New Apartments, to expand Apartment 101, or to designate Limited Common Elements appurtenant to the New Apartments or Apartment 101. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

18.3 THE DEVELOPER MUST AMEND THE CONDOMINIUM DOCUMENTS. The Developer must amend this Declaration and the Condominium Map in order to create New Apartments or to expand Apartment 101. It may also have to do so to designate Limited Common Elements appurtenant to the New Apartments or Apartment 101.

A. **CONTENT OF AMENDMENT TO DECLARATION.** These rules apply to an amendment to this Declaration required or allowed by this Section 18.3:

- 1) The amendment must describe any additional buildings. This must include the number of stories and basements, the number of Apartments and the principal materials of which they are or will be constructed.
- 2) If New Apartments are being created, the amendment must state the Apartment number of each New Apartment. It must also describe its location, approximate area, number of rooms, immediate Common Elements to which it has access, any parking stall designated as a Limited Common Element to it, and anything else needed to properly identify it.
- 3) If Apartment 101 is being expanded, the amendment must revise the description of Apartment 101 to properly state its location, approximate area, number of rooms, immediate Common Elements to which it has access, any parking stall designated as a Limited Common Element to it, and anything else needed to properly identify it.
- 4) It must describe any additional Common Elements.
- 5) It must describe any additional or newly designated Limited Common Elements, if any, and identify the Apartments to which they are appurtenant.

6) It must state the purposes for which the additional buildings and each of the New Apartments are intended and restricted as to use, if different from the provisions in this Declaration.

7) It must list the Common Interest of each Apartment in the Project. This includes both the existing Apartments and New Apartments. The Common Interest for each Apartment will be determined as stated in Section 29.

8) It may provide easements for access to and from the New Apartments, and to and from Apartment 101, across the Common Elements and any Limited Common Elements including, for example, the Limited Common Elements of the Master Association Apartment.

9) It may include anything else that the Developer deems necessary or appropriate or that is required by law.

B. **CONTENT OF AMENDMENT TO CONDOMINIUM MAP.** These rules apply to an amendment to the Condominium Map required or allowed by this Section 18.3:

- 1) It must include the floor plans and elevations of any additional building or buildings.
- 2) If New Apartments are created, it must show the layout, location, apartment numbers, and dimensions of the New Apartments.
- 3) If Apartment 101 is expanded, it must show the layout, location, apartment number, and dimensions of the addition to Apartment 101;
- 4) It may contain any additional or amended site plans, floor plans and elevations, or other drawings as may be necessary or appropriate.
- 5) It must be accompanied by a certificate signed by a registered architect or professional engineer. The certificate must comply with Section 514A-12 of the Condominium Property Act.

18.4 CONSEQUENCES OF CREATION OF NEW APARTMENTS. This is what happens when the Developer records the amendments to the Declaration and the Condominium Map required by Section 18.3:

A. **ESTABLISHMENT OF NEW APARTMENTS.** The New Apartments become condominium Apartments and are part of the Project for all purposes. The Limited Common Elements will be appurtenant to the Apartments to which they are assigned. The Owner of a New Apartment can deed it, lease it, Mortgage it, encumber it, or otherwise deal with title to it just the same as any other Apartment.

B. **OWNERSHIP OF NEW APARTMENTS.** The Developer is the "Owner" of each New Apartment and its Common Interest until the Developer deeds it to someone else. Nobody else except the Developer will have any rights in the Apartment or

its Common interest. (In legal terms, no Owner or other Interested Person will have any "legal or equitable interest in or to" the New Apartments.) Of course, if the Developer signs a proper Mortgage that covers any New Apartment then that Mortgage will be valid.

C. EXPANSION OF APARTMENT 101. Apartment 101 will include any additional areas designated as being a part of it in the amendment to the Declaration and the Condominium Map. Any Limited Common Elements designated for Apartment 101 in the amendment to the Declaration or the Condominium Map will be appurtenant to Apartment 101. For all purposes, Apartment 101 will be a single condominium Apartment consisting of (i) the Apartment and its Limited Common Elements as they existed before the expansion, plus (ii) any additional area and any additional Limited Common Elements. The Owner of Apartment 101 will own the expanded Apartment 101 and can deed it, lease it, Mortgage it, encumber it, or otherwise deal with title to it just the same as any other Apartment.

D. COMMON ELEMENTS; RESERVE FUNDS. After any construction is substantially completed:

1) The Owners of all of Apartments (including the New Apartments) will have the right to use the Common Elements in the Project to the same extent and subject to the same limits, just as if the Project had been developed with the New Apartments (and any expansion of Apartment 101) from the outset. However, the Owner of a New Apartment is not required to pay any assessments for Common Expenses of the Project (except as provided in Section 18.4D.2) that arise before the New Apartment is created and construction of it is substantially completed. Likewise, Apartment 101 is not required to pay (on account of the expansion of Apartment 101, the assignment of new Limited Common Elements to it, or the change in its Common Interest) any additional share of Common Expenses (except as provided in Section 18.4D.2) that arise before Apartment 101 is expanded and construction of the expansion area and its new Limited Common Elements is substantially completed.

2) All replacement reserve funds accumulated by the Association before the Developer created the New Apartments and/or expanded Apartment 101 will become the property of all Apartment Owners. Each Apartment will have an interest in the replacement reserve funds proportionate to the Apartment's Common Interest. If it is necessary to assure that each Apartment contributes a share of the reserve funds equal to its percentage share of the Common Expenses, the Board may adjust the account of each Apartment Owner by (i) refunding all or part of its money in the reserve fund, (ii) giving a credit against future assessments, (iii) charging a special assessment or series of assessments, or (iv) doing anything else that is consistent with generally accepted accounting principles. The Board cannot, however, charge any Apartment Owner a special assessment for reserves in any one month which exceeds twenty percent (20%) of the monthly assessment for other Common Expenses, after excluding any assessment for reserve funds.

19. DEVELOPER'S RESERVED RIGHT TO ADD TO OR CHANGE THE IMPROVEMENTS.

No matter what else the Condominium Documents say, the Developer reserves the right to design, develop, build, add, and complete New Improvements on the Land. The Developer may do this more than once and at any time before the Development Period ends.

19.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 19 are subject to these terms and conditions:

A. PLANS AND SPECIFICATIONS. A licensed architect or engineer must prepare plans and specifications for the New Improvements. The plans and specifications must be approved by the officer of the County of Maui having jurisdiction over the issuance of building permits. The plans and specifications must be designed so that the New Improvements will be substantially consistent with the existing Improvements of the Project in terms of quality of construction and finish, as determined by the Developer in its sole discretion. The Developer must build the New Improvements substantially in accordance with the plans and specifications.

B. CHANGES TO EXISTING IMPROVEMENTS. The plans and specifications cannot require any material change to, or the demolition of: (i) any existing Apartment or Limited Common Element, or (ii) any material building or structure of the Project; provided that:

1) The Developer has right to connect to, use, relocate and/or realign existing, and/or to develop additional central and appurtenant installations for services to the New Improvements to provide electricity, hot and cold water, air conditioning and other applicable utilities and services. It may also designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary and desirable in connection therewith. The Developer must do this in a way that does not cause any interruption, other than a temporary interruption, in the service of utilities to any other part of the Project.

2) The Developer can change or demolish all or any part of an existing Apartment owned by the Developer or where the Owner consents to the change or demolition in writing. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owner.

3) The Developer can change or demolish all or any part of an existing Limited Common Element of an Apartment owned by the Developer or where the Owner of the Apartment to which the Limited Common Element is appurtenant consents to the change or demolition in writing. If the Limited Common Element is appurtenant to more than one Apartment then the consent of the Owners of all of those Apartments is necessary. The Developer cannot use its power

of attorney under Section 28.3 to give this consent on behalf of the Owners.

4) The Developer can change or remove any roads, driveways, parking structures, and the like so long as there is reasonable and adequate access from the public streets and highways to the parking stalls and to the entries to the buildings of the Project.

5) The Developer can relocate or replace any utility buildings and installations and the like so long as the plans and specifications provide for replacements that provide comparable services. The Developer must do this in a way that does not cause any interruption, other than a temporary interruption, in the service of utilities to any other part of the Project.

6) The Developer has the right to remove or change parking stalls provided that:

(a) At all times each Resort Apartment must have at least one parking stall as a Limited Common Element.

(b) The Developer cannot materially reduce the size of a parking stall that is a Limited Common Element of an Apartment not owned by the Developer unless the Apartment Owner consents in writing. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owner.

(c) The Developer cannot remove a parking stall that is a Limited Common Element of an Apartment not owned by the Developer unless the Developer provides a replacement stall to that Apartment. The replacement stall cannot be a compact stall unless it replaces a compact stall. For this purpose, the Developer can use its power of attorney under Section 28.3 to sign and record all documents required by Section 34.5C.

7) The Condominium Map shows the tentative location of the buildings and driveways that may be constructed in future phases of the Project. Under Section 5.4E all Common Element yards, grounds, walkways, walkway railings, waterfalls, ponds, gardens, decorative rocks, and other landscaping not located in the Shoreline Setback Area are Limited Common Elements of the Master Association Apartment. Even so, the Developer can relocate the site of the buildings, driveways, and related Improvements that may be constructed in future phases and it may also construct additional buildings, driveways, and so on in these Limited Common Element Areas. If this happens, any part of the Land on which the Developer builds new buildings, driveways, and related Improvements will no longer be Limited Common Elements of the Master Association Apartment. In legal terms, the Master Association's interest in those Limited Common Elements is a "defeasible interest".

C. COST AND TIME FOR COMPLETION.

1) The Developer must pay all costs of the New Improvements.

2) The Developer must complete each new phase of the Project within forty-eight (48) months after it starts building that phase. The Developer must finish building any other New Improvements within a reasonable time after it starts building them. In either case, if there is a delay for reasons beyond the reasonable control of the Developer or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. The Developer must repair any damage to the Common Elements caused by the construction contractors.

E. INSURANCE. The Developer must arrange and pay for builder's risk insurance. The insurance must stay in effect during the entire course of the construction. The insurance must cover at least 100% of the estimated cost of construction. The insurance policy must name the Association and the Managing Agent as additional insureds (persons protected by the insurance). The Developer must deposit evidence of the insurance with the Board and the Managing Agent.

F. ENCUMBRANCE OF APARTMENTS. The Developer can Mortgage or assign its interest in the New Apartments as security for a loan. It may do this even before construction of the New Improvements is complete. This might happen, for example, if the Developer borrows money to pay the cost of building the New Improvements. The Developer cannot Mortgage any Apartment that it does not own. Likewise, the Developer cannot put any other encumbrance on any Apartment that it does not own unless this Declaration permits it. For an example of express permission, see the Developer's Reserved Rights to grant easements under Section 7.4 or to file an "as-built" amendment under Section 34.3A.2).

19.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 19.1, the Developer's Reserved Rights in this Section 19 include the right to do anything necessary or convenient to design, develop, build, add, and complete New Improvements on the Land. For example, the Developer has these rights:

A. It can develop, construct and complete the New Improvements.

B. It can remove, change or add Common Elements.

C. It can build and install Improvements that the Developer intends to designate as Apartments or Limited Common Elements pursuant to Section 18.

D. It can remove, amend or add parking stalls subject to the requirements of Section 19.1B.6).

E. It can connect the New Improvements to utilities of the Project.

F. It can build a fence around the construction area. If it does this, it will have the exclusive use and control of the area enclosed by the fence. This includes the right to make all

Owners stay out of that area until the construction is finished and the County of Maui has issued a certificate of occupancy.

G. It has the exclusive right to control, manage, and conduct the design, development construction, addition and completion of the New Improvements on the Land. It will still have this right even after it deeds Apartments or Vacation Ownership Interests to others. This includes, for example, these rights:

1) The Developer has the right to obtain all permits, licenses, and approvals necessary or convenient to the development, construction, completion, and/or operation and use of the Project.

2) It also has the right to coordinate the work and activities of the contractors, subcontractors, architects, engineers, laborers, suppliers, and others to complete the Project in accordance with the Developer's objectives on time, costs and quality.

3) It has the right to exercise all rights and make all decisions of the "owner" or the "developer" or similar contracting party with respect to all contracts now or later made in connection with the development and construction of the New Improvements. This includes, for example, the following contracts:

- Any contract for architectural or engineering services.
- Any contract for landscape architectural services.
- Any contract for soils engineering services.
- Any contract for site work.
- The construction contract.
- The builder's risk insurance policy.
- Any performance and payment bond and any completion bond; provided that if the Association is named as an additional obligee on the bond, then the Developer may not do anything that adversely affects the Association's rights under the bond.
- All subcontracts and materials and equipment supplies contracts and subcontracts related to the construction and development of the Project.
- Any construction management contract.
- All other contracts to furnish labor, materials and/or services in connection with the development and construction of the New Improvements.

The Developer has, among other rights, all rights and the authority to make all decisions with respect to litigation and arbitration of claims arising under or in connection with any of

these contracts and the compromise of any disputes arising under any of them.

4) The Developer also has the right to review and approve necessary or desirable changes and requests for changes and change orders with respect to the New Improvements.

5) It also has the right to file the notice of substantial completion under Chapter 507, Part II, H.R.S.

6) It has the right to seek and obtain temporary and/or permanent certificates of occupancy from the appropriate authorities of the County of Maui.

7) It has the right to approve and direct the replacement of any Improvements that are under construction and that are damaged by fire or something else. This includes the right to settle any insurance claims made under any insurance policy that the Developer buys or arranges.

H. The Developer can also amend the Declaration and Condominium Map as necessary or convenient to describe the New Improvements.

I. The Developer has the right to amend any recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

J. The Developer has the right to use any of the other Developer's Reserved Rights as may be necessary or convenient to design, develop, build, add, and complete New Improvements on the Land. For example, the Developer may do these things:

- It may come onto the Project and authorize others to do so using its rights under Section 7.1K.
- It may make noise, dust, and so on using its rights under Section 7.2.
- It may use its rights to deal with easements under Section 7.4.
- It may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

19.3 OWNERS' OBLIGATIONS. During the construction period, each Owner must: (1) remain outside of any fenced construction area; (2) not directly or indirectly do or attempt to do anything that would or could affect or interfere with the development, construction and completion of the New Improvements in the manner determined by the Developer in its sole discretion.

20. DEVELOPER'S RESERVED RIGHT TO SUBDIVIDE AND CONSOLIDATE THE LAND.

No matter what else the Condominium Documents say, the Developer reserves the right to subdivide the Land of the Project, and/or to consolidate the Land of the Project with any Adjacent Parcel, for or in connection with the use of the Developer's Reserved Rights in Sections 21 or 22. The Developer may do this more than once and at any time before the Development Period ends.

20.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 20 are subject to these terms and conditions:

A. The Developer may only consolidate the Land of the Project with one or more Adjacent Parcels.

B. The Developer must pay all costs of any subdivision or consolidation. This includes, but is not limited to, the following costs:

1) The cost of preparing and recording any amendment to this Declaration, the Bylaws, and the Condominium Map, and the cost of preparing and recording any other legal documents required for the subdivision or consolidation.

2) The cost of constructing any New Improvements that are needed for the subdivision or consolidation.

3) The cost of relocating any walls or fences that the County of Maui requires as a condition to approving the subdivision or consolidation.

4) The cost of relocating utility easements, utility lines, and so on that the County of Maui requires as a condition to approving the subdivision or consolidation.

5) The cost of providing access to each lot as required by the County of Maui as a condition to approving the subdivision or consolidation.

20.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 20.1, the Developer's Reserved Rights in this Section 20 include the right to do anything necessary or convenient to subdivide the Land of the Project and/or to consolidate the Land of the Project with any Adjacent Parcel. For example the Developer has the right to do any of these things:

A. It can file one or more applications to subdivide the Land of the Project. It can process the application to final approval.

B. It can file one or more applications to consolidate the Land of the Project with any Adjacent Parcel. It can process the application to final approval.

C. It can file, register or record any document required to effect the subdivision or consolidation in the recorded legal records. This includes, for example, (i) a Land Court Map showing the new lot or lots, the location of any easements, and

so on, and/or (ii) Land Court Petitions to approve the subdivision or consolidation of the lots.

D. It can make any improvements necessary or convenient to obtain any necessary approvals or to complete the subdivision or consolidation. The Developer may do this by using the Developer's Reserved Rights under Section 19 to make New Improvements.

E. It can seek and obtain any variance, zoning change, or other land use approval necessary or convenient to accomplish such subdivision or consolidation or for the benefit of any parcel to be deleted pursuant to Section 21.

F. It can amend this Declaration or the Bylaws to change the description of the Land.

G. It can amend the Condominium Map if the Developer deems it necessary or useful to reflect the subdivision and/or consolidation.

H. It can amend any recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

I. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to subdivide the Land or to consolidate the Land with any Adjacent Parcel. For example, the Developer may (i) use its rights to deal with easements under Section 7.4, or (ii) sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

21. DEVELOPER'S RESERVED RIGHT TO DELETE LAND.

No matter what else the Condominium Documents say, the Developer reserves the right to withdraw and delete from the Project, and from the condominium property regime, all or any part of the areas designated on the Condominium Map as "Possible Deletion Areas." The Developer may do this more than once and at any time before the Development Period ends.

21.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 21 are subject to these terms and conditions:

A. The Developer may delete all or any part of the Land designated on the Condominium Map as "Possible Deletion Areas". It cannot delete any other part of the Land.

B. The part of the Land deleted must be a legally separate lot. The Developer can use the Developer's Reserved Rights under Section 20 to make all or any part of the Possible Deletion Areas into a separate lot.

C. The Developer may not delete any part of the Land that contains an Apartment no longer owned by the Developer

or a parking stall that is a Limited Common Element of an Apartment no longer owned by the Developer unless either:

- 1) The Apartment Owner consents in writing, or
- 2) The Developer provides a replacement stall to that Apartment. The replacement stall cannot be a compact stall unless it replaces a compact stall. For this purpose, the Developer can use its power of attorney under Section 28.3 to sign and record all documents required by Section 34.5C. This includes an amendment to this Declaration and, to the extent required by law, the deeds to the Apartments whose stalls are being reassigned.

D. The Developer must pay all costs of deleting any part of the Land. This includes but is not limited to these costs:

- 1) The cost of preparing and recording any amendment to this Declaration, the Bylaws, and the Condominium Map, and the cost of preparing and recording any other legal documents required to delete all or any part of the Possible Deletion Areas.
- 2) The cost of constructing any New Improvements (pursuant to Section 19) needed to operate the Project without the deleted land.
- 3) The cost of relocating any walls or fences that may be required by law to separate the Project from the deleted land.
- 4) The cost of relocating utility easements, utility lines, and so on as needed to operate the Project without the deleted land.
- 5) The cost of providing access to the Project across the deleted land.
- 6) The cost of installing a sign on the deleted land directing traffic to the Project.

Under no circumstances can this Subsection 21.1D or any other part of the Condominium Documents be construed to require that the Developer pay any compensation or other sums on account of the part of the Land deleted.

21.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 21.1, the Developer's Reserved Rights in this Section 21 include the right to do anything necessary or convenient to delete all or any part of the Possible Deletion Areas. For example, the Developer has these rights:

- A. It can amend this Declaration and the Bylaws to change the description of the Land.
- B. It can amend the Condominium Map if necessary or useful to reflect the deletion of the Possible Deletion Areas.
- C. It can amend any recorded deed or other document conveying or encumbering an Apartment or Vacation

Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

D. It can sign, acknowledge, and record one or more deeds, releases, or other documents as the Developer deems necessary or convenient to do these things:

- 1) To complete the deletion of all or any part of the Possible Deletion Areas.
- 2) To remove the deleted land from the condominium property regime.
- 3) To vest title to the deleted land in the Developer free of all claims, liens, and interests of anyone else, or to convey it to someone else. The deleted land, however, will be subject to any the Declaration of Merger, the Ka'anapali North Beach Declaration, and to any Mortgage signed by the Developer that covers the Possible Deletion Areas.

E. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to delete all or any part of any Possible Deletion Areas. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

21.3 THE DEVELOPER MUST AMEND THE CONDOMINIUM DOCUMENTS. To delete some or all of any Possible Deletion Areas, the Developer must amend this Declaration and the Bylaws. It may also have to amend the Condominium Map to do so.

A. **CONTENT OF AMENDMENT TO DECLARATION.** The Developer must amend this Declaration and the Bylaws so that the description of the Land refers only to the lot or lots that will remain after the deletion takes effect. The Developer may also change the Land descriptions as necessary or convenient to refer to any easements and other changes to title. It may include anything else that the Developer deems necessary or appropriate or that is required by law.

B. **AMENDMENT TO CONDOMINIUM MAP.** The Developer may amend the Condominium Map but it does not have to do so unless the law requires it. The amendment may also contain any site plan, floor plans and elevations, or other drawings that the Developer chooses to include.

21.4 WHAT HAPPENS WHEN AREAS ARE DELETED.

A. The deletion of all or a part of the Possible Deletion Areas will be effective for all purposes when the Developer records the amendment to this Declaration and any amendment to the Condominium Map required by Section 21.3. From then on, no Apartment Owner and no other Interested Person except for the Developer and its Lender (if the Developer signed a Mortgage that covers any Possible Deletion Areas) will have any rights in or claims on (in legal terms, any "legal or equitable interest in or to") any part of the Land that is deleted. To be

clear, the Developer intends that title to the land deleted will belong only to the Developer. Each Interested Person understands, acknowledges, accepts and agrees (i) that the Developer will be the sole owner of any part of the Land designated as a Possible Deletion Area and that is deleted as provided in this Section 21, and (ii) after the deletion takes effect, the land deleted will no longer be part of the Project or subject to the Condominium Documents. In legal terms, the interest of the Owners in the Possible Deletion Areas is a "defeasible interest".

For example, part of the Land deleted as provided in this Section 21 may be a Limited Common Element of the Master Association Apartment. Even so, any part of the Land deleted, and any Improvements on that part, will no longer be a Limited Common Element of the Master Association Apartment.

B. Any part of the Land that is deleted as provided in this Section 21 will become an Adjacent Parcel. The Developer has the right to sell, deed, convey, or otherwise deal with title to any Adjacent Parcel free of the covenants, conditions and restrictions of this Declaration and the Bylaws. For example, the Developer may dedicate any Adjacent Parcel to the County of Maui, the State of Hawaii, or any other governmental or quasi-governmental entity for use as a public street or roadway or for any other lawful purpose.

22. DEVELOPER'S RESERVED RIGHT TO ANNEX LAND AND IMPROVEMENTS.

No matter what else the Condominium Documents say, the Developer reserves the right to change the Project by annexing into the Project and the condominium property regime any Adjacent Parcel and any Improvements located on the Adjacent Parcel. The Developer may do this more than once and at any time before the Development Period ends.

22.1 LIMITS ON THE DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 22 are subject to these terms and conditions:

A. The Developer may only annex an Adjacent Parcel.

B. Any Adjacent Parcel to be annexed must be a legally separate lot.

C. If the Adjacent Parcel contains any improvements, and if those improvements will not be replaced by new construction, then these requirements apply:

1) The improvements on the Adjacent Parcel must have been constructed according to plans and specifications prepared by a licensed architect or engineer.

2) The plans and specifications must have been approved by the officer of the County of Maui having jurisdiction over the issuance of building permits.

3) The improvements must be substantially consistent with the existing Improvements of the Project in

terms of quality of construction and finish, as determined by the Developer in its sole discretion.

D. The Developer must pay all costs of annexing the Adjacent Parcel.

E. Each person who has a Mortgage or other lien on the Adjacent Parcel must sign a document that makes the Mortgage or lien subordinate to the Condominium Documents. Anyone else who has a lien on the Adjacent Parcel must sign a document that makes the lien subordinate to the Condominium Documents. These requirements do not apply, however, to a lien for taxes, a lien in favor of any government or governmental agency, a lien to enforce payment of the costs to keep up a roadway or some other kind of commonly used property or easement, or a lien in favor of a homeowners association (for example, the Ka'anapali North Beach Association).

22.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 22.1, the Developer's Reserved Rights in this Section 22 include the right to do anything necessary or convenient to annex any Adjacent Parcel and any Improvements on it. For example, the Developer has these rights:

A. It can amend this Declaration or the Bylaws so that the description of the Land includes the Adjacent Parcel annexed.

B. It can amend this Declaration to describe any improvements on the Adjacent Parcel.

C. It can amend the Condominium Map if the Developer deems it necessary or useful to reflect the annexation of the Adjacent Parcel or any Improvements on it.

D. It can create New Apartments and designate Limited Common Elements for the New Apartments pursuant to Section 18.

E. It can designate all or any part of the Adjacent Parcel and any improvements on it as Limited Common Elements appurtenant to one or more existing Apartments. However, the Developer cannot assign Limited Common Elements (except for Resort Limited Common Elements) to any Apartment not owned by the Developer unless the Apartment Owner consents in writing. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owner.

1) Despite what Section 22.2E says, the Limited Common Elements of the Master Association Apartment will include all Common Element yards, grounds, walkways, and so on (as described in Section 5.4E) located on the Adjacent Parcel except to the extent that the same are specifically assigned as Limited Common Elements of some other Apartment or as general Common Elements.

F. It can amend any recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

G. It can sign, acknowledge, and record one or more deeds, or other documents that the Developer deems necessary or convenient to make any Adjacent Parcel and the Improvements on it subject to this Declaration and the Bylaws, and part of the condominium property regime.

H. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to annex any Adjacent Parcel and any Improvements on it. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

22.3 THE DEVELOPER MUST AMEND THE CONDOMINIUM DOCUMENTS. To annex an Adjacent Parcel and the improvements on it the Developer must amend this Declaration. The Developer may also have to amend the Condominium Map to do so.

A. CONTENT OF AMENDMENT TO DECLARATION.

1) The Developer must amend this Declaration to change the description of the Land so that it includes the Adjacent Parcel. The Land description may also be changed as necessary or convenient to refer to any easements and other changes to title.

(a) It is not necessary to annex all rights in the Adjacent Parcel. For example, the Adjacent Parcel might be a lot that contains a road. The road might serve other property besides the Project. The persons who have the right to use the roadway lot would each own a share (in legal terms, an "undivided interest") in the lot. In such a case, the Developer has the right to annex just the undivided interest in the Adjacent Parcel. The Adjacent Parcel might also be subject to a reasonable agreement to share the cost of any maintenance, upkeep, repair and replacement of the road and the cost of insurance for any liabilities arising with respect to the road. The Developer has the right to annex an Adjacent Parcel, or any interest in it, subject to reasonable agreements and restrictions on title.

2) If the Developer designates all or any part of the Adjacent Parcel and/or any improvements on it as a Limited Common Element assigned to one or more existing Apartments, the amendment to this Declaration must identify the Apartment or Apartments to which it is appurtenant. It is not necessary to do so, however, as to Common Element yards, grounds, walkways, and so on (as described in Section 5.4E) that are located on the Adjacent Parcel and that will be Limited Common Elements of the Master Association Apartment.

3) The amendment may include anything else that the Developer deems necessary or appropriate or that is required by law.

B. AMENDMENT TO CONDOMINIUM MAP. The Developer may amend the Condominium Map but it does not have to do so unless the law requires it. The amendment may also contain any site plans, floor plans and elevations, or other drawings that the Developer chooses to include.

C. NEW APARTMENTS. If the Developer creates any New Apartments or designates any Limited Common elements for the New Apartments as provided in Section 18, then the Developer must amend this Declaration and the Condominium Map as required by Section 18.

22.4 WHAT HAPPENS WHEN AN ADJACENT PARCEL IS ANNEXED. The annexation of an Adjacent Parcel takes effect when (i) the Developer records an amendment to this Declaration annexing the Adjacent Parcel and any amendment to the Condominium Map required by Section 22.3, and (ii) any Lender or other lienholder signs and records a document that meets the requirement of Section 22.1E. After that:

A. Any improvements on the Adjacent Parcel (except for improvements that will be replaced by new construction) will be deemed New Improvements.

B. The Adjacent Parcel and the New Improvements will be Common Elements unless and until any parts of them are designated as Apartments or Limited Common Elements as permitted in Section 18.

C. All of the Apartments will have the right to use the Common Elements in the Project to the same extent and subject to the same limits as if the entire Project (including any annexed Adjacent Parcel) had been developed at the same time. This includes both the Land as it existed before the annexation and the Adjacent Parcel, to the extent that they are Common Elements. After the Adjacent Parcel is annexed, and after any designation of any New Apartments, Common Elements, and Limited Common Elements, the Project will be treated as though it had always been developed, divided into Apartments, held, occupied and used by the Owners as a single undivided Project.

23. DEVELOPER'S RESERVED RIGHT TO BUILD ADJACENT PROJECTS AND TO MERGE ADJACENT CONDOMINIUMS WITH THE PROJECT.

No matter what else the Condominium Documents say, the Developer reserves the right to develop one or more Adjacent Projects on any Adjacent Parcel and to merge any Adjacent Condominium with the Project pursuant to the Declaration of Merger. The Developer may do this more than once and at any time before the Development Period ends.

23.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 23 are subject to these terms and conditions:

A. WHEN MERGER IS PERMITTED. The Developer may only merge the Project and any Adjacent Condominium in accordance with the terms of and subject to the conditions to merger stated in the Declaration of Merger.

B. PLANS AND SPECIFICATIONS. A licensed architect or engineer must prepare plans and specifications for the Adjacent Project. The plans and specifications must be approved by the officer of the County of Maui having jurisdiction over the issuance of building permits. The Developer cannot merge an Adjacent Condominium with the Project unless (i) the improvements of the Adjacent Condominium, as shown in the plans and specifications, will be substantially consistent with the existing Improvements of the Project in terms of quality of construction and finish, as determined by the Developer in its sole discretion, and (ii) the Adjacent Condominium is constructed substantially in accordance with those plans and specifications.

C. COST AND TIME FOR COMPLETION. The Developer must pay all costs of the Adjacent Project. The Developer must complete each phase of any Adjacent Project within forty-eight (48) months after it starts building it. If there is a delay for reasons beyond the control of the Developer or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. The Developer must repair any damage to the Common Elements caused by the construction contractors. Any permanent roadway easement across the Common Elements in favor of any Adjacent Project must require that the Adjacent Project share the cost of any maintenance, upkeep, repair and replacement of the roadway and the cost of liability insurance on it.

E. INSURANCE. The Developer must arrange and pay for builder's risk insurance. The insurance must stay in effect during the entire course of the construction. The insurance must cover at least 100% of the estimated cost of construction. The insurance policy must name the Association and the Managing Agent as additional insureds (persons protected by the insurance). The Developer must deposit evidence of the insurance with the Board and the Managing Agent.

23.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 23.1, the Developer's Reserved Rights in this Section 23 include the right to do anything necessary or convenient to develop one or more Adjacent Projects on any Adjacent Parcel and/or to merge any Adjacent Condominium with the Project. For example, the Developer has these rights:

A. It can come onto the Project and to authorize others to do so, using its easement under Section 7.1K, as may be necessary or convenient to design, develop, construct, add, and

complete the Adjacent Project according to plans and specifications approved by the officer of the County of Maui having jurisdiction over the issuance of building permits, or to sell apartments, time share interests or fractional ownership interests in the Adjacent Project.

B. It can create noise, dust, vibrations, and so on using its easement rights under Section 7.2, whether the activities that give rise to the noise, dust, vibrations, and so on occur on the Project or on the Adjacent Parcel.

C. It can connect the Adjacent Project to utilities of the Project so long as either (i) there are separate meters, or (ii) the Adjacent Project is a condominium that will be merged with the Project.

D. It can record a Certificate of Merger as provided in the Declaration of Merger.

E. It can take any steps needed to comply with the SMA Permit, and any zoning or other land use requirements as provided in Section 27 or any SMA Permit, and any zoning or other land use requirements that apply to the Adjacent Parcel.

F. It can amend any recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

G. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to develop one or more Adjacent Projects on any Adjacent Parcel and to merge any Adjacent Condominium with the Project pursuant to the Declaration of Merger. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

24. DEVELOPER'S RESERVED RIGHT TO CONVERT LIMITED COMMON ELEMENTS TO APARTMENTS.

No matter what else the Condominium Documents say, and except as otherwise provided by law, the Developer reserves the right, at any time and from time to time, to convert all or any part of a Limited Common Element appurtenant to a Commercial Apartment owned by the Developer into one or more separate Apartments. Any Apartment created in this way will be a New Apartment.

24.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 24 are subject to these terms and conditions:

A. PLANS AND SPECIFICATIONS. A licensed architect or engineer must prepare plans and specifications for any New Improvements and any changes to the existing Improvements. The plans and specifications must be approved by the officer of the County of Maui having jurisdiction over the issuance of

building permits. The plans and specifications must be drawn so that the changed or New Improvements will be substantially consistent with the existing Improvements of the Project in terms of quality of construction and finish, as determined by the Developer in its sole discretion. The Developer must build the New Improvements and make any changes to the existing Improvements substantially in accordance with the plans and specifications.

B. CHANGES TO EXISTING IMPROVEMENTS. The plans or specifications cannot require any material change to or the demolition of any existing Apartment or Limited Common Element; provided that:

1) The Developer has right to connect to, use, relocate and/or realign existing, and/or to develop additional central and appurtenant installations for services to the New Apartments to provide electricity, hot and cold water, air conditioning and other applicable utilities and services. It may also designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary and desirable in connection therewith. The Developer must do this in a way that does not cause any interruption, other than a temporary interruption, in the service of utilities to any other part of the Project.

2) The Developer can change or demolish all or any part of an existing Apartment owned by the Developer or where the Owner consents to the change or demolition in writing. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owner.

3) The Developer can change or demolish all or any part of an existing Limited Common Element of an Apartment owned by the Developer or where the Owner of the Apartment to which the Limited Common Element is appurtenant consents to the change in writing. If the Limited Common Element is appurtenant to more than one Apartment then the consent of the Owners of all of those Apartments is necessary. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owners.

C. COST AND TIME FOR COMPLETION. The Developer must pay all costs of converting the Limited Common Element to a New Apartment. The Developer must finish making any changes to the Improvements within a reasonable time after its starts making them. If there is a delay for reasons beyond the reasonable control of the Developer or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. The Developer must repair any damage to the Common Elements caused by the construction contractors.

E. INSURANCE. The Developer must arrange and pay for builder's risk insurance. The insurance must stay in effect during the entire course of the construction. The insurance must cover at least 100% of the estimated cost of construction. The

insurance policy must name the Association and the Managing Agent as additional insureds (persons protected by the insurance). The Developer must deposit evidence of the insurance with the Board and the Managing Agent.

24.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 24.1, the Developer's Reserved Rights in this Section 24 include the right to do anything necessary or convenient to convert all or any part of a Limited Common Element appurtenant to a Commercial Apartment owned by the Developer into one or more separate Apartments. For example, the Developer has these rights:

A. It can remove or change the Limited Common Elements to be converted and remove, change or add Common Elements in the immediate vicinity of the Apartment or Limited Common Element, as necessary or convenient (i) to establish the physical limits of each New Apartment, (ii) to re-establish the physical limits of the Developer's existing Apartment, or (iii) otherwise to complete the conversion of the Limited Common Elements to a New Apartment;

B. It can connect each New Apartment to the utilities of the Project.

C. It can designate Common Elements adjacent to the New Apartments, or Limited Common Elements appurtenant to an Apartment owned by the Developer, as Limited Common Elements appurtenant to one or more New Apartments provided that there is no material adverse affect on the remainder of the Project.

D. It can sign, acknowledge and record one or more amendments to this Declaration and to the Condominium Map meeting the requirements of Section 24.3.

E. It can amend any recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

F. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to convert all or any part of a Limited Common Element appurtenant to a Commercial Apartment owned by the Developer into one or more separate Apartments. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

24.3 THE DEVELOPER MUST AMEND THE CONDOMINIUM DOCUMENTS. The Developer must amend this Declaration and the Condominium Map in order to convert all or any part of a Limited Common Element assigned to a Commercial Apartment owned by the Developer into one or more separate Apartments:

A. CONTENT OF AMENDMENT TO DECLARATION. These rules apply to an amendment to the Declaration required or allowed by this Section 24.3:

1) It must state the Apartment number of each New Apartment and describe its location, approximate area, number of rooms, immediate Common Elements to which it has access, designated parking stall if considered a Limited Common Element, and anything else needed to properly identify it.

2) It must change the description of the Limited Common Elements appurtenant to any Apartment whose Limited Common Elements are being converted to a New Apartment.

3) It must describe any change in or addition to the Common Elements.

4) It must describe any additional or newly designated Limited Common Elements, if any, and identify the Apartments to which they are assigned.

5) It must list the Common Interest of each Apartment in the Project. This includes both the existing Apartments and the New Apartments. The Common Interest for each Apartment will be determined as stated in Section 29.

6) It must state the purposes for which each New Apartment is intended and restricted as to use, if different from the provisions in this Declaration.

7) It may include anything else that the Developer deems necessary or appropriate or that is required by law.

B. CONTENT OF AMENDMENT TO CONDOMINIUM MAP. These rules apply to an amendment to the Condominium Map required or allowed by this Section 24.3:

1) It must show the layout, location, apartment numbers, and dimensions of the New Apartments.

2) It may contain any additional or amended site plans, floor plans and elevations, or other drawings as may be necessary or appropriate.

3) It must be accompanied by a certificate signed by a registered architect or professional engineer. The certificate must comply with Section 514A-12 of the Condominium Property Act.

24.4 CONSEQUENCES OF CREATION OF NEW APARTMENTS. This is what happens when the Developer records the amendments to the Declaration and the Condominium Map required by Section 24.3:

A. CREATION OF APARTMENTS. The New Apartments become condominium Apartments and are part of the Project for all purposes. The Limited Common Elements designated in the amendment will be appurtenant to the Apartments to which they are assigned. The Owner of a New Apartment can deed it,

lease it, Mortgage it, encumber it, or otherwise deal with title to it just the same as any other Apartment. The Limited Common Elements converted to New Apartments will no longer be Limited Common Elements.

B. OWNERSHIP OF NEW APARTMENTS. The Developer is the "Owner" of each New Apartment and its Common Interest until the Developer deeds it to someone else. Nobody else except the Developer will have any rights in the Apartment or its Common interest. (In legal terms, no Owner or other Interested Person will have any "legal or equitable interest in or to" the New Apartments.) Of course, if the Developer signs a proper Mortgage that covers the Limited Common Elements converted to a New Apartment then that Mortgage will be valid and will apply to the New Apartment.

C. COMMON ELEMENTS; RESERVE FUNDS. After any construction is completed:

1) The Owners of all of Apartments (including the New Apartments) will have the right to use the common elements in the Project to the same extent and subject to the same limits, just as if the Project had been developed with the New Apartments from the outset. However, the Owner of a New Apartment is not required to pay any assessments for Common Expenses of the Project (except as provided in Section 24.4C.2)) that arise before the New Apartment is created and construction of it is substantially completed.

2) All replacement reserve funds accumulated by the Association before the Developer created the New Apartments will become the property of all Apartment Owners in the Project in proportion to the Common Interests appurtenant to such Owners Apartments. If it is necessary to assure that each Apartment contributes a share of the reserve funds equal to its percentage share of the Common Expenses, the Board may adjust the account of each Apartment Owner by (i) refunding all or part of its money in the reserve fund, (ii) giving a credit against future assessments, (iii) charging a special assessment or series of assessments, or (iv) doing anything else that is consistent with generally accepted accounting principles. The Board cannot, however, charge any Apartment Owner a special assessment for reserves in any one month which exceeds twenty percent (20%) of the monthly assessment for other Common Expenses, after excluding any assessment for reserve funds.

25. DEVELOPER'S RESERVED RIGHTS TO CONVERT APARTMENTS TO LIMITED COMMON ELEMENTS, OR TO CONVERT APARTMENTS OR LIMITED COMMON ELEMENTS TO COMMON ELEMENTS.

No matter what else the Condominium Documents say, and except as otherwise provided by law, the Developer reserves the right, at any time and from time to time, to convert: (i) any part of an Apartment owned by the Developer into Limited Common Elements appurtenant to that Apartment, or (ii) all or any part of

an Apartment owned by the Developer, or its Limited Common Elements, into general Common Elements.

25.1 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 25 are subject to these terms and conditions:

A. PLANS AND SPECIFICATIONS. If the Developer chooses to build any New Improvements or to make any changes to the existing Improvements when using its reserved rights in this Section 25, then these rules apply: A licensed architect or engineer must prepare plans and specifications for any New Improvements and any changes to the existing Improvements. The plans and specifications must be approved by the officer of the County of Maui having jurisdiction over the issuance of building permits. The plans and specifications must be drawn so that the changed or New Improvements will be substantially consistent with the existing Improvements of the Project in terms of quality of construction and finish, as determined by the Developer in its sole discretion. The Developer must build the New Improvements and make any changes to the existing Improvements substantially in accordance with the plans and specifications.

B. CHANGES TO EXISTING IMPROVEMENTS. The plans or specifications cannot require any material change to or the demolition of any existing Apartment or Limited Common Element; provided that:

1) The Developer has right to connect to, use, relocate and/or realign existing, and/or to develop additional central and appurtenant installations for services to:

(a) the remainder of the reduced Apartment or its Limited Common Elements, if any, or

(b) any newly designated general Common Elements or Limited Common Elements,

to provide electricity, hot and cold water, air conditioning and other applicable utilities and services. It may also designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary and desirable in connection therewith. The Developer must do this in a way that does not cause any interruption, other than a temporary interruption, in the service of utilities to any other part of the Project.

2) The Developer can change or demolish all or any part of an existing Apartment owned by the Developer or where the Owner consents to the change or demolition in writing. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owner.

3) The Developer can change or demolish all or any part of an existing Limited Common Element of an Apartment owned by the Developer or where the Owner of the Apartment to which the Limited Common Element is appurtenant consents to the change in writing. If the Limited

Common Element is appurtenant to more than one Apartment then the consent of the Owners of all of those Apartments is necessary. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of the Owners.

C. COST AND TIME FOR COMPLETION. The Developer must pay all costs of converting (i) any part of an Apartment to Limited Common Element, or (ii) all or any part of an Apartment and/or its Limited Common Element to general Common Elements. The Developer must finish making any changes to the Improvements within a reasonable time after it starts making them. If there is a delay for reasons beyond the reasonable control of the Developer or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. The Developer must repair any damage to the Common Elements caused by any construction contractors.

E. INSURANCE. The Developer must arrange and pay for builder's risk insurance. The insurance must stay in effect during the entire course of any construction. The insurance must cover at least 100% of the estimated cost of construction. The insurance policy must name the Association and the Managing Agent as additional insureds (persons protected by the insurance). The Developer must deposit evidence of the insurance with the Board and the Managing Agent.

F. LENDER'S CONSENT. If the Developer's Apartment has a Mortgage on it, then the conversion will not take effect until both of these things happen:

1) The Lender must give its consent in a recorded document.

2) If any part of an Apartment and/or its Limited Common Element is being converted to general Common Elements, the Lender must release the converted property from the Mortgage in a recorded document.

25.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 25.1, the Developer's Reserved Rights in this Section 25 include the right to do anything necessary or convenient to convert (i) any part of an Apartment owned by the Developer into Limited Common Elements appurtenant to that Apartment, or (ii) all or any part of an Apartment owned by the Developer, or its Limited Common Elements, into general Common Elements. For example, the Developer has these rights:

A. It can remove, change or add Common Elements in the immediate vicinity of the Apartment or its Limited Common Elements, as necessary or convenient (i) to re-establish the physical limits of the remainder of the Apartment or its Limited Common Elements, (ii) to establish the physical limits of the newly designated general Common Elements or Limited Common Elements, or (iii) otherwise to complete the conversion of any part of an Apartment to Limited Common Element, or the conversion of all or any part of an Apartment

and/or its Limited Common Element to general Common Elements;

B. It can connect the remainder of the Apartment or its Limited Common Elements to the utilities of the Project.

C. It can connect any newly designated general Common Elements or Limited Common Elements to the utilities of the Project.

D. It can sign, acknowledge and record one or more amendments to this Declaration and to the Condominium Map meeting the requirements of Section 25.3.

E. It can amend any recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

F. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to convert (i) any part of an Apartment owned by the Developer into Limited Common Elements appurtenant to that Apartment, or (ii) all or any part of an Apartment owned by the Developer, or its Limited Common Elements, into general Common Elements. For example, the Developer may reconfigure the interior of the remainder of the Apartment as permitted by Section 17.2A.1), or sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

25.3 THE DEVELOPER MUST AMEND THE CONDOMINIUM DOCUMENTS. The Developer must amend this Declaration and the Condominium Map in order to convert (i) any part of an Apartment owned by the Developer into Limited Common Elements appurtenant to that Apartment, or (ii) all or any part of an Apartment owned by the Developer, or its Limited Common Elements, into general Common Elements.

A. CONTENT OF AMENDMENT TO DECLARATION. These rules apply to an amendment to the Declaration required or allowed by this Section 25.3:

1) It must state the Apartment number of the Developer's Apartment affected.

2) If the Developer's Apartment has been reduced in size but not eliminated, it must describe the location, approximate area, number of rooms, immediate Common Elements to which the Apartment has access, designated parking stall if considered a Limited Common Element, and anything else needed to properly identify it.

3) It must describe any additional or newly designated Limited Common Elements of the Apartment.

4) If the Limited Common Elements have been reduced or eliminated, it must change the description of the Limited Common Elements appurtenant to the Apartment.

5) It must describe any change in or addition to the Common Elements.

6) It must list the Common Interest for each Apartment in the Project. The Common Interest for each Apartment will be determined as stated in Section 29.

7) It may include anything else that the Developer deems necessary or appropriate or that is required by law.

B. CONTENT OF AMENDMENT TO CONDOMINIUM MAP. These rules apply to an amendment to the Condominium Map required or allowed by this Section 25.3:

1) If the Apartment has been reduced in size but not eliminated, it must show the layout, location, apartment number, and dimensions of the remainder of the Apartment.

2) If the Apartment has been eliminated, it must change the floor plans to reflect that the Apartment has been eliminated.

3) It may contain any additional or amended site plans, floor plans and elevations, or other drawings as may be necessary or appropriate.

4) It must be accompanied by a certificate signed by a registered architect or professional engineer. The certificate must comply with Section 514A-12 of the Condominium Property Act.

25.4 CONSEQUENCES OF CONVERSION. This is what happens when the Developer records the amendments to the Declaration and the Condominium Map required by Section 25.3 and any consent or release of a Lender required by Section 25.1F:

A. NEW LIMITED COMMON ELEMENT. Any part of the Apartment converted to Limited Common Element will become a Limited Common Element appurtenant to that Apartment for all purposes. The Developer and all later Owners of that Apartment will have these rights:

1) They will have the right to use the newly designated Limited Common Element to the same extent and subject to the same limits, just as if it had been appurtenant to Apartment from the time that the Project was first developed.

2) They can deed the Apartment with its newly designated Limited Common Elements, lease it, Mortgage it, encumber it, or otherwise deal with title to it just the same as any other Apartment.

B. NEW COMMON ELEMENTS. Any part of the Apartment or any Limited Common Element converted to general Common Element will become a general Common Element for all purposes. All Owners, including the Developer if it owns other Apartments, will own the newly designated general Common Elements just as they own all other Common Elements. The Owners of all of Apartments will have the right to use the Common Elements in the Project, including the newly

designated general Common Elements, to the same extent and subject to the same limits, just as if the Project had been developed with the newly designated general Common Elements from the outset. These rights will be subject to any easements created, relocated, and so on, which affect the newly designated general Common Elements.

C. BOUNDARIES OF APARTMENT OR LIMITED COMMON ELEMENTS. If the Apartment is reduced in size but not eliminated, then the new boundaries of the Apartment and/or its Limited Common Elements will be changed as stated in the amendments to the Declaration and the Condominium Map required by Section 25.3 for all purposes.

D. RESERVE FUNDS. After:

1) the Developer converts (i) any part of an Apartment owned by the Developer into Limited Common Elements appurtenant to that Apartment, or (ii) all or any part of an Apartment owned by the Developer, or its Limited Common Elements, into general Common Elements, and

2) any construction is substantially completed,

all replacement reserve funds accumulated by the Association up to that time will become the property of all Apartment Owners in the Project in proportion to the Common Interests appurtenant to the Owners Apartments. The Board will not refund to the Developer all or any part of the replacement reserve funds paid on account of any part of the Apartment or its Limited Common Elements that is converted to general Common Elements.

26. DEVELOPER'S RESERVED RIGHT TO CHANGE THE PROJECT TO COMPLY WITH LAW.

No matter what else the Condominium Documents say, and except as otherwise provided by law, the Developer reserves the right, at any time and from time to time, to change the Apartments, the Common Elements, the Limited Common Elements, and/or to amend the Condominium Documents as required to comply with any laws that apply to the Project or to the Association, any Vacation Owners Association or the Developer. This includes, for example, the federal Fair Housing Act, 42 U.S.C. §§3601 *et seq.*, and the Americans With Disabilities Act 42 U.S.C. §§12101 *et seq.*, (the "ADA"), and any rules and regulations adopted under either of them. For example, the Developer could use this right: (i) to re-stripe or reconfigure parking stalls to comply with the ADA, or (ii) to change the slope of a ramp for wheelchairs to comply with the ADA. The Developer may also use any of the other Developer's Reserved Rights described in this Declaration in connection with the use of its rights under this Section 26. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

27. DEVELOPER'S RESERVED RIGHTS REGARDING SMA PERMITS.

Because the Land is beachfront property, the Project is located in a "Special Management Area" or "SMA". Hawaii law requires that the Developer obtain an SMA Permit for any development in a Special Management Area. The Project is presently subject to the SMA Permits described in Section 1.66. Some of the requirements of the SMA Permit apply to the initial construction and completion of the Project. Other requirements apply to the Project on an ongoing basis. No matter what else the Condominium Documents say, and except as otherwise provided by law, the Developer reserves the right to do all things necessary or convenient to satisfy the requirements of the Project's SMA Permits, and any zoning or other land use requirements that apply to the Project from time to time. The Developer may do this more than once and at any time before the Development Period ends.

27.1 LIMITS OF DEVELOPER'S RESERVED RIGHTS. The Developer must pay all of the immediate costs arising out of the use of the Developer's Reserved Rights under this Section 27. The Developer does not, however, have to pay the costs to the Association to comply with the Project's SMA Permits on an ongoing basis. The Association is responsible for ongoing compliance with the SMA Permits and must pay the cost to do so. It is understood that ongoing costs are simply costs of owning property on the Island of Maui. The Developer is responsible for compliance with the SMA Permits pertaining to the initial construction and completion of the Project and must pay the cost to do so. The Developer, however, has no obligation to comply with requirements of the SMA Permits that do not apply to the initial construction and completion of the Project or any phase of it. If the Developer chooses to do more than that, then it must also pay the cost of doing so.

27.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. Subject to the limits stated in Section 27.1, the Developer's Reserved Rights under this Section 27 include the right to do anything necessary or convenient to satisfy the requirements of the Project's SMA Permits, and any zoning or other land use requirements that apply to the Project from time to time. For example, the Developer has these rights:

A. It can do anything required by the Project's SMA Permits. For example, the SMA Permits may require that construction stop if historic, archaeological, or cultural sites are discovered. This would extend the time period within which the Developer must complete its construction of New Improvements.

B. It can enter into any agreements with the County of Maui or the State of Hawaii, or any agency of either of them. It can also record those agreements so that they are binding on the Project, and it can do the things required by those agreements.

C. It can defend any challenge to the Project's SMA Permits. It can also enter into settlement agreements with anyone who challenges the Project's SMA Permits or who otherwise intervenes in the SMA Permitting process, and do the things required by the settlements.

D. It can agree to changes to the Project's SMA Permits. However the Developer may not do so if the change would impose an unreasonable financial burden on the Association.

E. It can amend the Condominium Documents.

F. It can amend any recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms to the revised Declaration. It can also record a new deed or conveyance document for that purpose.

G. It can use any of the other Developer's Reserved Rights as may be necessary or convenient to satisfy the requirements of the Project's SMA Permits, and any zoning or other land use requirements that apply to the Project from time to time. For example, the Developer may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 28.3.

28. DEVELOPER'S RESERVED RIGHTS GENERALLY.

28.1 RELATIONSHIP TO INCREMENTAL OR PHASED DEVELOPMENT. The Developer has adopted an incremental plan of development for the Project under which the Project will be developed in two or more stages. These stages are called "increments" or "phases." Some of the Developer's Reserved Rights are or may be necessary or helpful to developing the Project in phases as described elsewhere in this Declaration. Even so, the use of the Developer's Reserved Rights is not limited to the development of the Project in phases except to the extent that this Declaration expressly states otherwise.

28.2 NATURE OF DEVELOPER'S RESERVED RIGHTS. The Developer may use the Developer's Reserved Rights separately or in one or more combinations and at one or more times. The Developer has no duty to use the Developer's Reserved Rights. Nothing contained in the Condominium Documents can be deemed to be a representation that it will do so. For example, the Developer has no duty to establish any New Apartments, build any New Improvements, subdivide any of the Land, delete any of the Land, annex any Adjacent Parcel, merge the Project with any Adjacent Condominium, and so on. Conversely, the use of these rights on one occasion does not limit or otherwise affect the Developer's right to use them again from time to time. The Developer's Reserved Rights are reserved and preserved to and may be used by the Developer regardless of anything stated in or that may be inferred from any provision of the Condominium Documents or any other document creating, governing, or encumbering the Project or any part of it.

28.3 CONSENT; SPECIAL POWER OF ATTORNEY. The Developer may use the Developer's Reserved Rights without being required to obtain the approval, consent, or joinder of anyone else, and without having to give notice to anyone else. This includes, but is not limited to, the Association, any Apartment Owner, any Lender, or any other Interested Person.

A. When an Apartment Owner or any other Interested Person acquires an Apartment or any other interest in the Project, he or she automatically does each of these things:

1) He or she takes his or her interest in the Project subject to the Developer's Reserved Rights, and each and every exercise and/or assignment of them.

2) He or she acknowledges, approves, consents to, agrees to and accepts:

(a) The Developer's Reserved Rights and its use of them from time to time;

(b) That this may change the Project;

(c) That this may result in the recalculation of the Common Interest of some or all Apartments in some cases; and

(d) That the Developer can file and/or record any and all documents that the Developer deems necessary or convenient to the use of its rights. This includes, but it is not limited to, amendments to some or all of the Condominium Documents.

3) He or she agrees, promptly after being asked to do so, to join in, consent to, sign (and have notarized if asked), deliver, and record all documents and do all other things that the Developer in its sole discretion determines to be necessary or convenient to the use of the Developer's Reserved Rights or to accomplish the purposes for which those rights were reserved (as determined by the Developer). This promise includes the duty to sign, have notarized, deliver, and record a special power of attorney in the form attached as Exhibit C (with any changes needed to record it).

4) He or she appoints the Developer as his or her attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on his, her or its behalf. This means that the Developer can act in the place of the Owner or other Interested Person. The Developer can do anything that they could do, and they ratify, accept and confirm anything that the Developer does using this power of attorney.

(a) This power of attorney appointment is permanent. In legal terms, it is *coupled with an interest*, it is *irrevocable*, it is a *durable power of attorney*, and it will not be affected by any disability of the Owner or any other Interested Person who gives it.

(b) It includes "*full power of substitution*". This means that the Developer can let someone else act in its place as a substitute attorney-in-fact.

(c) Each Owner and every other Interested Person gives the Developer this power of attorney whether or not it expressly says so in the deed, Mortgage, or other document by which the Owner or other Interested Person obtained any interest in the Project.

(d) It is a "special power of attorney". This means that the Developer has the power to do only the things stated or intended by the Condominium Documents (as determined by the Developer). This includes, however, the power to do anything else that the Developer deems necessary or convenient to accomplish the stated or intended goal and anything incidental to it. Ambiguities must be resolved in favor of giving, not denying, the Developer the power to act.

To be clear, and regardless of the preceding language of this Section 18.3, the Developer intends and this Declaration should be construed to provide, to the fullest extent permitted by law, that any amendment to the Condominium Documents made in connection with the use of the Developer's Reserved Rights, and any other action taken by the Developer using the Developer's Reserved Rights, requires the vote or written consent of only the Developer and does not require the vote or written consent of any Owner or any other Interested Person. To the extent that the vote or written consent of any Owner or other Interested Person is required, however, the Developer may use this power of attorney to cast that vote or give that consent on behalf of that Owner or other Interested Person.

B. When this Section 28.3 or any other Section of this Declaration dealing with the Developer's Reserved Rights refers to "documents", it means documents and instruments of any kind. For example, it includes Land Court petitions and orders, Land Court maps, deeds and other conveyance instruments, grants of easements, releases, amendments to the Condominium Documents, applications to governmental agencies or authorities, and so on.

28.4 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights in this Section 28 are subject to these terms and conditions:

A. The Developer cannot use its power of attorney under Section 28.3A.4) to do any of these things:

1) It cannot give up (in legal terms, "waive or release") any right that an Owner has, under the Condominium Property Act or the Time Share Act, to cancel the purchase of an Apartment or Vacation Ownership Interest.

2) It cannot Mortgage an Owner's Apartment (if the Owner owns the whole Apartment) or Vacation Ownership Interest.

3) It cannot otherwise encumber an Owner's Apartment (if the Owner owns the whole Apartment) or Vacation Ownership Interest unless this Declaration expressly permits it. For an example of express permission, see the Developer's rights to grant utility easements and so on as provided in Section 7.4 or the various Developer's Reserved Rights to amend this Declaration or the other Condominium Documents.

B. The Developer cannot use the Developer's Reserved Rights in a way that prevents an Owner from occupying his or

her Apartment or from having access to and from his or her Apartment. This rule does not apply, however, to limits under any Vacation Plan Documents or Master Association Documents on the times when the owner of a Vacation Ownership Interest, time share interest or fractional ownership interest can occupy his or her Apartment or come onto the Project.

28.5 TRANSFER OF DEVELOPER'S RIGHTS.

A. If the Developer signs and records a document that expressly transfers to someone else some or all of the Developer's Reserved Rights, or any of its other rights as the Developer under the Condominium Documents, then that person will become the "Developer" to the extent of the rights transferred. The new "Developer" can likewise transfer the rights it has. After a transfer (i) the new "Developer" has and may use the rights transferred to it, and (ii) the old Developer is automatically relieved of any and all liability arising after the transfer takes effect with respect to the rights and duties transferred. Each Owner and other Interested Person, by acquiring an Apartment or other interest in the Project, automatically consents to this and agrees to recognize the new Developer as the "Developer" under the Condominium Documents to the extent of the rights transferred.

B. The Developer may also transfer its rights as collateral for a loan. If so, the lender will not have the rights of the "Developer" until (i) it forecloses the loan, (ii) it holds the rights of the Developer outright, and (iii) it records a document that says so. The lender will also have the rights of the "Developer" if the Developer assigns its rights to the lender, pursuant to the Subsection 28.5A, in place of foreclosure.

C. No deed, lease, Mortgage, or other conveyance of (i) all or any part of the Land (including for example any part of the Land deleted from the Project pursuant to Section 21), or (ii) any Apartment or any interest in it, or (iii) any Vacation Ownership Interest, will transfer any of the Developer's Reserved Rights, or any of its other rights under the Condominium Documents, unless the document expressly says so and unless it describes the rights transferred.

29. RECALCULATION OF COMMON INTERESTS.

Except where this Declaration says otherwise, the Common Interests for the Apartments will be determined as follows:

29.1 COMMON INTEREST. Each Apartment will have an appurtenant undivided percentage interest in the Common Elements of the Project. The undivided percentage interest appurtenant to a particular Apartment is based on the following fraction:

$$\frac{\text{The Relative Valuation of that Apartment}}{\text{The Sum of the Relative Valuations for all Apartments in the Project}}$$

The percentage Common Interest appurtenant to an Apartment is equal to the result of this fraction, rounded as provided in Section 29.4.

29.2 RELATIVE VALUATION. "Relative Valuation" refers to the idea that the Common Interest of each Apartment, and its share of the Common Expenses, should be based on a comparison of each Apartment to other Apartments in the Project. While some condominiums compare the size of apartments to determine their common interest, this does not necessarily result in a fair and equitable allocation of maintenance fees among the apartments. For example, the owner of a two-bedroom apartment having 1,500 square feet should not necessarily have to pay 50% more of the common expenses than the owner of a two-bedroom apartment in the same project having 1,000 square feet.

The Developer has determined a "Relative Valuation" for each Apartment in phases 1, 2 and 3 based on Apartment size, the estimated maintenance and expense burden, sleeping capacity, and other relevant factors as determined by the Developer in its sole discretion. The Relative Valuation for each Apartment in phases 1, 2 and 3 of the Project is stated in Exhibit "B". The Developer will determine the Relative Valuation of each New Apartment in its sole discretion and will state the Relative Valuation of each existing and any New Apartment in the amendment to this Declaration creating the New Apartment. Note that Relative Valuation is not intended to reflect the fair market value a particular Apartment and will not change based on changes in market conditions.

29.3 APARTMENTS IN FUTURE PHASES. The Developer intends to develop the Project in several phases. It is likely that Apartments or Vacation Ownership Interests in the first phase will be deeded before construction of later phases is completed and/or before the plans for later phases are completely finalized. When New Apartments are created, the Developer has the right to reallocate the Common Interests among the existing Apartments and the New Apartments. This includes the right to change the Common Interests of existing Apartments. A change in the Common Interests may require that all existing deeds be amended or replacement deeds recorded. Since the Land is registered in the Land Court, a change in the Common Interest of existing Apartments might require issuance of new certificates of title. Since each Vacation Ownership Interest has a separate certificate of title, this would be impractical, costly and time-consuming.

To avoid changing the Common Interest of existing Apartments, when developing phase 1, the Developer estimated the Relative Valuations of the Makani Kai Building and the Ahelani Building based on the Developer's then-current plans for those buildings (although those plans could change). The sum of those Relative Valuations were assigned to the Gazebo Apartment.

If and when the Developer creates New Apartments, the Developer has the right to reallocate a portion of the Relative Valuation of the Gazebo Apartment to the New Apartments.

The Relative Valuation allocated to the New Apartments will be taken from the Relative Valuation of the Gazebo Apartment, and the Relative Valuation of the Gazebo Apartment will be reduced by that amount. The Developer has done this with respect to the Apartments in phases 2 and 3, and Exhibit B reflects this.

If at any time the Developer decides not to proceed with the development of any further phases, or if not all phases are built before the end of the Development Period, then the Common Interest for each Apartment actually constructed will be determined in the manner provided in Sections 29.1 and 29.2. The Developer may sign, acknowledge and record one or more amendments to this Declaration reflecting the changes to the Common Interests. The Developer may also amend any previously recorded deed or other document conveying or encumbering an Apartment or Vacation Ownership Interest so that it conforms with the revised Declaration and/or to record a new deed or conveyance instrument for that purpose. The Developer may do so in its own right and/or using its power of attorney under Section 28.3.

These Rights are among the Developer's Reserved Rights.

29.4 ROUNDING. It is important that the total of all Common Interests for all Apartments adds up to one hundred percent (100%). To make sure that this happens, the Developer will round off the Common Interests to the nearest ten-thousandths of a percent (0.0001%). The Common Interests of one or more Apartments may be rounded up or down if it is necessary to reach a total of one hundred percent (100%).

30. MASTER ASSOCIATION.

30.1 MASTER ASSOCIATION. The Developer intends to build the Project in phases. The Developer also has the right to develop Adjacent Projects on the Adjacent Parcels. The Developer may also develop one or more hotels, vacation ownership or time share plans, and/or fractional ownership plans on the Adjacent Parcels or elsewhere in Ka'anapali North Beach. Any Adjacent Condominiums may or may not be merged with the Project to form a single condominium.

Whether or not they are merged, the Developer wants to be sure that certain amenities can be shared by Owners in this Project, and owners and occupants of Adjacent Projects, or other Ka'anapali North Beach real estate developments. These amenities may be part of the Project, an Adjacent Project, or another of the Ka'anapali North Beach projects.

The Developer also wants a way to be sure that these amenities, and the landscaping and grounds of the Project and any Adjacent Projects provide a complementary vacation ambience consistent with a first class destination resort, and that they can be updated and enhanced over the years to keep up with modern trends for first class destination resorts.

Finally, the Developer intends to reserve the right to use some of these amenities for its own purposes. For example, the Developer wants to be able to do these things:

- It wants to be able to show the amenities and the Project grounds to persons who might buy an Apartment or Vacation Ownership Interest in the Project or an apartment, time share interest, or fractional ownership interest in any Adjacent Project.
- It wants to be able to offer activities to these prospective purchasers.
- It wants to be able to establish booths or concessions for the sale of tourist activities or other incentives intended to encourage prospective purchasers to attend a sales presentation.
- It wants to be able to conduct receptions for purchasers and prospective purchasers for the purpose of promoting the sales of Apartments or Vacation Ownership Interests in the Project or apartments or time share interests or fractional ownership interest in any Adjacent Project.

To accomplish these things, the Developer created the Master Association Apartment and the Master Association.

30.2 MASTER ASSOCIATION MEMBERSHIP. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that: (a) the Developer established the Master Association; (b) each Owner of a Resort Apartment (including, for example, Owners of Vacation Ownership Interests) is required to be a member of the Master Association; (c) the Developer has the right to permit or require owners of apartments or of time share interests or fractional ownership interests in any condominium or other development on any Adjacent Parcel or elsewhere in Ka'anapali North Beach to be members of the Master Association; (d) the Developer has the right to permit any hotel developed by the Developer on any Adjacent Parcel or elsewhere in Ka'anapali North Beach to be a member of the Master Association and to permit the hotel guests to use the Master Association Amenities; and (e) the Master Association Documents govern the Master Association. Among other things, they set the terms and conditions of membership, the rights to use the Master Association Amenities, limitations on those rights, and so on. The Master Association Documents are binding on each Resort Apartment and on each Resort Apartment Owner.

30.3 MASTER ASSOCIATION AMENITIES. For now, the Master Association Amenities consist of the amenities that are Limited Common Elements of the Master Association Apartment. At the outset, this includes various waterfalls, a water slide, slide mountain, swimming pool, koi pond, spa, pool decks, pool bathrooms, beach and pool showers, fitness center, late departure guest lounge, and tennis courts and a tennis pavilion, among other things. The Developer has the right to add to the Master Association Amenities any amenities located on any other project participating in the Master Association, but the

Developer does not promise to do so. The Master Association has the rights stated in the Master Association Declaration to add, continue, change or remove any of the Master Association Amenities. This includes the right to change any Master Association Amenities located on the Project.

30.4 MASTER ASSOCIATION DUES AND FEES. The Master Association Declaration requires that each Owner of a Resort Apartment pay a share of the costs to operate, maintain, repair, replace, change, and upgrade the Master Association Amenities and other Master Association property, and the costs to operate and maintain the Master Association. All other Master Association Members must also pay a share of these costs as provided in the Master Association Declaration. Each Owner of a Resort Apartment understands, acknowledges, agrees and accepts that, under the Master Association Documents, each Owner of a Resort Apartment must pay the fees, charges, and expenses charged by the Master Association in accordance with the Master Association Documents.

30.5 AMENDMENT. No matter what else the Condominium Documents say, no change to the Condominium Documents that changes, terminates, or otherwise adversely impacts this Section 30 or any other rights or easements of the Master Association or the use, maintenance, repair, replacement, remodeling, operation, or administration of the Master Association Amenities will be effective unless it is signed by the Master Association and, during the Development Period, the Developer.

31. DEVELOPMENT OF KA'ANAPALI NORTH BEACH.

31.1 KA'ANAPALI NORTH BEACH. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the Project is part of Ka'anapali North Beach and that it is subject to and governed by the Ka'anapali North Beach Documents.

31.2 KA'ANAPALI NORTH BEACH ASSOCIATION. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that (a) each Owner is required to be a member of the Ka'anapali North Beach Association pursuant to the Ka'anapali North Beach Documents, (b) the Association, not the individual Owners, has the right to vote in the Ka'anapali North Beach Association, (c) the Association must pay to the Ka'anapali North Beach Association the assessments charged by the Ka'anapali North Beach Association, and (d) the amount that the Association pays to the Ka'anapali North Beach Association is a Common Expense and each Owner will pay a share of it except as provided in Section 8.3B.2. of the Bylaws.

31.3 OBSTRUCTION OF VIEWS; NOISE; TRAFFIC. The owners of other property in Ka'anapali North Beach have the right to develop their land but do not have to do so. Each Owner understands, acknowledges, agrees and accepts that the ocean and/or mountain views, if any, available from the Project or Apartments may be obstructed, and that noise, dust, vibrations, and/or traffic in the vicinity of the Project may increase when (i)

New Improvements are constructed on the Project, or (ii) any Adjacent Project is constructed, or (iii) any improvements are constructed elsewhere in Ka'anapali North Beach. Each Owner and every other Interested Person gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that such person may have, now or in the future, against the Developer and its Representatives, licensees, successors and assigns, and arising directly or indirectly out of or from such obstruction of views, additional noise, dust, vibrations, and/or additional traffic by reason of such further development.

32. DISCLOSURES AND LIMITATIONS ON LIABILITIES.

32.1 PRIOR USE OF THE LAND. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the Project is located on a site previously used and operated as an airport and airstrip, and that the Land was also used for activities related to the operation, maintenance, and use of an airport, airstrip and aircraft. For example, fuels, chemicals, and other substances were stored and used on the Land.

32.2 SUGAR CANE AND OTHER AGRICULTURAL OPERATIONS. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that (i) before and after the Land was used as an airport, it was used for farming sugar cane and for other agricultural operations, and (ii) the Project is located near or next to other land used for the same purposes. These operations include, for example, open burning, percolating, evaporating, milling, generating power, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigating, and all other activities incidental to planting, cultivating, harvesting, and processing crops. This activity may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, or transmitted over and upon the Project. The Agricultural Effects may be a bother or a nuisance to an Owner or anyone else occupying or using the Project. Each Owner also hereby acknowledges that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance.

32.3 WAIVER OF RIGHTS. Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any rights, claims or actions that he or she may have, now or in the future, against the Developer or the State of Hawaii, and each of their Representatives, licensees, invitees, successors and assigns arising directly or indirectly out of or from the Agricultural Effects as to the Project or from prior use of the Land as an airport and airstrip.

32.4 SECURITY. The Association, the Developer or the Managing Agent have the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. The Association, the Developer, the Managing Agent, and each

of their Representatives, are not in any way to be considered insurers or guarantors of safety or security within the Project, nor can any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. Neither the Association nor the Developer nor the Managing Agent make any representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each Owner and every other Interested Person acknowledges, understand, and agrees that the Association, the Developer and the Managing Agent are not insurers and that each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

32.5 WARRANTIES. The Developer is developing the Project but it is not the general contractor or an affiliate of the general contractor who built the Project. The Developer makes no warranties, express or implied, about the Apartments or the Project, or about consumer products or anything else installed or contained in the Apartments or the Project. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular purpose, or sufficiency of design. All rights and interests in the Project are sold by the Developer "as is" and "where is", with all defects, whether visible or hidden, and whether not or not known. This means, among other things, that the Developer does not have to fix any defect no matter what causes it or when it is discovered. Each Owner and every other Interested Person gives up (in legal terms, "waives and releases") any and all rights and claims such person may have, now or in the future, against the Developer, its Representatives, successors and assigns for (i) any defects in the Apartments or the Project or any consumer products or anything else things installed or contained in the Apartments or the Project, and (ii) for injury to persons or property arising from any such defects. This means that the Developer will not have to pay for any injury or damage to people or things as a result of any defect.

Finally, without limiting the other parts of this Section, nothing in the Condominium Map is intended to be or is a representation or warranty by the Developer. For example, bathrooms may have more or fewer sinks than shown on the Condominium Map, and the bathroom tubs may be shaped differently than shown on the Condominium Map.

33. TRANSFER OF COMMERCIAL APARTMENTS TO ASSOCIATION.

The Owner of any Commercial Apartment has the right (but no duty) to deed his or her Apartment and its Common Interest to the Association or to the trustee of a land trust where the Association is a beneficiary. An Owner may do this at any time after the date of substantial completion for the Apartment. The Owner must give notice to the Association at least thirty (30)

days in advance. The Association must accept the Apartment and Common Interest or the beneficial interest in a land trust. If the Owner requests it, the Association must sign the deed or, in case of a land trust, any document required to establish the trust or to transfer the beneficial interest to the Association. This section cannot be amended without the consent of all Owners of Commercial Apartments in the Project and each Lender having a Mortgage on a Commercial Apartment.

34. AMENDMENT AND RESTATEMENT OF DECLARATION.

34.1 GENERAL.

A. **GENERAL RULE.** This Declaration may be amended by vote or written consent of Owners of Apartments to which at least seventy-five percent (75%) of the Common Interests are appurtenant. An amendment will take effect only after if it is signed by the proper officers of the Association and is recorded. The rules in this Subsection 34.1A apply except where this Declaration or the Condominium Property Act provide otherwise.

B. **SUPER-MAJORITY VOTE.** Despite what Subsection 34.1A says, the percentage of the voting power necessary to amend a specific clause or provision will not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. For example, if this Declaration says that eighty percent (80%) of the Owners must approve a proposal not to repair or rebuild the Project after it is damaged, then the vote of eighty percent (80%) of the Owners is necessary to amend that provision despite what Subsection 34.1A says.

34.2 **CHANGES BY THE DEVELOPER OR AN OWNER.** Despite what Section 34.1 says, the Owner(s) of any Apartment(s) who changes or alters the Apartment(s), the Common Elements and/or the Limited Common Elements pursuant to Section 17.2A may amend this Declaration and/or the Condominium Map as permitted by Section 17.4. The same rules apply to changes made by the Developer pursuant to Section 17.2A.

34.3 DEVELOPER'S RESERVED RIGHTS TO AMEND.

A. Despite what Section 34.1 says, the Developer's Reserved Rights include the right to change the Condominium Documents as follows:

1) It may change them in any way and for any purpose before the date when the Developer first records a deed transferring an Apartment or a Vacation Ownership Interest to someone other than the Developer or its Lenders.

2) It may change them to file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 of the Condominium Property Act. The Developer may do this each time a phase or increment of the Project, or any New Improvement is completed. It may also do this at any other time required by law or permitted by this Declaration. The Developer does not need the consent of

anyone else who owns an Apartment or Vacation Ownership Interest or any other Interested Person.

3) It may change them to comply with the real estate laws of any place (for example, the State of Hawaii) or the requirements of any government agency (such as the Hawaii Real Estate Commission or the California Department of Real Estate) in connection with the registration of the Project, or any Vacation Ownership Plan (or any Adjacent Project), to permit the sale of Apartments or Vacation Ownership Interests (or any apartments, time share interests, or fractional ownership interests in an Adjacent Project) there.

4) It may change them to satisfy requests for changes made by any institutional lender loaning money to the Developer or by any title company licensed to do business in the State of Hawaii.

5) It may change them to correct any misstatements of fact in the Condominium Documents. For example, the Developer can correct a mistake in the legal description of the Land.

B. The Developer may use these rights at any time and it may use them more than once. The Developer may sign, record and deliver amendments in its own name and/or in the name of Owners or other Interested Persons pursuant to its power of attorney under Section 28.3.

34.4 LIMITS ON AMENDMENTS.

A. **CHANGES TO APARTMENT BOUNDARY, COMMON INTEREST OR USES.** Despite what Sections 34.1, 34.3A.3) and 34.3A.4) say, and except as otherwise provided in this Declaration, no amendment may change: (1) the boundaries of any Apartment or change any exclusive easement rights appurtenant to the Apartment, (2) the Common Interest of any Apartment, or (3) the permitted uses and restrictions on the use of any Apartment or its Limited Common Elements. This rule does not apply to Apartments where the Owner and each Lender having a Mortgage on the Apartment sign the amendment. The Developer cannot use its power of attorney under Section 28.3 to give this consent on behalf of an Owner or its Lender.

B. **CHANGES TO DEVELOPER'S RESERVED RIGHTS.** Regardless of anything else stated in the Condominium Documents, no amendment to the Condominium Documents that changes, terminates, or otherwise adversely impacts any of the Developer's Reserved Rights, or any other rights of the Developer under the Condominium Documents, will be effective unless the Developer signs it and it is recorded.

34.5 REASSIGNMENT OF PARKING STALLS.

A. **GENERALLY.** Despite what Section 34.1 says, the Owners have the right to change the designation of parking stalls that are Limited Common Elements appurtenant to their Apartments from time to time.

B. HANDICAP PARKING STALLS. Despite what Sections 34.1 and 34.4A say, if a parking stall designated or designed for handicap use (a "handicap stall") is a Limited Common Element to an Apartment, then the Owner of that Apartment must exchange the handicap stall for a stall that is not a handicap stall if all of these conditions are met:

1) A person with a disability (a "disabled person") owns or intends to buy an Apartment that does not have a handicap stall as a Limited Common Element.

2) Without a handicap stall, the disabled person's disability would interfere with the his or her full use and enjoyment of his or her Apartment.

3) The Owner of the Apartment that has a handicap stall as a Limited Common Element does not have a disability that requires the availability of a handicap stall.

4) The handicap stall to be exchanged is the closest handicap stall to the Apartment owned or to be owned by the disabled person.

5) The disabled person must assign a parking stall that is a Limited Common Element of the disabled person's Apartment to the Owner of the Apartment having the handicap stall. If the disabled person's Apartment has more than one parking stall, the disabled person must assign to the other Owner the stall closest to the other Owner's Apartment unless they both agree on a different stall.

C. REQUIREMENTS FOR AMENDMENT. Owners who want or have to change the designation of the parking stalls appurtenant to their Apartments as Limited Common Elements must sign and record an amendment of this Declaration. To the extent required by law or the Land Court, they must also amend the deeds to each of their Apartments. The amendment does not have to be signed by anyone except for the Owners of the Apartments whose parking stalls are being changed and their Lenders, if any. The amendment will take effect only if it is recorded. The Owners must give a copy of the amendment to the Board within fifteen (15) days after it is recorded. Any reassignment of parking stalls is subject to all laws and regulations that may apply. No reassignment will be effective unless at all times at least one (1) parking space is appurtenant to each Resort Apartment in the Project as a Limited Common Element.

34.6 RESTATEMENT. No matter what else the Condominium Documents say, the Association has the authority under the Condominium Property Act to do these things:

A. It may restate this Declaration and the Bylaws, and all amendments to either of them.

B. It may amend this Declaration and the Bylaws as required to conform with the provisions of the Condominium Property Act or any other law or regulation adopted by a governmental authority.

The Association may do this if the Board adopts a resolution authorizing it. No other vote of the Association is necessary. No restated or amended Declaration or Bylaws will be effective unless it is recorded.

35. MISCELLANEOUS.

35.1 OWNERS MAY INCORPORATE. The Apartment Owners may form a non-Hawaii profit corporation to serve as the Association. If so, the corporation will have all of the rights, powers, obligations and duties of the Association as stated in the Condominium Documents or the Condominium Property Act. The fact that a corporation is formed to be the Association does not change any of the covenants, conditions or restrictions contained in this Declaration or in the Bylaws. The corporation must adopt the Bylaws as the bylaws of the corporation. The Articles of Incorporation and Bylaws of the corporation will be controlled by this Declaration (or, in legal terms, "subordinate to this Declaration"). If the corporation takes any action that violates all or any part of this Declaration or the Bylaws of the Association, the action will not be effective. It will be void.

35.2 SPECIAL POWER OF ATTORNEY. Whenever this Declaration or the Bylaws provides that a person gives the Association or an Owner a "power of attorney" or appoints the Association or an Owner as "attorney-in-fact", the following rules apply (unless a particular section, like Section 28.3, says something different):

A. The power of attorney appointment is permanent (in legal terms, it is *coupled with an interest*, it is *irrevocable*, is a *durable power of attorney*, and it will not be affected by the disability of the person who gives it).

B. The person gives the power of attorney whether or not it expressly says so in the deed or other legal document by which he or she obtained any interest in the Project.

C. It is a "special power of attorney". This means that the person appointed as the attorney-in-fact has the power to do only the things stated or intended by the Condominium Documents. This includes, however, the power to do anything else necessary or convenient to accomplish the stated or intended goal, or incidental thereto. Ambiguities must be resolved in favor of giving, not denying, the attorney-in-fact the power to act.

D. The person appointed as the attorney-in-fact has "*full power of substitution*". This means that the attorney-in-fact may let someone else act in his or her place as a substitute attorney-in-fact.

E. If asked by the attorney-in-fact, the person who is giving the special power of attorney must promptly deliver a signed and notarized special power of attorney in the form requested by the attorney-in-fact.

35.3 EFFECT OF INVALID PROVISIONS. The provisions of this Declaration are "severable". This means that if any part of it is

not legal or valid, that part can be ignored. But the rest of this Declaration will remain in effect and everyone must obey it.

35.4 DISPUTE RESOLUTION.

A. BACKGROUND.

1) Everyone knows that disputes between the (i) Developer and (ii) the Association or the Owners, can arise over the interpretation of the Condominium Documents.

2) Everyone also knows that construction is complex and that people often disagree about whether the work was done right. Disputes may arise about whether a defect exists and, if there is a defect, who must pay to fix it.

3) It is in the best interest of the Owners, the Association, and the Developer to resolve all disputes and claims without time-consuming, emotionally distressing, and costly litigation.

B. MEDIATION. For these reasons, the Association, the Developer and each Owner agrees to try to resolve all claims and disputes involving the Project using mediation or other alternative dispute resolution methods. To foster the amicable resolution of disputes, the Board (with the consent of the Developer until the expiration of the Development Period) may adopt alternative dispute resolution procedures. Participation in alternative dispute resolution procedures is voluntary and will remain confidential. If any party decides that the discussions have become unproductive or unwarranted, then the parties may proceed with litigation, subject to the requirements of Section 35.4C.

C. LITIGATION/ARBITRATION. The Board shall not incur or commit the Association to incur legal fees and costs of more than \$10,000 in a dispute with the Developer or any company related to the Developer, nor start or prosecute any lawsuit or any other arbitration or other legal proceeding against the Developer or any company related to the Developer, unless it first meets each of these requirements:

1) The Board must obtain the following information from at least two Hawaii law firms:

(a) A list of all of the Association's claims.

(b) An estimate of the likelihood of prevailing on each claim. The estimate must be based on information then known to the Association. It cannot be based on assumptions or speculation.

(c) An estimate of the total amount of legal fees, court costs and expenses that the Association is likely to incur through the trial or completion of any arbitration or other proceeding (assuming that the Association will prevail on only those claims where the law firms give the Association more than a 60% chance of prevailing).

(d) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board expects to charge to the Owners to pay for legal fees, court costs, and expenses while the lawsuit or other legal proceeding is going on.

In a trial or arbitration of the Association's claims, the Developer cannot use the opinions of the law firms as evidence that the Association's claims are not valid.

2) The Board must call a Special Meeting of the Association.

3) The Board must provide a copy of the list of claims and estimates to each Owner together with the notice of the Special Meeting of the Association.

4) At the Special Meeting, Owners owning at least a majority of the Common Interests of the Project (not counting the Common Interests appurtenant to Apartments and Vacation Ownership Interests owned by the Developer) must authorize the Board to start and prosecute the lawsuit or any other arbitration or other legal proceeding.

D. The rule in Subsection 35.4C does not apply to suits against the Developer filed solely to collect Assessments that are past due or to enforce the Condominium Documents.

E. The \$10,000 ceiling contained in Subsection 35.4C will rise or fall each year on a C.P.I. Adjusted basis.

35.5 CHANGES IN THE LAW. If any law that applies to the Project changes after this Declaration and the Bylaws are recorded, the change in law will control over the provisions of the Declaration or the Bylaws only to the extent the legislative body that enacted the change in law expressly provides that the changes in law will control over inconsistent provisions in existing condominium documents.

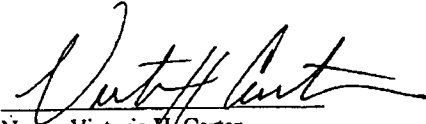
35.6 CAPTIONS; INTERPRETATION. The Developer has tried to divide this Declaration into useful sections and to provide captions describing each section. The captions are here for convenience only. They do not completely or adequately explain each section or the entire document. Owners must read with care each and every part of this Declaration, not just the captions.

Some sections of the Condominium Documents use language such as "for example", "among other things", and similar phrases. The effect of those sections is not limited to the examples given unless it clearly says so.

35.7 EFFECT OF FAILURE TO ENFORCE. A violation of any part of the Condominium Documents by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of the Condominium Documents. Any failure to enforce any provision of this Declaration does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked.

The Developer signed this Amended and Restated Ocean Resort Villas Declaration of Condominium Property Regime on August 6, 2003, 2003, on behalf of itself and also as attorney-in-fact for the Association, all Owners, their Lenders, and all other Interested Persons pursuant to the powers of attorney contained in Section .28.3 of the Original Declaration and the deed of each Vacation Ownership Interest.

SVO PACIFIC, INC.

By 
Name: Victoria H. Carter
Title: Vice President

iManage #51761v.6 (8-5-03)

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 6 day of August, 2003, before me personally appeared VICTORIA H. CARTER, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Cynthia M. Keene
Name: Cynthia M. Keene

Notary Public, State of Florida
My Commission expires: 11/11/2006

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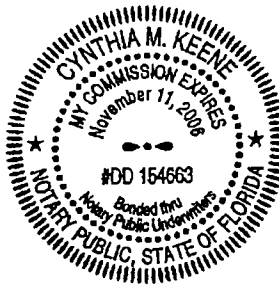


EXHIBIT A

(To Declaration of Condominium Property Regime)

All of that certain parcel of land situate at Hanakaoo and Honokowai, Kaanapali, Lahaina, District of Lahaina, Island and County of Maui, State of Hawaii, described as follows:

LOT 98, area 13.998 acres, as shown on map 86, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1744 of Pioneer Mill Company, Limited.

Saving and Excepting the portion thereof lying seaward of the debris line.

Together with a perpetual nonexclusive easement for access of vehicular and pedestrian traffic and for underground utility to and from Honoapiilani Highway over and across Lot 34, area 1.428 acres, as shown on Map 7, as set forth by Land Court Order No. 110015 and Land Court Order No. 138359, and also set forth in that certain Grant of Easement and Covenant to Share Costs dated December 6, 2000, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2668971.

Being the real property conveyed to SVO PACIFIC, INC., a Florida corporation, by Warranty Deed dated December 6, 2000, filed December 6, 2000, in the Office of the Assistant Registrar of the Land Court, as Document No. 2668968, and noted on Transfer Certificate of Title No. 569,700.

Being the land described in the Transfer Certificates of Title listed in Exhibit 1 to this Exhibit A.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. Reservation of all mineral or metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 29, 1960, as contained in that certain instrument dated January 29, 1960, recorded in the Office of the Registrar of Conveyances in Book 3822, page 37.
3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
4. Designation of Easement "42", for road, utility and pedestrian purposes, as shown on Maps 15 and 74, as set forth by Land Court Order No. 29190, filed November 7, 1968.
5. Easement dated March 9, 1970, filed as Document No. 498923 for a right of way over

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Easement "42".

6. Subdivision Agreement (Large Lots) dated August 6, 1990, filed August 20, 1990, as Land Court Document No. 1756822, and recorded August 20, 1990, as Document No. 90-127827.
7. Private Water System Agreement dated October 2, 1991, recorded October 7, 1991, as Document No. 91-136263 as amended by Amendment to Agreement dated October 14, 1992, recorded October 20, 1992, as Document No. 92-169921 (Not noted on Transfer Certificate of Title No. 569,700).
8. Restriction of Access Rights, as shown on Maps 2 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
9. A 40 foot Building Setback, as shown on Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
10. Designation of Easement "172" (area 4,432 square feet), for sewer force purposes, as shown Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
11. Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions, (North Beach Shoreline Setback Area) dated December 29, 1998 (effective December 14, 1998), filed January 13, 1999, as Land Court Document No. 2513420, and recorded January 13, 1999, as Document No. 99-005138, as amended by instrument dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668965, and recorded December 6, 2000, as Document No. 2000-170916.
12. Designation of Easement "246" (area 1.072 acres), for roadway (bikeway and trolley included) and utility purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
13. Designation of Easement "247" (area 2.057 acres), for shoreline setback purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
14. Designation of Easement "248" (area 0.252 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
15. Designation of Easement "250" (area 0.037 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
16. Designation of Easement "251" (area 0.262 acre), for wetland purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
17. Designation of Easement "252" (area 0.387 acre), for slope preservation, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

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18. Restriction of Vehicular Access Rights, as shown on Map 86, as set forth by Land Court Order no. 138359, filed May 8, 2000.
19. Reservations of the State of Hawaii, as set forth in Land Court Order No. 138359, filed May 8, 2000, including matters relating to the following: (a) Claims, if any, of native tenants, (b) Claims, if any, to any historic, religious and archaeological sites, (c) Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted; (d) Claims, if any, to waters having their source upon or flowing under the parcels.
20. Encroachments shown on survey map dated May 17, 2000, prepared by James R. Thompson, Licensed Professional Land Surveyor.
21. Declaration of Covenants, Conditions, Easements and Restrictions for Ka'napali North Beach dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917. Designation of Successor Declarant and Assignment of Declarant's Rights and Interest, dated December 21, 2000, filed February 20, 2001, as Land Court Document No. 2684122, and recorded February 20, 2001, as Document No. 2001-022804. Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Ka'napali North Beach dated January 28, 2003, filed January 28, 2003, as Land Court Document No. 2885398, and recorded January 28, 2003, as Document No. 2003-015949.
22. Grant of Easement and Agreement (Roadway and Utility Purposes) dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668969.
23. Easement dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668970 for roadway, bikeway, pedestrian and utility purposes.
24. Grant of Easements and Covenants to Share Costs (Roadway Lot 34 -Lots 98 and 101) dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668971.
25. Unilateral Declaration of Restrictions; Joinder Agreement (North Beach Unit Count and Drainage), dated February 15, 2001, filed February 16, 2001, as Land Court Document No. 2683897, and recorded February 16, 2001, as Document No. 2001-022448.
26. Declaration of Restrictions (Unit Count), dated February 15, 2001, filed March 8, 2001, as Land Court Document No. 2688326, and recorded March 8, 2001, as Document No. 2001-032604.
27. Designation of Easement "261", as shown on Map 87, as set forth by Land Court Order No. 142094, filed May 25, 2001.
28. Declaration of Merger of Condominium Phases of Ocean Resort Villas dated August 28,

EXHIBIT A
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2001, filed August 31, 2001, as Land Court Document No. 2734237.

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EXHIBIT B

(To Declaration of Condominium Property Regime)

Description Of The Apartments

A. RESORT APARTMENTS:

The Resort Apartments are divided into the following apartment types:

1. Two Bedroom Villa: The Two Bedroom Villa and Two Bedroom Villa Oceanfront apartments have one master bedroom, one combination bedroom and living area, two bathrooms, a combination living room and dining room, a kitchen, and two lanais. Two Bedroom Villa Reverse apartments contain the same rooms and areas, and are the mirror image of Two Bedroom Villa apartments. The Two Bedroom Villa Accessible apartments contain the same rooms and areas but have been modified to accommodate persons with certain disabilities.

2. Two Bedroom Deluxe Villa: The Two Bedroom Deluxe Villa apartments have one master bedroom, one combination bedroom and living area, two bathrooms, a combination living room and dining room, a kitchen, and two lanais. Two Bedroom Deluxe Villa Reverse apartments contain the same rooms and areas, and are the mirror image of Two Bedroom Deluxe Villa apartments. The Two Bedroom Deluxe Villa Accessible apartments contain the same rooms and areas but have been modified to accommodate persons with certain disabilities.

3. One Bedroom Villa: The One Bedroom Villa apartments have one bedroom, one bathroom, a combination living room and dining room, a kitchen, a foyer, and a lanai. The One Bedroom Villa Reverse apartments contain the same rooms and areas, and are the mirror image of One Bedroom Villa apartments. The One Bedroom Villa Accessible apartments contain the same rooms and areas but have been modified to accommodate persons with certain disabilities.

B. COMMERCIAL APARTMENTS:

1. Arcade Apartment: The Arcade Apartment (Apartment 102) is located in the basement of the Kahakai Building. It consists of loft space that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of one (1) room having a net living area of approximately 699 square feet. It has no lanai.

2. Gazebo Apartment: The Gazebo Apartment (Apartment 103) is located in a separate structure called the Gazebo Building as shown on the Condominium Map. It consists of covered loft space that currently has no perimeter walls but the Owner may

change this from time to time. The initial configuration consists of no enclosed rooms and has a net living area of approximately 504 square feet. It has no lanai.

3. Commercial Apartment 101: Commercial Apartment 101 is located partly in the basement of the Halekipa Building and Kahakai Building, partly on the first floors of those buildings, partly in the Snack Bar Building, and partly on the ground floor of the Makani Kai Building. The portion of Commercial Apartment 101 on the ground floor of the Makani Kai Building has a lanai. It consists of the following:

(a) A loft space in the basement of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of one (1) room but the Owner may change this from time to time. The net living area is approximately 533 square feet.

(b) A loft space in the basement of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of twelve (12) rooms but the Owner may change this from time to time. The net living area is approximately 2,688 square feet.

(c) A loft space in the basement of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of four rooms and a storage room but the Owner may change this from time to time. The net living area is approximately 5,309 square feet.

(d) A loft space in the basement of the Kahakai Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of one (1) room but the Owner may change this from time to time. The net living area is approximately 1,164 square feet.

(e) A loft space on the first floor of the Halekipa Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration contains twenty-nine (29) rooms but the Owner may change this from time to time. The net living area is approximately 22,080 square feet.

(f) A loft space on the first floor of the Kahakai Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration contains twelve (12) rooms but the Owner may change this from time to time. It has a net living area of approximately 6,887 square feet.

(g) A loft space in the Snack Bar Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration contains one room surrounded by covered loft space that currently has no perimeter walls. The net living area is approximately 1,656 square feet.

(h) A loft space on the ground floor of the Makani Kai Building that the Apartment Owner may divide into such number of rooms as it desires. The initial configuration consists of two (2) rooms and a lanai, but the Owner may change this from time to time. The net living area is approximately 909 square feet, with a lanai of approximately 87 square feet.

IMPORTANT NOTE: THE FLOOR AREAS FOR RESORT AND COMMERCIAL APARTMENTS AS SHOWN IN THIS EXHIBIT ARE ALL APPROXIMATE. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACTUAL AREA OF ANY PARTICULAR APARTMENT. THE AREAS OF PARTICULAR APARTMENTS ARE LIKELY TO VARY.

The following pages list the Apartments by apartment number and show the apartment type, net interior floor area, net lanai floor area, net living area, valuation, common interest and assigned parking stall:

EXHIBIT B
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Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanai Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
KAHAKAI BUILDING							
First Floor							
2108/10	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	67
2109/11	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	68
2112/14	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	69
2113/15	Two Bedroom Villa (Accessible)	1,380	96	1,476	52,000.00	0.003982575	70
2116/18	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	71
2117/19	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	72
2120/22	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	73
2121/23	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	74
2124	One Bedroom Villa (Reverse)	904	87	991	43,873.44	0.002853946	76
2125	One Bedroom Villa	909	87	996	43,873.44	0.002853946	76
2126/28	Two Bedroom Deluxe Villa (Reverse)	1,547	256	1,803	71,653.10	0.004661000	77
2127/29	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004661000	78
2130/31	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	52,000.00	0.003982575	79
Second Floor							
2200/02	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	80
2201	One Bedroom Villa	909	87	996	43,873.44	0.002853946	81
2203	One Bedroom Villa	909	87	996	43,873.44	0.002853946	82
2204/05	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	83
2205/07	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	84
2208/10	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	85
2209/11	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	86
2212/14	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	87
2213/15	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	88
2216/16	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	89
2217/19	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	90
2220/22	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	91
2221/23	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	92
2224	One Bedroom Villa (Reverse)	904	87	991	43,873.44	0.002853946	93
2225	One Bedroom Villa	909	87	996	43,873.44	0.002853946	94
2226/28	Two Bedroom Deluxe Villa (Reverse)	1,547	256	1,803	71,653.10	0.004661000	95
2227/29	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004661000	96
2230/31	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	52,000.00	0.003982575	97

The floor, lanai and living areas shown are all approximate. The Developer makes no representations or warranties as to the actual area of any particular apartment. The areas of particular apartments are likely to vary.

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Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanal Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
KAHAKAI BUILDING							
Third Floor							
2300/02	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	98
2301	One Bedroom Villa	909	87	996	43,873.44	0.002853946	99
2303	One Bedroom Villa (Accessible)	906	87	993	43,873.44	0.002853946	100
2304/06	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	101
2305/07	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	102
2308/10	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	103
2309/11	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	104
2312/14	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	105
2313/15	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	106
2316/18	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	107
2317/19	Two Bedroom Villa (Accessible)	1,380	96	1,476	52,000.00	0.003982575	108
2320/22	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	109
2321/23	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	110
2324	One Bedroom Villa (Reverse)	904	87	991	43,873.44	0.002853946	111
2325	One Bedroom Villa	909	87	996	43,873.44	0.002853946	112
2328/28	Two Bedroom Deluxe Villa (Reverse)	1,647	256	1,803	71,653.10	0.004681000	113
2327/29	Two Bedroom Deluxe Villa (Accessible)	1,550	256	1,806	71,653.10	0.004681000	114
2330/31	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	52,000.00	0.003982575	115
Fourth Floor							
2400/02	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	116
2401	One Bedroom Villa	909	87	996	43,873.44	0.002853946	117
2403	One Bedroom Villa	909	87	996	43,873.44	0.002853946	118
2404/06	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	119
2405/07	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	120
2408/10	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	121
2409/11	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	122
2412/14	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	123
2413/15	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	124
2416/18	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	125
2417/19	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	126
2420/22	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982575	127
2421/23	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982575	128
2424	One Bedroom Villa (Reverse)	904	87	991	43,873.44	0.002853946	129
2425	One Bedroom Villa	909	87	996	43,873.44	0.002853946	130
2426/28	Two Bedroom Deluxe Villa (Reverse)	1,547	256	1,803	71,653.10	0.004681000	131
2427/29	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004681000	132
2430/31	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	52,000.00	0.003982575	133

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Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanai Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
Fifth Floor							
2500/02	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	1340
2501	One Bedroom Villa (Corner)	909	101	1,010	43,873.44	0.002853946	1350
2503	One Bedroom Villa	909	101	1,010	43,873.44	0.002853946	1360
2504/06	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	1370
2506/07	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	1380
2508/10	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	1390
2509/11	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	1400
2512/14	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	141
2513/15	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	142
2516/18	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	143
2517/19	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	1440
2520/22	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	145
2521/23	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	146
2524	One Bedroom Villa (Reverse)	904	101	1,005	43,873.44	0.002853946	147
2525	One Bedroom Villa	909	101	1,010	43,873.44	0.002853946	148
2528/28	Two Bedroom Deluxe Villa (Reverse)	1,547	271	1,818	71,653.10	0.004661000	149
2527/29	Two Bedroom Deluxe Villa	1,547	271	1,818	71,653.10	0.004661000	150
2530/31	Two Bedroom Villa (Ocean Front)	1,371	334	1,705	52,000.00	0.003982575	151
Sixth Floor							
2600/02	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	152
2601	One Bedroom Villa (Corner)	909	101	1,010	43,873.44	0.002853946	153
2603	One Bedroom Villa	909	101	1,010	43,873.44	0.002853946	154
2604/06	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	155
2606/07	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	156
2609/10	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	157
2609/11	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	158
2612/14	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	159
2613/15	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	160
2616/18	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	161
2617/19	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	162
2620/22	Two Bedroom Villa (Reverse)	1,370	110	1,480	52,000.00	0.003982575	163
2621/23	Two Bedroom Villa	1,383	110	1,493	52,000.00	0.003982575	164
2624	One Bedroom Villa (Reverse)	904	101	1,005	43,873.44	0.002853946	165
2625	One Bedroom Villa	909	101	1,010	43,873.44	0.002853946	166
2626/28	Two Bedroom Deluxe Villa (Reverse)	1,547	271	1,818	71,653.10	0.004661000	167
2627/29	Two Bedroom Deluxe Villa	1,547	271	1,818	71,653.10	0.004661000	168
2630/31	Two Bedroom Villa (Ocean Front)	1,371	334	1,705	52,000.00	0.003982575	169

The floor, lanai and living areas shown are all approximate. The Developer makes no representations or warranties as to the actual area of any particular apartment. The areas of particular apartments are likely to vary.

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Apartment No.	Apartment Type	Net Interior Floor Area	Net Laral Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
Commercial Apartments							
Arcade	Commercial	699	None	699	5,133.63	0.000333940	170
Gazebo	Commercial	504	None	504	224.25	0.000250097	171
Apt 101	Commercial	41,507	None	41,507	311,158.11	0.0200061568	58, 59, 60, 61, 62, 63, 64, 65hc, 66hc, 2hc, 2A, 4, 4A, 5, 5A, 7, 7A, 8, 9A, 11, 11A, 13, 13A, 15, 15A, 172hc, 173hc, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 406, 407, 408, 409, 410, 410A, 411, 412, 412A, 413, 414, 414A, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437
Unassigned Parking Stalls							
1, 30, 6hc, 8c, 10, 12, 14, 16c, 17, 18, 19, 20hc, 21, 22hc, 23, 24c, 25hc, 26, 27, 28, 29, 30, 31, 32c, 33, 34, 35, 36, 37, 38, 39, 40c, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 406, 407, 408, 409, 410, 410A, 411, 412, 412A, 413, 414, 414A, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437							
NOTE:							
c- compact							
hc- handicapped							
A- Refers to the bank (less accessible) stall of a pair of inline stalls							
Because the Project will be used as a time share resort, time share owners or occupants may be allowed to use any parking stall belonging to a time share apartment or not otherwise specifically identified as being reserved. Also, the developer, commercial apartments, and the Ocean Resort Villas Master Association each have an easement for the use of unassigned parking stalls for their own use or for use by prospective purchasers, members, guests, and other persons for various purposes including, among others, use in connection with sales activities. Parking Stall assignments are also subject to Section 34.5 of the Declaration relating to reassignment of parking stalls.							

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Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanal Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
MAKANI KAI BUILDING							
First Floor							
3102	One Bedroom Villa	909	87	996	43,873.44	0.2863946%	193
3104/06	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	194
3108/10	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	195
3112/14	Two Bedroom Villa (Accessible)	1,380	96	1,476	62,000.00	0.33982575%	196
3116/18	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	197
3120/22	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	198
3124	One Bedroom Villa	909	87	996	43,873.44	0.2863946%	199
3128/28	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.4661000%	200
3130/3131	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	62,000.00	0.33982575%	201
3127/29	Two Bedroom Deluxe (Reverse)	1,547	256	1,803	71,653.10	0.4661000%	202
3125	One Bedroom Villa (Reverse)	909	87	996	43,873.44	0.2863946%	203
3121/23	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	204
3117/19	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	205
3113/15	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	206
3109/11	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	207
3106/07	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	208
3101/03	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	209
Second Floor							
3200	One Bedroom Villa	909	87	996	43,873.44	0.2863946%	210
3202	One Bedroom Villa	909	87	996	43,873.44	0.2863946%	211
3204/06	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	212
3208/10	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	213
3212/14	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	214
3216/18	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	215
3220/22	Two Bedroom Villa	1,383	96	1,479	62,000.00	0.33982575%	216
3224	One Bedroom Villa	909	87	996	43,873.44	0.2863946%	217
3226/28	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.4661000%	218
3230/31	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	62,000.00	0.33982575%	219
3227/29	Two Bedroom Deluxe (Reverse)	1,547	256	1,803	71,653.10	0.4661000%	220
3226	One Bedroom Villa (Reverse)	909	87	996	43,873.44	0.2863946%	221
3221/23	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	222
3217/19	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	223
3213/15	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	224
3209/11	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	225
3205/07	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	226
3201/03	Two Bedroom Villa (Reverse)	1,370	96	1,466	62,000.00	0.33982575%	227

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Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanal Floor Area	Net Lm'ng Area	Valuation	Common Interest	Parking Stall No.
MAKANI KAI BUILDING							
Third Floor							
3300	One Bedroom Villa	909	87	996	43,873.44	0.2853946%	228
3302	One Bedroom Villa (Accessible)	906	87	993	43,873.44	0.2853946%	229
3304/06	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	230
3308/10	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	231
3312/14	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	232
3316/18	Two Bedroom Villa (Accessible)	1,380	96	1,476	52,000.00	0.3982575%	233
3320/22	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	234
3324	One Bedroom Villa	909	87	996	43,873.44	0.2853946%	235
3328/28	Two Bedroom Deluxe Villa (Accessible)	1,550	256	1,806	71,653.10	0.4661000%	236
3330/31	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	52,000.00	0.3982575%	237c
3327/29	Two Bedroom Deluxe Villa (Reverse)	1,547	256	1,803	71,653.10	0.4661000%	238
3325	One Bedroom Villa (Reverse)	904	87	991	43,873.44	0.2853946%	239
3321/23	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	240
3317/19	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	241
3313/15	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	242
3309/11	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	243
3305/07	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	244
3301/03	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	245
Fourth Floor							
3400	One Bedroom Villa	909	87	996	43,873.44	0.2853946%	246
3402	One Bedroom Villa	909	87	996	43,873.44	0.2853946%	247
3404/06	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	248a
3408/10	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	249
3412/14	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	250
3416/18	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	251
3420/22	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.3982575%	252
3424	One Bedroom Villa	909	87	996	43,873.44	0.2853946%	253
3426/28	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.4661000%	254
3430/31	Two Bedroom Villa (Ocean Front)	1,371	330	1,701	52,000.00	0.3982575%	255
3427/29	Two Bedroom Deluxe Villa (Reverse)	1,547	256	1,803	71,653.10	0.4661000%	256
3425	One Bedroom Villa (Reverse)	904	87	981	43,873.44	0.2853946%	257
3421/23	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	258
3417/19	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	259
3413/15	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	260c
3409/11	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	261
3405/07	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	262
3401/03	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.3982575%	263

The floor, lanal and living areas shown are all approximate. The Developer makes no representations or warranties as to the actual area of any particular apartment. The areas of particular apartments are likely to vary.

EXHIBIT B TO THE
AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME

Apartment No.	Apartment Type	Net Interior Floor Area	Net Lanai Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
MAKANI KAI BUILDING							
Fifth Floor							
3600	One Bedroom Villa	909	101	1,010	49,873.44	0.2863946%	284
3602	One Bedroom Villa	909	101	1,010	49,873.44	0.2863946%	285
3604/06	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	286
3609/10	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	287
3612/14	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	288
3616/18	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	289
3620/22	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	270
3624	One Bedroom Villa	909	101	1,010	49,873.44	0.2863946%	271a
3626/28	Two Bedroom Deluxe Villa	1,547	271	1,818	71,663.10	0.4681000%	272
3630/31	Two Bedroom Villa (Ocean Front)	1,971	334	1,705	62,000.00	0.33982575%	273
3627/29	Two Bedroom Deluxe Villa (Reverse)	1,547	271	1,818	71,663.10	0.4681000%	274
3625	One Bedroom Villa (Reverse)	904	104	1,008	49,873.44	0.2863946%	276
3621/23	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	277
3617/19	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	278
3619/15	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	279
3609/11	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	280a
3605/07	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	281a
3601/03	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	
Sixth Floor							
3600	One Bedroom Villa	909	101	1,010	49,873.44	0.2863946%	282
3602	One Bedroom Villa	909	101	1,010	49,873.44	0.2863946%	283
3604/06	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	284
3608/10	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	285
3612/14	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	286
3616/18	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	287
3620/22	Two Bedroom Villa	1,383	110	1,493	62,000.00	0.33982575%	288
3624	One Bedroom Villa	909	101	1,010	49,873.44	0.2863946%	289
3626/28	Two Bedroom Deluxe Villa	1,547	271	1,818	71,663.10	0.4681000%	290
3630/31	Two Bedroom Villa (Ocean Front)	1,971	334	1,705	62,000.00	0.33982575%	291
3627/29	Two Bedroom Deluxe (Reverse)	1,547	271	1,818	71,663.10	0.4681000%	292
3625	One Bedroom Villa (Reverse)	904	104	1,008	49,873.44	0.2863946%	293
3621/23	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	294
3617/19	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	295
3619/15	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	296
3609/11	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	297
3605/07	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	298
3601/03	Two Bedroom Villa (Reverse)	1,370	110	1,480	62,000.00	0.33982575%	299

NOTE:

c-compact
Because the Project will be used as a time share resort, time share owners or occupants may be allowed to use any parking stall belonging to a time share apartment or not otherwise specifically identified as being reserved. Also, the developer, commercial apartment, and the Ocean Resort Village Master Association each have an easement for the use of unassigned parking stalls for their own use or for use by prospective purchasers, members, guests, and other persons for various purposes including, among others, use in connection with sales activities. Parking Stall assignments are also subject to Section 34.5 of the Declaration relating to reassignment of parking stalls.

The floor, lanai and living areas shown are all approximate. The Developer makes no representations or warranties as to the actual area of any particular apartment. The areas of particular apartments are likely to vary.

EXHIBIT B TO THE
 AMENDED AND RESTATED
 DECLARATION OF CONDOMINIUM PROPERTY REGIME

Apartment No.	Apartment Type	Net Interior Floor Area	Net Landl Floor Area	Net Living Area	Valuation	Common Interest	Parking Stall No.
First Floor							
410001	Two Bedroom Villa (End Unit)	1,383	96	1,479	52,000.00	0.003982576	300
410204	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	301
410608	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982576	302
411416	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982576	303
411820	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	304
412223	Two Bedroom Villa (End Unit)	1,383	96	1,479	52,000.00	0.003982576	305
411921	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	306
411517	Two Bedroom Villa (Accessible)	1,380	233	1,613	62,000.00	0.003982576	307
410709	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982576	308
410305	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	309
Second Floor							
420001	Two Bedroom Villa (End Unit)	1,383	193	1,479	52,000.00	0.003982576	310
420204	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	311
420608	Two Bedroom Villa (Reverse)	1,370	193	1,466	52,000.00	0.003982576	312
421416	Two Bedroom Villa (Reverse)	1,370	193	1,466	52,000.00	0.003982576	313
421820	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	314
422223	Two Bedroom Villa (End Unit)	1,383	193	1,479	52,000.00	0.003982576	315
421921	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	316
421617	Two Bedroom Villa	1,383	193	1,479	52,000.00	0.003982576	317
4213	One Bedroom Villa	909	153	1,062	43,873.44	0.002859946	318
4211	One Bedroom Villa	909	153	1,062	43,873.44	0.002859946	319
420709	Two Bedroom Villa	1,383	193	1,479	52,000.00	0.003982576	320
420305	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	321
Third Floor							
430001	Two Bedroom Villa (End Unit)	1,383	96	1,479	52,000.00	0.003982576	322
430204	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	323
430608	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982576	324
431416	Two Bedroom Villa (Reverse)	1,370	96	1,466	52,000.00	0.003982576	325
431820	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	326
432223	Two Bedroom Villa (End Unit)	1,383	96	1,479	52,000.00	0.003982576	327
431921	Two Bedroom Deluxe Villa (Accessible)	1,350	256	1,606	71,653.10	0.004651000	328
431617	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982576	329
4313	One Bedroom Villa	909	87	996	43,873.44	0.002859946	330
4311	One Bedroom Villa	909	87	996	43,873.44	0.002859946	331
430709	Two Bedroom Villa	1,383	96	1,479	52,000.00	0.003982576	332
430305	Two Bedroom Deluxe Villa	1,547	256	1,803	71,653.10	0.004651000	333

The floor, land and living areas shown are all approximate. The Developer makes no representations or warranties as to the actual area of any particular apartment. The areas of particular apartments are likely to vary.

EXHIBIT "C"

RETURN BY MAIL () PICKUP () TO:

This document contains _____ pages

TMK No. (2) 4-4-14-3 CPR No.: _____

ID No. (s): _____

Certificate of Title No. _____

Apartment No. _____

SPECIAL POWER OF ATTORNEY

By signing below, you appoint _____, with its principal place of business and post office address at _____ (the "Developer"), as your true and lawful attorney-in-fact to do any and all acts and things which the Developer deems necessary or convenient to the exercise by the Developer of the Developer's Reserved Rights under the Condominium Documents, the Master Association Documents, and/or the Vacation Plan Documents.

I. DEFINITIONS.

A. RECORD. In this document, "record", "recorded" and "recording" refer to recording in the Office of the Assistant Registrar of the Land Court of the State of Hawaii or the Bureau of Conveyances of the State of Hawaii, whichever is appropriate. All document numbers are Land Court Document numbers unless otherwise stated.

B. CONDOMINIUM. In this document, "Condominium" means the Ocean Resort Villas condominium.

C. CONDOMINIUM DOCUMENTS. The Condominium Documents consist of (1) the "Declaration of Condominium Property Regime of Ocean Resort Villas" recorded as Document No. _____ (the "Condominium Declaration"); (2) the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded as Document No. _____; (3) any Rules and Regulations of the Association of Apartment Owners of Ocean Resort Villas; (4) the "Declaration of Merger of Condominium Phases of Ocean Resort Villas" recorded as Document No. _____; and (5) any amendments and supplements to any of those documents. The description of the "Land" contained in the Condominium Declaration, as it may be amended from time to time, is hereby made a part of this document.

McCOMBUSTON MILLER MERRAT MACKINTOSH
Attorneys at Law

Copyright © August 31, 2001, Charles E. Peck, Jr.

D. MASTER ASSOCIATION DOCUMENTS. The Master Association Documents consist of: (1) the "Declaration of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association" recorded as Document No. _____; (2) the Articles of Incorporation of the Ocean Resort Master Association; (3) the Bylaws of the Ocean Resort Master Association; (4) any Rules and Regulations of the Ocean Resort Master Association; and (5) any amendments and supplements to any of those documents.

E. VACATION PLAN DOCUMENTS. The Vacation Plan Documents consist of: (1) the "Ocean Resort Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership" recorded as Document No. _____; (2) the Articles of Incorporation of the Ocean Resort Villas Vacation Owners Association; (3) the Bylaws of the Ocean Resort Villas Vacation Owners Association; (4) any Rules and Regulations of the Ocean Resort Villas Vacation Owners Association; and (5) any amendments and supplements to any of those documents.

2. DESCRIPTION OF RESERVED RIGHTS. The Developer's Reserved Rights include all of the following rights:

A. RIGHTS RESERVED UNDER THE CONDOMINIUM DOCUMENTS. The term "Developer's Reserved Rights" is defined in the Condominium Documents. That description is made a part of this power of attorney. The Developer's Reserved Rights include, among other things, the right: (1) to subdivide the land of the Condominium into two or more lots (see section 20 of the Condominium Declaration); (2) to delete from the Condominium any part of the land designated in the Condominium Declaration for possible deletion (see section 21); (3) to add to the Condominium any "Adjacent Parcel" as that term is defined in the Condominium Declaration (section 22); (4) to consolidate the land of the Condominium and any Adjacent Parcel into a single lot (section 20); (5) to design, develop, build, add, and complete additional buildings and improvements on the land of the Condominium or on any Adjacent Parcel (sections 19 and 23); (6) to create additional apartments, or to expand apartment 101, in any additional buildings and improvements constructed on the land or on any Adjacent Parcel added to the Condominium (section 18); (7) to merge the Condominium with any condominium project located on an Adjacent Parcel (section 23); (8) to create new apartments and/or common elements from the limited common elements of any commercial apartment (section 24); (9) to convert apartments to limited common elements, or to convert apartments or limited common elements to common elements (section 25); (10) to divide any commercial apartment into two or more apartments, and to combine two or more commercial apartments into one apartment (section 17.2); (11) to remove any wall, floor or ceiling between two adjacent commercial apartments; (12) to change the ownership share (in legal terms, the "common interest") of each apartment when apartments are created, divided, or combined; (13) to change the Condominium as needed or helpful to comply with law or with certain governmental permits, approvals or zoning requirements (sections 26 and 27); (14) to create, grant, accept or otherwise deal with any easements over, under, across or through the common elements or in favor of the Condominium or its land, or to accept any easements or licenses over, under, across or through any part of the land of the Condominium being deleted from the Condominium project (section 7.4); (15) to change the Condominium Documents in certain circumstances (sections 18 - 26, 34.2 and 34.3); (16) to conduct sales and related activities on the Condominium (sections 7.1J and 9.7); (17) to enter the Condominium and to permit its employees, agents, contractors, and so on, to do so; (18) to make noise, dust, vibrations and do other annoying things when using the Developer's Reserved Rights as described in the Condominium Documents; and (19) to hire the first Managing Agent for the Master Association.

B. RIGHTS RESERVED FOR ADDITION OF NEW IMPROVEMENTS. The Developer's Reserved Rights under section 19 of the Condominium Declaration include, among others, the exclusive right to control, manage and conduct the design, development, construction, addition and completion of any new improvements on the Condominium even after it dedicates vacation ownership interests or whole apartments to other persons. The Developer's Reserved Rights are described in more detail in section 19.2 of the Condominium Declaration. They include, among others, the right: (1) to develop, construct and complete the buildings and other improvements; (2) to construct a fence around the construction area, and to have exclusive possession of the construction area, and to exclude all owners from it until the construction is finished and the County of Maui issues a certificate of occupancy; (3) to dedicate any part of the common elements of the Condominium to the appropriate public authorities or governmental bodies; (4) to file the notice of substantial completion under Chapter 507, Part II, H.R.S.; (5) to seek and obtain temporary and/or permanent certificates of occupancy from the County of Maui; (6) to exercise all rights and make all decisions of the "owner" or the "developer" or similar contracting party with respect to all contracts (such as contracts for architectural or engineering services, construction, equipment, supplies, insurance, bonds, labor, materials or services) now or later signed in connection with the design, development, construction, addition and/or completion of the Condominium.

including but not limited to all rights and decisions relating to litigation, arbitration and compromise of claims arising under or in connection with those contracts; (7) to coordinate the work and activities of the contractors, subcontractors, architects, engineers, laborers, suppliers, and others to complete the Condominium in accordance with the Developer's objectives on time, costs and quality; (8) to review and approve necessary or desirable changes and requests for changes to the Condominium; (9) to obtain all permits, licenses, and approvals necessary or convenient to the design, development, construction, addition, completion, and/or operation and use of the Condominium; (10) to approve and direct the replacement of any improvements that are damaged by fire or other cause during construction; and (11) to do anything else necessary or convenient to the design, development, construction, addition, and/or completion of any new improvements on the Condominium.

C. RIGHTS RESERVED UNDER THE MASTER ASSOCIATION DOCUMENTS. The term "Developer's Reserved Rights" is defined in the Master Association Documents. That description is made a part of this power of attorney. The Developer's Reserved Rights include, among other things, the right: (1) to use the Common Property during any Use Period reserved by it; (2) to establish concession stands in the Courtyard of the Condominium, or on the grounds of the Common Area; (3) to conduct receptions on the Common Property for Members and prospective Members of the Master Association and for their Guests; (4) to change the name of the Master Association; (5) to protection with respect to the names of the Members of the Master Association; (6) to hire the first Managing Agent for the Master Association; (7) to add property to, or to remove property from, the Master Project; and (8) to change the Master Association Documents in certain circumstances.

D. RIGHTS RESERVED UNDER THE VACATION PLAN DOCUMENTS. The term "Developer's Reserved Rights" is defined in the Vacation Plan Documents. That description is made a part of this power of attorney. The Developer's Reserved Rights include, among other things, the right: (1) to add Apartments into and remove Apartments from the Vacation Ownership Plan; (2) to create new Unit Types and new kinds of Event Weeks; (3) to change the features of a Vacation Ownership Interest by issuing a new First Deed for it; (4) to hire the first Plan Manager for the Vacation Owners Association; and (5) to change the Vacation Plan Documents in certain circumstances.

E. LIMITATIONS ON DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights with respect to the Condominium are subject to the limitations stated in the Condominium Documents. The Developer's Reserved Rights with respect to the Master Association or the Master Project are subject to the limitations stated in the Master Association Documents. The Developer's Reserved Rights with respect to the Ocean Resort Villas Vacation Ownership Plan are subject to the limitations stated in the Vacation Plan Documents. This power of attorney is subject to the same limits.

F. TRANSFER OF RESERVED RIGHTS. The Developer may transfer its rights as the "Developer" under the Condominium Documents, the Master Association Documents, or the Vacation Plan Documents. If so, you: (i) agree and consent to the transfer of the special rights of the "Developer", and (ii) agree to recognize the person to whom the rights are transferred as a "Developer" to the extent provided in the recorded document transferring those rights; and (iii) agree to recognize such person as the "Developer" under this power of attorney.

3. NATURE OF THE POWER OF ATTORNEY.

You give and grant to the Developer full power, authority and discretion to do and perform any and all acts and things whatsoever that the Developer alone may deem necessary or convenient in connection with the exercise of the rights reserved by the Developer under the Condominium Documents, the Master Association Documents, and/or the Vacation Plan Documents, all as fully for all intents and purposes as you might or could do if you were personally present. You here and now approve, ratify and confirm all that the Developer lawfully does or causes to be done using this power of attorney.

Without limiting the general description of the Developer's powers and authority, you expressly give the Developer full power to sign, deliver and record all documents that the Developer deems necessary or convenient to the exercise of the Developer's Reserved Rights. This includes but is not limited to signing and recording one or more amendments to the Condominium Documents, the Master Association Documents, the Vacation Plan Documents, or to any deed. It also includes signing and recording documents that designate, grant, lease, convey, transfer, cancel, relocate or otherwise deal with any easements over, under, across or through the common elements of the Condominium, or that transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Condominium or its land, or to accept any easements or licenses over,

under, across or through any part of the land that is being deleted from the Condominium. It also includes adding a property description to this document and making other changes to this power of attorney if necessary or convenient to have it recorded.

This power of attorney will be effective when you sign it. It is coupled with an interest and cannot be revoked. It will not be affected by your disability. If more than one person signs as "you", it will not be affected by the disability of any or all of them. You give the Developer "full power of substitution." This means that the Developer may substitute someone else for the Developer as your attorney-in-fact.

By signing below, you agree to all of the things stated above.

"You"

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ day of _____, before me personally appeared _____, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of _____

My Commission expires: _____

Certified to be a true and correct copy of the document recorded on 8/27/03 at 10:00 AM in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2983215.

Island Title Corporation

By SM

LAND COURT

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL]

PICK-UP]

McCorriston Miller Mukai MacKinnon LLP (CEP)
Five Waterfront Plaza, Suite 400
500 Ala Moana Blvd.
Honolulu, Hawaii 96813

This Document Contains 21 Pages

TMK No. (2) 4-4-14-3
CPR Nos.: [Not assigned yet]
TCT No. [See Exhibit A]

Ocean Resort Villas

FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF OCEAN RESORT VILLAS

THIS FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF OCEAN RESORT VILLAS (this "Amendment") is made this 26 day of August, 2003. It is made by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND INFORMATION

A. The Developer is or was the owner in fee simple of Lot 98 as shown on Map 86 of Land Court Application No. 1744, as more particularly described on the Transfer Certificates of Title listed in Exhibit A (the "Land").

B. To create a condominium project which consists of the Land and the improvements on it, the Developer recorded a document called the "Declaration of Condominium Property Regime of Ocean Resort Villas" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("Land Court") as Document No. 2734238 on August 31, 2001. That document is called the "Original Declaration" in this Amendment.

C. The Original Declaration has been revised by the following documents:

1. First Amendment to Declaration of Condominium Property Regime of Ocean Resort Villas. It is dated March 12, 2003, and was recorded as Land Court Document No. 2920781.

2. Amended and Restated Declaration of Condominium Property Regime of Ocean Resort Villas. It is dated August 6, 2003, and was recorded as Land Court Document No. 2974209.

In this Amendment, the Original Declaration, as amended by these documents, is called the "Declaration. All terms defined in the Declaration will have the same meaning in this Amendment.

C. The Developer is developing a Vacation Ownership Plan in the Project. The name of the plan is "Ocean Resort Villas Vacation Ownership Plan" (the "Plan").

D. The Developer has filed an application to register the Plan in the State of California. The California Department of Real Estate has required that the Developer make certain changes to the Declaration as a condition to the registration of the Plan. The Declaration authorizes the Developer to change the Declaration in connection with the registration of the Plan in California.

AMENDMENT

THE DEVELOPER HERE AND NOW AMENDS THE DECLARATION as follows:

1. Section 7.1 J. is amended to add a new subsection 3), to read as follows:

3) The Developer must pay to the Association an amount equal to (i) the actual cost of maintenance and housekeeping expenses to the Association attributable to the Developer's use of its rights under this Section 7.1 J., and (ii) the cost to repair or replace any Common Elements damaged by the Developer, its Representatives, licensees, or invitees when using its rights under this Section 7.1 J.; provided that the Developer does not have to pay any amount for damages covered by insurance except for the amount of any deductible actually paid by the Association. The Developer must pay the amounts due under this Section 7.1 J. promptly after it receives a bill from the Association itemizing these charges. If the Developer disputes the amount, then the matter will be determined by arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The Board will represent the Association in the arbitration.

2. Section 19.2 B. of the Declaration is amended to read as follows:

B. It can remove, change or add Common Elements. This right is limited to the development, construction, and completion of the improvements of any new phase or increment of the Condominium or any Adjacent Parcel, or the construction of New Improvements in the exercise of the Developer's Reserved Rights as elsewhere expressly provided in this Declaration.

3. Section 19.2 G. 7) of the Declaration is amended to read as follows:

7) It has the right to approve and direct the replacement of any Improvements that are under construction and that are damaged by fire or something else. This includes the right to settle any insurance claims made under any insurance policy that the Developer buys or arranges. If the Board so requests, and if it agrees to pay the resulting fees and expenses of doing so, then the proceeds of any such insurance must be paid to a bank or trust company authorized to do business in Hawaii and chosen by the Developer to have custody and control of the insurance proceeds (the "Insurance Trustee"). The proceeds will be used to pay the cost of replacement of the Improvements as the work progresses. Subsections 14.5 B. - E., and G. will apply to disbursement of proceeds by an Insurance Trustee under this Section 19.2 G. 7), just as if those provisions were repeated here; provided that the reference to the "Board" in Subsection 14.5B 2) will be changed to refer to the Developer.

4. Section 20 of the Declaration is deleted in full.
5. Section 32.5 of the Declaration is deleted in full.
6. Section 34.3 A. 4) of the Declaration is deleted in full.
7. Section 34.3 is amended to add a new Subsection C., to read as follows:

C. No amendment under Subsections 34.3A.3) or 4) will be effective unless:

1. The Developer gives written notice of the proposed amendment (and a copy of the amendment) to each governmental authority (other than Hawaii governmental authorities) having authority over the Project as a result of the registration of the Project or any Vacation Ownership Plan or Adjacent Project with that governmental authority, and

2. The amendment includes as an attachment a copy of a letter or other document showing either that the amendment has been accepted or approved by that governmental authority or an affidavit signed by the Developer and stating that approval or acceptance is not necessary.

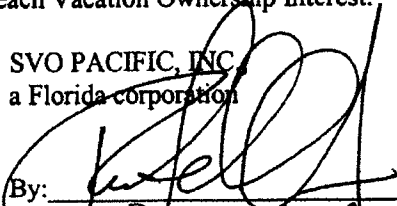
An amendment made by the Developer under this Section 34.3 will take effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

The Declaration, as amended by this Amendment, is here and now ratified and confirmed and remains in full force and effect.

THE DEVELOPER signed this Amendment effective as of the date stated on page one. The Developer signed this Amendment on behalf of itself and also as attorney-in-fact for the Association, all Owners, their Lenders, and all other Interested Persons pursuant to the power of attorney contained in Section 28.3 of the Declaration and the deed of each Vacation Ownership Interest.

Developer:

SVO PACIFIC, INC.
a Florida corporation

By: 
Name: Raymond L. Gellein, Sr.
Its: Chairman

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

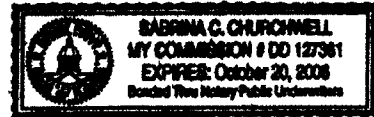
On this 25 day of August, 2003, before me personally appeared Raymond L. Gellein, Sr. to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina C. Churchwell

Name: SABRINA C. Churchwell
Notary Public, State of Florida

My Commission expires: 10/20/2006

45321.4



Certified to be a true and correct copy of this document
on 8-8-07 at 1:10 pm
in the Office of the Assistant Registrar of the Land Court,

State of Hawaii, as Document No. 2974210
Island Title Corporation

By [Signature]

RETURN BY MAIL () PICK-UP () TO:
Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawaii 96813
Phone No. (808) 529-7300

ITC 198298

This document contains 45 pages.

Tax Map Key: 2nd Div., 4-4-14-3

AMENDED AND RESTATED
BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS
OF
Ocean Resort Villas

MCCORRISTON MILLER MUKAI MACKINNON LLP
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Attorneys at Law

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AMENDED AND RESTATED
BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS
OF
OCEAN RESORT VILLAS

THESE BYLAWS are made by SVO PACIFIC, INC., a Florida corporation (the "Developer") pursuant to the Condominium Property Act.

BACKGROUND

- I. The Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001 (the "Original Declaration"), filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court") as Document No. 2734238, together with Condominium Map No. 1431 filed in the Land Court (the "Original Condominium Map"), created and established the "OCEAN RESORT VILLAS" condominium project in accordance with the provisions of the Hawaii Condominium Property Act (Chapter 514, Hawaii Revised Statutes, as amended).
- II. The Original Declaration was later amended by First Amendment to Declaration of Condominium Property Regime of Ocean Resort Villas. It was dated March 12, 2003, and filed in the Land Court as Document No. 2920781.
- III. At the same time that the Original Declaration was filed the Developer adopted and filed the Bylaws of the Association of Apartment Owners of Ocean Resort Villas dated August 24, 2001 (the "Original Bylaws") in the Land Court as Document No. 2734239. The Original Declaration, as so amended, and the Original Bylaws are all currently noted on the Transfer Certificates of Title listed in Exhibit 1 to Exhibit A which is attached to this document.
- IV. Pursuant to the Developer's Reserved Rights in the Original Declaration and the provisions of Section 12.4B of the Original Bylaws, and in order to make the Bylaws easier to read, the Developer has chosen to restate the entire Bylaws. This document completely replaces the Original Bylaws, as follows.

INTRODUCTION

- A. The Developer is the owner in fee simple of the land described in Exhibit "A" which is attached to and is part of this document.
- B. The Developer intends to construct or place certain buildings and other improvements on that land.
- C. The Developer intends to establish a condominium that consists of the land and the improvements on it.
- D. These Bylaws are one of the documents required by law to create the condominium. The Developer, acting as the present Association, here and now adopts these Bylaws as the Bylaws of the Association of Apartment Owners of Ocean Resort Villas.

1. DEFINITIONS; SCOPE.

1.1 DEFINITIONS. Terms defined in the Declaration of Condominium Property Regime of the Ocean Resort Villas recorded just before these Bylaws will have the same meaning in these Bylaws unless the context clearly indicates otherwise.

1.2 SUBMISSION TO BYLAWS; COVENANTS TO RUN WITH THE LAND. The Developer declares that:

A. The Declaration, these Bylaws, and the Condominium Property Act will govern the Project. This

includes, for example, the ownership, use, enjoyment, management, operation, upkeep, repair, and improvement of the Project. In legal terms, the Property will be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the Condominium Documents and the Condominium Property Act. Anyone who occupies or uses any Apartment or any other part of the Project must obey them.

B. The Condominium Documents are binding on the Property. They will also be binding on, and are intended to benefit these persons:

1) The Developer.

2) Anyone else who owns the Property or any Apartment or other interest in it, now or in the future. This includes, for example, all present and future Apartment Owners and their Lenders.

3) Anyone who, by law or by agreement, stands in the place of the persons listed in items 1) and 2). Such people are called, in technical legal terms, "heirs", "devises", "personal representatives", "successors", and "assigns".

All of these people have the right to enforce the Condominium Documents in any way permitted by the Condominium Property Act or the Condominium Documents.

In legal terms, the Condominium Documents "constitute equitable servitudes, liens and covenants running with the land" which are binding on and for the benefit of all of the persons described in this Subsection.

C. The Bylaws are intended to further the plan for the ownership, use, enjoyment, management, operation, upkeep, and repair of the Project described in the Declaration. They are also intended to increase the value, desirability, and enjoyment of each Apartment and the Common Elements.

1.3 WHO MUST OBEY THE CONDOMINIUM DOCUMENTS.

The Condominium Documents apply to all Owners and all other Interested Persons and each of their Representatives, licensees and invitees. This includes, for example, the Developer, all present and future Apartment Owners and their Lenders. They also apply to anyone who occupies any Apartment. When an Owner or any other Interested Person acquires any interest in the Project or occupies any part of the Project, by doing so he or she also automatically accepts, ratifies and agrees to comply with the Condominium Documents.

1.4 CONFLICTS AMONG THE DOCUMENTS. The Declaration controls over any inconsistent provision of these Bylaws. If any part of the Condominium Documents is inconsistent with any law that applies, the law will control.

2. ASSOCIATION OF APARTMENT OWNERS

2.1 COMPOSITION OF THE ASSOCIATION. All Owners of Apartments, including Owners of Vacation Ownership Interests, constitute the Association.

2.2 POWERS AND DUTIES. Except as limited by the Declaration, these Bylaws, or the Condominium Property

Act, the Association has and may exercise any or all of these powers and has each of these duties and obligations:

- ❖ The powers, duties, and obligations granted to or imposed on the Association in the Declaration or in these Bylaws;
- ❖ The powers, duties, and obligations granted to or imposed on the Association in the Condominium Property Act or in the Condominium Regulations;
- ❖ Any other powers, duties and obligations necessary or helpful to carry out the functions of the Association under the Declaration or these Bylaws, or that otherwise promote the general benefit of the Owners.

2.3 QUALIFICATIONS FOR MEMBERSHIP. Anyone who is an Owner of an Apartment (including an Owner of a Vacation Ownership Interest) automatically is a Member of the Association. If more than one person is the Owner of an Apartment or Vacation Ownership Interest, each of them is a Member of the Association. A person will continue to be a Member so long as he or she is an Owner. A person's membership ends automatically when he or she is no longer an Owner. This would happen when, for example, an Owner deeds his or her Apartment to someone else.

3. ASSOCIATION MEETINGS

3.1 ANNUAL MEETINGS. The first annual meeting of the Association will be held not later than one hundred eighty (180) days after the first Apartment conveyance is recorded, provided that prior to that meeting forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) of the Project is not sold and recorded at the end of one year after the first Apartment conveyance is recorded, an annual meeting will be called if ten percent (10%) of the Apartment Owners request it. After the first annual meeting, the Association will hold annual meetings on a date that the Board chooses. If the Board does not choose a meeting date by the first day of September of each year, then the meeting will be held at the condominium at 10:00 a.m. on the third Wednesday in October. The Developer may set the date and time for the first annual meeting.

3.2 SPECIAL MEETINGS. A special meeting of the Association may be called at any time for any one or more purposes. It may be called by (a) the President, (b) a majority of the Directors, or (c) the Developer, or (d) a petition signed by at least five percent (5%) of the Apartment Owners and presented to the Secretary or to the Managing Agent. A special meeting to remove and replace Directors, however, may be called only by the President or by a petition that is (i) signed by at least twenty-five percent (25%) of the Apartment Owners and (ii) presented to the

Secretary or to the Managing Agent. The Members may transact only that business the general nature of which is stated in the notice of the special meeting.

3.3 PLACE OF MEETINGS. The Association will hold its meetings at the Project unless the Board chooses another place in the State of Hawaii.

3.4 NOTICE OF MEETINGS.

A. NOTICE REQUIRED. Notice must be given for each meeting of the Association whether it is an annual or special meeting.

B. CONTENTS. The notice must:

- ❖ Be in writing;
- ❖ State the authority for calling the meeting;
- ❖ State the place, date and time of the meeting;
- ❖ State whether it is an annual or special meeting; and
- ❖ List the items on the agenda. The agenda must include anything that, as of the day when the notice is prepared: (i) the Board expects to present; or (ii) a Member expects to present, but only if the Member has given written notice of it to the Board. Note: A Member may still present any other proper business at any annual meeting unless notice of that business is specifically and expressly required by another part of the Condominium Documents or by law.

C. STANDARD PROXY FORM. The Board may include with the notice a standard proxy form authorized by the Association, if any. It may also include any other necessary or helpful information.

D. WHEN NOTICE MUST BE SENT. Notice of each annual and special meeting must be given to each Owner at least fourteen (14) days before the date of the meeting. It must not be given more than fifty (50) days before the date of the meeting; provided that if the Condominium Property Act permits it and the Board adopts a resolution permitting it, the notice may be given up to ninety (90) days before the date of the meeting.

E. WHO MUST SEND NOTICE. The Secretary will give the notice except when these Bylaws provide otherwise. The Secretary may delegate this task to the Managing Agent. If neither the Secretary nor the Managing Agent sends the notice within fourteen (14) days after the Secretary or the Managing Agent receives the request or petition for a meeting, the persons requesting the meeting may give the notice.

F. WHO IS ENTITLED TO NOTICE. Notice must be sent to each person entitled to vote as of the Record Date. Notice must also be sent to each holder, insurer or guarantor of a Mortgage on an Apartment or Vacation Ownership Interest if, as of the Record Date, it has made a proper request for notices under Section 10.2.

G. DELIVERY OF NOTICE. The notice must be given: (a) by delivering it personally; or (b) by mailing it by first-class mail, postage prepaid; or, (c) if the Condominium Property Act explicitly permits it, by posting notice on a world wide web site or by sending it by email. Any notice given by mail or email must be sent to the address listed in the Association's record of ownership.

1) CHANGE IN ADDRESS. Each Owner and anyone who holds, insures or guarantees a Mortgage must inform the Association of any change in address at once.

2) MULTIPLE OWNERS. If an Apartment is part of a Vacation Plan, notice to all Owners of a Vacation Ownership Interest may be given by providing notice to any one of the co-owners of that Vacation Ownership Interest. If an Apartment is not part of a Vacation Plan, notice to all Owners of that Apartment may be given by providing notice to any co-Owner of that Apartment.

H. NOTICE DOES NOT HAVE TO BE RECEIVED. If notice is given in the manner required by this Section 3.4, (i) nobody entitled to notice may object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, invalidate the meeting or any proceedings at the meeting.

L. WAIVER OF NOTICE.

1) ATTENDANCE. Anyone who attends a meeting, in person or by proxy, gives up (in legal terms, "waives") any right to claim that notice was not given properly unless, when the meeting begins, he or she objects to holding it because notice was not given properly.

2) WRITTEN WAIVER. A Member may waive notice of any Association meeting by signing a document (i) that waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. All such documents must be filed with the Association's records and made a part of the minutes of the meeting.

3) WAIVER BY INACTION. A Member automatically waives notice of any Association meeting if he or she does not file a written objection with the Secretary or the Managing Agent within fifteen (15) days after he or she receives written notice of any action taken at an Association meeting. A copy of the minutes, among other things, will be treated as written notice.

4) **EFFECT OF WAIVER.** If a Member waives notice under this Section 3.4I, the fact that notice was not given to that Member will not, by itself, invalidate the meeting or any proceedings at the meeting.

J. **WHO MAY OBJECT TO NOTICE.** A person entitled to receive notice may object if notice was not sent to him or her. A person cannot object that notice was not sent to someone else.

3.5 RECORD DATE FOR NOTICES AND VOTING.

A. **PURPOSE OF THE RECORD DATE.** The "Record Date" is the date used to determine who is entitled to receive notice and to vote at Association meetings or on any action to be taken without a meeting. The Record Date is also used to determine who may object to and waive lack of notice and exercise other such rights for or as a Member.

B. **SETTING THE RECORD DATE.** The Board may choose the Record Date. The Record Date for a meeting may not be more than ninety (90) days before the meeting date. The Record Date for action without a meeting may not be more than thirty (30) days before the ballot or request for consent or approval is sent. Unless the Board chooses another date, the Record Date will be the date and time when the mailing list is prepared, or, if notice is waived, the last business day before the day of the meeting. If a meeting is adjourned and a new notice must be given, then a new Record Date must be set.

C. **EFFECT OF SETTING RECORD DATE.** When a Record Date is set, only the Members of Record on that date (or someone authorized to act for them) have the right to notice and to vote at a meeting or on a ballot or other request for consent or approval. This rule applies despite any issuance or transfer of an Apartment or Vacation Ownership Interest in the records of the Association after the Record Date. A person who is the Owner of an Apartment or Vacation Ownership Interest as of the Record Date is considered to be the "Member of Record". A person who becomes a Member after the Record Date can, of course, act for the Member of Record by simply obtaining a proxy from the Member of Record. When these Bylaws refer to the "Owner" or "Member" with respect to notice (including waivers of notice) and voting, it means the Member of Record or someone authorized to act for the Member of Record.

3.6 **QUORUM.** The term "quorum" refers to the number or percentage of Owners who must be present at a meeting to conduct business. For all meetings of the Association, fifteen percent (15%) of the Owners must be present to have a quorum unless a different number is required or allowed by law, the Declaration or another part of these Bylaws.

A. **WHEN A MEMBER IS "PRESENT".** Members are "present" at a meeting if: (i) they attend it in person, or (ii) their Proxy Holder attends it for them, or (iii) someone else permitted by these Bylaws attends it for them.

3.7 **ASSOCIATION ACTION.** At any Association meeting at which a quorum is present, the acts and decisions of a Majority of the Owners Voting will be regarded as the acts and decisions of the Association, and will be binding on all Apartment Owners for all purposes, unless a different percentage vote is required or allowed by law or in the Declaration or these Bylaws.

3.8 **RULES FOR CONDUCTING ASSOCIATION MEETINGS.** All meetings of the Association must be conducted in accordance with the latest available edition of Robert's Rules of Order.

3.9 **ADJOURNING ASSOCIATION MEETINGS.** Any meeting of the Association may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a Majority of the Owners Voting, whether or not a quorum is present. If a meeting is adjourned for thirty (30) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 3.4. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Association may do anything that it could have done at the meeting as originally called.

3.10 INSPECTORS FOR VOTING AND PROXIES.

A. **APPOINTMENT.** At least ten (10) days before any meeting of the Association or before any ballot is sent to the Members pursuant to Section 3.15, the Board will appoint inspectors of the voting at the meeting, including voting for the election of Directors. The Board may appoint either one or three inspectors of voting. If the Board fails or chooses not to do so, then the Managing Agent will be the inspector of the voting.

B. **DUTIES.** The voting inspectors will: (i) determine the authenticity, validity and effect of proxies, Pledges, and other documents purporting to give any person the right to represent, act and vote for a Member; (ii) receive votes, ballots and consents; (iii) hear and determine all challenges, questions and conflicts relating in any way to the right to cast votes; (iv) count and tabulate all votes and consents; (v) decide when the polls will close; (vi) determine the results of all votes and elections; and (vii) do anything else appropriate to conduct the vote or election fairly as to all Members. The decision, act or certificate of a majority of inspectors, if there are three, or of a single inspector, if there is only one, will be effective. Any facts stated in any effective report or certificate are presumed to be accurate.

3.11 VOTING.

A. **VOTES.** Each Apartment is entitled to a vote equal to the percentage of the Common Interest assigned to that Apartment in the Declaration.

B. WHO MAY VOTE.

1) **GENERALLY.** Votes may be cast in person or by proxy by an Owner listed in the Association's records of ownership or by anyone lawfully acting for or on behalf of the Owner.

2) **LEGAL REPRESENTATIVES.** Sometimes an Apartment or Vacation Ownership Interest may be owned or controlled by a person acting as a personal representative, guardian, or trustee. At any meeting of the Association, that person may cast the vote of each Apartment or Vacation Ownership Interest held by him or her in this capacity. He or she may vote in person or by proxy. It does not matter whether the Association's record of ownership shows that the personal representative, guardian, or trustee owns or controls the Apartment or Vacation Ownership Interest. He or she may vote so long as if he or she presents evidence satisfactory to the Secretary that he or she owns or controls it in that capacity.

3) **AGREEMENT OF SALE.** A person buying an Apartment under a recorded agreement of sale has the rights of an Owner. This includes the right to vote except on matters where, under the agreement of sale and as permitted by law, the seller expressly retains the right to vote.

4) **PLEDGES.** Except as otherwise limited by law, an Owner may transfer or pledge the Owner's voting rights to someone else in a Mortgage or any other lawful document. Or a court order may transfer an Owner's voting rights to someone else. For simplicity, these arrangements are called a "Pledge" in this Section and the person to whom the voting rights are transferred is called the "Proxy Holder". If a true copy of a document containing a Pledge is filed with the Secretary before the Record Date for a meeting, only the Proxy Holder may vote in person or by proxy at that meeting. The Proxy Holder may, however, substitute someone else to vote for it as the Proxy Holder. The Proxy Holder will have the right to vote at all later meetings until someone files with the Secretary satisfactory evidence that the Pledge has ended or has been released.

5) **OWNERS OF VACATION OWNERSHIP INTERESTS.** Without limiting Section 3.11B.4), the board of directors of a Vacation Owners Association or an agent appointed by it, in either case acting pursuant to a special power of attorney and/or proxy granted to it in the Vacation Plan Documents, may cast the vote of any Apartment included in the Vacation Plan in the manner provided in the

Vacation Plan Documents; provided that if for any reason the means provided for casting votes provided in the Vacation Plan Documents is determined to be invalid, then the vote of any Apartment included in the Vacation Plan will be cast in accordance with Section 3.14. It is the purpose and intent of this Subsection to assure that the operation of the Association is not hindered by the likelihood that the Owners of Vacation Ownership Interests may not vote or participate as actively in Association affairs as Owners who use their Apartments as a principal residence and as the Condominium Property Act may contemplate or require.

C. **COMMON ELEMENTS.** Votes allocated to any area that constitutes a Common Element under Section 514A-13(h) of the Condominium Property Act shall not be cast at any meeting of the Association.

3.12 **PROXIES.** An Owner may appoint someone else to represent the Owner at meetings of the Association. Except as otherwise provided in Sections 3.11B.4) or 3.11B.5):

A. **PROXY REQUIREMENTS.** To be effective, the appointment must be stated in a document (a "proxy") signed by the Owner and filed as required by Section 3.12B. The proxy must contain at least: the name of the Association, the date of the meeting of the Association, the printed names and signatures of the Owner or Owners giving the proxy, the Apartment or Apartments for which the proxy is given, the printed name of the person to whom the proxy is given (the "Proxy Holder"), the date that the proxy is given, and any other information required by law.

B. **FILING OF PROXY.** A proxy, to be valid, must be filed with the Secretary or the Managing Agent no later than 4:30 p.m. on the second business day before the date of the meeting; provided that if the Condominium Property Act permits it, the Board may require that proxies be filed at an earlier date not to exceed seven (7) business days before the date of the meeting.

C. **USE OF DUPLICATES OF PROXIES.** A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used instead 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 must be a complete reproduction of the entire original proxy.

D. **DURATION; LIMITATIONS.** A proxy is only valid for the meeting to which the proxy pertains and its adjournments. It may designate any person as proxy. It may be limited as the Owner desires and indicates. No proxy may be irrevocable unless it is coupled with a financial interest in the Apartment, including but not limited to a financial interest in one or more Vacation Ownership Interests.

E. PROXY COUPLED WITH AN INTEREST. The requirements of Sections 3.12A, 3.12B, and 3.12D do not apply to voting rights transferred by an agreement of sale pursuant to Section 3.11B.3) or a Pledge pursuant to Section 3.11B.4) or pursuant to Section 3.11B.5). These kinds of transfers are "coupled with a financial interest" and so special rules apply to them.

3.13 SOLICITATION OF PROXIES.

A. DIRECTORS. Neither the Board nor any Director may use Association funds to solicit proxies except for the distribution of proxies as set forth in Section 3.13C. This does not prevent an individual Director from soliciting proxies as an Owner under Section 3.13C.

B. RESIDENT MANAGER OR MANAGING AGENT. No resident manager or Managing Agent may solicit, for use by the resident manager or Managing Agent, any proxies from any Apartment Owner of the Association that employs that resident manager or Managing Agent. Neither the resident manager nor Managing Agent may cast any proxy vote at any Association meeting except for the purpose of establishing a quorum.

C. SOLICITATION BY DIRECTORS AND OWNERS. Any Board that intends to use Association funds to distribute proxies, including the standard proxy form referred to in Section 3.4C, must first post notice of its intent to distribute proxies in prominent locations within the Project at least thirty (30) days before it distributes the proxies; provided that if the Board receives within seven (7) days of the posted notice a request by any Owner for use of Association funds to solicit proxies accompanied by a statement, the Board shall mail to all Owners either:

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

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

The statement may not exceed one hundred words, indicating the Owner's qualifications to serve on the Board of Directors and reasons for wanting to receive proxies.

3.14 CO-OWNERS. The entire vote for any Apartment owned of record by two (2) or more persons may be exercised by any one of them present at any meeting in the absence of an objection or an inconsistent vote by another Owner of that Apartment or a co-Owner's Proxy Holder. A proxy given by an Owner of an Apartment owned of record by two (2) or more persons may be exercised to cast the

entire vote for that Apartment in the absence of an objection or an inconsistent vote by another Owner of that Apartment or a co-Owner's Proxy Holder. In all other cases, the entire vote allocated to that Apartment will be cast as follows:

A. If the co-Owners hold title to the Apartment as tenants in common (whether or not the undivided interest of any particular co-tenant may be held in some other tenancy such as joint tenants), then the entire vote allocated to that Apartment will be cast in the manner determined by the vote of the holders of a majority of the undivided interests voting (in person or by proxy) with respect to that Apartment. If there is a tie vote, however, then one-half of the vote allocated to the Apartment will be counted in favor of and one-half against the issue at hand;

B. If co-Owners of an Apartment do not hold title as tenants in common, then the entire vote allocated to that Apartment will not be counted.

3.15 ACTION WITHOUT A MEETING. Except as otherwise limited by law, any action that may be taken at a meeting of the Members (such as, for example, electing directors) also may be taken without a meeting and without advance notice if:

A. A written ballot is sent to each Member entitled to vote. The ballot must be sent as though it were a notice of meeting and the rules of Section 3.4G will apply;

B. The ballot form:

- ❖ States the proposed action and provide a way for the Member to indicate whether he or she approves or disapproves the proposal;
- ❖ States the deadline by which the ballot must be returned to count; and
- ❖ Provides a reasonable time for the ballot to be returned.

C. The number of ballots cast before the deadline for returning ballots equals or exceeds the quorum required to be present at a meeting authorizing the action; and

D. The number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of ballots cast.

An Owner may cancel or change his or her ballot by sending a letter or other document to the Association. It will take effect when the Secretary receives it, and only if it is received before the deadline for returning ballots.

4. BOARD OF DIRECTORS.

4.1 **NUMBER OF DIRECTORS.** The Board will consist of nine (9) persons unless not less than sixty-five percent (65%) of all Owners vote by mail ballot, or at a special or annual meeting, to reduce the number of Directors.

4.2 **POWERS AND DUTIES OF THE BOARD.** Except as limited by law or by the Condominium Documents, the Board may exercise all powers of the Association and must perform all of its duties. The Board may not, however, take any action that, by law or under the Condominium Documents, must be taken, authorized or approved by the Members of the Association, or by some part or percentage of them. The Board may delegate its powers to the officers of the Association or to one or more professional managers hired by the Association, including but not limited to the Managing Agent. This authority is subject to any limits contained in the Declaration or these Bylaws. Until the first Board is elected, the Developer may, but is not obligated to, exercise some or all of the powers of the Board.

4.3 **QUALIFICATIONS OF DIRECTORS.**

A. All Directors must be Owners, co-Owners, purchasers under an agreement of sale, or an officer of any corporate Owner of an Apartment or, in the case of fiduciary Owners, the fiduciary or officers of corporate fiduciaries. For purposes of this Section:

- ❖ The partners in a general partnership and the general partners of a limited partnership will be deemed to be the Owners of an Apartment owned by their partnership.
- ❖ To the extent permitted by law, the partners of a limited liability partnership will be deemed to be the Owners of an Apartment owned by their partnership.
- ❖ To the extent permitted by law, the managers of a manager-managed limited liability company will be deemed to be the Owner of an Apartment owned by such a company.
- ❖ To the extent permitted by law, the members of a member-managed limited liability company will be deemed to be the Owner of an Apartment owned by such a company.

B. So long as the Condominium Property Act prohibits it, there can be no more than one representative on the Board from any one Apartment.

C. No resident manager of the Project is allowed to serve on the Board.

D. No person may serve as a Director for more than six (6) years in a row. No person may be elected or

appointed as a Director if serving out his or her full term as a Director would result in a violation of the rule against serving more than six years in a row. This subsection 4.3D does not apply to officers, directors, employees, or agents of the Developer who serve as Directors.

4.4 **ELECTION OF DIRECTORS.**

A. **ELECTION.** The initial Directors will be elected at the first annual meeting of the Association. At each annual meeting of the Association after the first meeting, and at any special meeting called for that purpose, the Members will elect a new Director to replace each Director whose term has expired or to fill any vacancy caused by any increase in the number of Directors. Directors will be elected by secret ballot.

B. **CUMULATIVE VOTING** When electing Directors, an Owner may cumulate his or her votes. This means the Owner can give to one candidate, or divide among any number of candidates, a number of votes equal to the number of Directors being elected multiplied by the number of votes which that Owner has the right to cast. The candidates who receive the highest number of votes, up to the number of available positions, are elected.

C. **INDEPENDENT DIRECTOR** So long as the Developer holds a majority of the voting power of the Association, at least one Director will be elected solely by the vote of Owners other than the Developer. At the first annual meeting of the Association, one Director will be elected solely by Owners other than the Developer. At each later election of Directors, one Director will be elected solely by Owners other than the Developer if there is then no such Director remaining on the Board. The Developer here and now gives up any right it has under the Condominium Act to vote for that Director. The election of this Director will be handled according to these special election procedures:

1) The notice of the meeting must state that one Director will be elected by Owners other than the Developer.

2) Owners other than the Developer will then elect that Director by written ballot before the regular election of the remaining Directors. The rest of the Directors will then be elected by all Owners according to the regular election procedures set forth in these Bylaws.

D. **ADMINISTRATIVE MERGER.** The Declaration of Merger permits the Developer to merge the Project with an Adjacent Condominium for administrative purposes. If the Developer does this, and if the association of apartment owners of the Adjacent Condominium has already elected a board of directors, then the Board must call a special meeting within sixty (60) days after the merger takes effect.

At the meeting, the Association must elect a new Board. The Association will do so using the same procedures used to elect the first Board at the Association's first annual meeting.

1) If the Board has nine Directors, then the term of office of the five (5) Directors receiving the most votes will end when the second annual meeting after their election ends. The term of office of the remaining four (4) Directors will end when the next annual meeting ends.

2) If the Board has seven Directors, then the term of office of the four (4) Directors receiving the most votes will end when the second annual meeting after their election ends. The term of office of the remaining three (3) Directors will end when the next annual meeting ends.

3) If the Board has five Directors, then the term of office of the three (3) Directors receiving the most votes will end when the second annual meeting after their election ends. The term of office of the remaining two (2) Directors will end when the next annual meeting ends.

4.5 NOMINATIONS.

A. BY THE BOARD. Each year, the Board will nominate Members for election to the Board at the annual meeting. The Board must do so before the Secretary gives notice of the annual meeting. The Secretary will send to each Member, with the notice of meeting required by Section 3.4, a list of the Members nominated.

B. FLOOR NOMINATIONS. Any Member may nominate one or more candidates during an Association meeting.

4.6 TERM OF OFFICE OF ELECTED DIRECTORS.

A. The Association will elect all nine (9) Directors at the initial annual meeting. The term of office of the five (5) Directors receiving the most votes will end when the second annual meeting after their election ends. The term of office of the remaining four (4) Directors will end when the next annual meeting ends.

B. After the term of office of each of the initial Directors expires, each replacement Director will hold office until the end of the second annual meeting after his or her election. This should be a term of about two (2) years.

C. Regardless of the rules stated in Sections 4.4D.1) to 4.4D.3), 4.6A and 4.6B, each Director will continue to have the powers and duties of the office until someone else is elected or appointed to replace him or her.

4.7 REMOVAL OF DIRECTORS.

A. GENERAL. The Association may remove and replace Directors only in accordance with the Condominium Property Act and all applicable requirements and procedures in these Bylaws for removing and replacing Directors, including any provisions relating to cumulative voting.

B. BY VOTE OF OWNERS.

1) The Association may remove any one or more Directors from office, with or without cause, at any regular meeting or at any special meeting called for that purpose. Any Director whose removal is proposed must have an opportunity to be heard at the meeting. A Director will be removed if a Majority of the Owners Voting vote to remove him or her; provided that:

(a) Unless the entire Board is removed, no individual Director may be removed if the votes cast against removal would be sufficient to elect a Director if voted cumulatively (see Section 4.4B) at an election at which the same number of votes were cast and the entire number of Directors authorized to be elected at the most recent election of the Directors were then being elected; and

(b) A Director who was elected solely by the votes of Owners other than the Developer according to the special election procedure set forth in Section 4.4C, may be removed only by the vote of Owners other than the Developer.

2) If a Director is removed, the Association must then and there elect a replacement Director. The replacement will hold office for the rest of the term of the person replaced.

C. BY VOTE OF THE DIRECTORS. If any Director misses three (3) regular Board meetings in a row, the Board, by a vote of a majority of the other Directors, may remove him or her. The Board may do this at the third or any later meeting. But if the Director attends a Board meeting before being removed, the Director must miss at least three (3) more regular meetings in a row before the Board can remove him or her.

D. PROCEDURES. Except as otherwise provided in the Condominium Property Act, any meeting for the removal and replacement of Directors must be scheduled, noticed and conducted in accordance with these Bylaws.

4.8 VACANCIES.

A. FILLING VACANCIES. Vacancies in the Board caused by any reason other than removal of a Director by the Association may be filled by vote of a majority of the remaining Directors, even though they may be less than a

quorum. A vacancy exists when any authorized position of Director is not filled. For example, a vacancy exists when:

- ❖ A Director dies or resigns. Unless required by its terms, a resignation does not have to be accepted by the Board to be effective. Instead, it will take effect as of the time stated. If no time is stated, it will take effect when the Board receives it. If a resignation will take effect at a later date, a majority of the remaining Directors can elect a replacement to take office when the resignation takes effect.
- ❖ A Director is removed by the other Directors pursuant to Section 4.7C.
- ❖ A Director is no longer qualified to serve as a Director. See Section 4.2.
- ❖ The Owners increase the authorized number of Directors but the Owners fail to fill the new positions at the same meeting; or
- ❖ An authorized position is not filled for any other reason by a duly elected Director.

B. TERM OF OFFICE OF APPOINTED DIRECTORS. A replacement Director will hold office for the rest of the term of the person replaced. A Director appointed because the Owners fail to elect a Director will hold office for the term that he or she would have held it if he or she had been elected by the Owners.

4.9 ANNUAL MEETING. The Board must meet at least once each year. Immediately after each annual meeting of the Association, the Board will hold a regular meeting at the same place. This meeting will be held to organize the Board. The Board must also elect any required officers at this meeting. The Board may transact any other business. Except as otherwise required by law, no call or notice of this meeting is necessary.

4.10 OTHER REGULAR MEETINGS.

A. MEETING REQUIREMENTS. In addition to the annual meeting, the Board must hold other regular meetings. The number of meetings and the time and place of these meetings will be set from time to time by a majority of the Directors.

B. NOTICE. Notice of regular Board meetings must be given to each Director. The notice may be given personally or by mail, email, telephone, fax, or messenger service. It must be given at least thirty (30) days before the date of the meeting. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given

upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Association's records.

C. WHEN NOTICE MUST BE RECEIVED. If notice is not given in writing, then it must actually be received to be effective. In all other cases, if notice is given in the manner required by this Section, (i) Directors cannot object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, invalidate the meeting or any proceedings at the meeting.

4.11 SPECIAL MEETINGS.

A. HOW CALLED. The President or any two Directors may call a special Board meeting for any purpose and at any reasonable time.

B. NOTICE. Except in an emergency, as determined by the President, notice of special meetings of the Board must be given in the same manner as notice of a regular meeting except that: (i) it must be given at least fifteen (15) days, instead of thirty days, before the meeting date, and (ii) the notice must state the nature of the special business to be considered. The provisions of Subsection 4.10C will also apply to notices of special meetings.

4.12 ADDITIONAL NOTICE OF BOARD MEETINGS. Whenever practicable, the resident manager or a Director will post notice of all Board meetings in prominent locations within the Project at least seventy-two (72) hours before the meeting or simultaneously with notice to the Board.

4.13 WAIVER OF NOTICE.

A. ATTENDANCE. Any Director who attends a meeting, in person or by proxy, gives up (in legal terms "waives") any right to claim that notice was not given properly unless, when the meeting begins, that Director objects to holding it because notice was not given properly.

B. IN WRITING. A Director may waive notice of any Board meeting by signing a document that (i) waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. If this happens, the fact that notice was not given to that Director will not, by itself, invalidate the meeting or any proceedings at the meeting. All such documents must be filed with the Association records and made a part of the minutes of the meeting.

4.14 QUORUM. When referring to the Board, "quorum" means the number or percentage of Directors who must be present at a meeting for the Board to conduct business. A majority of all Directors will be a quorum of the Board. "All

Directors" means all the authorized number of Directors, even is a position is not filled.

A. WHEN A DIRECTOR IS "PRESENT". Directors are "present" at a Board meeting if they attend it in person or by telephone or other similar equipment as provided in Section 4.18.

4.15 DECISIONS OF THE BOARD. At any Board meeting at which a quorum is present, the acts and decisions of a majority of the Directors voting will be regarded as the acts and decisions of the Board unless a different percentage is required or allowed by law or by the Declaration or these Bylaws.

4.16 RULES FOR CONDUCTING BOARD MEETINGS. All meetings of the Board must be conducted in accordance with the latest available edition of Robert's Rules of Order.

4.17 MEMBERS MAY ATTEND MOST BOARD MEETINGS.

A. OPEN MEETINGS. All Board meetings are open to all Members of the Association. Members who are not on the Board may participate in any deliberation or discussion unless a majority of the Directors present vote not to let them do so. If there is not enough room for all the Members wishing to attend at the place of the meeting, the Board must adjourn and reconvene the meeting as soon as possible in a place that has enough room. Any Member may ask to be connected to any meeting being held by telephone conference call or similar device. If the number of Members asking to be connected makes the meeting impractical or impossible, the meeting may not be held by telephone conference or similar device.

B. PRIVATE MEETINGS. The Board, with the approval of a majority of a quorum of the Directors, may adjourn a meeting and reconvene in "executive session". This means that only Board Members and persons invited by the Board may attend. In executive session the Board may discuss and vote on personnel matters, lawsuits and other legal proceedings in which the Association is or may become involved, and other matters of a similar nature. The nature of any and all business to be considered in executive session must first be announced in open session.

4.18 TELEPHONE MEETINGS. Regardless of any other provision of these Bylaws, and unless the law provides otherwise, one or more Directors may take part in any meeting by telephone or other communications equipment. They may do so only if everyone authorized to participate in and actually participating in the meeting (including Owners who are not on the Board and who may listen and/or participate pursuant to Section 4.17A) can hear and be heard by each other. The Board may carry on all business within the Board's authority as if everyone participating by

telephone or other communications equipment were physically present at the meeting.

4.19 ADJOURNING BOARD MEETINGS. Any meeting of the Board may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a majority of the Directors voting, whether or not a quorum is present. If a meeting is adjourned for fifteen (15) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Sections 4.10B or 4.11B, and 4.12. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Board may do anything that it could have done at the meeting as originally called.

4.20 ACTION WITHOUT A BOARD MEETING. Except as otherwise provided by law, any action that the Board is required or permitted to take, by law or by the Declaration or these Bylaws, also may be taken without a meeting if all Directors consent in writing to that action. Any written consent or consents must be filed with the minutes of the meetings of the Board, and have the same force and effect as a unanimous vote of the Directors.

4.21 PROXY VOTE. Except as otherwise permitted by law, a Director shall not cast any proxy vote at any Board meeting.

4.22 CONFLICT OF INTEREST. A Director who has a conflict of interest on any issue before the Board must disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting. The minutes of the meeting must record the fact that a disclosure was made. Except to the extent permitted by law, a Director shall not vote at any Board meeting on any issue in which the Director has a conflict of interest. If there is any disagreement as to whether or not a conflict of interest exists, a majority of the non-interested Directors will decide whether a conflict of interest exists as to a particular Director or Directors. Their decision will be conclusive and binding on all parties.

4.23 PAYMENTS TO DIRECTORS. No Director will receive any compensation from the Association for acting as a Director unless that compensation is specifically authorized by vote of a Majority of the Owners Voting (not counting the votes of the Developer) at an Association meeting. This does not prohibit the Association from reimbursing Directors for actual expenses incurred in the course of acting as a Director.

A. TRAVEL EXPENSES. Except as otherwise permitted by law, Directors may not spend Association funds for their travel and per diem, unless the Owners are informed and a Majority of the Owners approve of these expenses.

B. DIRECTOR EDUCATION. Directors may spend Association funds, which will 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 includes these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, economy travel expenses, and any other expenses allowed by law. Except for economy travel expenses within the State, all other travel expenses incurred under this Section 4.23B shall be subject to the requirements of Section 4.23A.

C. OTHER WORK. Nothing in these Bylaws prevents any Director from serving the Association in any capacity other than as an officer or a Director and being paid for those services as authorized and approved by the Board. But he or she must be excluded from the discussions and voting by the Board on whether to hire him or her and how much to pay him or her for serving in that other capacity.

4.24 LIABILITY OF THE BOARD OF DIRECTORS AND OFFICERS. The Directors and officers of the Association will not be liable to the Association or to the Owners or any other Interested Person for any mistake of judgment or otherwise except for their own gross negligence or willful misconduct.

5. OFFICERS

5.1 OFFICERS.

A. REQUIRED OFFICERS. The Association must have a President, a Vice President, a Secretary and a Treasurer.

B. OTHER OFFICERS. The Association may have any other officers deemed necessary. The Board will determine the title, term of office, authority and duties of these officers.

5.2 QUALIFICATIONS OF OFFICERS. Any person may hold more than one office, except that neither the Secretary nor the Treasurer may also be the President at the same time. The President must be a Director. The Vice President, Secretary and Treasurer may be Directors but it is not required. An Owner may not act as an officer of the Association and an employee of the Managing Agent.

5.3 APPOINTMENT OF OFFICERS. The Board will appoint the officers required by Section 5.1A at the annual meeting of the Board. The Board may appoint any other officers permitted by Section 5.1B, or it may authorize the President or another officer to do so. Officers may be appointed at any meeting of the Board by vote of a majority of the entire Board.

5.4 TERM OF OFFICE. All officers will take office when they are appointed. They will hold office only for so long as the Board desires.

5.5 REMOVAL OF OFFICERS. The Board may remove any officer, with or without cause, by vote of a majority of the Directors at any regular meeting of the Board or at any Special meeting called for that purpose. Removal of an officer will not affect any contract rights of the officer.

5.6 VACANCIES. If any required officer resigns or dies, or if his or her office otherwise becomes vacant, then the Board must appoint a replacement at once. A majority of the remaining Directors may appoint a replacement even if there are not enough Directors remaining to have a quorum.

5.7 PRESIDENT. The President is the chief executive officer of the Association. The President has these powers and duties:

- ❖ The President supervises, directs and controls the business and affairs of the Association subject, however to the control of the Board.
- ❖ The President chairs all meetings of the Association and all meetings of the Board.
- ❖ The President is a member of all committees.
- ❖ The President has the general powers and duties of management usually authorized for the office of president of a Hawaii corporation. This includes, among others, the power to appoint committees from among the Owners from time to time as the President alone deems appropriate to assist in conducting the affairs of the Association.
- ❖ The President has any and all other powers and duties assigned to the President by the Declaration, these Bylaws or the Board.

5.8 VICE PRESIDENT. If the President is absent or unable to act, or if that office is vacant, the Vice President performs all the duties of the President. When doing so, the Vice President has all the powers and duties of, and is subject to all the restrictions on, the President. The Vice President also has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

A. OTHER TEMPORARY REPLACEMENT OF THE PRESIDENT. If the Vice President is also absent or unable to act, or if that office is also vacant, the Board must appoint another of its members to take the place of the President temporarily. The Board must do so even if there are not enough Directors remaining to have a quorum. The Director

who is so appointed and acting will also have all of the powers and duties of, and is subject to all the restrictions on, the President.

5.9 SECRETARY. The Secretary has these powers and duties:

- ❖ The Secretary must keep the minutes of all meetings of the Association, the Board and all committees. For this purpose, the Secretary is a member of all committees.
- ❖ The Secretary must give all required notices of those meetings.
- ❖ The Secretary must keep a list of (i) all Owners, and (ii) anyone who is holding, insuring or guaranteeing a Mortgage and who has requested copies of all notices or other Association information pursuant to Section 10.2.
- ❖ The Secretary must keep all other books, records and documents of the Association except for financial records kept by the Treasurer.
- ❖ The Secretary must keep the minute book in which resolutions will be recorded.
- ❖ The Secretary has the general powers and duties of management usually authorized for the office of secretary of a Hawaii corporation.
- ❖ The Secretary has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

The duties of the Secretary may be delegated to and performed by the Managing Agent or any other person appointed for that purpose. If the Secretary is absent or unable to act at any meeting, or if the office is vacant, another person must be appointed to act as the Secretary at least temporarily.

5.10 TREASURER. The Treasurer is the chief financial officer of the Association. The Treasurer has these powers and duties:

- ❖ The Treasurer must keep full and accurate financial and books and records of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.
- ❖ The Treasurer must deposit all money and other valuables in the name and to the credit of the Association with the depositories (such as a bank) chosen by the Board.

- ❖ The Treasurer must pay out the funds of the Association as ordered by the Board.
- ❖ The Treasurer must prepare all financial statements and reports requested by the President or the Board.
- ❖ The Treasurer has the general powers and duties of management usually authorized for the office of treasurer of a Hawaii corporation.
- ❖ The Treasurer has any other powers and performs any other duties assigned to him or her by the President, the Board, the Declaration, or these Bylaws.

The duties of the Treasurer may be delegated to and performed by the Managing Agent, accountants, or other suitable persons providing professional financial services. If the Treasurer is unable to act or if the office is vacant, another person must be appointed to act as the Treasurer at least temporarily.

5.11 PAYMENTS TO OFFICERS.

A. PAYMENT; EXPENSES. No officer will receive any compensation from the Association for acting as an officer unless that compensation is specifically authorized by vote of a Majority of the Owners Voting (not counting the votes of the Developer) at an Association meeting. This does not prohibit the Association from reimbursing officers for actual expenses incurred in the course of acting as an officer.

B. OTHER WORK. Nothing in these Bylaws prevents any officer from serving the Association in any capacity other than as an officer or a Director and being paid for those services as authorized and approved by the Board. But he or she must be excluded from the discussions and voting by the Board on whether to hire him or her and how much to pay him or her for serving in that other capacity.

6. INDEMNIFICATION

6.1 DEFINITIONS. For the purpose of this Section 6:

A. "Agent" means any person who is or was a Director, officer, employee, or other agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, limited liability company, trust or other company;

B. "Proceeding" means any threatened, pending, or completed action or proceeding (such as a lawsuit). It could be for example, a civil suit, a criminal matter, or an administrative or investigative proceeding;

C. "Expenses" includes, but is not limited to, attorneys' fees, costs, judgments, fines, settlements and other amounts actually and reasonably incurred.

6.2 THE ASSOCIATION WILL INDEMNIFY (REIMBURSE) ITS AGENTS. To the extent allowed by law, the Association must indemnify (that means it will pay) any Expense incurred by any Agent in any Proceeding. Section 415B-6 of the Hawaii Revised Statutes defines how, when, and under what conditions an agent of a Hawaii non-profit corporation can make those payments. The Association must indemnify its Agents to the same extent that a Hawaii non-profit corporation would be able to indemnify its Agents. These Bylaws authorize and require the Association to indemnify its Agents to the full extent allowed by law. If available, the Association must buy insurance to provide those payments and the Association may, but is not required to, buy insurance that provides for reimbursement under circumstances where the Association could not reimburse the Expense directly.

7. MANAGEMENT

7.1 MANAGEMENT AND OPERATION OF THE PROJECT. Subject to the limits described in Section 4.2, the Board will manage and operate the Project, and its powers and duties include, but are limited to, the following:

A. OPERATION AND MAINTENANCE OF COMMON ELEMENTS. The Board will operate, maintain, repair, replace, and make improvements to the Common Elements, except for:

1) Limited Common Elements that are expressly made by the Declaration or these Bylaws the responsibility of individual Apartment Owners, or

2) Limited Common Elements the administration and maintenance of which is assumed by the Owners of the Apartments to which they are appurtenant as allowed in the Declaration.

B. MAINTENANCE AND REPAIR OF APARTMENTS. The Board may perform maintenance and repairs on any Apartment or Limited Common Element if:

1) It is necessary to protect the Common Elements or any other Apartment, and

2) The Owner of the Apartment fails or refuses to perform the maintenance or repair within a reasonable time after the Board delivers written notice to him or her describing the maintenance and repairs needed.

The Board will charge a Special Assessment to that Apartment for the cost of the maintenance or repair and any

attorneys' fees and other expenses incurred in charging and collecting the Special Assessment.

C. RESTORATION OF PROJECT. The Board will rebuild, repair and restore the Project in accordance with the provisions of the Declaration and these Bylaws after it is damaged or destroyed by a fire or other casualty or as a result of a condemnation.

D. EMPLOYMENT OF PERSONNEL. The Board may designate, employ, train, supervise and dismiss any personnel necessary or useful to maintain, repair, replace, rebuild or restore the Common Elements or to operate the Project.

E. DELEGATION OF POWERS. The Board may delegate its powers to committees, agents, officers, representatives and employees.

F. ENFORCEMENT OF CONDOMINIUM DOCUMENTS. The Board will enforce the Condominium Documents, the Condominium Property Act, and the Condominium Regulations.

G. PENALTIES AND FINES. The Board may set penalties and fines, and charge interest on them if they are not paid, as it deems appropriate to enforce the Condominium Documents, the Condominium Property Act, and the Condominium Regulations. This includes, for example, penalties and fines, and any interest on them, for failure or refusal to pay to the Association on demand all costs, expenses, Common Expenses and Assessments (special or otherwise) required to be paid by law or under the Condominium Documents. Any penalties and fines must not be inconsistent with law or the Condominium Documents. The Board may also terminate the Apartment's access to the Common Elements and stop supplying the Apartment with any and all services normally supplied or paid for by the Association.

1) **HEARING.** The Board must hold a meeting and permit the Owner to present his or her case before it fines the Owner or imposes a penalty or takes any other disciplinary action. This rule does not apply, however, when an Owner is fined or penalized for failing to pay any Assessment on time. The Board must give the Owner written notice of the meeting at least 15 days in advance in the case of a fine or penalty, or 60 days in case of termination of access, services and supplies. The notice must state the purpose of the meeting and the reason for seeking the fine or penalty. The Owner has the right to appear and to explain why the fine or penalty should not be imposed or access and services terminated. The Board will decide whether the Owner's defense will be oral or written. A majority of the Directors present will decide whether to impose the fine or penalty or to terminate access and

services. The Directors, however, cannot act unless a quorum is present and the meeting is held as provided in these Bylaws.

2) **WHEN THE FINE OR SUSPENSION TAKES EFFECT.** The Board must give the Owner written notice of any disciplinary action taken and the reasons for it. Any disciplinary action will take effect on the date that the notice is given.

3) **WHEN SERVICES WILL BE RESTORED.** The Board will restore an Owner's access and services when the Owner pays all amounts due.

4) **THE MANAGING AGENT'S ROLE.** The Board may delegate to the Managing Agent the power to carry out any disciplinary actions imposed by the Board.

H. KA'ANAPALI NORTH BEACH DOCUMENTS. The Board must observe and perform all of the limitations, covenants, conditions and restrictions to be observed and performed under the Ka'anapali North Beach Documents.

L. BUDGET. Each year, the Board must prepare and adopt a budget of Common Expenses of the Association and determine the amounts of Regular and Special Assessments.

J. ASSESSMENTS. The Board must charge and collect Regular and Special Assessments of the Common Expenses and other charges payable by the Apartment Owners. This includes but is not limited to amounts charged under the Ka'anapali North Beach Documents.

K. BANK ACCOUNTS. The Board must open bank accounts on behalf of the Association. It must also designate who must sign checks and other documents relating to the accounts.

L. ASSOCIATION FUNDS. The Board has custody and control of all funds of the Association. It must keep full and accurate books of account and records of the Association's funds. It must also prepare regular financial reports.

M. BORROWING MONEY. Subject to any approval requirements and spending limitations contained in these Bylaws or in the Declaration, the Board may authorize the Association to borrow money to be used for the repair, replacement, maintenance, operation, or administration of the Common Elements of the Project, or to make any additions, alterations and improvements to them. The cost of this borrowing, including, without limitation, all principal, interest, commitment fees, and other expenses payable with respect to this borrowing, will be a Common Expense. Before borrowing money, the Board must obtain any consent of the Owners that is required under the Condominium Property Act.

N. PAYMENT OF COMMON EXPENSES. As agent of the Owners, the Board will pay all Common Expenses authorized by the Board.

O. INSURANCE AND BONDS. The Board will buy and keep in effect any insurance and bonds required or permitted by the Declaration or these Bylaws.

P. SERVICES. The Board will obtain any legal, accounting, and consulting services necessary or proper for the administration and operation of the Project or to interpret, enforce or implement the Condominium Property Act, the Condominium Regulations, the Condominium Documents, the Ka'anapali North Beach Documents, and any other material documents or decisions affecting the Project.

Q. PROVISION OF UTILITIES TO APARTMENTS. The Board will provide to each Apartment and its Limited Common Elements all water, sewer, electricity, and any other utility services and utilities that the Board deems necessary. The cost of the utilities will be charged either to the Apartment or as a Common Expense or limited Common Expense, as the Board decides in accordance with these Bylaws and the Declaration.

R. PROVISION OF COMMON ELEMENT UTILITIES. The Board will provide all water, sewer, electricity, and any other services and utilities required for the Common Elements or as the Board deems necessary.

S. PURCHASE OF GOODS. If required by the Condominium Documents or by law, or if it is necessary or proper, in the Board's opinion, to operate the Project or to enforce the Condominium Documents, the Board may:

- 1) Buy, lease or otherwise procure any other materials, equipment, supplies, furniture, labor and services,
- 2) Make repairs and structural alterations, and
- 3) Pay taxes and assessments and other Common Expenses.

If any materials, equipment, supplies, furniture, labor, services, repairs, structural alterations, insurance, taxes or assessments are required because of the acts, misuse, or negligence of the Owner or occupant of a particular Apartment, the Board will charge the costs of it as a Special Assessment to that Apartment to the extent permitted by Section 8.3B.2).

T. DISCHARGE OF LIENS. The Board may pay any amount necessary to discharge, directly or by bond, any lien or encumbrance levied against the entire Project or any part of it that may, in the Board's opinion, constitute a lien against the Project or against the Common Elements rather

than merely against the interest of particular Owners. If one or more Owners are responsible for the existence of any such lien, they will be jointly and severally liable for the cost of discharging it or bonding against it, and the costs incurred by the Board by reason of such lien.

U. PURCHASING APARTMENTS. The Board may buy, lease or otherwise acquire any Apartment, or any Vacation Ownership Interest, on behalf of the Association. It may take title in the name of the Association or the Board may have someone else, such as a trustee, hold title.

V. LEGAL PROCEEDINGS. The Board may begin, defend, settle, or intervene on behalf of the Association in litigation, arbitration, mediation, or administrative proceedings in matters relating to (i) enforcement of the Condominium Documents; (ii) damage to the Common Elements to the extent that the Association is obligated to maintain and repair it; (iii) damage to any part of any Apartment to the extent that the Association is obligated to maintain and repair it; or (iv) damage to the Apartments which arises out of, or is integrally related to, damage to any the Common Elements or to any part of any Apartment to the extent that the Association is obligated to maintain and repair them.

7.2 MANAGING AGENT.

A. MANAGING AGENT. The Association must hire and at all times it must have a Managing Agent.

B. QUALIFICATIONS. The Managing Agent must be properly registered with the Real Estate Commission of the State of Hawaii as a real estate broker or condominium property manager. The Managing Agent may be the Developer or an affiliate of the Developer.

C. SELECTION. The Developer has the right to choose and employ the first Managing Agent for the Project. (At the outset, the Developer is the only Member of the Association.) If the first Managing Agent must be replaced for any reason, the Board will choose the replacement. The Board must use its best efforts to hire and keep a responsible company as the Managing Agent.

D. MANAGEMENT CONTRACT. The Managing Agent must sign a written contract (the "Management Contract"). Subject to the requirements of the Condominium Property Act:

1) POWERS AND DUTIES. The Management Contract may delegate to the Managing Agent any of the Board's powers and duties except those that, by law or under the Condominium Documents, it cannot delegate. It may also permit the Managing Agent to delegate its power and duties to one or more sub-agents for any period and upon any terms it deems proper. In all cases, the Managing Agent

and any sub-agents will be subject to the direction of the Board and to the limits listed in Section 7.4.

2) TERM. The Management Contract:

(a) May provide for an initial term of not more than one year from the Starting Date. The "Starting Date" is the date on which the Managing Agent must begin its performance. Unless otherwise provided in the Management Contract, the Starting Date will be the later of (i) the first date on which a deed of an Apartment or Vacation Ownership Interest is recorded, or (ii) the first date on which the County of Maui issues a temporary or permanent certificate of occupancy for an Apartment in the Project.

(b) May provide that after the first term and each later term ends, the contract will be renewed automatically unless a written notice canceling the Management Contract is sent by either party at least sixty (60) days before the renewal date. The Management Contract may provide that the Association cannot give this notice unless a Majority of the Owners vote to do so at an annual or special meeting of the Association held within one year before the renewal date. If the Management Contract contains such a provision, then:

(1) If the Managing Agent is an affiliate of or a person affiliated with the Developer then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted to give the notice; and

(2) A decision not to renew the Management Contract cannot be made by the Board alone; the Board has no power or authority to do so; and

(3) Neither the Board nor any officer, Director, employee or agent of the Association can give the notice before a Majority of the Owners vote not to renew the Management Contract at an annual or special meeting of the Association. Any notice sent before then will be void.

E. CANCELLATION BY THE ASSOCIATION. The Management Contract must give the Association the right to cancel in each of the following situations:

1) FOR CAUSE. The Association must have the right to cancel the Management Contract whenever the Managing Agent violates a material part of it and fails to cure its violation within the time permitted by the Management Contract;

2) WITHOUT CAUSE. The Association must have the right to cancel the Management Contract on not more than sixty (60) days' written notice. The Management

Contract may provide that the Association cannot give this notice of cancellation unless a Majority of the Owners vote to do so at an annual or special meeting of the Association. If the Management Contract contains such a provision, then:

(a) If the Managing Agent is an affiliate of or a person affiliated with the Developer then (i) the Developer must abstain from the vote, and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted to give the notice of cancellation;

(b) A decision to cancel cannot be made by the Board alone; the Board has no power or authority to do so; and

(c) Neither the Board nor any officer, Director, employee or agent of the Association can give the notice of cancellation before a Majority of the Owners vote to cancel the Management Contract at an annual or special meeting of the Association. Any notice sent before then will be void.

F. CANCELLATION BY THE MANAGING AGENT. The Management Contract must provide that Managing Agent has the right to cancel the Management Contract on not more than sixty (60) days' written notice.

G. FEES. The Management Contract must specifically state the fees to be paid to the Managing Agent by the Association. The fees do not have to be stated as a dollar amount. For example, the management fee may be set to a percentage of the Project's Common Expenses or to cost plus a percentage profit.

H. BOND. From time to time, the Managing Agent must provide evidence satisfactory to the Board that the Managing Agent is bonded under a fidelity bond in the minimum amount required by the Condominium Property Act or any higher amount as the Board may reasonably require. The bond must meet the requirements of Section 13.6 of the Declaration.

7.3 EMPLOYMENT OF RESIDENT MANAGER. The Board may also employ a resident manager or may cause the Managing Agent to do so. In either case, the Board will set the compensation of any resident manager. The Board may delegate to the resident manager any its powers and duties except those that, by law or under the Condominium Documents, it cannot delegate.

7.4 LIMITATIONS ON AUTHORITY TO ENTER INTO CONTRACTS. Neither the Association nor the Managing Agent may enter into a contract with someone else to furnish goods or services for the Common Elements or to the Association for a period longer than one year unless authorized by the vote or written consent of a Majority of the

Owners Voting. The Developer must abstain from this vote. This rule does not apply, however, to:

❖ **The Management Contract**

- ❖ A contract with a public utility company if the rates charged by it are regulated by the Public Utilities Commission. The term of the contract, however, must be the shortest term the supplier will accept at the regulated rate.
- ❖ Prepaid casualty and/or liability insurance policies not lasting more than three years, provided that the policy permits "short-rate cancellation" by the insured.
- ❖ A lease of laundry room fixtures and equipment for five years or less provided that neither the Developer nor the Managing Agent owns, directly or indirectly, 10 percent or more of the company leasing the fixtures and equipment.
- ❖ Agreements for cable television, satellite television, and/or internet services and equipment for five years or less provided that neither the Developer nor the Managing Agent owns, directly or indirectly, 10 percent or more of the supplier.
- ❖ Agreements for sale or lease of burglar alarm and fire alarm equipment, installation, and services for five years or less provided that neither the Developer nor the Managing Agent owns, directly or indirectly, 10 percent or more of the supplier.
- ❖ Any other contract for three years or less so long as the Association can cancel it after no more than one year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.

7.5 LIMITS ON ASSOCIATION AUTHORITY. Unless authorized by the vote or written consent of a Majority of the Owners Voting (not counting the Developer's votes), the Association shall not sell during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year; or

7.6 RENTING OR SELLING APARTMENTS BY ASSOCIATION EMPLOYEES. An employee of the Association may not engage in renting or selling Apartments in the Project except for Apartments owned by the Association, unless such activity is approved by vote of the Owners as required by the Condominium Property Act.

7.7 RULES AND REGULATIONS. The Board may adopt, publish and enforce fair and reasonable Rules and Regulations governing details of the operation and use of the Common Elements; provided, however, that the Rules and Regulations will not apply to the Commercial Apartments or the Limited Common Elements appurtenant to them unless the Owners of those Apartments consent in writing. The Developer may adopt the initial Rules and Regulations. The Board may revise the Rules and Regulations from time to time. The Rules and Regulations must be consistent with the Declaration, these Bylaws, the Condominium Property Act, and the Condominium Regulations.

7.8 STOPPING VIOLATIONS BY APARTMENT OWNERS.

A. THE BOARD MAY STOP CERTAIN ACTIVITIES. In addition to any other rights they may have, the Board and the Managing Agent may stop ("abate") any activity or condition or remove anything that:

- 1) Violates the law or the Condominium Documents;
- 2) Is unauthorized, harmful, offensive, or potentially dangerous to others or their property; or
- 3) Threatens the property, rights or welfare of others.

B. THE BOARD MAY ENTER AN APARTMENT. The rights of the Board and the Managing Agent under Section 7.8A include the right and power to enter any Apartment at any time and to use any means and as much force as is reasonable under the circumstances. Neither the Board nor the Managing Agent will be liable to the Apartment Owner or occupant for doing so. This includes claims for trespass or anything else. The Board and the Managing Agent can use these rights only when the violation threatens an immediate, substantial and undeniable threat to life, safety or property of any Apartment Owner, Member of his family, tenant, guest or invitee.

C. THE BOARD MAY FILE A LAWSUIT. The rights of the Board and the Managing Agent under Section 7.8A also include the right and power to file a lawsuit or other legal proceedings. For example, the Board may obtain a court order or "injunction" ordering the Apartment Owner to stop its activity or to abate any unsafe condition. The Apartment Owner must pay to the Association on demand all costs of any such lawsuit or other legal proceedings, including attorneys' fees.

7.9 ABANDONED PROPERTY. "Personal property" is a legal term. It generally means any kind of property except for land or anything built on, growing on or attached to land. For example, a car, a coat, a camera, and similar things are

personal property. If anyone abandons any personal property in or on the Common Elements of the Project, the Board may sell it in a commercially reasonable manner, store it at the expense of its owner, donate it to a charitable organization, or otherwise dispose of it as the Board chooses. However, the Board must do so in keeping with any requirements in the Condominium Property Act. The Association may keep any money from sale of the personal property except as otherwise provided by law.

8. COMMON EXPENSES

8.1 DESIGNATION OF COMMON EXPENSES. "Common Expenses" means (i) all charges, costs and expenses incurred by the Association for or in connection with the administration, management, and operation of the Project, and (ii) all other sums designated as Common Expenses under the Condominium Property Act or the Condominium Documents. For example, the following expense are Common Expenses:

A. TAXES AND ASSESSMENTS. All charges for taxes and assessments. However, unless the Board determines otherwise,

- 1) Real property taxes are not Common Expenses, and
- 2) Other taxes or assessments will not be Common Expenses if they are assessed separately to each Apartment and its Common Interest, or on the personal property or any other interest of the Apartment Owner;

B. MAINTENANCE AND REPAIR. All costs:

- 1) To maintain, repair, rebuild, upgrade, replace and restore the Common Elements;
- 2) To make any additions and alterations to the Common Elements. This does not include, however, additions and alterations made by the Developer in the exercise of the Developer's Reserved Rights; and
- 3) For any labor, services, materials, supplies and equipment needed to do any of those things.

C. LIABILITY. Any liability for loss or damage arising out of or relating to the Common Elements or any accident, fire or nuisance on them;

D. YARD AND JANITORIAL SERVICES. All yard, janitorial or other similar services;

E. WAGES AND FEES. All wages, and all accounting, legal, and management fees;

F. MAINTENANCE, MANAGEMENT AND OPERATION OF COMMON ELEMENTS. All other necessary expenses to maintain, manage, and operate the Common Elements;

G. PEST CONTROL. The cost of pest control services, whether or not affecting any particular Apartment or Apartments;

H. INSURANCE PREMIUMS. Any premiums for insurance and bonds that the Association must or may buy;

L. UTILITIES. The cost of all utility services. This includes, for example, water, electricity, gas (if any), garbage disposal, sewer, sewage treatment, telephone and other similar services. However this does not apply to costs of such services that are separately charged to the individual Apartment Owners as provided in Section 8.16;

J. KA'ANAPALI NORTH BEACH ASSESSMENTS. All amounts assessed to the Association or to the Project, or to the individual Apartments Owners (including but not limited to Owners of Vacation Ownership Interests) or their Apartments (or Vacation Ownership Interests), by the Ka'anapali North Beach Association in accordance with the Ka'anapali North Beach Documents;

K. SHORTFALLS. Any amount that the Board deems proper to make up any shortfall in funds needed to pay the Common Expense for any prior year; and

L. RESERVES. All amounts that the Association collects for the fiscal year to fund the estimated replacement reserves or any other reserves established by the Board.

8.2 BUDGET AND RESERVES. The Board must prepare and adopt an annual operating budget and give copies of it to the Owners. The budget must contain any information required by the Condominium Property Act and the Condominium Regulations.

A. BUDGET. The annual operating budget must include at least the following:

- ❖ The estimated revenues and operating expenses of the Association for the coming fiscal year;
- ❖ Information as to whether the budget has been prepared on a cash or accrual basis;
- ❖ The total replacement reserves of the Association as of the date of the budget;
- ❖ The estimated replacement reserves the Association will need to maintain the property based on a reserve study performed by the Association;

- ❖ A general explanation of how the estimated replacement reserves are computed; and
- ❖ The amount the Association must collect for the fiscal year to fund the estimated replacement reserves.

B. RESERVE FUNDS.

1) REPLACEMENT RESERVES. The Association must establish replacement reserve funds as required by law. The Association may set up any additional replacement reserve funds that the Board determines to be necessary or prudent. The Association must compute the estimated replacement reserves in the manner required by the Condominium Property Act and the Condominium Regulations. The annual operating budget must include all sums required to fund the replacement reserves funds in accordance with the Condominium Property Act and the Condominium Regulations. It may also include any greater amounts that the Board chooses in the exercise of its reasonable business judgment.

(a) LIMITATION ON LIABILITY. Neither the Association, nor any Apartment Owner, Director, officer, Managing Agent, or employee of the Association who makes a good faith effort to calculate the estimated replacement reserves for the Association will be liable if the estimate later proves incorrect.

2) OTHER RESERVES. The Association may establish working capital reserve funds and any other reserve funds that the Board determines to be necessary or prudent in the exercise of its reasonable business judgment.

3) OWNERS' INTEREST IN RESERVES. Except as provided in the Declaration of Merger or upon termination of the condominium property regime created by the Declaration, the interest of any Apartment Owner in the reserves of the Association:

(a) Cannot be withdrawn or assigned separately, and

(b) Will be transferred automatically with each transfer of the Apartment (or Vacation Ownership Interest in the case of an Apartment included in a Vacation Plan), whether or not the deed or other transfer document expressly says so.

4) USE OF RESERVE FUNDS. Money in the reserve funds for Capital Improvements may only be used to pay for Capital Improvements.

8.3 ALLOCATION OF COMMON EXPENSES.

A. GENERAL RULE. Except as otherwise provided by law or in the Declaration or elsewhere in these Bylaws, the Common Expenses will be charged to the Apartment Owners in proportion to the Common Interests appurtenant to their respective Apartments. The share for each Apartment will be equal to the total amount of the Common Expenses multiplied by this fraction:

The Common Interest of that Apartment
The sum of the Common Interests of all Apartments

In making this calculation, only Apartments for which Assessments have begun, as provided in Section 8.4A, will be considered.

B. EXCEPTIONS. Regardless of the rule in Section, 8.3A:

1) **LIMITED COMMON EXPENSES.** All costs and expenses of any Limited Common Element will be charged to the Owner of the Apartment to which the Limited Common Element is appurtenant. This includes, for example, all costs of maintenance, repair, replacement, additions and improvements to a Limited Common Element.

(a) If a Limited Common Element is appurtenant to more than one Apartment, each of those Apartments will be liable for a share of the costs and expenses of that Limited Common Element. The share for each Apartment will be equal to the total of the cost and expenses multiplied by this fraction:

The Common Interest of that Apartment
The sum of the Common Interests of all Apartments to which that Limited Common Element is appurtenant

In making this calculation, only Apartments for which Assessments have begun, as provided in Section 8.4A, will be considered.

(b) Apartment 101 includes part of the basement and first floor of the Kahakai Building, and a part of the first floor of the Makani Kai Building. As a result, a share of the cost and expenses of the Resort Limited Common Elements will be charged to Apartment 101. For purposes of this Subsection 8.3B.1)(b) and Subsection 8.3B.1)(a) only:

(1) Apartment 101 will be treated as if the Resort Limited Common Elements were also appurtenant to it; and

(2) Apartment 101 will be treated as if it had a Common Interest equal to the sum of the Common Interests of Apartments 2200/02, 2201, 2203, 2204/06 and

2205/07 (these apartments are located directly above the part of the Kahakai Building occupied by Apartment 101) and the Common Interest of Apartment 3200 (this apartment is located directly above the part of the Makani Kai Building occupied by Apartment 101). This sum is called the "Deemed Common Interest" of Apartment 101.

Any amendment to the Declaration that subdivides Apartment 101 may also divide the Deemed Common Interest among the Apartments created from Apartment 101. However, the total of the Deemed Common Interests of the newly subdivided Apartments must be equal to the sum of the Common Interests of Apartments 2200/02, 2201, 2203, 2204/06, 2205/07, and 3200.

(c) Costs and expenses relating to parking stalls that are Limited Common Elements may be (i) divided into equal shares for each stall, (ii) allocated based on a comparison of relative square footage (using actual areas, or estimated areas, or estimated average stall sizes), or (iii) allocated in some other fair and equitable manner determined by the Board from time to time with the consent, during the Development Period, of the Developer.

2) SPECIAL ASSESSMENTS AGAINST OWNERS.

(a) The Association will charge a Special Assessment to an Apartment to pay for all charges, costs and expenses incurred by the Association due to the negligence, misuse or neglect of the Apartment Owner or an occupant of the Owner's Apartment, or any person under either of them. Any Special Assessment charged under this Subsection 8.3B.2)(a) will be secured by the lien of the Association described in Section 8.8.

(b) Despite what Subsection 8.3B.2)(a) says, an Owner will not be liable for the act or neglect of: (i) the Owner of another Vacation Ownership Interest in the Vacation Plan who reserves the use of the Apartment pursuant to the Vacation Plan Documents, or (ii) a person whose use of such Owner's Apartment is arranged through an exchange program, or (iii) any guest or other occupant of a person entitled to use an Apartment in the circumstances described in (i) or (ii), above.

8.4 ASSESSMENTS.

A. WHEN ASSESSMENTS BEGIN. Accounting for Common Expenses for an Apartment will start on the date when the County of Maui issues a temporary or permanent certificate of occupancy for that Apartment. The first installment of Common Expenses will be prorated for each Apartment from the date that the certificate of occupancy is issued. After that, Assessments of Common Expenses will be payable in advance in monthly installments on the first

day of each month, or at any other time that the Board chooses.

B. AMOUNT OF ASSESSMENTS.

1) **REGULAR ASSESSMENT.** Each year the Board will set the amount of the Regular Assessments of Common Expenses for each Apartment based on the budget and the requirements of the Condominium Documents. Until the first Board is elected at the first annual meeting of the Association, the Developer will set the amount of the Regular Assessments. The Board may increase the amount of the Regular Assessments during the year.

2) **SPECIAL ASSESSMENTS.** If for any reason the Regular Assessments for Common Expenses are, or will be, inadequate to pay all Common Expenses, the Board must estimate the shortfall. The Board must then (i) increase the next year's budget, or (ii) charge a Special Assessment. The Board may also charge a Special Assessment in any other circumstances permitted by law or by these Bylaws or the Declaration. For example, the Board may charge a Special Assessment to a single Apartment under Section 8.3B.2).

3) **NOTICE OF ASSESSMENTS.** Any time that the Board increases the Regular Assessment or charges a Special Assessment, it must give written notice of the increase or Special Assessment to each Owner. The notice must state the amount of the increase or of the Special Assessment for the Owner or the Owner's Apartment. The Board must send the notice at least thirty (30) days before the increase or Special Assessment takes effect.

4) **LIMITS ON ASSESSMENTS.** The Board may not exceed its total adopted annual operating budget by more than twenty per cent during the fiscal year to which the budget relates, except in emergency situations. Before it charges or collects an Assessment under this Subsection:

(1) The Board must pass 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

(2) The Board must distribute the resolution to the Members with the notice of Assessment.

The limitations of this Subsection do not apply to an increase in the budget caused when the Developer creates Additional Apartments that are not covered by the budget so long as the Assessments for any Apartment covered by the budget does not increase by more than twenty per cent during the fiscal year covered by the budget.

C. **JOINT BILLINGS.** The Association or Managing Agent may join with any Vacation Owners Association

and/or the Master Association to send a single bill covering assessments due under the Condominium Documents and under the Master Association Documents and/or the Vacation Plan Documents. The Association may permit the Master Association or the Vacation Owners Association to collect the assessments and turn them over to the Association or the Managing Agent provided that they have adequate fidelity insurance or bonds. The Association may also agree with the Master Association or the Vacation Owners Association to act as their agent in collecting amounts due under the Master Association Documents or the Vacation Plan Documents.

D. **TREATMENT OF ASSESSMENTS.** Any part of an Owner's Assessments used or to be used by the Association for Capital Improvements or any other capital expense will be treated as a capital contribution by the Owner. It will be credited by the Association on its books as paid in surplus. It will not be treated as income to the Association or to the Owners.

8.5 HANDLING AND PAYMENT OF ASSOCIATION FUNDS.

A. The funds in the general operating account of the Association must not be commingled with funds of other activities such as lease rent collections and rental operations (except to the extent permitted by §514A-97 of the Condominium Property Act). The Managing Agent must not commingle any Association funds with the Managing Agent's own funds.

B. All funds collected by the Association, or by the Managing Agent, must be deposited, held, transferred, invested, and paid out in accordance with the requirements of the Condominium Property Act.

8.6 **PAYMENT AS AGENT.** Each Owner, as principal, is liable for and must pay his share of the Common Expenses. The amount an Owner must pay will be set in accordance with the Declaration and these Bylaws. Except as otherwise provided in these Bylaws or in the Declaration, on behalf of the Owners the Board will pay all Common Expenses or cause them to be paid. The Board may require the Managing Agent to assist it in these duties. The Board and the Managing Agent will transmit the payments made by the Owners to third persons to whom the payments must be made by the Owner. Neither the Board nor the Managing Agent, however, is liable for payment of Common Expenses as principal but only as the agent of the Owners.

8.7 DUTY TO PAY; INTEREST AND LATE CHARGES.

A. **PERSONAL OBLIGATION TO PAY.** Each Owner is personally obligated to pay, on time, all Regular and Special Assessments charged to the Owner or to his or her Apartment. If an Apartment is owned by more than one

person, each of them will be jointly and severally liable for the Assessments. "Jointly and severally" is a legal term. In general, it means that each Co-Owner of an Apartment is obligated to pay the full amount of the Assessment, not just a share of it. The amount of an Assessment will become the personal debt of the Owner as of the date when it is assessed. By acquiring an Apartment or a Vacation Ownership Interest, an Owner promises to pay all Assessments charged to him or her, or to his or her Apartment.

B. INTEREST AND LATE CHARGES. All sums not paid within thirty (30) days after the due date will be subject to (i) interest at a rate set by the Board or, if no rate is set, then at one percent (1%) per month from the due date until paid; (ii) a late charge not exceeding the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount due. An Owner must also pay all costs of collection and reasonable attorneys' fees.

C. HOW PAYMENTS WILL BE APPLIED. Payments will be applied as the Board provides in the Rules and Regulations. If the Rules and Regulations do not say how payments will be applied, then they will be applied first to legal fees, costs and expenses, then to late charges, then to interest, then to the principal amount of the Assessment.

8.8 ENFORCEMENT.

A. ASSOCIATION LIEN. The Association has a lien on each Apartment for all Assessments charged to that Apartment or to its Owner. This means that the Apartment is collateral for the Owner's obligation to pay Assessments, including late charges, interest, costs of collection and reasonable attorneys' fees. If the Owner fails to pay these amounts, the Association may "foreclose" its lien. This means that the Apartment will be sold and the money from the sale will be used to pay the amounts owed. The Association's lien is prior to all other liens, except only:

1) Liens for taxes and assessments lawfully imposed by governmental authority against the Apartment and which, by law, have priority over the Association's lien, and

2) The lien for sums unpaid (plus costs and expenses including attorneys' fees provided in the Mortgage) on any Mortgage that is recorded before the Association records a Notice of Lien.

B. ASSOCIATION REMEDIES. If an Owner fails to pay any amount assessed to him or her, or to his or her Apartment, then in addition to any other remedies the Board may have, the Board may enforce the obligation to pay those amounts as follows:

1) **FORECLOSURE OF LIEN.** The Board or the Managing Agent, acting on behalf of the Association, may

foreclose the Association's lien in a manner like a mortgage foreclosure. They may do so by filing a lawsuit for foreclosure. They may also foreclose using the non-judicial or power of sale foreclosure procedures authorized by law. The Board or the Managing Agent must give to the Owner at least ten (10) days prior written notice of the Association's intent to foreclose. It must send this notice by registered mail. The Managing Agent, acting on behalf of the Association and as directed by the Board, may bid on the Apartment at the foreclosure sale and may acquire, hold, lease, Mortgage, and convey the Apartment. The Association may offset the Owner's debt against the amount bid at the sale. The Association may also accept a deed of the Apartment to the Association (or to someone else like a trustee holding title for the Association) in place of foreclosure.

2) **SUIT.** The Association may file one or more lawsuits to enforce an Owner's obligation to pay Assessments. The Association may file a lawsuit to recover a money judgment for the unpaid Common Expenses without foreclosing or giving up (in legal terms, "waiving") its lien for those expenses. The Association may not file a lawsuit unless a majority of the Board authorizes it at a regular or special Board meeting. The Board may file the suit on behalf of the Association. The Managing Agent may file the suit on behalf of the Association if the Board authorizes it to do so in writing.

3) **NOTICE OF LIEN.** At any time after an Owner defaults, the Board or the Managing Agent may give a notice to the defaulting Apartment Owner. The notice must state the amount owed and the date when it became due. If this amount is not paid within ten (10) days after the notice is delivered, the Board or the Managing Agent may record a "Notice of Lien" against the Owner's Apartment. The Notice of Lien must be signed and acknowledged by any two (2) or more Directors or officers of the Association, the attorney for the Association, or the Managing Agent. Whether or not a Notice of Lien is recorded, the Board will have all remedies provided in these Bylaws, the Declaration and the Condominium Property Act on account of the default. Each default will be a separate basis for a Notice of Lien. But a single Notice of Lien may cover more than one default, and may include defaults between the date of the Notice of Lien and the date of the sale.

(a) **CANCELLATION OF NOTICE OF LIEN.** On behalf of the Board, any two (2) Directors or officers of the Association or the Managing Agent, will sign, acknowledge and deliver to the Owner a document canceling a Notice of Lien if:

(1) The Board receives payment in full of the amount claimed to be due and owing (including interest, late fees, and any costs of enforcement and attorneys' fees), and

(2) The Owner asks for the cancellation document and pays a reasonable fee for it.

8.9 VACATION OWNERSHIP INTERESTS. If an Apartment is part of a Vacation Ownership Plan, then to the extent permitted by law, the Board may, but does not have to, treat each Vacation Ownership Interest just as if it was a separate Apartment for such purposes as the Board chooses. This means, among other things, that:

A. Each Owner of a Vacation Ownership Interest will be liable only for Assessments charged to the Owner or to his or her Vacation Ownership Interest;

B. Owners of other Vacation Ownership Interests in the same Apartment will be liable only for Assessments charged to their own Vacation Ownership Interest. They will not, however, be jointly and severally liable for Assessments charged to the Owners of other Vacation Ownership Interests in the same Apartment. Co-Owners of a single Vacation Ownership Interest will be jointly and severally liable for all Assessments charged to their Vacation Ownership Interest;

C. Under Section 8.8A, the Association will have a lien on each Owner's Vacation Ownership Interest for the amount of any Assessments charged to that Owner's Vacation Ownership Interest. The lien on one Vacation Ownership Interest will be separate from the lien on any other Vacation Ownership Interest in the same Apartment;

D. The Association may foreclose its lien on one Owner's Vacation Ownership Interest without foreclosing its lien on any other Vacation Ownership Interest in the same Apartment;

E. The Association may file a lawsuit against the Owner of one Vacation Ownership Interest without filing a lawsuit against the Owners of any other Vacation Ownership Interests in that same Apartment; and

F. The Association may file a Notice of Lien on one Vacation Ownership Interest without filing a Notice of Lien on any other Vacation Ownership Interests in that same Apartment.

8.10 WAIVER. In one or more cases, the Board may not insist on strict performance of or compliance with the covenants of an Owner under the Condominium Documents, or may not use some or all of rights and powers that the Board has to enforce compliance. This does not mean,

however, that the Board has given up (in legal terms, "waived") the right to do so. Instead, the covenants of each Owner will remain in full force and effect and the Board will continue to have all of its rights and powers to enforce them despite any failure to do so in the past. Whether or not the Board knows that an Owner has violated the Condominium Documents, it may receive and accept any money paid by the Owner without waiving the Owner's breach. The Board will not be deemed to have waived any provision of the Condominium Documents, expressly or by implication, unless the Board says so in a document that is signed by an officer of the Association who is authorized to do so by a resolution of the Board.

8.11 ASSESSMENT DISPUTES.

A. **STATEMENT OF UNPAID AMOUNTS.** No Apartment Owner may withhold any Assessment claimed by the Association. An Apartment Owner who disputes the amount of an Assessment may request a written statement clearly indicating (1) the amount of Common Expenses included in the Assessment, including the due date of each amount claimed; (2) the amount of any penalty, late fee, lien filing fee, and any other charge included in the Assessment; and (3) the amount of attorneys' fees and costs, if any, included in the Assessment. Upon receipt of such a request, the Association, or the Managing Agent on behalf of the Association, must provide a written statement disclosing this information and anything else required by the Condominium Property Act or the Condominium Regulations.

B. **ASSESSMENT DISPUTES.** An Apartment Owner who pays the Association the full amount claimed by the Association may still contest the Assessment in the manner provided in the Condominium Property Act.

8.12 LIABILITY OF ANYONE WHO ACQUIRES TITLE THROUGH FORECLOSURE. In this Section, "New Owner" means a Lender or anyone else obtains title to an Apartment as a result of the foreclosure of a Mortgage. A New Owner and its successors and assigns are not liable for the share of the Common Expenses or Assessments charged to the Apartment and which became due before the New Owner took title. Instead, those amounts will be Common Expenses collectible from all of the Apartment Owners, including the New Owner and his or her successors and assigns. A New Owner will be deemed to acquire title and is required to pay the Apartment's share of Common Expenses and Assessments beginning at the time stated in the Condominium Property Act or, if not stated, then on the earlier of: (1) thirty-six (36) days after the order confirming the sale to the purchaser has been filed with the court; (2) sixty (60) days after the hearing at which the court grants the motion to confirm the sale to the purchaser; or (3) the date when the deed is recorded.

8.13 LIABILITY FOR UNPAID COMMON EXPENSES.

A. In this Section 8.13, "*Existing Owner*" means the Owner who transfers an Apartment, and "*New Owner*" means the person to whom the Apartment is transferred. If an Apartment is transferred voluntarily, the New Owner will be jointly and severally liable with the Existing Owner for all unpaid Assessments against the Existing Owner for his or her share of the Common Expenses up to the time of the transfer. This does not limit (in legal terms "prejudice") the New Owner's right to recover from the Existing Owner the amounts paid by the New Owner for these unpaid Assessments.

B. Both the Existing Owner and the New Owner have the right to ask the Managing Agent or the Board for a letter listing any unpaid Assessments against the Existing Owner or his or her Apartment. Within twenty (20) days after receiving the request, the Board or the Managing Agent must provide the letter. The letter must state the amount of the unpaid Assessments against the Existing Owner. The New Owner is not liable for, and the Apartment will not be transferred subject to a lien for, any unpaid Assessments against the Existing Owner in excess of the amount stated in the letter except for the amount of any check that is later dishonored and that is mentioned in the letter as having been received within the 30-day period immediately preceding the date of the letter.

8.14 ABANDONMENT OF APARTMENT; DEED TO BOARD.
An Owner cannot avoid liability for Assessments by not using or by abandoning his or her Apartment (or Vacation Ownership Interest) or by giving up (in legal terms, "waiving") his or her rights to use or enjoy the Common Elements. Any Apartment Owner may deed his Apartment and its Common Interest (or his or her Vacation Ownership Interest) to the Association (or to someone else like a trustee holding title for the Association) on behalf of all of the Apartment Owners. The Owner will not be liable for any Common Expenses charged after the deed takes effect.

8.15 TAXES AND ASSESSMENTS.

A. Each Owner (i) must take reasonable steps to see that the government assesses any taxes on his or her Apartment and its Common Interest separately from taxes on other Apartments, and (ii) must pay those taxes. The Owner must do the same thing for any taxes on any personal property or any other interest of the Owner.

B. 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 those taxes or assessments as part of the Common Expenses. Each Owner must pay to the Board his proportionate share of any Assessment by the Board for any such taxes or assessments

paid by the Board; provided that the amount of any lien that results from the act or inaction of the Owner of an individual Apartment may be specially assessed to that Owner in the manner provided in Section 8.3B.2). The Owners must make these payments at the time and in the manner that the Board directs. Any Assessments charged by the Board under this Section 8.15 will be secured by the Association's lien under Section 8.8.

C. Each Owner must sign any documents and take any action that the Board reasonably requires to facilitate dealing with the proper governmental authority regarding taxes and assessments.

8.16 UTILITY EXPENSES.

A. RESORT APARTMENTS.

1) If the cost of utility services to the Resort Apartments and/or their Limited Common Elements are separately metered or check metered, then:

(a) If the utility company provides separate bills for each Apartment and/or its Limited Common Elements, the Owner of an Apartment must pay the bill for his or her Apartment directly to the utility company.

(b) Otherwise, the cost of the utility services to an Apartment and/or its Limited Common Elements will be added to that Apartment's Assessment for Common Expenses.

2) For all utility expenses to the Resort Apartments and/or their Limited Common Elements that are not separately metered or check metered, the Board will allocate a share of the utility expenses to each of the Resort Apartments as a Common Expense. The share for each Resort Apartment will be equal to the total of the cost of the utility service multiplied by this fraction:

The Common Interest of that Apartment

The sum of the Common Interests of all Resort Apartments.

In making this calculation, only Resort Apartments for which Assessments have begun, as provided in Section 8.4A, will be considered.

3) The Board may collect charges for utilities under Subsections 8.16A.1(b) and 8.16A.2) in the same manner as other Common Expense Assessments.

4) If a Limited Common Element is appurtenant to more than one Resort Apartment, their cost of the utility services to that Limited Common Elements will be divided as required by Section 8.3B.1).

B. COMMERCIAL APARTMENTS.

1) The Board may authorize the installation of sub-meters or check meters to determine the actual use of utilities by certain or each of the Commercial Apartments and/or their Limited Common Elements.

2) If the cost of utility services to the Commercial Apartments or their Limited Common Elements are separately metered or check metered, then:

(a) If the utility company provides separate bills for each Apartment and/or its Limited Common Elements, the Owner of an Apartment must pay the bill for his or her Apartment and/or its Limited Common Elements directly to the utility company.

(b) Otherwise, the cost of the utility service to an Apartment or its Limited Common Elements will be added to that Apartment's Assessment for Common Expenses.

3) For all utility expenses to the Commercial Apartments and/or their Limited Common Elements that are not separately metered or check metered the Board will fairly and equitably allocate among the Commercial Apartments the cost of utility services that are not separately metered or check metered based upon estimated consumption and cost of utilities. If the Owner of any Commercial Apartment disputes the Board's allocation, the Owner may require that the matter be submitted to arbitration. If the arbitrator's allocation is not more than ten percent (10%) different from the Board's allocation, then the Owner must pay the costs of the arbitration and the Board's legal fees and costs. Otherwise, the Association must pay the costs of the arbitration and the Owner's legal fees and costs.

4) The Board may collect charges for utilities under Subsections 8.16B.2)(b) and 8.16B.3) in the same manner as other Common Expense Assessments.

C. COMMON ELEMENTS. The cost of utility services for Common Elements is a Common Expense. The Owners will pay this as provided in Section 8.3 for other Common Expenses, subject to the requirements of Section 8.3B.1) with respect to Limited Common Elements.

D. METERED UTILITIES. The Assessments charged to each Apartment will be adjusted as necessary to avoid any duplication of charges for the cost of metered utilities.

8.17 VACATION PLAN. Regardless of what Sections 8.15 and 8.16 say, if any Apartment is included in a Vacation Plan, the Board will collect and pay taxes, assessments and costs of utility services in the same manner as Common Expenses and will continue to do so unless the Vacation

Owners Association asks it not to do so. The Board will do so in this way:

A. All such sums paid for or on account of the Resort Apartments included in the Vacation Plan will be charged to the Owners of those Apartments. The charge for each Owner of a Vacation Ownership Interest will be set according to the formula or method for allocating expenses among Owners of Vacation Ownership Interests stated in the Vacation Plan Documents.

B. All such sums paid for or on account of the Resort Apartments that are not included in the Vacation Plan will be charged to those Apartments. The Owner of each of those Apartments must pay the amounts actually charged to his or her own Apartment in the manner provided in Section 8.16A.

C. All such sums paid for or on account of the Commercial Apartments will be charged to the Owners of the Commercial Apartments. The Owner of each Commercial Apartment must pay the amounts actually charged to its Apartment. To the extent that the taxes or assessments are separately assessed or utility services separately metered or check metered, instead of having the Association collect and pay those amounts, the Board may direct or permit the Owner of a Commercial Apartment to pay those costs in the manner provided in Sections 8.15 and 8.16B.2).

D. If the Board collects and pays charges for taxes, assessments and costs of utilities as provided in this Section 8.17, each Owners' Assessments must be adjusted as necessary to avoid any duplication of charges to the Owners for the cost of taxes separately assessed and utilities that are separately metered or check metered.

8.18 COLLECTION FROM TENANT. An Owner may rent or lease his or her Apartment to someone else (a "tenant"). If an Owner does so and if the Owner is in default for thirty (30) days or more in the paying the Apartment's share of the Common Expenses, then for so long as the default continues, the Board may demand in writing and receive from the Owner's tenant any rent due up to the full amount owed by the Owner to the Association, including interest, if any. Of course, the Association may not demand that the tenant pay more than the amount of rent due from the tenant to the Owner under the lease or rental arrangement. Any amount paid by the tenant under this Section will discharge that amount of payment from the tenant's rent obligation. Even if the Board demands and receives any rent from a tenant, this will not release or discharge (i) any obligations of the Owner remaining unpaid or unperformed, (ii) any other duties of the Owner, or (iii) any rights of the Association under the Condominium Documents. The Board must

comply with the requirements of the Condominium Property Act when exercising its rights under this Section.

8.19 AUDITS. Except as otherwise permitted by the Condominium Property Act, each year the Association must have a public accountant or accounting firm conduct an audit of the Association's financial accounts and at least one (1) unannounced verification of the Association's cash balance. The Association will furnish to the Owners copies of the audit and any other financial statements at the times and in the manner stated in the Condominium Property Act.

8.20 FINANCIAL REPORTS.

A. FINANCIAL STATEMENTS. The Association must prepare and send the following statements to each Owner:

1) **THE BUDGET.** At least 45 and not more than 60 days before the fiscal year starts the Association must send to the Owners the approved budget for that year.

2) **THE ANNUAL REPORT.** The Association must send an annual report to each owner within 120 days after the end of each fiscal year. It must include:

(a) A balance sheet showing the assets, liabilities and net worth of the Association at the end of the fiscal year;

(b) An operating (income) statement for the fiscal year;

(c) A statement of the net changes in the financial condition of the Association for the fiscal year;

(d) The name, mailing address and phone number of each Director; and

(e) Any other information required by the law of any place (for example, another state) where the Project is registered for public sale.

3) **ANNUAL STATEMENT.** Not more than 60 days before the start of each fiscal year, the Association must send to the Owners a statement describing the Association's policies and practices in enforcing its remedies against Owners for defaults in the payment of Regular and Special Assessments of Common Expenses, including recording Notices of Liens and foreclosing the Association's lien against Owners' Apartments or Vacation Ownership Interests. This statement may be mailed with the budget information required in subsection 8.20A.1).

9. MAINTENANCE, REPAIR AND USE

9.1 USE. Subject to the Developer's Reserved Rights and to the provisions of the Declaration:

A. Each Apartment may be used only for the purposes expressly permitted in the Declaration.

1) No matter what else the Condominium Documents say, the Resort Apartments, may be used as time share units in a time share plan or units in a fractional ownership plan if the Developer creates the plan or if the Developer authorizes or otherwise consents to that use in a recorded document.

2) No matter what else the Condominium Documents say, any part of Apartment 101 located in a building containing Resort Apartments (and any Apartments that were originally part of Apartment 101 and that are located in a building containing Resort Apartments) may be configured for use as Resort Apartments and then used as time share units in a time share plan or units in a fractional ownership plan if the Developer creates the plan or if the Developer authorizes or otherwise consents to that use in a recorded document.

B. The Common Elements may be used only for their respective purposes as designed or as described in the Declaration, subject to:

1) The right of the Board to change the use of the Common Elements or to lease or otherwise use the Common Elements for the benefit of the Association. The Board may only do so upon the terms and subject to the limits contained in the Condominium Property Act. See, for example, Section 514A-13(d) of the Condominium Property Act. However, no such lease, use or change in use may be made before the Development Period ends unless the Developer consents to it in writing.

2) The right of the Developer to use, change the use of, or otherwise deal with the Common Elements and Limited Common Elements in the exercise of the Developer's Reserved Rights.

C. Every Owner and occupant must at all times keep his or her Apartment in a strictly clean and sanitary condition and in a condition that is consistent with a first class destination resort.

D. No Owner or occupant may make or suffer any strip or waste or unlawful, improper, or offensive use of his or her Apartment or the Project. No Owner or occupant may alter or remove any furniture, furnishings, or equipment of the Common Elements.

E. All Apartment Owner and occupants must use extreme care to avoid making any noise that will unreasonably disturb the Owners or occupants of other Apartments.

F. No Owner or occupant may throw, place, or keep any refuse, garbage, or trash of any kind on any Common Elements of the Project other than in the trash disposal facilities. All Owners and occupants must comply with any rules adopted by the Association regarding the sorting and disposal of various types of refuse, garbage and trash.

G. These are the rules about having animals in the Project.

1) Definitions:

(a) "Specially trained animals" means certified guide dogs, signal dogs, service animals and other animals specially trained to assist handicapped people.

(b) "Guide dog" has the meaning stated in Section 515-3(8), Hawaii Revised Statutes. The current definition is "any dog individually trained by a licensed guide dog trainer for guiding a blind person by means of a harness attached to the dog and rigid handle grasped by the person." This definition will change as the law changes.

(c) "Signal dog" has the meaning stated in Section 515-3(8), Hawaii Revised Statutes. The current definition is "any dog trained to alert a deaf person to intruders or sounds." This definition will change as the law changes.

(d) "Service animal" has the meaning stated in Section 515-3(8), Hawaii Revised Statutes. The current definition is "any animal that is trained to provide those life activities limited by the disability of the person." This definition will change as the law changes.

2) No livestock, poultry, or other animals of any kind are allowed on or may be kept in any part of the Project except for (i) specially trained animals, or (ii) animals that must be permitted on the Project pursuant to the Americans with Disabilities Act.

3) Regardless of anything else stated in these Bylaws, specially trained animals are permitted on the Project pursuant to Chapter 515, Hawaii Revised Statutes, provided that:

(a) Specially trained animals may not be kept, bred, or used at the Project for any commercial purpose.

(b) Specially trained animals must be kept on a leash when they are on the Common Elements, including but not limited to any recreation areas.

(c) Any specially trained animal causing a nuisance or an unreasonable disturbance to any other occupant of the Project must be permanently removed from the Project promptly after the Board or the Managing Agent gives notice to the person using the specially trained animal. The notice must give the person a reasonable period within which to obtain a replacement specially trained animal. The animal causing a nuisance or disturbance need not be removed before the time stated in the notice unless the Board believes that the animal poses an imminent and serious threat of physical harm to other occupants of the Project.

(d) The Board may from time to time include in the Rules and Regulations reasonable restrictions or prohibitions relating to specially trained animals. Any such restrictions or prohibitions must be consistent with any laws protecting the civil rights of persons using specially trained animals.

H. Nothing may be allowed, done or kept in any Apartment or Common Element of the Project if it would:

1) Overload or impair the floors, walls or roofs.

2) Cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance on the Project maintained by or for the Association unless the Owner of the Apartment agrees to pay the increased cost and the Board approves it.

I. It is intended that the buildings will have a uniform exterior appearance that is consistent with a first class destination resort. To that end, without the prior written consent of the Board, no Owner or occupant (other than the Developer and the Master Association) may do anything that changes the exterior appearance of the Project. For example,

1) No Apartment Owner may tint the windows to his or her Apartment if it may affect the exterior appearance of it.

2) No Owner can install draperies if the exterior side is anything but an unpatterned, uniform white color or any other color and texture approved by a resolution of the Board.

3) Nobody can hang clothing, rugs, or anything else from the windows, lanais, or otherwise on the Project exterior.

4) Lanai furniture visible from outside of an Apartment must meet the design and color standards adopted by the Board.

5) No Apartment Owner or occupant may install or have any electrical or telephone wiring, television or other

antenna, machines, air-conditioning units, or other equipment or accessories of any kind on the exterior of the Project or that stick out of the walls, windows, or roof of the Project.

6) No Apartment Owner or occupant may install awnings, shades, blinds, screens, louvers, or other similar objects on the lanai of any Apartment, or any exhaust vents, wind baffles, or drains.

J. No Owner of a Resort Apartment may paint, resurface, enclose or make any structural modifications, changes, additions or alterations to his or her lanai.

K. No Owner or other occupant of a Resort Apartment may post any advertisement, bill, poster, or other sign on or in the Project. Regardless of anything else stated in this Section 9.1 or elsewhere in these Bylaws (except for Section 9.1H.2), which always applies), the Owner of a Commercial Apartment may, subject to all applicable laws and necessary government approvals:

- 1) Install and display signs in the windows of its Apartment;
- 2) Install and display signs on the exterior side of any boundary wall of its Apartment that faces an interior corridor, lobby, or other common area in the Halekipa Building;
- 3) Conduct its business operations in its Apartment even if they can be seen from outside of the Apartment.

During the Development Period, a Commercial Apartment Owner must get written approval from the Developer before doing any of these things. After the Development Period ends, a Commercial Apartment Owner must get written approval from the Board before doing any of these things.

L. No Owner or occupant may place, store, or maintain on walkways, roadways, grounds, or other Common Elements any furniture, packages, or objects of any kind or otherwise obstruct transit through the Common Elements. This does not prohibit the Owners of the Commercial Apartments from placing goods and other materials on the Common Elements when loading or unloading them, or transporting them from loading docks, loading ramps, or other loading areas, to the Commercial Apartments or to storage areas that are Limited Common Elements appurtenant to one or more Commercial Apartments. Any such loading, unloading, and transportation must be completed promptly.

M. Access to the roofs of the Project is limited to anyone authorized by the Board to perform any necessary inspections, maintenance or repairs on the roofs. The Board

may likewise restrict access to other parts of the Common Elements such as elevator mechanical rooms, electrical equipment rooms, and other areas that would not ordinarily be open to the public in an apartment building or hotel.

9.2 MAINTENANCE AND REPAIR OF APARTMENTS. Except as otherwise provided by law or in these Bylaws or in the Declaration:

A. **OWNERS' RESPONSIBILITIES.** At his or her own expense, an Apartment Owner must maintain and repair his or her Apartment and keep it in good order and condition at all times.

1) This duty includes, for example, the obligation to repair and maintain:

(a) The interior decorated or finished surfaces of all walls, floors, and ceilings of the Apartment, and

(b) All installations for water, electricity, gas, telephone, sewer, sanitation, air conditioning, lights, and all other fixtures and accessories. This applies only to installations, fixtures and accessories that are part of the Owner's Apartment.

2) An Apartment Owner is liable for all loss or damage caused by his or her failure to perform any such work diligently. If the Owner fails to do it after reasonable notice from the Association, the Association may do it. The Association may then charge the cost of doing it to the Owner pursuant to Section 8.3B.2)(a).

B. **DAMAGE TO COMMON PROPERTY.** Every Apartment Owner and occupant:

1) Must reimburse the Association promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage to the Common Elements or any furniture, furnishings, and equipment owned by the Association caused by that Owner or occupant or by any person under either of them (except for normal wear and tear and except for damage caused by an unavoidable accident), and

2) Must give to the Managing Agent notice of any such loss or damage or other defect in the Project promptly after discovering it.

C. **EXTERIOR PAINTING AND REPAIRS.** It is intended that the exterior of the buildings will have a uniform appearance and that the Project will be maintained as a first class destination resort. To that end, the Board alone may arrange for painting or repair of the lanais, lanai ceilings, patios, outside doors, windows, trim, walls, railings and other exterior parts of any buildings, even if they are Limited Common Elements or part of the Apartments. The Board

may also choose the type and color of paint to be used. The Board may assess each Owner for his or her proportionate share of the painting and repairs or the Board may pay for it using the reserve funds. However, the cost of painting and repairs due to negligence, misuse or neglect of an Owner or other occupant, or someone under either of them, may be charged as a Special Assessment pursuant to Section 8.3B.2)(a).

1) This Section does not apply to the Master Association Apartment or to its Limited Common Elements. The Master Association will maintain, repair, and repaint them or arrange for someone else to do so. Until the Development Period ends, however, the Master Association must obtain the written consent of the Developer to any painting or repairs that may change the exterior appearance of the Project.

2) This Section also does not apply to the Limited Common Elements of the other Commercial Apartments to the extent that the Owners of those Commercial Apartments choose to do the painting and repairs themselves as authorized in the Declaration. Until the Development Period ends, however, the Owners of any such Apartments must obtain the written consent of the Developer to any painting or repairs that may change the exterior appearance of the Project.

9.3 MAINTENANCE AND REPAIR OF COMMON ELEMENTS.

A. COMMON ELEMENTS OTHER THAN LIMITED COMMON ELEMENTS. Except as otherwise provided in these Bylaws or in the Declaration, all maintenance, repairs and replacements of Common Elements that are not Limited Common Elements will be made only by or at the direction of the Board. The cost will be charged to all the Owners as a Common Expense.

B. LIMITED COMMON ELEMENTS APPURTENANT TO RESORT APARTMENTS. Except as otherwise provided in these Bylaws or in the Declaration, all maintenance, repairs and replacements of Limited Common Elements appurtenant to the Resort Apartments, whether located inside or outside of the Apartments, will be made only by or at the direction of the Board.

C. LIMITED COMMON ELEMENTS APPURTENANT TO COMMERCIAL APARTMENTS. Except as otherwise provided in these Bylaws or in the Declaration, all maintenance, repairs and replacements of Limited Common Elements appurtenant to the Commercial Apartments, whether located inside or outside of the Apartments, will be made by or at the direction of the Board. Except as otherwise required by law, however, this rule does not apply to Limited Common Elements appurtenant to Commercial Apartments whose

Owners choose to conduct such maintenance, repairs and replacements themselves as authorized in the Declaration.

9.4 ALTERATIONS AND ADDITIONS BY OWNERS.

A. PERMITTED ALTERATIONS. An Apartment Owner may make additions, alterations or improvements solely within his Apartment or within a Limited Common Element appurtenant to and for the exclusive use of his Apartment:

1) At his sole cost and expense,

2) With the approval of the Board in the case of a Resort Apartment or, to the extent required by the Condominium Property Act, in the case of a Commercial Apartment, and

3) In accordance with the requirements of the Declaration and the Condominium Property Act.

B. PROHIBITED ALTERATIONS. Subject to the provisions of the Declaration and the Condominium Property Act, no Owner may, without the prior written approval of the Board (in the case of a Resort Apartment and, to the extent required by the Condominium Property Act, in the case of a Commercial Apartment) and the Developer (until the Development Period ends), make any alteration or addition: (i) to his Apartment that adversely affects the Common Elements or changes the exterior or appearance of the Project; or (ii) to any of the Common Elements including, without limitation, Common Elements within, encompassing or adjacent to his Apartment. Except as otherwise required by law, however, Board approval is not necessary for alterations or additions made to any Limited Common Elements appurtenant to the Master Association Apartment.

C. BOARD APPROVAL. An Owner must not begin work on any alterations, additions or improvements that require Board approval until after:

1) The Owner submits a written request for Board approval. The request must include plans and specifications if the Board asks for them, and

2) The Board (or a subcommittee of the Board) approves the request in writing or the Board is deemed to have approved the request as provided in Section 9.4D.

D. TIME LIMIT FOR BOARD RESPONSE. The Board must respond to a request for approval within sixty (60) days after it receives it. The request will be approved automatically unless, within the sixty-day period, the Board either (i) disapproves the request, or (ii) asks the Owner to make changes. This automatic approval, however, does not apply to work that will affect the Common Elements, the

exterior appearance of the Project or the rights of any other Owner.

E. CONDITIONS TO APPROVAL. The Board may impose reasonable conditions on its approval of any such request. For example, the Board might require (i) changes to the request or the plans, (ii) that the work be supervised by an architect, engineer, or other construction professional, or (iii) that a licensed contractor be used to do any construction.

F. UNAUTHORIZED WORK. The Board may inspect the work from time to time. It may require the removal or correction of any work (i) not authorized by the Board, or (ii) that may adversely affect the Common Elements, the exterior of the Project or the rights of any other Apartment Owner.

G. DEVELOPER'S RESERVED RIGHTS. Despite the requirements of this Section 9.4, the Developer does not need Board approval when exercising the Developer's Reserved Rights.

9.5 ALTERATION OF THE PROJECT. Except for Limited Common Elements to be maintained by the Owners of Commercial Apartments to which they are appurtenant, whenever in the judgment of the Board, the Common Elements need additions or alterations, the Board can make the additions or alterations. Until the Development Period ends, however, the Board may not proceed without the written approval of the Developer. The cost will be a Common Expense, except that the cost of any such work performed on any Limited Common Elements will be charged to the Owners of the Apartments to which the Limited Common Elements are appurtenant.

9.6 OWNER APPROVAL. Alterations, additions, maintenance, repair or replacement of the Common Elements costing, on a C.P.I. Adjusted basis, in excess of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) in any one instance may be made by the Board only after obtaining approval of a Majority of the Owners Voting and, until the end of the Development Period, the Developer. This rule does not apply to additions, alterations, maintenance, repairs or replacements:

A. Required by law or by the Declaration or these Bylaws;

B. Required due to an emergency threatening immediate and substantial damage to person or property;

C. Required to maintain or repair the Project as originally designed or constructed, or in accordance with any changes to the Project previously approved by the Association or required by law;

D. For which replacement reserve funds have been established and at least partly funded; or

E. Made by the Developer when exercising the Developer's Reserved Rights.

9.7 DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights under the Declaration include various rights such as the right: (i) to develop the Project in phases or increments by building New Improvements and creating New Apartments on the Land; (ii) to develop one or more new condominium projects on any Adjacent Parcel; (iii) to merge such new condominium or condominiums with the Project, either by amending the Declaration or through the Declaration of Merger; and (iv) to amend the Condominium Documents, without the consent of anyone else, as necessary to reflect any changes in or additions to the Project made using the Developer's Reserved Rights.

A. To ensure that the quality, integrity, uniformity and value of the Project remains substantially the same at all times before the completion of all increments, phases, or mergers contemplated or permitted by the Declaration, and regardless of any other provisions of these Bylaws, the Developer reserves the following rights as additional Developer's Reserved Rights:

1) Without the prior written approval of the Developer, nobody (including individual Apartment Owners, the Association, the Managing Agent and any employee or agent of any of them) can make any alterations of any kind that affect or may affect the appearance of all or any part of the Project. This rule does not apply to alterations made entirely inside an Apartment if they are not visible from outside of the Apartment and if they are otherwise permitted by the Condominium Documents. Alterations subject to the Developer's approval under this Subsection include for example:

(a) Painting or repainting all or any part of any Apartment (including but not limited to the lanai) or Limited Common Element. This rule does not apply to painting or repainting that is not visible from any vantage point commonly accessible to the public;

(b) Any externally visible cosmetic or structural addition to or deletion from any Apartment, any Limited Common Element or any Common Element; and

(c) Any substantial change in the landscaping of all or any part of the Project. This includes, for example, planting or removing any flowers, shrubs, trees, grass or similar ground cover on the Common Elements. It does not include changes in the landscaping that are not visible from any vantage point commonly accessible to the public.

2) The Condominium Documents may not be amended in any way that changes or otherwise affects the use or ownership of the Commercial Apartments or any Limited Common Element appurtenant to them without the prior written approval of the Developer. This rule does not apply, however, to amendments that only transfer parking stalls among Apartments.

B. The rights reserved in this Section 9.7 shall survive and remain in full force and effect until the Development Period ends.

10. MORTGAGES

10.1 NOTICE TO BOARD. If an Apartment Owner Mortgages his or her interest in an Apartment (or in a Vacation Ownership Interest), he or she must notify the Board of the name and address of the Lender.

10.2 REQUESTS FOR INFORMATION. A holder, insurer or guarantor of a Mortgage may request certain information under this Section 10. To be valid, the request must be made in writing. It must state the holder's, insurer's or guarantor's name and address. It must also state the Apartment number of the Apartment upon which it has, insures or guarantees a Mortgage, and the name of the borrower.

10.3 NOTICE TO LENDER. A holder, insurer or guarantor of a Mortgage on an Apartment or any interest in it may request copies of:

A. Any notice of default given to the Owner of that Apartment or of a Vacation Ownership Interest in it. This would include, for example, a notice of failure to pay of Assessments.

B. Any other notice given to the Owner by the Association.

After the Board receives such a request, it must provide copies of all such notices to the person making the request. The Board may also choose to send copies of some or all of such notices to any Lender even if the Lender does not make a proper request.

10.4 STATEMENT OF UNPAID AMOUNTS. Any holder, insurer or guarantor of any Mortgage may ask the Board for a letter listing any unpaid Assessments against the Apartment or its Owner. Within twenty (20) days after receiving the request, the Board or the Managing Agent must provide the letter. The letter will bind the Association in favor of any holder, insurer or guarantor of any Mortgage who relies on it in good faith except as to the amount of any check that is later dishonored and that is mentioned in the letter as having been received within the 30-day period immediately preceding the date of such statement. The

Board may require payment of a reasonable fee before preparing the letter.

10.5 EXAMINATION OF BUDGETS AND AUDITS. If asked by any holder, insurer or guarantor of any Mortgage of an interest in an Apartment, the Association will provide a copy of its budgets, audited financial statements (including those for the prior fiscal year) and any other such reports prepared in connection with the Project. The Board may require payment of a reasonable fee before providing these materials.

10.6 LENDER PROTECTION. Regardless of anything else stated in the Condominium Documents:

A. The Condominium Documents do not give an Owner or anyone else priority over the rights of any Lender under its Mortgage in the case of a distribution to the Owner of insurance or condemnation proceeds; provided, however, that this does not change the provision of the Declaration allocating proceeds as between the Developer and the Owners with respect to the Developer's right to compensation or damages paid on account of loss of the Developer's Reserved Rights.

B. No amendment to this Section 10.6 will affect the rights of any Lender whose Mortgage is recorded before the amendment unless the Lender signs or approves (in legal terms, "joins in") the amendment.

10.7 REQUEST FOR NOTICE. A holder, insurer, or guarantor of a first Mortgage may ask the Association for written notice of any proposed action that requires the consent of certain Lenders or a percentage of certain Lenders. After the Board receives such a request, it must provide the notice requested whenever action requiring Lender consent is proposed.

10.8 RELEASE OF INFORMATION. The Board may provide any information available to it pertaining to an Apartment or the Project or a Vacation Ownership Interest to the any Lender having a Mortgage on that Apartment or Vacation Ownership Interest. Any Lender may provide any information to the Board regarding the borrower, the borrower's loan and the status of the loan.

11. ASSOCIATION RECORDS.

11.1 PROJECT DOCUMENTS. The Association must keep at the Managing Agent's office an accurate copy of the Declaration, these Bylaws, the Rules and Regulations, the Declaration of Merger, a sample original Apartment Deed, a sample original Vacation Ownership Deed, and all public reports and any amendments to them. The Managing Agent must provide copies of those documents to Owners, prospective purchasers and their agents during normal

business hours, upon payment to the Managing Agent of a reasonable charge to defray any administrative or duplicating costs. If the Project is not managed by a Managing Agent, then these requirements must be handled by a person or entity, if any, employed by the Association, to whom this function is delegated.

11.2 DOCUMENTS FOR DIRECTORS. The Association, at its own expense, must provide to all Directors a current copy of the Declaration, these Bylaws, the Rules and Regulations, the Declaration of Merger and, annually, a copy of the Condominium Property Act with amendments. If the Project is merged pursuant to the Declaration of Merger, the Association, at its own expense, must also provide all Directors with a current copy of the condominium declaration, bylaws, and rules and regulations of any condominium project merged with the Project.

11.3 MEMBERSHIP LIST.

A. THE ASSOCIATION MUST KEEP A LIST. The resident manager or Managing Agent or Board must keep an accurate and current list of names and addresses of the Members of the Association. The list must include, among others, anyone who is buying an Apartment or Vacation Ownership Interest under any agreement of sale. It must also include the names and addresses of each Lender whose name and address is furnished to the Association. The list will be maintained at a place designated by the Board.

B. THE DEVELOPER'S RIGHTS. The Developer has certain important reasons for wanting to protect the list of Owners. For example, the list of Members is also the list of the Developer's customers. In addition, the Developer intends to develop a Vacation Ownership Plan in the Project. The Vacation Owners Association is governed by Chapter 415B, Hawaii Revised Statutes. That law contains certain provisions intended to protect the list of Members. The Developer wants to insure that these requirements are not circumvented, especially for commercial reasons by a competitor of the Developer. For these and other reasons, the Developer is expressly declared to be an intended third party beneficiary of this Section 11.3. This means that this Section 11.3 is intended to protect the Developer and that the Developer can enforce it.

C. RELEASE OF LIST.

1) The Association will make the list of Members available, at cost, to any Apartment Owner who asks for it, provided that despite anything else stated in the Condominium Documents, the Association will not furnish the list of Members or any copy of it, or any other documents from which a membership list may be compiled, nor allow anyone to inspect or make copies or extracts of the

list or any other documents from which a list may be compiled, until after each of these conditions is satisfied:

(a) The person requesting the list must furnish to the resident manager or Managing Agent or Board a duly executed and acknowledged affidavit stating that (i) the list will be used by that Owner personally and only for the purpose of soliciting votes or proxies or providing information to other Owners with respect to Association matters, and (ii) the list will not be used by that Owner or furnished to anyone else for any other purpose.

(b) The person requesting the list satisfies any other conditions to obtaining the list contained in the Condominium Property Act.

(c) All other lawful conditions adopted by the Board pursuant to Section 11.4F have been fully satisfied.

(d) The Board gives written notice of the request to the Developer. The notice must include (i) the name and address of the person requesting the list; (ii) a copy of the request for the list and any related documentation; and (iii) a copy of the affidavit submitted pursuant to Section 11.3C.1(a). The Board must give this notice to the Developer promptly after receiving the Owner's affidavit and request for the list.

(e) At least ten days have passed since the Developer received the Association's notice and the Developer has not given the Association a written notice objecting that the affidavit is improper or that the requirements of the Condominium Property Act or this Section 11.3C have not been fully satisfied.

(1) If the Association or the Member contests the Developer's objection, then the matter will be decided by appropriate legal proceedings. In such a case, the Association will not release the list until the appropriate legal authorities order it to do so.

2) If the person requesting the list or inspection is not a competitor of the Developer then the Association will furnish the list to the Member, or permit the Member to inspect the records requested, after each of the requirements of these Bylaws are met.

3) If the person requesting the list or inspection is a competitor of the Developer and each of the requirements of these bylaws are met, then unless the law requires something else, the Association will furnish the list in this way (and only in this way): The Association will provide the list in the form of mailing labels directly to a company providing mailing services chosen by the person requesting the list. The company providing mailing services: (a) cannot be a competitor; and (b) must provide to the Developer the company's written promise to the Developer that it will not:

(a) Use the list for any purpose except for the mailing;

(b) Provide a copy of the list to anyone else, including but not limited to the competitor; and

(c) Allow anyone else to inspect or make copies of or extracts from the list.

4) A "competitor" is a person who is:

(a) the developer of a time share plan or fractional ownership plan except a plan developed by the Developer or a related company;

(b) any marketer or sales agent of such a time share plan or fractional ownership plan (including but not limited to any OPC);

(c) the manager of such a time share plan or fractional ownership plan;

(d) an exchange company other than the Club or the Network;

(e) any other company competing with the Developer in the time share business or the fractional ownership business;

(f) any officer, director, agent, employee, independent contractor, partner, co-venturer, attorney, or affiliate of anyone listed in Subsections (a) through (e); or

(g) a person who is collaborating with anyone listed in Subsections (a) through (f).

D. OWNERS' DEEDS, MORTGAGES, ETC.

1) Each Owner must promptly:

(a) Record the deed or other document conveying the Apartment or Vacation Ownership Interest to him or her,

(b) Record any Mortgage of his or her interest in his or her Apartment, and

(c) File a copy of those documents with the Board.

2) Anyone who sells an Apartment or a Vacation Ownership Interest using an agreement of sale must promptly record the agreement of sale and file a copy of it with the Board.

3) Each Apartment Owner, each seller and each buyer under an agreement of sale, and each Lender must promptly notify the Board of any changes in his, her or its

address. The Association does not have to change its membership list unless and until the Board receives satisfactory evidence of a person's interest in the Project. A current title report or a recorded copy of an apartment deed, a deed of a Vacation Ownership Interest, or a Mortgage are examples of satisfactory evidence.

4) During the Development Period, the Board must provide to the Developer a clear and readable copy of all documents and information that it receives pursuant to this Subsection 11.3D within seven (7) days after the Board receives it.

11.4 MINUTES AND RECORDS; EXAMINATION.

A. CURRENT FINANCIALS AND BOARD MINUTES. The Association's most current financial statements and minutes of the Board of Directors' meetings, once approved, will be available to any Owner at no cost on twenty-four (24) hour loan, at a convenient location designated by the Board.

B. MINUTES. Minutes of all meetings will be available within seven (7) calendar days after approval, and unapproved final drafts of the minutes of a meeting will be available within sixty (60) days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session. Minutes of meetings of the Board and the Association for the current and prior year will be available for examination by Apartment Owners at convenient hours at a place designated by the Board. Minutes of meetings must include the recorded vote of each Board Member on all motions except motions voted on in executive session. If notice of a Board meeting was properly given but a Director is absent, the minutes must say so. Copies of meeting minutes will be provided to any Apartment Owner upon the Owner's request provided that the Owner pays a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

C. FINANCIAL RECORDS. Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers (or other comparable lists or schedules), insurance policies, contracts and invoices of the Association for the current and prior year and delinquencies of ninety (90) days or more will be available for examination by the Apartment Owners at convenient hours at a place designated by the Board; provided that:

1) The Board must require the Apartment Owners to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interest of the Association or its Members or both; and

2) The Apartment Owners pay for administrative costs in excess of eight hours per year.

Copies of these items will be provided to any Apartment Owner upon such Owner's request, provided that the Owner pays a reasonable fee for duplicating, postage and stationery and other administrative costs associated with handling the request.

D. VOTING RECORDS. The Apartment Owners have the right to view proxies, tally sheets, ballots, Owners' check-in lists and the certificate of election for a period of thirty (30) days following any meeting of the Association; provided that:

1) The Board must require Owners to furnish the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interest of the Association or its Members or both; and

2) The Owners pay for administrative costs in excess of eight hours per year.

Proxies and ballots may be destroyed following the thirty-day period. Copies of tally sheets, Owners' check-in lists and the certificate of election from the most recent meeting of the Association will be provided to any Apartment Owner upon such Owner's request, provided that the Owner pays a reasonable fee for duplicating, postage, stationery and other administrative costs associated with handling such request.

E. OTHER RECORDS. Owners may file a written request with the Board to examine other documents. The Board must give written authorization or written refusal with an explanation of the refusal within thirty (30) calendar days of receipt of the request.

F. PROTECTION OF ASSOCIATION INFORMATION. To the extent permitted by law, the Board may establish reasonable additional requirements and conditions to the inspection by Owners (including Directors) of the list of Owners or to furnishing information from the register or other books, papers or records of the Association especially when that information might be used to compile a list of Owners. For example, the Board may set rules governing (1) when notice must be given to the Association or Managing Agent by the person desiring to inspect the Association's records, (2) hours and days of the week when an inspection may be made, (3) payment of the cost of reproducing copies requested by the party making the inspection, to the extent not specified elsewhere in these Bylaws, and (4) the posting of a bond.

11.5 RECORDS; EXAMINATION; DISPOSAL

A. RECEIPTS, EXPENDITURES, AND DELINQUENCIES. The Managing Agent or Board must keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. The Managing Agent or Board must also keep monthly statements indicating the total current delinquent dollar amount of any unpaid Assessments for Common Expenses.

B. LOCATION OF RECORDS. All records and the vouchers authorizing the payments and statements will be kept and maintained at the address of the Project, or elsewhere within the State of Hawaii as the Board chooses. The records may be kept and maintained on paper or in electronic, magnetic, or other form accessible using electronic data processing equipment.

C. DISPOSAL OF RECORDS. The Managing Agent may dispose of records of the Association at the times and under the conditions stated in the Condominium Property Act or, if it does not address it, then at the times and under the conditions that the Board chooses.

11.6 REQUIRED NOTICE PRIOR TO ASSESSING COSTS. Notwithstanding any provision of these Bylaws to the contrary, no Owner who requests legal or other information from the Association, the Board, the Managing Agent, or their respective employees or agents, shall be charged for the cost of providing the information unless the Association notifies the Owner that it intends to charge the Owner for the cost. The Association shall notify the Owner in writing at least ten (10) days prior to incurring the cost of providing the information, except that no prior notice shall be required to assess the cost of providing information on delinquent assessments or in connection with proceedings to enforce the law or the Association's governing documents. After being notified of the cost of providing the information, the Owner may withdraw the request, in writing. An Owner who withdraws a request for information shall not be charged for the cost of providing the information.

12. GENERAL PROVISIONS

12.1 WHO CAN SIGN CHECKS AND SO ON. All checks, drafts or other orders for payment of money, notes, or similar documents issued by or payable to the Association must be signed or endorsed as stated in a resolution adopted by the Board. If no resolution is adopted, they must be signed by any two of the President, Vice President, Secretary or Treasurer. The same rule applies to signing and delivering other documents authorized by the Condominium Documents or by action of the Board or the Association.

12.2 WHO CAN SIGN CONTRACTS AND OTHER DOCUMENTS. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or sign any document for the Association. This authority may be general or it may be limited to specific things. Unless authorized by the Board, no officer, agent or employee has any power or authority to bind the Association or to pledge its credit or to make it liable for any purpose or for any amount.

12.3 RIGHT OF ACCESS. The Association has the right and an easement to enter any Apartments and/or Limited Common Elements, if any, from time to time as authorized by law and/or by the Declaration.

12.4 AMENDMENT.

A. AMENDMENT BY VOTE OR WRITTEN CONSENT. Except as otherwise provided in these Bylaws or by law, these Bylaws may be amended in any respect consistent with law and the Declaration by the vote or written consent of sixty-five percent (65%) of all Apartment Owners, provided that:

1) These Bylaws must always include each item required by the Condominium Property Act to be stated in these Bylaws;

2) No amendment to these Bylaws that increases the obligations of an Owner of a Commercial Apartment or directly affects the use of a Commercial Apartment or its Limited Common Elements will be effective without the consent of the Owner of that Commercial Apartment; and

3) Regardless of anything else stated the Condominium Documents, no amendment to the Condominium Documents that changes, terminates, or otherwise adversely impacts any of the Developer's Reserved Rights, or any other rights of the Developer under the Condominium Documents, will be effective unless the Developer signs it and it is recorded.

B. DEVELOPER'S RESERVED RIGHTS TO AMEND. Despite what Section 12.4A says, the Developer acting alone has the right to amend these Bylaws at the times and under the circumstances stated in the Declaration. Those rights are some of the Developer's Reserved Rights.

C. RECORDING. An amendment to these Bylaws will take effect only after (i) it is signed by the proper officers of the Association and/or by the Developer, as required in these Bylaws or in the Declaration, and (ii) it is recorded.

D. PROPOSAL OF AMENDMENTS. Any proposed amendment to these Bylaws with the rationale for such

proposal may be submitted by the Board or by a volunteer Apartment Owners' committee. If submitted by the volunteer Apartment Owners' committee, it must be accompanied by a petition signed by not less than twenty-five percent (25%) of the Apartment Owners as shown in the Association's records of ownership maintained by the Board as provided in Section 11.3. The proposed amendment, the rationale, and the ballots for voting on the amendment must be mailed by the Board to the Apartment Owners at the Common Expense of the Association for vote or written consent without change within thirty (30) days after the Board receives the petition. Whether submitted by the Board or a volunteer Apartment Owner's committee, the vote or written consent required to adopt the proposed amendment to these Bylaws will be sixty-five percent (65%) of all Apartment Owners and the vote or written consent must be obtained within three hundred sixty-five (365) days after mailing. Any such proposed amendment shall also be subject to the limitations set forth in Section 12.4A. If the proposed amendment is duly adopted, then the Board must record the amendment. The volunteer Apartment Owners' committee cannot submit a petition for a proposed amendment to these Bylaws that is substantially similar to the amendment previously mailed to the Apartment Owners within one (1) year after the original petition was submitted to the Board. This Section 12.4D does not preclude any Apartment Owner or voluntary Apartment Owners' committee from proposing any amendment to these Bylaws at any annual meeting of the Association.

E. RESTATEMENT OF BYLAWS. No matter what else the Condominium Documents say, the Association has the authority under the Condominium Property Act:

1) To restate these Bylaws and all amendments to them; and

2) To amend these Bylaws as required to conform with the provisions of the Condominium Property Act or any other law or regulation adopted by a governmental authority.

The Association may do this if the Board adopts a resolution authorizing it. No other vote of the Association is necessary. No restated or amended Bylaws will be effective unless they are recorded.

12.5 NOTICE. Except as otherwise expressly provided in these Bylaws, all notices must be given as follows:

A. Notice to the Association must be given to each Director. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed, faxed or delivered to the Board Members at their addresses as shown on the membership list, or to any other address that the Board designates by notice to all Owners and Lenders.

B. Notice to an Owner may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed, faxed or delivered to his or her address as it is shown on the membership list.

C. Notice to a Lender or to an insurer or guarantor of a Mortgage may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed, faxed or delivered to their address as it is shown on the membership list, or to any other address that they designate by notice to the Board.

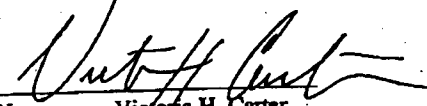
D. All notices must be in writing. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Association's records. Regardless of the prior two sentences, notices of addresses and changes of addresses will be deemed given only when they are actually received.

12.6 CAPTIONS. The Developer has tried to divide these Bylaws into useful Sections and to provide captions describing each Section. The captions are here for convenience only. They do not completely or adequately explain each Section or the entire document. Owners must read with care each and every part of these Bylaws, not just the captions.

12.7 PRONOUNS. Pronouns (for example, "his" or "her") used in these Bylaws include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

The Developer signed these Amended and Restated Bylaws of the Association of Apartment Owners of Ocean Resort Villas on the 6 day of August, 2003, on behalf of itself and also as attorney-in-fact for the Association, all Owners, their Lenders, and all other Interested Persons pursuant to (a) the Developer's Reserved Rights in the Original Declaration, (b) the provisions of Section 12.4B of the Original Bylaws, and (c) the powers of attorney contained in Section 28.3 of the Original Declaration and the deed of each Vacation Ownership Interest.

SVO PACIFIC, INC.

By 
Name: Victoria H. Carter
Title: Vice President

12.8 INTERPRETATION. The provisions of these Bylaws will be interpreted to carry out the purpose of creating a uniform condominium complex in which the Apartment Owners operate, maintain, and pay the costs of the Project for their mutual benefit.

12.9 EFFECT OF INVALID PROVISIONS.

The provisions of these Bylaws are "severable". This means that if any part of them is not legal or valid, that part can be ignored. But the rest of these Bylaws will remain in effect and everyone must obey them.

STATE OF FLORIDA)

) ss:

COUNTY OF ORANGE)

On this 6th day of August, 2003, before me personally appeared VICTORIA H. CARTER, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Cynthia M. Keene
Name: Cynthia M. Keene

Notary Public, State of Orange
My Commission expires: 11/11/2006



EXHIBIT A

(To Bylaws of Association of Apartment Owners of Ocean Resort Villas)

All of that certain parcel of land situate at Hanakaoo and Honokowai, Kaanapali, Lahaina, District of Lahaina, Island and County of Maui, State of Hawaii, described as follows:

LOT 98, area 13.998 acres, as shown on map 86, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1744 of Pioneer Mill Company, Limited.

Saving and Excepting the portion thereof lying seaward of the debris line.

Together with a perpetual nonexclusive easement for access of vehicular and pedestrian traffic and for underground utility to and from Honoapiilani Highway over and across Lot 34, area 1.428 acres, as shown on Map 7, as set forth by Land Court Order No. 110015 and Land Court Order No. 138359, and also set forth in that certain Grant of Easement and Covenant to Share Costs dated December 6, 2000, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2668971.

Being the real property conveyed to SVO PACIFIC, INC., a Florida corporation, by Warranty Deed dated December 6, 2000, filed December 6, 2000, in the Office of the Assistant Registrar of the Land Court, as Document No. 2668968, and noted on Transfer Certificate of Title No. 569,700.

Being the land described in the Transfer Certificates of Title listed in Exhibit 1 to this Exhibit A.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. Reservation of all mineral or metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 29, 1960, as contained in that certain instrument dated January 29, 1960, recorded in the Office of the Registrar of Conveyances in Book 3822, page 37.
3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
4. Designation of Easement "42", for road, utility and pedestrian purposes, as shown on Maps 15 and 74, as set forth by Land Court Order No. 29190, filed November 7, 1968.
5. Easement dated March 9, 1970, filed as Document No. 498923 for a right of way over

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Easement "42".

6. Subdivision Agreement (Large Lots) dated August 6, 1990, filed August 20, 1990, as Land Court Document No. 1756822, and recorded August 20, 1990, as Document No. 90-127827.
7. Private Water System Agreement dated October 2, 1991, recorded October 7, 1991, as Document No. 91-136263 as amended by Amendment to Agreement dated October 14, 1992, recorded October 20, 1992, as Document No. 92-169921 (Not noted on Transfer Certificate of Title No. 569,700).
8. Restriction of Access Rights, as shown on Maps 2 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
9. A 40 foot Building Setback, as shown on Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
10. Designation of Easement "172" (area 4,432 square feet), for sewer force purposes, as shown Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
11. Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions, (North Beach Shoreline Setback Area) dated December 29, 1998 (effective December 14, 1998), filed January 13, 1999, as Land Court Document No. 2513420, and recorded January 13, 1999, as Document No. 99-005138, as amended by instrument dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668965, and recorded December 6, 2000, as Document No. 2000-170916.
12. Designation of Easement "246" (area 1.072 acres), for roadway (bikeway and trolley included) and utility purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
13. Designation of Easement "247" (area 2.057 acres), for shoreline setback purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
14. Designation of Easement "248" (area 0.252 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
15. Designation of Easement "250" (area 0.037 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
16. Designation of Easement "251" (area 0.262 acre), for wetland purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
17. Designation of Easement "252" (area 0.387 acre), for slope preservation, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

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18. Restriction of Vehicular Access Rights, as shown on Map 86, as set forth by Land Court Order no. 138359, filed May 8, 2000.
19. Reservations of the State of Hawaii, as set forth in Land Court Order No. 138359, filed May 8, 2000, including matters relating to the following: (a) Claims, if any, of native tenants, (b) Claims, if any, to any historic, religious and archaeological sites, (c) Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted; (d) Claims, if any, to waters having their source upon or flowing under the parcels.
20. Encroachments shown on survey map dated May 17, 2000, prepared by James R. Thompson, Licensed Professional Land Surveyor.
21. Declaration of Covenants, Conditions, Easements and Restrictions for Ka'napali North Beach dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917. Designation of Successor Declarant and Assignment of Declarant's Rights and Interest, dated December 21, 2000, filed February 20, 2001, as Land Court Document No. 2684122, and recorded February 20, 2001, as Document No. 2001-022804. Designation of Successor Declarant and Assignment of Declarant's Rights and Interests Under Declaration of Covenants, Conditions, Easements and Restrictions for Ka'napali North Beach dated January 28, 2003, filed January 28, 2003, as Land Court Document No. 2885398, and recorded January 28, 2003, as Document No. 2003-015949.
22. Grant of Easement and Agreement (Roadway and Utility Purposes) dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668969.
23. Easement dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668970 for roadway, bikeway, pedestrian and utility purposes.
24. Grant of Easements and Covenants to Share Costs (Roadway Lot 34 -Lots 98 and 101) dated December 6, 2000, filed December 6, 2000, as Land Court Document No. 2668971.
25. Unilateral Declaration of Restrictions; Joinder Agreement (North Beach Unit Count and Drainage), dated February 15, 2001, filed February 16, 2001, as Land Court Document No. 2683897, and recorded February 16, 2001, as Document No. 2001-022448.
26. Declaration of Restrictions (Unit Count), dated February 15, 2001, filed March 8, 2001, as Land Court Document No. 2688326, and recorded March 8, 2001, as Document No. 2001-032604.
27. Designation of Easement "261", as shown on Map 87, as set forth by Land Court Order No. 142094, filed May 25, 2001.
28. Declaration of Merger of Condominium Phases of Ocean Resort Villas dated August 28,

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2001, filed August 31, 2001, as Land Court Document No. 2734237.

29. Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, filed August 31, 2001, as Land Court Document No. 2734238, as amended by that certain First Amendment to Declaration of Condominium Property Regime of Ocean Resort Villas, dated March 12, 2003, and filed as Land Court Document No. 2920781, and as further amended by that certain Amended and Restated Declaration of Condominium Property Regime of Ocean Resort Villas, dated and recorded concurrently herewith (Project covered by Condominium Map No. 1431, as amended by said Amended and Restated Declaration of Condominium Property Regime of Ocean Resort Villas).
30. Declaration of Ocean Resort Villas Vacation Ownership Plan dated September 14, 2001, filed September 18, 2001, as Land Court Document No. 2737947, as affected by that certain Ocean Resort Villas Declaration of Annexation dated September 13, 2002, filed October 21, 2002, as Land Court Document No. 2852617.
31. Amended and Restated Declaration of Condominium Property Regime of Ocean Resort Villas dated and filed concurrently herewith.

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STATE OF FLORIDA
ASSISTANT CLERK OF THE DISTRICT COURT
COUNTY OF DADE
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Charles E. Pear, Jr.
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Five Waterfront Plaza, 4th Floor
Honolulu, Hawaii 96813
Phone No. (808) 529-7300

This document contains 18 pages.

Tax Map Key: 2nd Div., 4-4-14-3

DECLARATION OF MERGER OF CONDOMINIUM PHASES
OF
OCEAN RESORT VILLAS

THIS DECLARATION OF MERGER OF CONDOMINIUM PHASES OF OCEAN RESORT VILLAS is made by SVO PACIFIC, INC., a Florida corporation (the "Developer"), whose principal place of business and post office address is 8801 Vistana Centre Drive, Orlando, Florida 32821-6353.

INTRODUCTION

- A. The Developer is the owner in fee simple of the land described in Exhibit "A" which is attached to and is part of this document.
- B. The Developer intends to construct or place certain buildings and other improvements on that land.
- C. The Developer intends to establish a condominium that consists of the land and the improvements on it. The name of the project is Ocean Resort Villas.
- D. The Developer has the right to subdivide certain parts of the land and to withdraw it from the Ocean Resort Villas condominium. It may then develop one or more separate condominium projects on the withdrawn land. It may then merge those projects with the Ocean Resort Villas condominium.
- E. The Developer also has an option to buy a neighbor parcel (Lot 101, as shown on Map 86 of Land Court Application No. 1744). If the Developer buys that parcel, it may: (1) subdivide it into one or more parcels, (2) develop a condominium project on it or on one or more parcels into which it may be subdivided, and (3) merge any of those condominium projects with the Ocean Resort Villas condominium.

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1. DEFINITIONS.

When used in this Declaration, the following terms will have the following meanings unless the context clearly indicates otherwise:

1.1 “ADJACENT PARCEL” means:

A. Any part of the land described in Exhibit “A” that the Developer has deleted from the Project using its rights to do so in the Declaration of Condominium Property Regime for the Project, and

B. All or any part of Lot 101 as shown on Land Court Map 86, of Land Court Application 1744 filed by Pioneer Mill Company, Limited. If that lot is subdivided into separate lots, each of them will be an “Adjacent Parcel, whether or not they are each physically adjacent to the Project.

1.2 “APARTMENT” means any “Apartment” (as defined by the Condominium Property Act) in any Phase.

1.3 “APARTMENT OWNER” or “OWNER” means the person or persons who own a condominium apartment in any Phase.

1.4 “COMMON ELEMENTS” means all parts of a Phase except the Apartments. Some Common Elements, called “Limited Common Elements”, may be used only by the Owners of certain Apartments.

1.5 “CONDOMINIUM DOCUMENTS” means, for each Phase, the following documents and any changes and additions properly made to them from time to time:

A. “CONDOMINIUM DECLARATION” means the Declaration of Condominium Property Regime or similar document creating a Phase as a condominium project.

B. “CONDOMINIUM BYLAWS” means the Bylaws of the condominium owners association of a Phase.

C. “CONDOMINIUM RULES” means any rules and regulations adopted by the condominium owners association of a Phase.

D. “CONDOMINIUM MAP” means the recorded drawings designated in the Condominium Declaration as the Condominium Map.

1.6 “CONDOMINIUM PROPERTY ACT” means the Hawaii Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, and any changes to it. If that law is replaced, then “Condominium Property Act” will mean the substitute or replacement law. If the State of Hawaii adopts the Uniform Common Interest Ownership Act or any other law that permits condominium projects to choose to be governed by that law, and if the Project chooses to do so, then the term “Condominium Property Act” will mean that law, as amended from time to time, or any substitute or replacement for that law.

1.7 “DECLARATION” means this document and any changes and additions properly made to it.

1.8 “DEVELOPER” means SVO Pacific, Inc., a Florida corporation. If the Developer transfers some or all of its rights to another person as provided by Section 4.3, then that person will become the “Developer” to the extent of the rights transferred.

1.9 “DEVELOPER’S RESERVED RIGHTS” means all rights reserved to the Developer in this Declaration. For example, see the description of the Developer’s Reserved Right to Merge Phases contained in Sections 3 and 4, to add or remove property from the operation of this Declaration as described in Section 5, and so on.

1.10 “DEVELOPMENT PERIOD” means the period starting on the date that this Declaration is recorded and ending on the earlier of (i) December 31, 2019, or (ii) the date when the Developer records a document giving up all of the Developer’s Reserved Rights under this Declaration.

1.11 “INTERESTED PERSON” means any person who has any interest in the Land or who has the right to use the Land or any part of it. For example, it includes (i) each Owner, each Lender, and anyone who rents or leases an Apartment in a Phase on the Land, and (ii) anyone who has the right (in legal terms, an “easement”) or who has permission to use any Phase or any part of it.

1.12 “LAND” means the real property described in Exhibit “A” and any appurtenances to it. If the Developer annexes any Adjacent Parcel using its rights in Section 5.1, then the term “Land” will include both the Land just before the annexation plus the Adjacent Parcel annexed. If the Developer removes any part of the Land using its rights in Section 5.2, then the term “Land” will not include any part of the Land that is removed.

1.13 “LENDER” means the mortgagee of a recorded mortgage on the Land or on an Apartment or a time share interest in any Phase. It also includes the beneficiary of a deed of trust recorded against an Apartment or a time share interest.

1.14 “MERGE” and “MERGER” refer to the merger of two or more Phases for administrative purposes. A Merger permits two or more separate condominium projects to be used and managed as though they were a single project.

1.15 “MERGED PROJECT” means two or more Phases that have been Merged for administrative purposes as provided by this Declaration.

1.16 “PHASE” means any condominium project created on the Land.

1.17 “PHASE I DECLARATION” means the Declaration of Condominium Property Regime for the Project. It will be recorded at the same time as this Declaration.

1.18 “PROJECT” means the Ocean Resort Villas condominium project.

1.19 “RECORD”, “RECORDED”, “RECORDING”, and similar terms mean recorded in the Land Court. Hawaii law may be changed to require that deeds, mortgages, amendments to this Declaration, the Condominiums Documents, or other documents, be recorded in the Bureau of Conveyances. After any such law takes effect, “record”, “recorded”, “recording”, and similar terms will mean and refer to recording in the Bureau to the extent provided by the change in the law.

A. **“BUREAU”** means the Bureau of Conveyances of the State of Hawaii.

B. **“LAND COURT”** means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

2. SUBMISSION TO THIS DECLARATION.

By signing and recording this Declaration the Developer declares that the Land is subject to this Declaration. In legal terms:

- ❖ The Developer submits to this Declaration all of its estate, right, title and interest in and to the Land;
- ❖ The Land will be held, conveyed, used, leased, rented, mortgaged, encumbered, occupied, and improved subject to the declarations, covenants, conditions, easements, restrictions and other provisions contained in this Declaration (the “CC&Rs”);
- ❖ The CC&Rs are declared and agreed to be in furtherance of a plan for the possible subdivision and development of the Land, and the merger of any condominium projects located on the Land, all in accordance with section 514A-19 of the Hawaii Revised Statutes, as amended;

- ❖ The CC&R's are adopted and intended to enhance and perfect the value, desirability and attractiveness of the Land and every part of it;
- ❖ The CC&R's are "covenants running with the land and equitable servitudes". They will be binding on the Land. They will also be binding on, and are intended to benefit (i) the Developer and anyone else who has or who acquires any right, title or interest in the Land or any part of it, now or in the future, and (ii) anyone who, by law or by agreement, stands in any of their places. (In legal terms such people are called "heirs," "deviseses", "personal representatives," "successors" and "assigns.")

3. MERGER OF PHASES.

3.1 DEVELOPER'S RESERVED RIGHTS. The Developer has and reserves the absolute right to Merge any Phase with any other Phase or Phases.

3.2 LIMITS ON DEVELOPER'S RESERVED RIGHTS. The Developer can Merge Phases without the consent or approval of anyone else at any time before the Development Period ends. After the Development Period ends, a Merger may occur only if it is approved by the vote or written consent of Apartment Owners owning at least 65% of the total common interest of each Phases to be Merged.

3.3 STEPS TO EFFECT A MERGER. Subject to the limits stated in Section 3.2, a Merger will take effect when each of the following events has occurred:

A. DECLARATION AND CONDOMINIUM MAP. For each Phase to be merged, the Developer must record a Condominium Declaration, a Condominium Map and any other Condominium Documents that the Condominium Property Act requires to be recorded. Each Condominium Declaration must be substantially similar to the Phase I Declaration except for the physical description of the Phase, the Apartments and Common Elements, the percentage of common interest appurtenant to each Apartment in the Phase, and except for differences due to changes in the law.

B. CONSTRUCTION. The Apartments and Common Elements described in the Declarations of Condominium Property Regime for each Phase to be merged must have been constructed, and a Certificate of Substantial Completion must have been issued for them.

C. CERTIFICATE OF MERGER. The Developer must record a Certificate of Merger that satisfies the following requirements:

- 1) It must state that the requirements of Subsections 3.3A and 3.3B have been met.
- 2) It must state that the Merger of the Phases will take effect when the Certificate of Merger is recorded.
- 3) It must state that the Merger does not violate any of the conditions stated in Section 3.2 or this Section

3.3.

The Certificate of Merger may also include anything else that the Developer deems necessary or appropriate or that is required by law.

3.4 EFFECT OF A MERGER. This is what happens when a Merger takes effect as provided in Section 3.3:

A. USE OF COMMON ELEMENTS. An Easement is a legal term. It refers to the right of one person to use property owned by or in the possession of another. After a Merger, each Apartment in the Merged Project will have the right and an easement to use the Common Elements in each of the merged Phases to the same extent and subject to the same limits as an Apartment in each of such Phases. In other words, an Apartment located in one of the Merged Phases may use the Common Elements of any other Phase just as if the Apartment was located in that Phase, and as if the entire Project (including all Merged Phases) had originally been created as one project.

1) The right of an Apartment to use the Common Elements in each of the Merged Phases is a non-exclusive easement. This means that the Apartments in each of the Merged Phases must share the use of the Common Elements of the Merged Project.

B. COMMON EXPENSES. All of the Merged Phases will be treated as one project for purposes of common expenses. The total common expenses for the Merged Project will be equal to the sum of the common expenses for each Merged Phase (as "common expenses" is defined in the Condominium Documents for each Merged Phase). The share of the common expenses charged to each Apartment is based on its Relative Valuation.

1) **RELATIVE VALUATION.** "Relative Valuation" refers to the idea that the share of the Common Expenses charged to each Apartment should be based on a comparison of that Apartment to other Apartments in the Merged Project. While some condominiums compare the size of apartments to determine their common interest, this does not necessarily result in a fair and equitable allocation of maintenance fees among the apartments. For example, the owner of a two-bedroom apartment having 1,500 square feet should not necessarily have to pay 50% more of the common expenses than the owner of a two-bedroom apartment in the same project having 1,000 square feet.

The Developer has determined a "Relative Valuation" for each Apartment in the first phase of the Project based on Apartment size, the estimated maintenance and expense burden, sleeping capacity, and other relevant factors as determined by the Developer in its sole discretion. The Relative Valuation for each Apartment in the Project is stated in an exhibit to the Phase I Declaration. The Condominium Documents for every other Phase to be Merged will state the Relative Valuation of each Apartment in that Phase. Note that Relative Valuation is not intended to reflect the fair market value of a particular Apartment and will not change based on changes in market conditions.

2) **SETTING RELATIVE VALUATION.** In setting the Relative Valuation of the Apartments in each Phase, the Developer may consider any and all factors that the Developer determines to be relevant in its sole discretion. For example, the Developer may consider the Apartment size, location, view, estimated maintenance and expense burden, sleeping capacity, and other relevant factors. In setting Relative Valuations, however, the Developer is subject to these rules:

(a) The Relative Valuation of a Resort Apartment in a later Phase cannot differ by more than fifteen percent (15%) from the Relative Valuation of a Resort Apartment in the first Phase of the Project if the Apartments have similar features (for example, size [\pm 100 square feet], location, number of bedrooms and bathrooms, and views).

(b) The Relative Valuation per square foot of a Commercial Apartment in a later Phase cannot differ by more than twenty percent (20%) from the Relative Valuation per square foot of a Commercial Apartment in the first phase of the Project if the Apartments have similar features (for example, size [\pm 150 square feet], location, and traffic patterns).

(c) Despite the requirements of Subsections (a) and (b), there is a special rule for the Gazebo Apartment and any apartment serving a similar purpose in any other Phase.

The Developer intends to develop the Project in several phases. It is likely that Apartments or Vacation Ownership Interests in the first phase of the Project will be deeded before later phases are constructed and before the plans for later phases are completely finalized. When New Apartments are created, the Developer has the right to reallocate the common interests in the Project among the existing Apartments of the Project and the New Apartments. This includes the right to change the common interests of existing Apartments of the Project. A change in the common interests may require that all existing deeds be amended or replacement deeds recorded. Since the Land is registered in the Land Court, a change in the common interest of existing Apartments might require issuance of new certificates of title. Since each Vacation Ownership Interest has a separate certificate of title, this would be impractical, costly and time-consuming.

To avoid changing the common interest of existing Apartments in the Project, the Developer has estimated the Relative Valuation of future phases of the Project based on the Developer's current plans for those buildings (although these plans may change). The sum of these Relative Valuations has been assigned to the Gazebo Apartment as shown in an exhibit to the Phase I Declaration.

If and when the Developer creates New Apartments in the Project, the Developer has the right to reallocate a portion of the Relative Valuation of the Gazebo Apartment to the New Apartments. The Relative Valuation allocated to the New Apartments will be taken from the Relative Valuation of the Gazebo Apartment, and the Relative Valuation of the Gazebo Apartment will be reduced by that amount.

As a result, the Relative Valuation of the Gazebo Apartment does not comply with the requirements of Subsections (a) and (b). Those rules do not apply to the Gazebo Apartment. The Gazebo Apartment will not be considered when applying those rules.

3) SHARE FOR EACH APARTMENT. Each Apartment in a Merged Phase must pay a share of the total common expenses for the Merged Project. That share is equal to the total amount of the common expenses for the whole Merged Project multiplied by this fraction:

$$\frac{\text{The Relative Valuation of that Apartment}}{\text{The Sum of the Relative Valuations for all Apartments in the Merged Project}}$$

In making this calculation, only Apartments for which assessments have begun, as provided in the Condominium Property Act, will be considered.

C. RESERVE FUNDS.

1) BACKGROUND. “*Capital Improvements*” are things like replacing the roof, painting the building exterior, resurfacing the parking areas, and other major repairs and remodeling. Day to day maintenance and repairs are not Capital Improvements. A “*Replacement Reserve Fund*” is an account used to save the money needed to pay for Capital Improvements.

2) EXISTING FUNDS. Any funds accumulated in a Replacement Reserve Fund of any Phase or Phases prior to the Merger of Phases will become the property of all Apartment Owners in the Merged Project.

3) NEW FUNDS. All funds accumulated in a Replacement Reserve Fund after the Merger will likewise be the property of all Apartment Owners in the Merged Project.

4) NATURE OF INTEREST. Each Owner will have an interest in the Replacement Reserve Funds proportionate to the Apartment’s total share of the Common Expenses for the Merged Project. The interest of any Owner in the Replacement Reserve Funds cannot be withdrawn or assigned separately. It will be transferred to the new Owner automatically if the Apartment (or a Vacation Ownership Interest, time share interest, or fractional ownership interest) is transferred. This happens whether or not the deed or other transfer document expressly says so.

5) ADJUSTMENT. When a Merger takes effect, the Board must determine if there is any material disparity in the funding levels between the Phases Merged. The Board must then adjust the account of the Apartment Owners in each Phase as necessary to reflect any material disparity in funding levels.

(a) For example, suppose that the roof of one Phase needs to be replaced at the time that the Merger takes effect. If that Phase has Replacement Reserve Funds equal to the cost of replacing the roof, then no adjustment would be necessary. If that Phase does not have enough money to pay the cost of replacing the roof, then the Board must make an adjustment (unless the shortfall is not material). Conversely, if that Phase has more money than necessary to replace the roof, the Board must make an adjustment (unless the excess is not material) in favor of the Owners in that Phase.

Of course, in deciding if a disparity exists, the Board is not limited to considering just those things that need repairs or replacement at the time that a Merger takes effect. It may also consider Capital Improvements that will be needed in the future. In determining whether there is a disparity for future Capital Improvements, the Board may consider these factors:

- (1) The total expected useful life of the Improvements to be repaired or replaced.

- (2) The number of years remaining before the repair or replacement must be made.
 - (3) The percentage of the cost to make the repair or replacement that has been previously set aside in the Replacement Reserve Funds.
 - (4) The method of funding Replacement Reserve Funds that will be used by the Association after the Merger takes effect.
 - (5) Any other factors consistent with generally accepted accounting principles or required by law.
- (b) The Board may make an adjustment in any of these ways:
- (1) It may refund all or part of the money in the Replacement Reserve Fund of a particular Phase to Owners of Apartments in that Phase.
 - (2) It may give a credit against future assessments to the Owners of Apartments in a particular Phase or Phases.
 - (3) It may charge a special assessment or series of assessments to the Owners of Apartments in a particular Phase or Phases. The Board cannot, however, charge any Apartment Owner a special assessment for reserves in any one month which exceeds twenty percent (20%) of the monthly assessment for other Common Expenses, after excluding any assessment for Replacement Reserve Funds.
 - (4) It may do anything else that is consistent with generally accepted accounting principles and allowed by law.

D. OWNERS ASSOCIATION; MANAGING AGENT. The condominium owners association provided for in the Condominium Documents for each Phase will be merged into a single association governing the entire Merged Project. The Merged Project will have a single Managing Agent.

E. VOTING. To determine the voting rights of each Apartment, voting is broken down first by Phase and then by Apartment. It works like this:

1) Each of the Merged Phases will have a percentage of the total votes of the Merged Project equal to the percentage of the common expenses to be charged to that Phase under Section 3.4B.1). For example, if a Phase must pay 23% of the total common expenses for the Merged Project, then that Phase would also have 23% of the total votes of the Merged Project.

2) Each Apartment is entitled to a vote equal to (i) the common interest of that Apartment multiplied by (ii) the percentage of the common expenses to be charged to the Phase in which the Apartment is located. For example, if the Phase has 23% of the total vote and the common interest of the Apartment is 1%, then the vote for the Apartment would be .23% (i.e., $23\% \times 1\% = .23\%$)

F. ELECTION OF BOARD. Within sixty days after any Merger a special meeting of the Association of Apartment Owners for the Merged Project must be called to elect a new Board of Directors. The new Board of Directors will replace any existing Board of Directors and will govern the Merged Project. The meeting will be called and held using the procedures set forth in the Bylaws for holding the first meeting of the Association and electing the first Board of Directors.

G. INTERPRETATION. For purposes of administration and use of the Project, after a Merger takes effect, the Phases of the Merged Project will be treated as part of a single project developed as a whole from the beginning. For that purpose, the Condominium Declarations and Bylaws will be treated as one document that applies to the entire Merged Project. If there is a conflict between or among those documents as to any issue, then the Condominium Declaration and Bylaws filed at the same time as this Declaration will control. The Merged Project will be known as Ocean Resort Villas.

H. OWNERSHIP. A Merger will only affect the administration and use of the Merged Phases, and will result in the sharing of common expenses among the owners of all of the Apartments in the Merged Phases. A Merger,

however, will not affect the ownership of Apartments and Common Elements in the respective Merged Phases. In other words, an Owner of an Apartment in one of the Merged Phases will not own an interest in any other Merged Phase simply because the two Phases are merged together.

4. NATURE OF DEVELOPER'S RESERVED RIGHTS.

4.1 SCOPE OF THE DEVELOPER'S RESERVED RIGHTS.

A. Subject to the limits stated in Section 3.2, the Developer has the right to Merge Phases at any time and may do so more than once.

B. The Developer has the right to Merge Phases regardless of the lease, sale, mortgage, or conveyance of any or all Apartments and/or time share interests and/or fractional ownership interests in any of the Phases being merged.

C. The Developer is not required to develop any Phase or to merge any Phase with any other Phase. Nothing contained in this Declaration can be deemed to be a representation or promise that it will do so.

D. The Developer may deal freely with any Phase that has not been Merged just as if this Declaration never existed. This includes developing an entire Phase, or any part of a Phase, for a purpose that is inconsistent with a Merger of that Phase with any other Phase.

4.2 THIRD PARTIES; SPECIAL POWER OF ATTORNEY. The Developer has the right to Merge Phases without being required to obtain the approval, consent, or joinder of anyone else, and without being required to give notice to anyone else. This includes, but is not limited to, any Apartment Owner, any Lender, or any other Interested Person.

A. When an Apartment Owner or any other Interested Person acquires an Apartment or any other interest in any Phase or the Merged Project, he or she automatically does each of these things:

1) He or she takes his or her interest subject to the Developer's Reserved Right to Merge Phases.

2) He or she acknowledges, approves, consents to, agrees to and accepts:

(a) The Developer's Reserved Rights and its use of them from time to time;

(b) That this may result in Merger of the Phases; and

(c) That the Developer can sign, file and/or record the Certificate of Merger and any other documents that the Developer deems necessary or appropriate to Merge two or more Phases including, for example, the Certificate of Merger described in Section 3.3C.

3) Agrees, promptly after being asked to do so, to join in, consent to, sign (and have notarized if asked), deliver, and record all documents and do all other things that the Developer in its sole discretion determines to be necessary or convenient to the exercise of the Developer's Reserved Rights or to accomplish the purposes for which those rights were reserved (as determined by the Developer). This promise includes the duty to sign, have notarized, deliver, and record a special power of attorney authorizing the Developer to do the things required or permitted by this Declaration.

4) Appoints the Developer as his or her attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on his, her or its behalf. This means that the Developer can act in the place of the Owner and/or any other Interested Person. The Developer can do anything that they could do, and they ratify, accept and confirm anything that the Developer does using this power of attorney.

(a) This power of attorney appointment is permanent. In legal terms, it is *coupled with an interest*, it is *irrevocable*, it is a *durable power of attorney*, and it will not be affected by any disability of the Owner or any other Interested Person.

(b) It includes “*full power of substitution*”. This means that the Developer can let someone else act in its place as a substitute attorney-in-fact.

(c) Each Owner and every other Interested Person gives the Developer this power of attorney whether or not it expressly says so in the deed, mortgage, or other document by which the Owner or other Interested Person obtained any interest in the Project.

(d) It is a “*special power of attorney*”. This means that the Developer has the power to do only the things stated or intended by this Declaration (as determined by the Developer). This includes, however, the power to do anything else that the Developer deems necessary or convenient to accomplish the stated or intended goal and anything incidental to it. Ambiguities must be resolved in favor of giving, not denying, the Developer the power to act.

To be clear, and regardless of the preceding language of this Subsection 4.2, the Developer intends and this Declaration should be construed to provide, to the fullest extent permitted by law, that any action taken by the Developer in the exercise of the Developer’s Reserved Rights, requires the vote or written consent of only the Developer and does not require the vote or written consent of any Owner or any other Interested Person. To the extent that the vote or written consent of any Owner or other Interested Person is required, however, the Developer may use this power of attorney to cast that vote or give that consent on behalf of that Owner or other Interested Person.

B. When this Subsection 4.2 or any other Section of this Declaration dealing with the Developer’s Reserved Rights refers to “documents”, it means documents and instruments of any kind. For example, it includes Land Court petitions and orders, Land Court maps, deeds and other conveyance instruments, grants of easements, releases, amendments to the Condominium Documents, applications to governmental agencies or authorities, and so on.

4.3 TRANSFER OF THE DEVELOPER’S RESERVED RIGHTS.

A. If the Developer signs and records a document that expressly transfers to someone else some or all of the Developer’s Reserved Rights, or any of its other rights as the Developer under this Declaration, then that person will become the “Developer” to the extent of the rights transferred. The new “Developer” can likewise transfer the rights it has. After a transfer (i) the new “Developer” has and may exercise the rights transferred to it, and (ii) the old Developer is automatically relieved of any and all liability arising after the transfer takes effect with respect to the rights and duties transferred. Each Owner and other Interested Person, by acquiring an Apartment or other interest in the Land, any Phase, or the Merged Project, automatically consents to this and agrees to recognize the new Developer as the “Developer” under this Declaration to the extent of the rights transferred.

B. The Developer may also transfer its rights as collateral for a loan. If so, the lender will not have the rights of the “Developer” until (i) it forecloses the loan, (ii) it holds the rights of the Developer outright, and (iii) it records a document that says so. The lender will also have the rights of the “Developer” if the Developer assigns its rights to the lender, pursuant to the Subsection 4.3A, in place of foreclosure.

C. No deed, lease, mortgage, or other conveyance of (i) all or any part of the Land (including for example any part of the Land removed from the operation of this Declaration pursuant to Section 5.2), or (ii) any Apartment or any interest in it, or (iii) any time share interest or fractional ownership interest, will transfer any of the Developer’s Reserved Rights, or any of its other rights under this Declaration, unless the document expressly says so and unless it describes the rights transferred.

5. ADDING AND REMOVING PROPERTY.

5.1 ANNEXATION.

A. DEVELOPER'S RIGHT TO ANNEX PROPERTY. The Developer may submit all or any part of any Adjacent Parcel to the operation of this Declaration. The Developer may do this at any time before the end of the Development Period and may do it more than once. The Developer does not need the consent of any Owner or anyone else to do so. Only the Developer may annex an Adjacent Parcel. The Developer is not promising to annex any Adjacent Parcel. Owners of Apartments, time share interests, or fractional ownership interests may enjoy certain advantages from having all or part of an Adjacent Parcel annexed but will have no legal right to insist that the Developer do so.

B. DECLARATION OF ANNEXATION.

1) **REQUIRED CONTENT.** The Developer may annex an Adjacent Parcel by recording a "*Declaration of Annexation.*" It must contain the following:

(a) A legal description of the property to be annexed and the name of its record Owner.

(b) A statement submitting the property to this Declaration. This Declaration must be identified by title and recording data.

The Developer must sign the Declaration of Annexation. If the property to be annexed is owned by anyone other than the Developer, then the record owner must also sign it.

2) **OTHER PROVISIONS:** The Declaration of Annexation may contain any other information that the Developer deems necessary or appropriate or that is required by law.

3) **LIMITATIONS ON DEVELOPER'S RIGHTS.** The Developer's right of annexation is subject to these terms:

(a) The Developer may only annex an Adjacent Parcel.

(b) Every parcel of land to be annexed must be a legally separate lot.

(c) The Developer must pay all costs of annexation.

C. EFFECT OF ANNEXATION. After the Declaration of Annexation is recorded, the property described in it will be subject to this Declaration for all purposes, just as if it was subject to this Declaration from the outset.

5.2 REMOVAL.

A. DEVELOPER'S RIGHT TO REMOVE PROPERTY. The Developer may remove all or any part of any Adjacent Parcel from the operation of this Declaration. The Developer may do this at any time before the end of the Development Period and may do it more than once. The Developer does not need the consent of any Owner or anyone else to do so. Only the Developer may remove an Adjacent Parcel. The Developer is not promising to remove any Adjacent Parcel. Owners of Apartments, time share interests, and/or fractional ownership interests may enjoy certain advantages from having all or part of an Adjacent Parcel removed from this Declaration but will have no legal right to insist that the Developer remove it.

B. DECLARATION OF REMOVAL.

1) **REQUIRED CONTENT.** The Developer may remove an Adjacent Parcel by recording a "*Declaration of Removal.*" It must contain the following:

(a) A legal description of the property to be removed and the name of its record Owner.

(b) A statement that the property is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

The Developer must sign the Declaration of Removal. Even if the property to be removed is owned by someone other than the Developer, only the Developer has to sign the Declaration of Removal.

2) **OTHER PROVISIONS:** The Declaration of Removal may contain any other information that the Developer deems necessary or appropriate or that is required by law.

3) **LIMITATIONS ON DEVELOPER'S RIGHTS.** The Developer's right of removal is subject to these terms:

(a) The Developer may not remove property that contains a Phase that has already been Merged with any other Phase.

(b) Every parcel of land to be removed must be a legally separate lot.

(c) The Developer must pay all costs of removal.

C. EFFECT OF REMOVAL. After the Declaration of Removal is recorded, the property described in it will no longer be subject to this Declaration.

6. AMENDMENTS.

6.1 BY VOTE OR WRITTEN CONSENT. This Declaration may be "*amended*" (changed) from time to time by the vote or written consent of (i) the Developer, and (ii) Apartment Owners in each Phase who own at least a majority of the common interests in that Phase (not counting the common interest appurtenant to any Apartments, time share interests, or fractional ownership interests owned by the Developer).

An amendment made under this Section 6.1 will take effect when it is (i) signed by the Developer and by an officer of the condominium owners association for each Phase that has been Merged, and (ii) recorded.

6.2 BY THE DEVELOPER. Without the consent or approval of any person, including any Owner and any other Interested Person, the Developer may change this Declaration at any time:

A. And for any purpose before title to any Apartment time share interest, or fractional ownership interest is transferred to someone other than the Developer or its Lender by way of a recorded deed or agreement of sale.

B. To comply with the laws and regulations of the State of Hawaii.

C. To comply with the real estate laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of (i) the Project or the Merged Project, or (ii) any time share plan or fractional ownership plan that includes property in the Project or the Merged Project, or (iii) the Starwood Pacific Vacation Club or the Starwood Vacation Network identified in the Phase I Declaration.

D. To satisfy requests for changes made to the Developer by any institutional lender loaning money to the Developer, by any investor in mortgages initially made in favor of the Developer, or by any title company licensed to do business in the State of Hawaii.

No amendment under Subsections C or D will be effective, however, unless:

(i) The Developer gives written notice of the proposed amendment (and a copy of the amendment) to each governmental authority (other than Hawaii governmental authorities) having authority over any Phase as a result of the registration of it (or time share plan or fractional ownership plan, the Starwood Pacific Vacation Club, or the Starwood Vacation Network) with that governmental authority, and

(ii) The amendment includes as an attachment a copy of a letter or other document showing either that the amendment has been accepted or approved by that governmental authority or an affidavit signed by the Developer and stating that approval or acceptance is not necessary.

An amendment made by the Developer under this Section 6.2 will take effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

The Developer signed this Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium on August 28, 2001.

SVO PACIFIC, INC

By



Name

Victoria H. Carter

Office

Vice President, Assistant Secretary

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FLORIDA
STATE OF HAWAII)
 ORLANDO) ss:
CITY AND COUNTY OF HONOLULU)
 ORANGE)

On this 28 day of AUGUST, 2001, before me personally appeared VICTORIA H. CARTER, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Phyllis G. Dennis
Name: PHYLLIS G. DENNIS

Notary Public, State of Hawaii
My Commission expires: 10-29-02

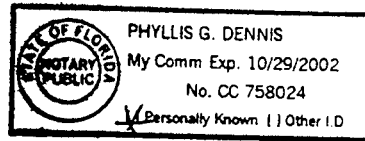


EXHIBIT "A"

(To Declaration of Merger of Condominium Phases)

All of that certain parcel of land situate at Hanakao and Honokowai, KaaNapali, Lahaina, District of Lahaina, Island and County of Maui, State of Hawaii, described as follows:

Lot 98, area 13.998 acres, as shown on map 86, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1744 of Pioneer Mill Company, Limited.

Saving and excepting the portion thereof lying seaward of the debris line.

Together with a perpetual nonexclusive easement for access of vehicular and pedestrian traffic and for underground utility to and from Honoapiilani Highway over and across Lot 34, area 1.428 acres, as shown on Map 7, as set forth by Land Court Order No. 110015 and Land Court Order No. 138359, and also set forth in that certain Grant of Easement and Covenant to Share Costs dated December 6, 2000, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2668971.

Being the real property conveyed to SVO PACIFIC, INC., A Florida corporation, by Warranty Deed dated December 6, 2000, filed December 6, 2000, in the Office of the Assistant Registrar of the Land Court, as Document No. 2668968, and noted on Transfer Certificate of Title No. 569,700.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. Reservation of all mineral or metallic mines of every description to the Hawaiian Government; said reservation, however, being subject to that certain covenant that neither the State of Hawaii nor persons authorized by it will enter, occupy or use the said land for the exercise of the reserved mineral and mining rights for a period of 75 years from January 29, 1960, as contained in that certain instrument dated January 29, 1960, recorded in the Office of the Registrar of Conveyances in Book 3822, page 37.
3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
4. Designation of Easement "42", for road, utility and pedestrian purposes, as shown on Maps 15 and 74, as set forth by Land Court Order No. 29190, filed November 7, 1968.
5. Easement dated March 9, 1970, filed as Document No. 498923 for a right of way over Easement "42".

6. Subdivision Agreement (Large Lots) dated August 6, 1990, filed August 20, 1990, as Document No. 1756822, and recorded August 20, 1990, as Document No. 90-127827.
7. Private Water System Agreement dated October 2, 1991, recorded October 7, 1991, as Document No. 91-136263 as amended by Amendment to Agreement dated October 14, 1992, recorded October 20, 1992, as Document No. 92-169921 (Not noted on Transfer Certificate of Title No. 569,700).
8. Restriction of Access Rights, as shown on Maps 2 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
9. A 40 foot Building Setback, as shown on Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
10. Designation of Easement "172" (area 4,432 square feet), for sewer force purposes, as shown Maps 71 and 74, as set forth by Land Court Order No. 109618, filed November 27, 1992.
11. Unilateral and Irrevocable Declaration of Perpetual Rights and Uses and Perpetual Restrictions, (North Beach Shoreline Setback Area) dated December 29, 1998 (effective December 14, 1998), filed January 13, 1999, as Document No. 2513420, and recorded January 13, 1999, as Document No. 99-005138, as amended by instrument dated December 6, 2000, filed December 6, 2000, as Document No. 2668965, and recorded December 6, 2000, as Document No. 2000-170916.
12. Designation of Easement "246" (area 1.072 acres), for roadway (bikeway and trolley included) and utility purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
13. Designation of Easement "247" (area 2.057 acres), for shoreline setback purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
14. Designation of Easement "248" (area 0.252 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
15. Designation of Easement "250" (area 0.037 acre), for drainage purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
16. Designation of Easement "251" (area 0.262 acre), for wetland purposes, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.
17. Designation of Easement "252" (area 0.387 acre), for slope preservation, as shown on Map 86, as set forth by Land Court Order No. 138359, filed May 8, 2000.

18. Restriction of Vehicular Access Rights, as shown on Map 86, as set forth by Land Court Order no. 138359, filed May 8, 2000.
19. Reservations of the State of Hawaii, as set forth in Land Court Order No. 138359, filed May 8, 2000, including matters relating to the following: (a) Claims, if any, of native tenants, (b) Claims, if any, to any historic, religious and archaeological sites, (c) Claims, if any, to rights of access through public highways, trails and pathways and historical uses on and across the parcels to the shoreline be determined, protected and not restricted; (d) Claims, if any, to waters having their source upon or flowing under the parcels.
20. Encroachments shown on survey map dated May 17, 2000, prepared by James R. Thompson, Licensed Professional Land Surveyor.
21. Declaration of Covenants, Conditions, Easements and Restrictions for Ka'napali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917. Designation of Successor Declarant and Assignment of Declarant's Rights and Interest, dated December 21, 2000, filed February 20, 2001, as Document No. 2684122, and recorded February 20, 2001, as Document No.2001-022804.
22. Grant of Easement and Agreement (Roadway and Utility Purposes) dated December 6, 2000, filed December 6, 2000, as Document No. 2668969.
23. Easement dated December 6, 2000, filed December 6, 2000, as Document No. 2668970 for roadway, bikeway, pedestrian and utility purposes.
24. Grant of Easements and Covenants to Share Costs (Roadway Lot 34 -Lots 98 and 101) dated December 6, 2000, filed December 6, 2000, as Document No. 2668971.
25. Unilateral Declaration of Restrictions; Joinder Agreement (North Beach Unit Count and Drainage), dated February 15, 2001, filed February 16, 2001, as Document No. 2683897, and recorded February 16, 2001, as Document No.2001-022448.
26. Declaration of Restrictions (Unit Count), dated February 15, 2001, filed March 8, 2001, as Document No. 2688326, and recorded March 8, 2001, as Document No.2001-032604.
27. Designation of Easement "261", as shown on Map 87, as set forth by Land Court Order No. 142094, filed May 25, 2001.

ASST. CLERK OF COURT
COURT HOUSE
HONOLULU, HAWAII

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DOCUMENT NO. 2737946
DATE SEP 18 2001 TIME 12:30

RETURN BY MAIL () PICK-UP () TO:
Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawaii 96813
Phone No. (808) 529-7300

This document contains 74 pages.
Tax Map Key: 2nd Div., 4-4-14-3

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR
Ocean Resort Master Association

THIS DECLARATION is made on the 5th day of September, 2001, by SVO PACIFIC, INC., a Florida corporation (the "Developer") and Ocean Resort Master Association, a Hawaii non-profit corporation (the "Master Association").

INTRODUCTION

The Developer is developing the Ocean Resort Villas condominium. It is located in Ka'anapali North Beach, a master community on the Island of Maui in the State of Hawaii. The Developer may also develop other condominium projects, hotels, vacation ownership or time share projects, and/or fractional ownership projects on land next to the Ocean Resort Villas condominium or elsewhere in Ka'anapali North Beach.

The Ocean Resort Villas condominium includes various amenities. For example, it has waterfalls, a water slide, a slide mountain, swimming pool, koi pond, spas, pool decks, pool bathrooms, beach and pool showers, and tennis courts.

The Developer wants to be sure that the owners and occupants of the resort apartments in the Ocean Resort Villas condominium may use these amenities and perhaps certain other amenities. It also wants to provide a way to make these amenities available to owners and occupants of other projects located in Ka'anapali North Beach.

To accomplish this, the Developer created the Master Association. The Developer intends to transfer the apartment described in Exhibit "A" to the Master Association. Certain amenities of the Ocean Resort Villas condominium are "limited common elements" of that apartment. This means that the Master Association, as the owner of that apartment, will have the right to use those amenities. The Master Association will, in turn, make these amenities available to the members of the Master Association and their guests.

All owners of resort apartments in the Ocean Resort Villas condominium will be members of the Master Association. In addition, the Developer may arrange membership for some or all of the owners and occupants of other projects located in Ka'anapali North Beach.

The Developer would prefer that the landscaping and grounds of the Ocean Resort Villas condominium and other projects in Ka'anapali North Beach provide a complementary vacation ambience consistent with a first class destination resort. The Developer also wants to be sure that they can be updated and enhanced over the years to keep up with modern trends for first class destination resorts. To accomplish this, the Developer has designated most or all of the grounds and landscaping of the Ocean Resort Villas condominium as limited common elements of the apartment described in Exhibit "A". The Developer intends for the Master Association to manage and maintain the grounds and landscaping for the Ocean Resort Villas condominium and possibly for other projects.

Finally, the Developer intends to reserve the right to use some of the property owned or controlled by the Master Association for the Developer's own purposes. For example, the Developer wants to be able to do these things:

- ❖ It wants to be able to show the amenities and the grounds to persons who might buy apartments, time share interests or fractional ownership interests.
- ❖ It wants to be able to offer activities to these prospective purchasers.
- ❖ It wants to be able to establish booths or concessions for the sale of tourist activities or other incentives intended to encourage prospective purchasers to attend a sales presentation.
- ❖ It wants to be able to conduct receptions for purchasers and prospective purchasers for the purpose of promoting the sales of apartments, time share interests or fractional ownership interests.

This Declaration establishes a plan for the Master Association, its members, the Developer, and other persons to share the use of the property described in Exhibit "A" and any other property owned or controlled by the Master Association. It also establishes a means for sharing the expenses of that property and provides for the management of that property by the Master Association and its agents.

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1. DEFINITIONS.

This Chapter 1 defines certain words or phrases having special meanings in this Declaration or in the Bylaws. Other Chapters include definitions of key words or phrases that are introduced or explained in those Chapters. Section 20.4 contains a glossary of key legal terms. Finally, some terms are defined elsewhere in this document in order to put them in context. These terms will have these special meanings except where the context clearly requires otherwise.

These definitions are not listed alphabetically. Instead, they are presented in groups of related concepts. Each group starts with an introduction of the topic area. This should help make it easier to read and understand this Chapter. For future reference, key words and phrases are listed alphabetically in the index.

1.1 THE MASTER ASSOCIATION. The Master Association was created for the purposes previously mentioned. These definitions are used to describe the Master Association and the documents that govern it:

A. "MASTER ASSOCIATION" means the Ocean Resort Master Association. It is a non-profit Hawaii corporation.

B. "BOARD" means the Board of Directors of the Master Association.

C. "MANAGING AGENT" means the agent hired by the Developer to manage the Master Association and the Common Property. It also means any replacement agent hired by the Board to manage the Master Association and the Common Property. See Section 13.4 for details.

D. "MEMBER" means a member of the Master Association.

E. "DEVELOPER" means SVO Pacific, Inc., a Florida corporation.

F. "MASTER ASSOCIATION DOCUMENTS" means the following documents and any changes and additions properly made to any of them from time to time:

1) **"MASTER DECLARATION"** means this document.

2) **"MASTER ARTICLES"** means the Articles of Incorporation of Ocean Resort Master Association filed with the Department of Commerce and Consumer Affairs of the State of Hawaii. They established and govern the Master Association as a corporation.

3) **"MASTER BYLAWS"** means the bylaws adopted by the Master Association. The Master Bylaws are attached as Exhibit "D".

4) **"MASTER ASSOCIATION RULES"** means any rules and regulations adopted by the Master Association.

G. "DEVELOPER'S RESERVED RIGHTS" means all rights reserved to the Developer under this Master Declaration or in the Bylaws. For example, see the Developer's rights described in Chapter 5 are "Developer's Reserved Rights". For other examples of the Developer's Reserved Rights, see Sections 8.4, 13.31.2), 13.4, 18.2, 18.4A, and 19.1B. This is not intended to be a list of all of the Developer's Reserved Rights.

1.2 THE MASTER PROJECT. The Master Project consists of the property subject to this Master Declaration. Two kinds of property are subject to this Master Declaration.

First, the Master Association owns or controls certain property. This includes, for example, the pool and other amenities located in the Ocean Resort Villas condominium project. The Master Association will operate, manage, and maintain that property, and will make it available for use by the Members on the terms and conditions stated in the Master Association Documents.

Second, certain property owned by the Members of the Master Association is subject to this Master Declaration. For example, the apartments described in Exhibit "B" are subject to this Master Declaration. The owners of those apartments will be members of the Master Association and will have all of the rights and duties described in the Master Association Documents.

These definitions are used to describe the Master Project and the property that is included in it:

A. "MASTER PROJECT" or "PROPERTY" means (i) the Common Area, and (ii) the Participating Property.

B. "MASTER ASSOCIATION AMENITIES" means any part of the Common Property made available by the Master Association for use by the Members.

C. "COMMON PROPERTY" means the Common Area and the Common Furnishings.

1) **"COMMON AREA"** means the real property owned or controlled by the Master Association. The property described in Exhibit "A" is "Common Area." Any real property transferred by the Developer to the Master Association in the manner stated in Section 18.2B and designated as Common Area as provided in Section 18.2A is also "Common Area."

2) **"COMMON FURNISHINGS"** means all personal property owned or leased by the Master Association. **"Personal property"** means any property except for real property. For example, things like furniture, appliances,

equipment (like computers, tools and ladders), and motor vehicles are "personal property".

D. "PARTICIPATING PROPERTY" means (i) the real property described in Exhibit "B", and (ii) any other real property that the Developer includes in the Master Project and designates as Participating Property in the manner provided in Section 18.2A.

E. "UNIT" means a condominium unit, townhouse unit, apartment, time share unit, hotel room, house, or other real property that is suitable and intended to provide overnight lodgings for one or more persons and that is part of the Participating Property.

Some units are designed so that they can be used either as a whole unit or on a "lock-off" basis. For example, in the Ocean Resort Villas condominium, a Two-Bedroom Ocean View Villa can be used on a lock-off basis. It may be used as a two-bedroom apartment. But it may also be used as two separate units: a one-bedroom unit and a studio unit, each having its own separate front door that can be locked. In this Declaration, even if a Unit can be used on a lock-off basis, it is still considered to be a single Unit for the purposes of voting and Assessments. This affects, for example, Sections 12.3, 14.1B, 14.1C, and 14.4.

F. "PARCEL" means a separately subdivided parcel of real property that is a Participating Property. For example, in the case of a condominium, each condominium apartment is considered to be a separate "Parcel". In the case of a hotel, the entire hotel may be a single "Parcel". In the case of a Vacation Plan, however, the following special rules apply:

1) If the Vacation Plan is a "time share ownership plan" (as that term is defined in the Time Share Act), each Vacation Interest (meaning each time share interest) will be considered to be a separate "Parcel".

2) If the Vacation Plan is a fractional ownership plan where the owners own an undivided interest in a Participating Property, each Vacation Interest (meaning each fractional ownership interest) will be considered to be a separate "Parcel". Note that "undivided interest" is defined in the glossary. See Section 20.4.

G. "FIRST DEED" means the recorded deed by which the Developer first transfers a Parcel to someone else. A document that transfers the Developer's entire remaining interest in the Master Project is not a First Deed if (i) it says that it is not a First Deed, or (ii) some or all of the Developer's rights as the "Developer" under this Master Declaration are transferred with it.

H. "OWNER" means the person or persons who own a Parcel; provided that:

1) While an Agreement of Sale is in effect, only the buyer (and not the seller) will be considered to be the Owner. Even so, the seller may keep the right to vote on "matters substantially affecting his security interest" as that phrase is used in the Condominium Property Act. If the Agreement of Sale is canceled, the seller will become the Owner again. "Agreement of Sale" is defined in the glossary (Section 20.4).

2) If someone leases a condominium apartment, the tenant (and not the landlord) will be considered to be the Owner. This applies only to the extent and for the purposes stated in a recorded lease of a condominium apartment as required by the Condominium Property Act.

I. "OCCUPANT" means an Owner, Exchange User, or other person who has the right to occupy a Unit. The Guest of any of those persons is also an "Occupant."

J. "GUEST" means an Occupant's family, visitors, renters, employees, servants, tenants, "licensees" (persons permitted in the Unit) and "invitees" (persons invited in). An Exchange User is not considered a "Guest" of the Owner whose Vacation Period he or she uses. The Developer has certain special rights to use the Common Area other than as an Owner. The term "Guests" also means any employees, agents, licensees, and invitees of the Developer who use the Common Area pursuant to the Developer's special rights.

1.3 THE MASTER ASSOCIATION RESORTS. At the outset, the Master Project consists entirely of property that is part of the Ocean Resort Villas condominium project. However, the Developer has the right to expand the Master Project to include property in other condominium projects, hotels, vacation ownership or time share projects, and/or fractional ownership projects located in Ka'anapali North Beach. If this happens, then the Member's rights to use the Master Association Amenities will be governed not just by the Master Association Documents. They will also be governed by any legal documents governing a Resort containing Master Association Amenities. These definitions are used to describe those Resorts and the documents that govern them:

A. "RESORT" means a real estate project that is located in Ka'anapali North Beach and that contains one or more Participating Properties. For example, the Ocean Resort Villas condominium described in Exhibit "A" is a Resort. A Resort does not have to be a condominium project. It might be a townhouse project, an apartment building, a hotel, or any other real estate development. For example, a time share plan where buyers receive an undivided interest in the entire project, rather than in individual condominium apartments, would be a "Resort". Also, Ka'anapali North Beach is not considered to be a "Resort" for purposes of this Declaration.

B. "RESORT DOCUMENTS" means the legal documents that govern a particular Resort and any changes and additions properly made to any of them from time to time. For

example, if the Resort is a condominium project, then the documents governing the condominium are the "Resort Documents". If a Unit or Resort is leased, then the lease is also a "Resort Document".

Note that the documents establishing the Ocean Resort Villas Vacation Ownership Plan are not "Resort Documents" for purposes of this Master Declaration. This is because they were recorded after this Master Declaration. However, if the documents creating a time share plan on other property are recorded before that property is made subject to this Master Declaration, then those documents will be "Resort Documents".

C. "RESORT OWNERS ASSOCIATION" means the owners association of a particular Resort. For example, the Association of Apartment Owners of Ocean Resort Villas is a Resort Owners Association.

D. "RESORT DEVELOPER" means the "developer" or "declarant" under the Resort Documents for a particular Resort. If a Resort Developer transfers some or all of its rights or duties as the "developer" or "declarant" under the Resort Documents to someone else (other than as security for a loan), then that person will become the Resort Developer to the extent of the rights or duties transferred.

1.4 KA'ANAPALI NORTH BEACH. The Master Project will include only Resorts located in Ka'anapali North Beach. Ka'anapali North Beach is a community that includes the Ocean Resort Villas condominium and certain other parcels of land. It has its own separate association and its own board of directors. It is governed by its own declaration, and bylaws, and various other documents. Because the Master Project is part of Ka'anapali North Beach, it is governed by the Ka'anapali North Beach Documents. These definitions are used to describe Ka'anapali North Beach and the documents that govern it:

A. "KA'ANAPALI NORTH BEACH" means all of the property that is subject to the Ka'anapali North Beach Declaration.

B. "KA'ANAPALI NORTH BEACH DOCUMENTS" means the following documents and any changes and additions properly made to any of them from time to time:

1) **"KA'ANAPALI NORTH BEACH DECLARATION"** means the "Declaration of Covenants, Conditions, Easements and Restrictions for Ka'anapali North Beach" described in Exhibit "A". It established and governs the Ka'anapali North Beach community.

2) **"ARTICLES OF INCORPORATION OF KA'ANAPALI NORTH BEACH MASTER ASSOCIATION, INC."** means the document filed with the Department of Commerce

and Consumer Affairs of the State of Hawaii to establish the Ka'anapali North Beach Association as a corporation.

3) **"BYLAWS OF KA'ANAPALI NORTH BEACH MASTER ASSOCIATION, INC."** means the bylaws adopted by the Ka'anapali North Beach Association.

4) **"OTHER KA'ANAPALI NORTH BEACH DOCUMENTS"** means any documents that are "Governing Documents" as that term is defined in the Ka'anapali North Beach Declaration.

C. "KA'ANAPALI NORTH BEACH ASSOCIATION" means the Ka'anapali North Beach Master Association, Inc. It is a Hawaii nonprofit corporation. If the rights or duties of the Ka'anapali North Beach Association are transferred to someone else (other than as security for a loan), then that person will become the "Ka'anapali North Beach Association" to the extent of the rights or duties transferred. The Ka'anapali North Beach Association serves as the association of all of the owners of real property in Ka'anapali North Beach. Note that the Ka'anapali North Beach Association is completely separate from the Master Association and any Resort Owners Associations.

D. "KA'ANAPALI NORTH BEACH AMENITIES" means any amenities or other common areas in Ka'anapali North Beach that are available for use by the Members. The Developer cannot promise that there will be any Ka'anapali North Beach Amenities, or that they will be available for use by the Members.

1.5 VACATION PLANS. The Developer is developing the Ocean Resort Villas Vacation Ownership Plan in the Ocean Resort Villas condominium. It may also develop other time share plans or fractional ownership plans in other Resorts located in Ka'anapali North Beach. These definitions are used to describe any such plans:

A. "VACATION PLAN" means a vacation ownership or time share plan or program. This includes any "time share plan" as that term is defined in Chapter 514E, Hawaii Revised Statutes. It also includes any fractional ownership plan. A "fractional ownership plan" is any plan or program, other than a time share plan or a hotel, in which the use, occupancy, or possession of one or more Units circulates among various persons. Under the current definition of "time share plan" contained in the Time Share Act, a fractional ownership plan would contemplate circulation for a period of sixty or more days in any year, for any occupant.

B. "VACATION PLAN DOCUMENTS" means the legal documents governing a particular Vacation Plan and any changes and additions properly made to any of them from time to time.

C. "VACATION PLAN DEVELOPER" means the "developer" or "declarant" under the Vacation Plan Documents for a particular Vacation Plan. If a Vacation Plan Developer transfers some or all of its rights or duties as the "developer" or "declarant" under the Vacation Plan Documents to someone else (other than as security for a loan), then that person will become the Vacation Plan Developer to the extent of the rights or duties transferred.

D. "VACATION OWNER" means the owner of a Vacation Interest.

E. "VACATION INTEREST" means an interest in a Vacation Plan which gives its owner the right to use a unit in that Vacation Plan. This includes any "time share interest" as that term is defined in Chapter 514E, Hawaii Revised Statutes. It also includes any fractional ownership interest.

F. "VACATION PERIOD" means the time period when a Vacation Owner or someone else (such as the Vacation Plan Developer or an Exchange User) has the right to use a Unit that is part of a Vacation Plan.

1.6 EXCHANGE PROGRAMS.

In some circumstances, Owners of Vacation Interests can exchange their use rights in their own Vacation Plan for the right to use other property that is not a part of their Vacation Plan. This is called an "exchange". This is discussed in greater detail later. These definitions are used to describe Exchange Programs.

A. "EXCHANGE PROGRAM" means a service that permits Owners of Vacation Interests to trade their use rights in their Vacation Plan for the right to use other property.

B. "EXCHANGE COMPANY" means the operator of an Exchange Program. For example, the Club Operator and the Network Operator are Exchange Companies.

C. "CLUB" means the Starwood Pacific Vacation Club. "Starwood Pacific Vacation Club" is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered from time to time by the Club Operator to members of the Club. The Club is not a legal entity or association of any kind. It is a business owned and operated by the Club Operator.

D. "CLUB OPERATOR" means SVO Hawaii Management, Inc., a Hawaii corporation. If the Club Operator signs and records a document that transfers some or all of its rights or duties as the "Club Operator" to someone else (other than as security for a loan), then that person will become the "Club Operator" to the extent of the rights or duties transferred.

E. "CLUB MEMBER" means a Vacation Owner who is a member of the Club.

F. "OTHER CLUB MEMBER" means a Club Member who is not also an Owner in the Master Project.

G. "CLUB DOCUMENTS" means any documents that govern the Club and any changes and additions made to any of them from time to time. This includes, but is not limited to any "affiliation agreement" between the Club Operator and a Vacation Owners Association that requires or permits owners of Vacation Interests in that Vacation Plan to participate in the Club.

H. "NETWORK" means the Starwood Vacation Network. "Starwood Vacation Network" is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services that may be offered from time to time by the Network Operator to members of the Network. The Network is not a legal entity or association of any kind. It is a business owned and operated by the Network Operator.

I. "NETWORK OPERATOR" means the Starwood Vacation Exchange Company, a Delaware corporation. If the Network Operator signs and records a document that transfers some or all of its rights or duties as the "Network Operator" to someone else (other than as security for a loan), then that person will become the "Network Operator" to the extent of the rights or duties transferred.

J. "NETWORK MEMBER" means a Vacation Owner who is a member of the Network.

K. "NETWORK DOCUMENTS" means any documents that govern the Network and any changes and additions made to any of them from time to time. This includes, but is not limited to any "affiliation agreement" between the Club Operator and the Network Operator that requires or permits Club Members to participate in the Network.

L. "OTHER NETWORK MEMBER" means a Network Member who is not also an Owner in the Master Project.

M. "EXCHANGE USER" means a person whose use of a Unit is arranged through an Exchange Program. For example, owners of Vacation Interests in resorts that are not part of the Master Project are Exchange Users if they exchange their use rights in their own Vacation Plan for the right to use a Unit in the Master Project. Note that Other Club Members and Other Network Members, if any, are Exchange Users.

2. DEDICATION OF THE COMMON PROPERTY

2.1 PURPOSE AND EFFECT OF THIS DOCUMENT. By signing and recording this Declaration, the Developer intends to do these things:

- ❖ It intends to create a program for the Members to share the use, enjoyment, management, upkeep and repair of the Common Property and to operate the Master Association.
- ❖ It intends to comply with the legal requirements necessary to impose the Master Association Documents on the Property and anyone who has any rights or interests in it.
- ❖ It intends to comply with the legal requirements necessary to dedicate the Common Area to use by the Master Association, its Members, the Developer, and others, all as provided in the Master Association Documents.
- ❖ It intends to grant easements to the Members to use the Common Area in the manner and at the times permitted by the Master Association Documents.
- ❖ It intends to give other Occupants and their Guests the right to use the Common Area in the manner and at the times permitted by the Master Association Documents.
- ❖ It intends to reserve easements in favor of the Developer to use the Common Area in the manner and at the times permitted by the Master Association Documents.
- ❖ It intends to enhance, maintain, and protect the value, desirability and enjoyment of the Property and all interests in it for the benefit of each of the Members and the Developer.

2.2 ADOPTION OF THE MASTER ASSOCIATION DOCUMENTS. The Developer declares that:

A. The Property is subject to the Master Association Documents. (In legal terms, the Developer is "submitting all of its estate, right, title and interest" to those documents).

B. The Master Association Documents will govern the Master Project. This includes, for example, the ownership, use, enjoyment, management, operation, upkeep, repair, and improvement of the Common Area. It also includes the ownership, use and enjoyment of the Participating Property. In legal terms, the Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Master Association Documents. Anyone who occupies or uses any Unit or who uses the Common Area must obey them.

C. The Master Association Documents will be binding on the Master Project. They will also be binding on, and are intended to benefit these persons:

- 1) The Developer.
- 2) The Master Association.
- 3) Each Member.
- 4) Anyone else who now or later owns all or any part of the Property or has any rights or other interests in all or any part of the Property, or in any Membership in the Master Association. This includes, for example, all Parcel Owners.
- 5) Anyone who, by law or by agreement, stands in the place of the persons listed in items 1) to 4). Such people are called, in technical legal terms, "heirs", " devisees", "personal representatives", "successors", and "assigns".

All of these people must obey the Master Association Documents. It does not matter how or when a person obtains an interest in the Property or any Membership, or whether he or she ever signed the Master Association Documents or expressly agreed to obey them. He or she must still obey them just as if he or she signed them.

All of these people also have the right to enforce the Master Association Documents in any way permitted by the Planned Community Association Act or by the Master Association Documents.

In legal terms, the Master Association Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this Subsection.

2.3 DEVELOPER'S RESERVED RIGHTS.

A. UNDER THE RESORT DOCUMENTS. The Developer is also the developer under the Resort Documents for the Ocean Resort Villas condominium. It may also be the developer under the Resort Documents for other Resorts. Regardless of what Section 2.2 says:

1) The Developer reserves to itself any and all rights it may have as the Resort Developer of any particular Resort. For example, the Developer reserves all of the "Developer's Reserved Rights" in the documents governing the Ocean Resort Villas condominium. They include, among others, the Developer's rights to build more phases and to create more apartments on the Ocean Resort Villas condominium, the right to change the common elements and each apartment's common interest in the common elements, and various other rights.

2) The rights reserved to the Resort Developer under the Resort Documents for each Resort will not be subject to the Master Association Documents. The Resort Developer alone may exercise those rights. Those rights will not be transferred to the Master Association or to any Member unless the Resort Developer signs and records a document

that clearly says so. A Resort Developer may exercise its reserved rights under the Resort Documents without the consent or approval of the Master Association, any Member, or anyone else having any rights under the Master Association Documents. The Developer makes no promise and has no duty to exercise any of the Resort Developer's reserved rights under the Resort Documents. Neither the Members nor the Master Association will have any legal right to insist that it do so.

B. UNDER VACATION PLAN DOCUMENTS. The Developer is also the developer under the Vacation Plan Documents for the Ocean Resort Villas Vacation Ownership Plan. It may also be the developer under the Vacation Plan Documents for other Vacation Plans. Regardless of what Section 2.2 says:

1) The Developer reserves to itself any and all rights it may have as the Vacation Plan Developer of any particular Vacation Plan. Even if property included in a Vacation Plan is subject to the Master Association Documents, only the Vacation Plan Developer may exercise the rights reserved to the Vacation Plan Developer under the Vacation Plan Documents. Those rights will not be subject to the Master Association Documents and they will not be transferred to the Master Association or to any Member unless the Vacation Plan Developer signs and records a document that clearly says so.

2) The Vacation Plan Developer may exercise its reserved rights under the Vacation Plan Documents without the consent or approval of the Master Association, any Member, or anyone else having any rights under the Master Association Documents. For example, the Developer is the Vacation Plan Developer of the Ocean Resort Villas Vacation Ownership Plan. The Vacation Plan Developer has the exclusive right to include more apartments in the Ocean Resort Villas Vacation Ownership Plan, the right to rent unreserved use nights, and various other rights provided in the Vacation Plan Documents. It may use those rights without having the consent or approval of the Master Association or its Members. The Developer makes no promise and has no duty to exercise any of the Vacation Plan Developer's reserved rights under the Vacation Plan Documents. Neither the Members nor the Master Association will have any legal right to insist that it do so.

3. MEMBERS' EASEMENT

3.1 MEMBER'S EASEMENT. An "easement" is the right to use property in the possession of someone else. The Developer here and now grants to each Member an easement to use and enjoy the Common Area on the terms and conditions stated in this Master Declaration. This easement is called the "*Members' Easement*".

3.2 NATURE OF THE MEMBERS' EASEMENT.

A. GENERAL NATURE. The Members' Easement is in favor of each person who is an Owner and only while he or she is an Owner. In legal terms, the Members' Easement is "appurtenant" to the Member's Parcel. This means, among other things, that a Member who transfers his or her Parcel to someone else also automatically transfers the Member's Easement to the new Owner. This happens whether or not the document transferring the Parcel expressly says so. The person who transferred the Parcel will no longer have an easement (unless he or she still owns another Parcel).

B. RIGHTS OF OCCUPANTS. Anyone who has the right or permission to occupy a Unit also has the right to use the Member's Easement appurtenant to that Unit. This means that an Occupant may use the Common Property as if he or she was an Owner in the Master Project even if that is not the case.

1) This includes, for example, the following persons:

(a) Anyone who rents or leases a Unit (subject to any limits contained in any rental agreement or lease with the Owner).

(b) A Vacation Owner who occupies a Unit as allowed by the Vacation Plan Documents.

(c) An Exchange User.

(d) The Developer when it occupies a Unit using any reserved rights it has as the Vacation Plan Developer of a particular Vacation Plan.

Of course the rights of Vacation Owners, the Developer, and Exchange Users are subject to any limits contained in the Vacation Plan Documents.

2) For Occupants other than Owners and the Developer, this right is not an "easement". It is a "license" (meaning that this right of use remains in effect only during the time period when the person has the right to occupy a Unit.)

3.3 LIMITATIONS ON THE MEMBERS' EASEMENT.

A. EASEMENT IS NOT EXCLUSIVE. The Members' Easement is not an exclusive easement. This means that other persons besides the Members may use the Common Area. For example:

1) Owners may permit their Guests to use the Common Area. The Developer and Exchange Users may permit their Guest to use the Common Area at any times when they have the right to occupy a Unit. This right is not an "easement". It is a "license" (meaning that the Guest may use

the Common Area only for so long as the Owner, Exchange User or Developer allows it).

2) The Master Association and the Developer also have the right to use the Common Area to the extent provided in Chapters 4 and 5.

3) The Board or the Developer may allow other persons to use the Common Area from time to time upon payment of reasonable use fees.

B. USE OF THE COMMON PROPERTY. All Members may use the Common Property. However this does not mean that all Members have the right to use all of the Common Property or to use it all of the time. Instead, the Member's Easement is subject to the following:

1) **MASTER ASSOCIATION RULES.** The Managing Agent may adopt, publish and enforce fair and reasonable rules and regulations relating to the Common Property, as provided in Section 13.3F. For example:

- ❖ The Master Association Rules may provide that Members who own Vacation Interests may only use the Common Property during the time when they are occupying a Unit in a Resort. The rights of Guests and Exchange Users may likewise be limited.
- ❖ The Master Association Rules may limit the times when Occupants and their Guests may use the Master Association Amenities such as a swimming pool, sauna, and so on.
- ❖ The Master Association Rules may require sign-up sheets to reserve the use of tennis courts and other amenities where demand may exceed availability.
- ❖ The Master Association Rules may permit Occupants to reserve part of the Common Property for private parties and other social functions.
- ❖ The Master Association Rules may limit or prohibit certain activities by Occupants and their Guests. For example, they may prohibit running on the pool deck, barbecuing except in designated areas, rowdy or noisy behavior, use of the pool without showering, and so on.
- ❖ The Master Association Rules may limit the number of Guests who may use the Common Property at any given time.
- ❖ The Master Association Rules may limit or prohibit people from entering the koi pond, playing in decorative waterfalls, standing in or on landscaped areas and so on.

2) **RESTRICTED AREAS.** The Board may restrict or limit access to parts of the Common Property. For example, Occupants may not use mechanical and equipment rooms,

storage rooms, offices, and other parts of the Common Property that the Board designates as "off limits" to the Members or that it uses for the administration or operation of the Master Association.

3) **TEMPORARY CLOSINGS.** The Master Association has the right to close down all or any parts of the Common Property as needed to do maintenance or repair work, or to remodel or upgrade the property. Neither the Members nor anyone else may use those areas while the Master Association is doing these things. The Master Association must complete any such work promptly after it begins it so as to minimize any interference with the rights of the Occupants and the Developer to use and enjoy the Common Property.

C. RESORT DOCUMENTS. The Members' Easement is subject to any restrictions or limitations contained in the Resort Documents or in any deed, lease, or other document transferring property to the Master Association.

D. MASTER ASSOCIATION AMENITIES. The Members' Easement is subject to the right of the Board to impose reasonable requirements and to charge reasonable admission or other fees for the use of any of the Master Association Amenities. This might include, among other things, a fee for a massage or use of any spa, surfing lessons, sports equipment rentals, use of a cabana, and so on.

E. SUSPENSION. If a Member's membership or use rights are suspended for disciplinary reasons then his or her easement rights will also be suspended for the same time period. This will not affect (i) a tenant who leased a Unit before the suspension took effect, or (ii) an Exchange User who has a reservation to use the suspended Owner's Vacation Period if the reservation was confirmed by the Vacation Owners Association or an Exchange Company before the suspension took effect.

4. MASTER ASSOCIATION EASEMENT.

4.1 MASTER ASSOCIATION EASEMENT. The Developer here and now grants to the Master Association an easement to use and enjoy the Common Area on the terms and conditions described in this Master Declaration. This easement is called the "*Master Association Easement*".

4.2 NATURE OF THE MASTER ASSOCIATION EASEMENT. The Master Association has the right to use and possess the Common Property as necessary or useful to perform the duties and obligations of the Master Association as set forth in the Master Association Documents.

4.3 MASTER ASSOCIATION'S AGENTS. The Master Association's agents, employees, contractors, and other authorized persons may use the Master Association's

easement rights to the extent authorized by the Master Association. This includes, among others, any Managing Agent hired by the Master Association.

4.4 MERGER. The Developer will deed or otherwise transfer the Common Area to the Master Association. The Master Association Easement is separate from the Master Association's interest as the owner of the Common Area. Even though the Master Association will own both, the Master Association Easement will stay in effect. If the Master Association transfers the Common Area to someone else, the Master Association Easement will still be in effect and the Master Association will still have it so long as it continues to serve as the owners association of the Master Project. In legal terms, the Master Association Easement will not "merge" with the property transferred by the deed.

5. DEVELOPER'S EASEMENT.

5.1 DEVELOPER'S EASEMENT. The Developer here and now reserves, and the Master Association grants to the Developer, the right and an easement to use and enjoy the Common Area on the terms and conditions described in this Master Declaration. This easement is called the "*Developer's Easement*".

5.2 NATURE OF THE DEVELOPER'S EASEMENT.

A. RIGHTS AS A MEMBER. To the extent that the Developer is a Member, it has the right to use the Common Property on the same basis as any other Member.

B. SPECIAL RIGHTS OF THE DEVELOPER UNDER THE RESORT DOCUMENTS. In addition to the Developer's rights under Section 5.2A, the Developer may use the Common Area for any purpose permitted by law and by the Resort Documents. For example, the Developer's Reserved Rights under the Ocean Resort Villas Condominium Declaration include the rights (i) to conduct extensive marketing and sales activities on the Master Association Amenities (including the right to display signs, banners, and so on), (ii) to conduct educational, cultural, entertainment or sporting events, and other activities of general community interest on the Common Area, and (iii) to operate one or more programs for children of Members and certain other persons. These rights are not and cannot be changed in any way by the Master Association Documents or the Master Association.

C. SPECIAL RIGHTS OF THE DEVELOPER UNDER VACATION PLAN DOCUMENTS. The Developer has certain reserved rights under the Vacation Plan Documents for the Ocean Resort Villas Vacation Ownership Plan. It is likely that the Developer will have similar rights under the Vacation Plan Documents for any other Vacation Plan that includes any Participating Property. For example, the Developer has the

following rights in its role as the Vacation Plan Developer of the Ocean Resort Villas Vacation Ownership Plan:

1) The Developer has the right under the Vacation Plan Documents to reserve any Use Periods that, for any reason, are not reserved as of sixty (60) days before the Check-In Day. This right of the Developer is in addition to the reservation rights it has for any Vacation Interests it owns.

2) In certain Use Years, there will be 53 Use Weeks instead of 52. The Developer has the right under the Vacation Plan Documents to reserve and then use the Vacation Units for one Use Week in each Use Year that contains a 53rd Use Week.

The Developer has the right to rent these Use Periods and to keep the rent. The Developer's Easement includes the right and an easement for it and its Guests to use the Common Property during any Use Period reserved as provided in Subsection 5.2C.1) and 5.2C.2) just as if they were Members. The Developer's Easement includes the right to use the Common Property in other circumstances as may be reasonably necessary or convenient to the exercise of the Developer's reserved rights as the Vacation Plan Developer under any Vacation Plan Documents.

D. CONCESSIONS. The Developer's Easement includes the right and an easement to establish, operate, maintain, repair and replace on the part of the Common Area that is located in the Ocean Resort Villas condominium no more than three (3) concession stands in the Courtyard of that condominium (as "Courtyard" is defined in the condominium declaration) and no more than four (4) more concession stands on the portion of the grounds of that condominium that is part of the Common Area. The stands may be used only for these purposes:

1) They may be used for sales of food and/or beverages, rental and storage of portable beach cabanas, surfboards, boogie boards, boats, jet skis, snorkels, fins, bicycles, or other recreational equipment.

2) They may also be used for the operation by the Developer of tour or activity desks or for the operation of any other businesses intended to promote the sales of condominium apartments and/or Vacation Interests.

The easement under this Subsection 5.2D includes the right to connect the concession stands with utility services. However, each month the Developer must pay to the Master Association an amount equal to the estimated cost of utility services. Any concession stands must be built, set up, operated, and maintained in accordance with the Resort Documents and all laws that apply. The Developer must pay all costs to build, set up, operate, maintain, repair, and replace any concession stands. The design of all such concession stands must be consistent with a first class destination resort. The Developer may operate the concession stands itself or it may contract

with someone else to operate some or all of them. It may also rent them to someone else. The Developer has the right to keep all money it receives in connection with the operation of the concession stands.

E. RECEPTIONS. The Developer has an easement to conduct receptions on the Common Property for Members and prospective Members, and for Guests of the Members, prospective Members, or the Developer, for the purpose of promoting the sales of apartments or Vacation Interests. The Developer must reimburse the Master Association for all reasonable out-of-pocket costs of such activity.

F. ACCESS. The Developer has an easement for access across the Common Area as may be reasonably necessary or convenient to the exercise of the Developer's other rights and easements under the Master Association Documents.

5.3 LIMITS ON THE DEVELOPER'S EASEMENT. The Developer's rights under Section 5.2D must be used so as to minimize, when reasonably possible, any unreasonable interference with the rights of Members or others to use the Master Association Amenities. If the Developer's membership or use rights are suspended for disciplinary reasons then its easement rights will also be suspended for the same time period. This will not affect, however, the rights of anyone who rents a Unit from the Developer before the suspension takes effect.

5.4 DEVELOPER'S AGENTS. The Developer's agents, employees, contractors, and other authorized persons may use the Developer's easement rights to the extent authorized by the Developer.

6. GENERAL RULES ABOUT EASEMENTS.

6.1 DEFINITION. "*Master Project Easements*" means the Members' Easement, the Master Association Easement, and the Developer's Easement.

6.2 RELATION TO RESORT DOCUMENTS. To the extent that this Master Declaration conflicts with the Resort Documents for a particular Resort, the Resort Documents will control.

6.3 WHEN THE EASEMENTS END. The Master Project Easements will end automatically if all Participating Property is removed from the Master Project in the manner provided in Section 18.4. If only part of the Participating Property is removed from the Master Project, then (i) the Master Project Easements will end as to the property described in the Declaration of Removal, and (ii) the Master Project Easements will remain in effect for the rest of the Participating Property.

6.4 HOW EASEMENTS TERMINATE. When this Master Declaration says that an easement will expire or otherwise

terminate automatically in certain cases, no further steps must be taken to terminate the easement in those cases. (In legal terms, the easement is a "*determinable easement*" and not an "*easement subject to a condition subsequent*".)

6.5 EVERYONE GIVES UP CERTAIN RIGHTS. "*Partition*" is the right of co-owners to ask a court to divide commonly owned property into separate parts for each co-owner. If the property cannot legally be divided, a court may order the property sold and divide the money from the sale among the co-owners. While this Master Declaration is in effect, nobody may ask for or obtain partition of the Common Area or the Master Project Easements.

7. UTILITY AND SIMILAR EASEMENTS.

7.1 GRANT OF EASEMENTS AND RIGHTS OF WAY. The Master Association may grant, accept, change, move, and end easements and rights of way to government agencies or utility or service companies for public purposes. Public purposes might include, for example, easements or rights of way to build, change, operate, maintain or repair things like sewage, electrical, gas, and water lines, or for sending or receiving radio, television, telephone, microwave, or other electronic signals. The Master Association may also join in and consent to the grant or change of easements or rights of way by anyone else who may have the right to do so by law or under the Resort Documents for any particular Resort.

7.2 RELATION TO OTHER EASEMENTS. The Master Project Easements will be subject to any easement or right of way granted by the Master Association when acting under section 7.1. Each Member and anyone else who owns any interest in the Common Area or any part of it or in any Membership:

A. Automatically accepts and consents to any easements or rights of way granted, accepted, changed, moved, or ended by the Master Association when acting under section 7.1.

B. Agrees to sign and let the Master Association record any document and do anything else necessary or useful to grant, accept, change, move, or end easements and rights of way allowed under Section 7.1.

1) Gives the Master Association a special power of attorney (see Section 20.3) to sign for him or her any document, and to do anything necessary or useful to grant, accept, change, move, or end easements and rights of way allowed under Section 7.1.

7.3 LIMITATION ON THE MASTER ASSOCIATION'S RIGHTS. Nothing in Sections 7.1 or 7.2 may be interpreted to permit anyone to take away the right of the Developer to use the Common Area as provided in this Master Declaration unless it consents in writing. The Master Association may not grant an easement or right of way which has that effect.

8. USE RIGHTS AND RULES

8.1 INTRODUCTION. This Chapter explains the rights and duties of anyone who is using the Common Property.

8.2 USE RIGHTS. An Owner may use the Common Property at the times and on the terms and conditions stated in the Master Association Documents. The Developer has the same use rights to the extent that it is an Owner.

A. VACATION PLANS. A Vacation Owner or Exchange User may use the Master Association Amenities during his or her Vacation Period. Neither a Vacation Owner nor an Exchange User can use the Common Property at any other time unless he or she is a Guest of someone else who has the right to occupy and use a Unit at that time.

B. GUEST USE. During his or her Vacation Period, a Vacation Owner or Exchange User may allow a Guest to use the Master Association Amenities. Vacation Owners and Exchange Users are fully responsible for their Guests. See Chapter 10 for more details.

C. DAY USE. Regardless of what Section 8.2A says, the Managing Agent may permit Vacation Owners and their Guests to use the Master Association Amenities at times other than the time when they may also occupy a Unit. Such use is called "*Day Use*".

1) The Managing Agent has no duty to permit Day Use. If the Managing Agent permits Day Use, then Vacation Owners and their Guests will have the right to use the Master Association Amenities upon the terms and conditions set by the Managing Agent. Day Use will be subject to any further limitations contained in the any applicable Resort Documents or Vacation Plan Documents and/or the Ka'anapali North Beach Documents.

2) The Managing Agent must limit Day Use to the extent reasonably necessary to assure that such use does not unreasonably burden or interfere with the use of the Resort, the Common Property, or the Ka'anapali North Beach Amenities. For example, if the pool is overburdened by Day Use, then the Managing Agent must take reasonable steps to limit such use to a level that does not overburden the pool.

D. DEVELOPER USE. The Developer has the same use rights and duties as an Owner under this Section 8.2 to the extent that it is the Owner of a Vacation Interest or otherwise has the right to use a Unit included in a Vacation Plan.

8.3 GENERAL USE RESTRICTIONS AND DUTIES.

A. LIMITS ON COMMERCIAL USE. No business or profession may be conducted on the Common Property. Owners, Exchange Users, other Occupants, and their Guests may not use the Common Property for any commercial

purpose. These rules do not apply, however, to the Developer's rights under Chapter 5 or Section 8.4.

B. ANIMALS. Persons with handicaps or disabilities may bring specially trained animals on the Common Property as provided in the Ka'anapali North Beach Documents, the Resort Documents, or by law. No other pets or other animals of any kind may be allowed or kept on the Common Property except as explicitly provided in the Master Association Rules.

C. RELATIONSHIP TO OTHER DOCUMENTS. This Master Declaration gives the Owners and other Occupants no greater rights than they otherwise have under any Resort Documents, the Ka'anapali North Beach Documents, any Vacation Plan Documents, or the Club Documents.

D. AVAILABILITY OF MASTER ASSOCIATION AMENITIES. Master Association Amenities available at one time may not continue to be available, or available to Owners or other Occupants, in the future. The Board may determine which, if any, Master Association Amenities to add, continue, change, eliminate, replace, or upgrade.

E. CHANGES TO THE COMMON PROPERTY. No Occupant may make or authorize anyone else to make any changes, additions, or repairs to the Common Property except when needed to prevent damage or injury to persons or property in an emergency. Nobody may paint, refinish or redecorate the Common Property or remove, alter or replace any part of the Common Furnishings without first having the written consent of the Master Association. The Master Association alone has the right to do those things. However, these restrictions do not reduce or change the duty of every Occupant described in the next paragraph.

F. DUTY OF CARE; MAINTENANCE AND REPAIR. All Occupants must take good care of all property available for their use. Occupants must leave the Common Area and Common Furnishings neat and in good and sanitary condition (except for reasonable and ordinary wear and tear or destruction by an unavoidable casualty or accident). The Owners, acting through the Master Association, will conduct and pay for the costs of normal maintenance and repair of the Common Area and the Common Furnishings.

G. OBEY THE GOVERNING DOCUMENTS. Each Owner and each other Occupant must obey the Resort Documents, the Master Association Documents, and the Ka'anapali North Beach Documents, and see that all his or her Guests also do so.

H. PERSONAL BELONGINGS. Owners, Occupants, and their Guests are solely responsible for the safety and security of their personal effects. Nobody (including the Master Association, the Managing Agent, or anyone else) will be liable or responsible in any way at all for any personal effects left or lost in the Common Area. Personal effects left in the Common Area will be considered abandoned. The Managing

Agent may throw away, sell, or give them away except as otherwise provided by law or by the Master Association Rules.

8.4 SPECIAL RIGHTS OF THE DEVELOPER. No matter what else the Master Association Documents provide, the Developer has and will have the following special rights and privileges:

A. DEVELOPER'S USE. The Developer may use the common elements of any Resort (other than Common Area) for any purpose permitted by law and the Resort Documents, free from the restrictions imposed by the Master Association Documents.

B. NAME CHANGE. The Developer may change the name of the Master Project or the Master Association at any time. The Developer may record any documents that it deems necessary or helpful to change the name.

9. OWNERSHIP RIGHTS AND RULES

9.1 INTRODUCTION. Membership in the Master Association is tied to ownership of a Parcel of Participating Property. This Chapter explains what happens when an Owner transfers or mortgages a Parcel of Participating Property.

9.2 DEFINITIONS.

A. "PRIOR OWNER" means an Owner who is transferring a Parcel to someone else.

B. "NEW OWNER" means the person to whom a Prior Owner is transferring his or her Parcel.

9.3 TRANSFERS OF MEMBERSHIPS.

A. MEMBERSHIP GOES WITH THE PARCEL. An Owner cannot separate his or her Membership or Member's Easement from his or her Parcel. He or she cannot sell, transfer, mortgage or otherwise deal with the Membership or Member's Easement separately from the Parcel. Likewise, the Member's Easement cannot be separated from the Membership. Any attempt to do any of these things is void. There are two exceptions:

1) An Owner may pledge or transfer his or her voting rights to a Lender having a mortgage on his or her Parcel (including but not limited to a Lender who has a nominee – such as the Mortgage Electronic Registration Systems, Inc. – hold a mortgage for it); and

2) The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

Nothing in the Master Association Documents prevents the Developer from dividing a Parcel into individual Vacation Interests.

B. NOTICE OF TRANSFERS. Written notice must be given to the Master Association within ten (10) days after any Parcel is transferred. The notice may be given by either the Prior Owner or the New Owner. The notice must include:

- ❖ The name and address of both the Prior Owner and the New Owner;
- ❖ The date of the transfer;
- ❖ A legal description of the Parcel transferred; and
- ❖ A copy of the recorded document used to make the transfer. It must include the recording information for the document.

C. REGISTRATION OF TRANSFER. The Managing Agent may collect a reasonable service charge for changing the Master Association's records to reflect the transfer. When the Master Association receives a proper notice of a transfer and the Managing Agent receives the service charges owed to it, then the Managing Agent will register the change on the Master Association's list of Owners.

D. EFFECT OF NOTICE OF TRANSFER. Unless and until the notice is given:

- 1) Neither the Master Association nor the Managing Agent has to recognize the New Owner for any purpose;
- 2) The Master Association and the Managing Agent may continue to treat the Prior Owner as the Owner;
- 3) The Prior Owner will remain fully liable as an Owner along with the New Owner; and
- 4) The Master Association and the Managing Agent may deal exclusively with the Prior Owner, the New Owner, or both. All notices from the Master Association or the Managing Agent to the "Owner" may be sent to the New Owner, the Prior Owner or both, as the Master Association or Managing Agent choose.

E. RIGHTS AUTOMATICALLY TRANSFERRED. The transfer of a Parcel automatically transfers each of these things to the New Owner:

- ❖ The interest of the Prior Owner in all funds held by the Master Association.
- ❖ The Membership of the Prior Owner in the Master Association.

- ❖ The Member's Easement in favor of the Parcel transferred.

This happens whether or not the document transferring the Parcel expressly says so.

F. FUNDS HELD BY THE MASTER ASSOCIATION. No share of any Owner in funds held by the Master Association can be withdrawn or separately transferred. An Owner who wants this money must get it from the New Owner. The Master Association will not refund it.

9.4 RELEASE OF AN OWNER'S DUTIES UNDER THIS DECLARATION.

A person's liability as an Owner under the Master Association Documents ends when:

- ❖ He or she no longer owns a Parcel, and
- ❖ He or she or the New Owner notifies the Master Association of the transfer, and
- ❖ He or she has paid all sums and performed all his or her other duties under the Master Association Documents up to the time his or her ownership ends and the notice of the transfer is sent. This includes Assessments and Personal Charges.

9.5 MORTGAGES.

A. PERMITTED MORTGAGES. An Owner may mortgage his or her Parcel. The Owner must, however, mortgage all his or her rights in the Parcel; any attempt to mortgage anything less will be void. Anyone who owns more than one Parcel may mortgage each one separately.

B. PROHIBITED ACTS. No Owner can mortgage or otherwise encumber all or any part of:

- ❖ Another Owner's Parcel,
- ❖ Another Member's Easement,
- ❖ The Common Area, or
- ❖ The Common Furnishings.

Any attempt to do so will not be effective. It will be void. NOTE: "Encumber" is defined in the glossary (Section 20.4).

C. ENFORCEMENT OF MORTGAGES. Any mortgage on a Parcel will be subordinate to (will be governed by and will not affect) this Master Declaration or the other Master Association Documents. If a mortgage is properly recorded and given in good faith and for value, then no violation of the Master Association Documents or enforcement of the Master Association's Secured Lien will defeat or make the lien of the

mortgage invalid. This does not guarantee, however, that the Lender will be fully paid or paid first.

9.6 DUTY TO OTHERS.

A. PROTECTING THE COMMON PROPERTY. No Owner may cause or permit his or her Parcel, Membership or Member's Easement to be subject to any claim or lien which could result in the sale of the Common Property or could interfere with another Owner's use or enjoyment of it.

If any such sale or interference is threatened or if legal proceedings (which could result in such a sale or interference) are begun because of any lien or claim against another Owner (the "Violator") or the Violator's Parcel, Membership, or Member's Easement, then any other Owner or the Master Association may (but need not) pay or compromise the lien or claim without checking the proper amount or validity of it. In that case, the Violator must immediately repay the other Owner, or the Master Association, the total expenses incurred, including all reasonable attorneys' fees and related costs. These amounts will be a Personal Charge to the Violator.

B. ASSOCIATION'S FUNDS. No Owner may permit his or her interest in any funds held by the Master Association to become subject to any attachment, lien or claim or other legal process. Each Owner must promptly restore any funds held by the Master Association with respect to the Owner's Membership if they are taken because of any such attachment, lien, claim or other legal process. The Owner must also repay the Master Association for all reasonable attorneys' fees and any other costs it incurs to have the funds restored. Amounts incurred by the Master Association may be charged to the Owner as a Personal Charge.

10. OWNER'S RESPONSIBILITY FOR OTHERS

10.1 INTRODUCTION. An Owner may wish to allow his or her Guests to use the Master Association Amenities. The Master Association Documents allow an Owner to do this. But each Owner has certain responsibilities for his or her Guests. This Chapter explains those responsibilities. It also explains the responsibilities as between two Owners of a single Parcel.

10.2 CO-OWNERS OF A SINGLE PARCEL.

If there is more than one Owner of a single Parcel, each co-Owner is jointly and severally liable to pay all Assessments and Personal Charges. This means that each person may be held responsible to pay the whole amount of the Personal Charge or Assessment, not just part of it or his or her share of it. It does not matter that only one co-Owner uses the Common Property or that Personal Charges were caused by only one of the co-Owners and not the others. For example, when one co-Owner damages the pool furniture, each of the

co-Owners are fully responsible to pay for it, not just the one who did it. "Joint and several liability" is defined in the glossary.

10.3 OWNER'S RESPONSIBILITY FOR GUESTS.

An Owner is personally responsible to see that his or her Guests:

1) Obey the Ka'anapali North Beach Documents, the Resort Documents, and the Master Association Documents.

2) Promptly pay all Personal Charges incurred by them (for example, charges for use of the spa).

3) Promptly pay all other Personal Charges arising from or related to use by the Owner's Guests of the Resort, the Ka'anapali North Beach Amenities, or the Master Association Amenities.

10.4 OWNER'S LIABILITY FOR GUESTS.

By permitting his or her Guest to enter or use the Common Property (whether or not the Guest is expressly invited), the Owner agrees to be fully responsible for:

- ❖ Any loss, damage or destruction caused by the Guest's act or failure to act;
- ❖ Any violation by the Guest of the Ka'anapali North Beach Documents, the Master Association Documents, or the Resort Documents; and
- ❖ Any Personal Charges or other charges incurred by the Guest.

The Owner will be responsible for the Guest's acts or failure to act just as if they were the Owner's own acts or failure to act. If the Owner's Guests do not pay all amounts charged to them, the Owner must pay those amounts. The Owner must also pay all costs of trying to collect any amounts charged to the Guest, including court costs and reasonable attorneys' fees. And, the Owner must pay all other amounts charged to the Owner as a result of his or her Guests. All these amounts will be charged to the Owner as a Personal Charge.

10.5 AN OWNER AND HIS OR HER GUESTS ARE LIABLE SEPARATELY AND TOGETHER. Each Owner and his or her Guests are jointly and severally liable to pay all Personal Charges and all other charges arising from or related to the Guest's use of the Resort, the Master Association Amenities or Ka'anapali North Beach. This means that the Owner, the Owner's Guest, or both may be required to pay the whole amount, not just part of it or some share of it.

11. EXCHANGE PROGRAMS

11.1 EXCHANGE PROGRAMS.

A. PARTICIPATION IN EXCHANGE PROGRAM.

Vacation Owners may have the opportunity to participate in one or more Exchange Programs. Rules and regulations of an Exchange Program do not change or suspend the duties of an Owner under the Master Association Documents. Any amounts charged to the Owner by the Exchange Company or relating to an Exchange Program do not change or reduce the Owner's personal duty to pay all amounts charged to the Owner or his or her Parcel as Personal Charges and Assessments.

11.2 EXCHANGE USER'S DUTIES AND LIABILITIES.

A. DUTIES. Exchange Users have these responsibilities:

- ❖ They must obey the Ka'anapali North Beach Documents, the Master Association Documents, the Resort Documents and the Vacation Plan Documents and see that their Guests also do so.
- ❖ They will be responsible for (and personally liable for) their Guests just as if the Exchange Users were Owners (see Section 10.4).
- ❖ They must promptly pay all Personal Charges incurred during their Vacation Periods (for example, charges for sports equipment rentals).
- ❖ They must promptly pay all other Personal Charges arising from or related to their use of the Common Property, the Resort, or Ka'anapali North Beach (for example, charges for use of the Master Association Amenities or legal fees paid to collect Personal Charges owed by them or their Guests).
- ❖ They are not Owners. They do not have to pay any Regular or Special Assessments, and they cannot vote in the Master Association.

B. LIABILITY OF EXCHANGE USERS AND THEIR GUESTS. Exchange Users and their Guests are jointly and severally liable to keep all promises and pay all charges described in Section 11.2A. This means that each of them may have to pay the whole amount, not just part of it or their share of it. Each person is responsible separately and together with the others.

C. EXCHANGE USERS MAY BE REQUIRED TO SIGN A CONTRACT. Exchange Users may be required to sign a contract in which they promise to do the things required in this Section 11.2.

11.3 LIABILITY.

A. FOR EXCHANGE COMPANIES. The Master Association, the Managing Agent, and the Developer (and each of their directors, officers, employees and agents) are not responsible for the acts, failure to act or conduct of an Exchange Company or for an Exchange Company's breach of any agreement it may have with any Vacation Plan or Vacation Owner.

B. FOR EXCHANGE USERS. The Master Association, the Managing Agent, the Developer, and any Exchange Companies (and each of their directors, officers, employees and agents) are not responsible for any act, failure to act or conduct of Exchange Users or their Guests. An Owner is not responsible for any act, failure to act or conduct of Exchange Users or their Guests whose use of a Unit is exchanged for that Owner's use rights through an Exchange Company.

11.4 ASSOCIATION'S DUTY TO COMPLY WITH THE CONTRACTS. The Master Association must always repair and keep the Common Property in good enough condition to comply with any standards reasonably set by an Exchange Company pursuant to any agreement with a Vacation Plan that includes any Participating Property.

12. THE ASSOCIATION

12.1 THE MASTER ASSOCIATION. The name of the Master Association is "Ocean Resort Master Association". It is a Hawaii non-profit corporation.

The Master Association is intended to continue as a corporation for the life of the Plan. But the state can terminate or "dissolve" a corporation in certain circumstances such as if the officers fail to file yearly reports required by law. If the corporation is ever dissolved, whether on purpose or not, then it will be replaced automatically by an unincorporated association having the same name and same Members, officers and directors. In that event, all property, powers and obligations of the incorporated Association just before it dissolved automatically will be held by the unincorporated Association. To the greatest extent possible, any replacement unincorporated Association will be governed by the Master Association Documents as if they were the governing documents of the unincorporated Association. Any officers or directors of the unincorporated Association may either revive the old corporation or create a new one to be the Master Association. The name of the new corporation should be the same as or similar to the old name if possible.

12.2 ASSOCIATION MEMBERSHIP. Each Owner is a Member of the Master Association and only Owners can be Members. If more than one person is the "Owner" of a Parcel, each of them is a Member. A person's Membership ends

automatically when he or she is no longer the "Owner" of a Parcel, such as when an Owner deeds it to someone else.

12.3 VOTING RIGHTS OF OWNERS. Some parts of the Participating Property may be part of a Vacation Plan. Other parts may not. To accommodate this, the Owners will vote in this way:

A. If Parcel consists of a single Unit (such as a condominium apartment) the Owner will have one hundred and four (104) votes.

B. If a Parcel includes more than one whole Unit, then the Owner will have one hundred and four (104) votes for each Unit on that Parcel.

C. If the Vacation Owners in a particular Vacation Plan own undivided interests in the real property included in that Vacation Plan, then each Vacation Owner will be entitled to a vote equal to the undivided interest of the Vacation Interest multiplied by the amount determined under Subsections A or B, above, whichever is appropriate.

For example, Owners of Vacation Interests in the Ocean Resort Villas Vacation Ownership Plan own either a 1/52nd or a 1/104th interest in a condominium apartment. In their case:

1) A Vacation Owner who owns a 1/52nd interest in a Unit will have two (2) votes.

2) A Vacation Owner who owns a 1/104th interest in a Unit will have one (1) vote.

D. If a Parcel is owned by more than one person, they will have to agree among themselves on how to vote. The Master Association need not settle disputes among co-Owners as to voting. If they cannot agree, they lose their right to vote on the matter in question. If a Parcel is owned by more than one person, the vote or votes for that Parcel may be cast by any of its co-Owners, unless (i) another co-Owner files a written objection with the secretary or the chairperson of the meeting, or (ii) another co-Owner casts an inconsistent vote.

12.4 BOARD OF DIRECTORS. The business and affairs of the Master Association are controlled by the Board. Except as limited by law or by the Master Association Documents, the Board may exercise all powers of the Master Association and must perform all of its duties. The Board may not, however, take any action that, by law or under the Master Association Documents, must be taken, authorized or approved by the Owners, or by some part or percentage of them. The Board may delegate its powers to the officers of the Master Association or to one or more professional managers hired by the Master Association, including but not limited to the Managing Agent. This authority is subject to any limits contained in this Master Declaration or the Master Bylaws. The first Board will consist of persons named in the Articles

or otherwise appointed by the Developer. At the Master Association's first annual meeting, the Owners will elect a new Board.

13. MANAGING THE MASTER PROJECT

13.1 THE MASTER ASSOCIATION MANAGES THE MASTER PROJECT. Administration and management of the Common Property and all other aspects of the Master Association is vested in the Master Association. Owners participate only through the Master Association.

13.2 ASSOCIATION DUTIES AND POWERS. Except as limited by the Articles, this Declaration, or by law, the Master Association has and may exercise any or all of these powers and has each of these duties and obligations:

A. The powers, duties and obligations granted to or imposed on the Master Association in this Declaration or the Bylaws;

B. The powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawaii;

C. The powers, duties and obligations of a planned community association as provided in Chapter 421J, Hawaii Revised Statutes; and

D. Any other powers, duties and obligations that it has by law or that are necessary or helpful to carry out the functions of the Master Association under this Declaration or the Bylaws, or that otherwise promote the general benefit of the Owners.

13.3 SPECIFIC POWERS AND DUTIES. The Master Association has the power and duty to do the following things, among others:

A. PAYMENT OF EXPENSES. The Master Association, acting as the agent of the Owners, must pay all Project Expenses. The Master Association may delegate this duty to the Managing Agent. The Master Association will pay the Project Expenses as the agent of the Owners, and only if it has the money to do so.

B. REPAIR AND MAINTENANCE. The Master Association must repair and maintain the Common Property and keep it in good condition. The Master Association may replace the Common Furnishings and may remodel or upgrade the Master Association Amenities or other Common Property. The Master Association may buy any materials and furnishings, and obtain any labor or services, necessary to do so. For example, it may buy or lease replacements for the Common Furnishings.

C. TAXES AND ASSESSMENTS. The Master Association must pay all taxes and assessments on the Common Property. This includes, for example, assessments by any Resort Owners Association or the Ka'anapali North Beach Association. It also includes all governmental taxes and assessments. The Master Association will pay these taxes and assessments as the agent of the Owners, and only if it has the money to do so.

D. LIENS OR CLAIMS. The Master Association may, but need not, pay, compromise or contest liens or claims affecting the Common Property.

E. UTILITIES. Unless the Resort Owners Association already provides these services: (1) the Master Association must obtain and pay for water, electricity, sewage, garbage disposal, and any other necessary utility services for the Common Area; and (2) the Master Association will decide whether to obtain or cancel telephone, cable television, and similar services.

F. MASTER ASSOCIATION RULES. The Managing Agent may adopt, publish and enforce fair and reasonable rules and regulations relating to the Common Property or use by Occupants of the common elements or common areas of any Resort. The Managing Agent may change the rules from time to time with the approval of the Board. The Board may not withhold its approval unreasonably. The Master Association Rules must be consistent with this Declaration, the Articles and the Bylaws. At any meeting of the Master Association, a Majority of the Owners may change the Master Association Rules so long as the notice of meeting stated that the change would be considered at the meeting. So long as the Developer owns, or holds mortgages on, at least fifty Parcels, no change to the Master Association Rules will be effective without the Developer's written consent.

G. LEGAL AND ACCOUNTING SERVICES. The Master Association may obtain and pay for any legal and accounting services necessary or helpful to manage the Master Association or the Common Property, or to enforce the Ka'anapali North Beach Documents, the Master Association Documents, or the Resort Documents.

1) Even so, the Board shall not incur or commit the Master Association to incur legal fees and costs of more than \$10,000 in a dispute with the Developer, or any company related to the Developer, nor start or prosecute any lawsuit or any other arbitration or other legal proceeding against the Developer, or any company related to it, unless it first meets each of these requirements:

(a) The Board must obtain the following information from at least two Hawaii law firms:

(1) A list of all of the Association's claims.

(2) An estimate of the likelihood of prevailing on each claim. The estimate must be based on information then known to the Master Association. It cannot be based on assumptions or speculation.

(3) An estimate of the total amount of legal fees, court costs and expenses that the Master Association is likely to incur through the trial or completion of any arbitration or other proceeding (assuming that the Master Association will prevail on only those claims where the law firms give the Master Association more than a 60% chance of prevailing).

(4) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board expects to charge to the Owners to pay for legal fees, court costs, and expenses while the lawsuit or other legal proceeding is going on.

In a trial or arbitration of the Master Association's claims, the Developer cannot use the opinions of the law firms as evidence that the Master Association's claims are not valid.

(b) The Board must call a special meeting of the Master Association.

(c) The Board must provide a copy of the list of claims and estimates to each Owner together with the notice of the special meeting of the Master Association.

(d) At the special meeting, a Majority of the Owners (not counting the Parcels and votes of the Developer) must authorize the Board to start and prosecute the lawsuit or any other arbitration or other legal proceeding.

2) The rule in Section 13.3G.1) does not apply to suits against the Developer or any company related to it if the suit is filed solely to collect Assessments, Personal Charges, or Subsidy Contract payments that are past due or for breach of any contract to provide goods or services to the Association (for example, the Management Agreement).

3) The \$10,000 ceiling contained in Section 13.3G.1) will rise or fall each year with the rate of inflation in Honolulu, Hawaii, as measured by the C.P.I. Index. The amount of the increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for December of 2003, and (ii) the most recent December C.P.I. Index figure.

(a) The "C.P.I. Index" is the U.S. Department of Labor Consumer Price Index for All Urban Consumers - Honolulu. If the government stops publishing that index, then the most similar index available will be used in its place. The Master Association will choose any replacement index.

H. FINANCIAL STATEMENTS. The Master Association must prepare and send financial reports to each Owner as required by Section 14.13A of this Declaration.

I. LIST OF MEMBERS.

1) THE MASTER ASSOCIATION MUST KEEP A LIST. At all times, the Master Association must use good faith efforts to keep an accurate and current list of the names and addresses of all Members.

(a) The Master Association will furnish a copy of the list within a reasonable time after any Owner asks for it in writing, pays a reasonable fee (to be determined by the Board), and complies with any other requirements of this Declaration or the Bylaws, including those contained in Section 13.3I.3).

(b) The Master Association will furnish a copy of the list to the Club Operator (at any time when any Owner is a Club Member) or to the Developer within a reasonable time after either of them requests it. The conditions stated in Section 13.3I.3) do not apply to the Developer or the Club Operator.

2) THE DEVELOPER'S RIGHTS. The Developer has certain important reasons for wanting to protect the list of Owners. For example, the list of Members is also the list of the Developer's customers. In addition, the Condominium Property Act contains certain provisions intended to protect the list of Members. The Developer wants to insure that these requirements are not circumvented, especially for commercial reasons by a Competitor of the Developer. For these and other reasons, the Developer is expressly declared to be an intended third party beneficiary of this Section 13.3I. This means that this Section 13.3I is intended to protect the Developer and that the Developer can enforce it.

3) RELEASE OF THE LIST. Despite anything else stated in the Master Association Documents, the Master Association will not furnish the list of Owners or any copy of it, or any other documents from which a membership list may be compiled, nor allow anyone to inspect or make copies or extracts of the list or any other documents from which a list may be compiled, until after each of these conditions is satisfied:

(a) The person requesting the list or inspection:

(1) Provides a written statement explaining his or her purpose for obtaining the list. The Board may request that the person requesting the list furnish copies of all documents and materials that he or she intends to distribute using the list. The Board will then decide whether the list is being requested for a proper purpose based on its review of the Owner's statement and documents and materials, and any other information made known to the Board;

(2) Provides an affidavit stating that the list (i) will be used by such Owner personally and only for the purpose of soliciting votes or proxies or providing information to other Owners with respect to Association matters or for the protection of the Master Association, its Members, or both, and (ii) shall not be used by that Owner or furnished to anyone else for any other purpose; and

(3) Satisfies any other conditions to obtaining the list contained in Chapters 415B or 421J, Hawaii Revised Statutes.

(b) The Master Association gives notice of the request to the Developer. The notice must include (i) the name and address of the person requesting the list or inspection; and (ii) copies of the written statement, documents and materials, and affidavit submitted pursuant to Section 13.3I.3(a);

(c) At least ten days have passed since the Developer received the Master Association's notice and the Developer has not given the Master Association a written notice objecting to the release because the affidavit is improper or the person is not requesting the list or inspection for a proper purpose or that the requirements of law or this Section 13.3I.3) have not been fully satisfied.

(1) If the Developer objects and if Association or the Owner contests the Developer's objection, then the matter will be decided by appropriate legal proceedings. In such a case, the Master Association will not release the list until the appropriate legal authorities order it to do so.

(d) All other lawful conditions adopted by the Board pursuant to Section 13.3I.8) have been fully satisfied.

4) RELEASE TO OWNERS OTHER THAN COMPETITORS. If the person requesting the list or inspection is not a Competitor then the Master Association will furnish the list or permit the inspection after each of the requirements of this Declaration and the Bylaws are met.

5) RELEASE TO A COMPETITOR. If the person requesting the list is a Competitor and each of the requirements of this Declaration and the Bylaws are met, then unless the law requires something else, the Master Association will furnish the list in this way (and only in this way): The Master Association will provide the list in the form of mailing labels directly to a company providing mailing services chosen by the person requesting the list. The company providing mailing services: (i) cannot be a Competitor; and (ii) must provide to the Developer the company's written promise to the Developer that it will not:

(a) Use the list for any purpose except for the mailing;

(b) Provide a copy of the list to anyone else, including but not limited to the Competitor; and

(c) Allow anyone else to inspect or make copies of or extracts from the list.

6) INSPECTION BY A COMPETITOR. If the person requesting the inspection is a Competitor and each of the requirements of this Declaration and the Bylaws are met, then unless the law requires something else, the Master Association will permit the person to inspect copies of the records requested. However, the copies will first be modified so as to obliterate entirely the address and any other biographical information from which the person requesting the list could compile a list containing the addresses, email addresses, fax numbers, or phone numbers of the Owners, or any other means of soliciting the Owners.

7) WHO IS A COMPETITOR. A "Competitor" is a person who is:

(a) The developer of a Vacation Plan not developed by the Developer;

(b) Any marketer or sales agent of a Vacation Plan not developed by the Developer (including but not limited to any OPC);

(c) The manager of a Vacation Plan not developed by the Developer;

(d) An Exchange Company other than the Club or the Network;

(e) Any officer, director, agent, employee, independent contractor, partner, co-venturer, attorney, or affiliate of (i) a developer, marketer, sales agent, or manager of a Vacation Plan not developed by the Developer, or (ii) an Exchange Company other than the Club or the Network; or

(f) A person who is collaborating with anyone listed in Subsections (a) through (e).

8) OTHER CONDITIONS. The Board may impose other reasonable conditions intended to assure the confidentiality of the list of Owners and that the list is not used (i) for commercial purposes by anyone other than the Developer or any company related to the Developer, or (ii) for any other improper purpose.

J. ASSOCIATION REAL PROPERTY. The Master Association must accept title to any real or personal property transferred to it by the Developer. The Master Association may buy, lease, or otherwise acquire other real property for use by the Master Association for Master Association purposes. The Board may mortgage, lease or rent the Master Association's real property from time to time as it deems necessary or appropriate, consistent with the purposes

permitted above. Any such mortgage, lease, or rental agreement will be subject to the Master Project Easements. All costs, expenses, and liabilities incurred in connection with the Master Association's real property will be Project Expenses.

K. OTHER POWERS. The Master Association may do anything else it deems necessary, desirable or useful to run the Master Association or to maintain, repair, upgrade, enhance, add to, preserve or protect the Common Property.

L. DELEGATION OF ASSOCIATION POWER AND DUTIES. The Master Association may delegate its power and duties under this Declaration to one or more agents, including, among others, the Managing Agent. The Board must supervise the agents.

13.4 THE MANAGING AGENT. The Master Association must hire a Managing Agent. The first Managing Agent will be appointed by the Developer and may be the Developer or a company related to the Developer. If the first Managing Agent must be replaced for any reason, the Master Association must use its best efforts to hire and maintain a reputable firm as the Managing Agent for the Master Association.

13.5 THE MANAGEMENT CONTRACT. The Managing Agent must sign a written contract (the "*Management Contract*") containing the following provisions:

A. MANAGING AGENT'S DUTIES. The Management Contract must require the Managing Agent to perform the duties and obligations of the Master Association except those that cannot be delegated by law or under the Master Association Documents. It may permit the Managing Agent to delegate its power and duties to one or more sub-agents for any period and upon any terms it deems proper.

B. TERM. The Management Contract:

1) May provide for an initial term of not more than five (5) years from the Starting Date. The "*Starting Date*" is the first date on which a First Deed is recorded.

2) May provide that after the first term and each later term ends, the contract automatically will be renewed for three more years, unless a written notice canceling the Management Contract is sent by either party at least 90 days before the next renewal date. The Management Contract may also provide that the Master Association cannot give this notice unless a Majority of the Owners vote to do so at an annual or special meeting of the Master Association held within one year before the renewal date. If the Management Contract contains such a provision, then:

(a) If the Managing Agent is affiliated with the Developer then (i) the Developer must abstain from the vote,

and (ii) the Developer's votes will not be considered when determining whether a Majority of the Owners have voted to give the notice; and

(b) A decision to cancel or not to renew the Management Contract cannot be made by the Board alone; and

(c) Neither the Board nor any officer, director, employee or agent of the Master Association can give the notice before a Majority of the Owners vote to cancel the Management Contract at an annual or special meeting of the Master Association. Any notice sent before then will not be effective. It will be void.

C. CANCELLATION BY THE MASTER ASSOCIATION. The Master Association must have the right to cancel the Management Contract without paying a cancellation fee whenever the Managing Agent violates a material part of it and fails to cure its violation within the time permitted by the Management Contract or any longer time permitted by the Board. If the Managing Agent disputes the cancellation, the matter will be decided by arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The Board will represent the Master Association in the arbitration.

D. RESIGNATION. The Management Contract must provide that the Managing Agent can resign only if it gives written notice to the Board at least ninety (90) days in advance and it turns over all books and records of the Master Association relating to the management and operation of the Common Property and the Master Association to the Board. This does not require that the Managing Agent turn over internal or confidential or other records of the Manager.

E. FEES. The Management Contract must specifically state the fees to be paid to the Managing Agent by the Master Association. The fees do not have to be stated as a dollar amount. For example, the management fee may be set to a percentage of the Project Expenses or to costs plus a percentage profit. The fees must not be more than fifteen percent of the total amount of the Project Expenses. The fee, however, may be higher if:

1) The Board reasonably decides that the Master Association is unable to hire a competent, reputable and experienced management firm to act as Managing Agent without increasing the fees, and

2) The Board notifies the Owners of that finding. The notice must also state that the increase in the management fees will be considered approved unless a Majority of the Owners Voting object to the increase in writing within thirty (30) days after the notice is mailed. The Developer's votes as an Owner will not be counted here.

F. MANAGING AGENT'S INSURANCE. The Management Contract must require that the Managing Agent obtain errors and omissions insurance. The policy must name the Master Association, as agent for each of the Owners, as an insured. An "insured" is someone who is paid if there is a loss is covered by insurance. The Master Association will pay for the insurance. The Board will decide what policy limits are appropriate. The Board will buy this insurance only if it is available at a reasonable price. The Board will decide what is reasonable, and its decision will be final. The Management Contract may also provide that the Master Association must obtain a fidelity bond or buy fidelity insurance that covers the Managing Agent as an employee of the Master Association with respect to its handling of the Master Association's funds.

G. RECORDS AND REPORTS. The Management Contract must identify the records to be kept by the Managing Agent and the periodic reports and other information to be communicated to the Master Association and the Owners.

13.6 LIMITS ON CONTRACTS. The Managing Agent may not enter into a contract with a person to furnish goods or services for the Master Association or Common Property for a period longer than one year unless authorized by the vote or written consent of a Majority of the Owners (not counting the Developer's votes). This rule does not apply, however, to:

- ❖ The Management Contract.
- ❖ A contract with a public utility company if the rates charged by it are regulated by the Public Utilities Commission. The term of the contract, however, must be the shortest term that the supplier will accept at the regulated rate.
- ❖ Prepaid casualty and/or liability insurance policies not lasting more than three years, provided that the policy permits "short-rate cancellation" by the insured.
- ❖ A lease of laundry room fixtures and equipment for five years or less but only if neither the Developer nor the Managing Agent owns, directly or indirectly, 10 percent or more of the company leasing the fixtures and equipment.
- ❖ Agreements for cable television, satellite television, and/or internet services and equipment for five years or less but only if neither the Developer nor the Managing Agent owns, directly or indirectly, 10 percent or more of the supplier.
- ❖ Agreements for sale or lease of burglar alarm and fire alarm equipment, installation, and services for five years or less but only if neither the Developer nor the Managing Agent owns, directly or indirectly, 10 percent or more of the supplier.

- ❖ Any other contract for three years or less so long as the Master Association can cancel it after no more than one year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.

13.7 LIMITS ON MASTER ASSOCIATION AUTHORITY. Unless authorized by the vote or written consent of a Majority of the Owners Voting (not counting the Developer's votes), the Association shall not sell during any Fiscal Year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.

13.8 LEGAL REPRESENTATION OF OWNERS.

A. REPRESENTING THE MASTER ASSOCIATION OR OWNERS. By accepting a Parcel, each Owner agrees that the president of the Master Association or, if authorized by the Board, the Managing Agent may represent the Master Association or any two or more Owners similarly situated as a class in any proceeding concerning the Master Association, the Ka'anapali North Beach Association, or the Common Property. The president or the Managing Agent may begin, defend, intervene in, prosecute and settle any such proceedings. This does not, however, limit the rights of any Owner to appear, sue or be sued separately or to decide not to participate. The president or the Managing Agent will be supervised by the Board in any representation.

B. POWER OF ATTORNEY. By accepting a Parcel, each Owner gives a special power of attorney (see Section 20.3) to the president of the Master Association and the Managing Agent, with full power to do anything needed or helpful to represent the Owner as provided in Section 13.8A.

C. SERVICE OF PROCESS. Process (such as papers for a lawsuit) for the Master Association may be served on any member of the Board.

D. LIMITATIONS. The authority of the president of the Master Association and Managing Agent under this Section is subject to the limitations contained in Section 13.3G.

13.9 LIMITS ON LIABILITY.

A. LIABILITY FOR OWNERS AND GUESTS. The Master Association, the Developer, companies related to the Developer, and the Managing Agent (and each of their directors, officers, employees and agents) cannot be held responsible for the acts, failure to act or conduct of any Owner or an Owner's Guests.

B. SECURITY. The Master Association, the Developer, or the Managing Agent may, but need not, take steps to make the Common Property safer than it otherwise might be. The Master Association, the Developer, companies related to the Developer, and the Managing Agent are not insuring or

guaranteeing the safety or security of people or property in the Common Property. *The Master Association, the Developer, companies related to the Developer, and the Managing Agent (and each of their directors, officers, employees and agents) cannot be held responsible for any loss or damage for failing to provide adequate or effective safety or security measures. No representation or warranty is made that any fire protection, burglar alarm or other safety or security system or measures will:*

- 1) *be effective in all cases;*
- 2) *prevent all losses;*
- 3) *limit access to the Common Property; or*
- 4) *provide the detection or protection that it is designed or intended to provide.*

C. WARRANTIES. The Developer is also the developer of the Ocean Resort Villas condominium but the Developer is not the general contractor or related to the general contractor. The Resort Documents for the Ocean Resort Villas condominium disclaim any warranties by the Developer. Those provisions are made a part of this Declaration, just as if they were fully restated right here. This means, among other things, that *the Common Property is being transferred to the Master Association "as is"* and that the Developer does not have to correct or fix, or pay to have someone else correct or fix, any defect no matter what causes it or when it is discovered.

14. ASSESSMENTS AND PERSONAL CHARGES

14.1 DEFINITIONS.

A. "PROJECT EXPENSES" are the costs of operating the Master Association and operating and maintaining the Common Property. The Project Expenses are shared by the Owners. Project Expenses may include among other things, any or all of the following:

- ❖ The cost of utility services such as water, electricity, telephone and cable television.
- ❖ The cost of repairing, rebuilding, replacing, remodeling, or making improvements to the Common Property.
- ❖ The cost of buying insurance required or permitted by the Master Association Documents.
- ❖ Wages, accounting and legal fees, management fees, start-up fees, housekeeping and cleaning fees, and other expenses necessary to maintain, repair, manage and operate the Common Property or to manage and operate the Master Association.

- ❖ All amounts charged to the Common Area by a Resort Owners Association or the Ka'anapali North Beach Association. This includes, for example, a share of the expenses of operating and maintaining the Ocean Resort Villas condominium.
- ❖ Any amount charged by a Resort Owners Association or the Ka'anapali North Beach Association due to an intentional or negligent act by an Occupant. The Master Association will pay the charge but will then pass on the charge, and any taxes on it, to the responsible person as a Personal Charge.
- ❖ Any taxes or other governmental charges upon or charged to the Common Property or the use of it (except taxes separately charged to individual Owners or other Occupants). For example, real property taxes on the Common Area would be Project Expenses.
- ❖ Any liability for loss or damage relating to the Common Property or the use of it.
- ❖ Any money owed by any Owner to the Master Association to the extent the Board decides that it is uncollectible or too expensive to collect, as a practical matter.
- ❖ Amounts needed to make up any shortfall in funds needed to pay the Project Expenses for any prior year.
- ❖ Amounts needed for the Reserve Accounts. These are savings accounts of the Master Association. The money is used to pay for Capital Improvements. "*Capital Improvements*" are things like replacing the pool deck, refinishing the pool, replacing pumps for water slides or waterfalls, other major repairs and remodeling, or replacing the Common Furnishings. (Day to day maintenance and repairs are not Capital Improvements.)
- ❖ Any amounts needed by the Board to buy one or more Parcels in a foreclosure sale.

B. "RELATIVE VALUATION" means the number assigned to each Unit for comparison purposes. Relative Valuation refers to the idea that each Unit's share of the Project Expenses should be based on a comparison of that Unit to other Units included in the Master Project.

Some master declarations require that each unit pay an equal share of the project expenses. This does not necessarily result in a fair division of expenses among the units. For example, the use of the pool is likely to be greater for a Unit that sleeps six than it is for a Unit that sleeps two.

Another approach to dividing expenses is to compare the size of the units. This too does not necessarily result in a fair division of expenses among the units. For example, the cost of sending a newsletter or notice of an Association meeting to

an Owner is the same whether the Owner's unit is a one-bedroom unit or a much larger two-bedroom unit.

As a result, the Developer has adopted a plan for dividing Project Expenses among the Units based on their "Relative Valuation". The Developer determines a Relative Valuation for each Unit or type of Unit based on the size of the Unit, the estimated maintenance and expense burden, sleeping capacity, and other relevant factors as determined by the Developer in its sole discretion. Project Expenses are then divided among the Units by comparing the Relative Valuation of each Unit to each other Unit.

In setting Relative Valuations the Developer is subject to these rules:

1) The Relative Valuation of a Unit in a later phase of a Resort cannot differ by more than fifteen percent (15%) from the Relative Valuation of a Unit in the first phase of the same Resort if the Units have similar features (for example, size [\pm 100 square feet], location, number of bedrooms and bathrooms, and views).

2) The average Relative Valuation of a Unit in one Resort cannot differ by more than fifteen percent (15%) from the average Relative Valuation of a Unit in another Resort if the Units have similar features (for example, size [\pm 100 square feet], location, number of bedrooms and bathrooms, and views).

The Relative Valuation for Units currently included in the Master Project is listed in Exhibit "C".

Note that Relative Valuation is not intended to reflect the fair market value of the Units or types of Unit. The Relative Valuation for a Unit or kind of Unit will not change based on changes in market conditions.

C. "FAIR SHARE" means a share based on a comparison of the Relative Valuation for one Unit to the total of the Relative Valuations for all of the Units, as follows:

1) The Fair Share for a Parcel consisting of a single Unit (for example, a single condominium apartment) is equal to

The Relative Valuation of that Unit
The Sum of the Relative Valuations
For All Units For Which
Assessments Have Begun Under Section 14.4

2) The Fair Share for a Parcel includes more than one Unit (for example, a hotel) is equal to

The Sum of the Relative Valuations
of all Units located on that Parcel
The Sum of the Relative Valuations
For All Units For Which

Assessments Have Begun Under Section 14.4

3) These rules will apply to Units that are part of a Vacation Plan:

(a) If the Vacation Owners in a particular Vacation Plan own undivided interests in the real property included in the Vacation Plan, then the Fair Share for a Vacation Interest will be equal to the undivided interest of the Vacation Interest multiplied by the amount determined under Subsections 1) or 2), above, whichever is appropriate. For example,

(1) The Fair Share for an Every-Year Vacation Ownership Interest in the Ocean Resort Villas Vacation Ownership Plan is 1/52nd of the following fraction:

The Relative Valuation of that Unit
The Sum of the Relative Valuations
For All Units For Which
Assessments Have Begun Under Section 14.4

(2) The Fair Share for an Every-Other-Year Vacation Ownership Interest in the Ocean Resort Villas Vacation Ownership Plan is 1/104th of the following fraction:

The Relative Valuation of that Unit
The Sum of the Relative Valuations
For All Units For Which
Assessments Have Begun Under Section 14.4

(b) If the Vacation Owners in a particular Vacation Plan do not own undivided interests in the real property included in that Vacation Plan, then the Fair Share for the whole Unit or larger Parcel (as determined under Subsections 1) or 2), above) will be charged to the Owner of the Parcel. The Vacation Owners Association may then divide the charges among the Vacation Owners in that Vacation Plan as provided in the Vacation Plan Documents.

D. "FISCAL YEAR" means tax year.

E. "ASSESSMENTS" means Regular Assessments, Special Assessments, or both.

F. "CAPITAL ASSET" means anything that the Master Association is required to repair, replace, restore, or maintain. For example, the pool, pool furniture, waterslide, and so on, are Capital Assets of the Master Association.

G. "RESERVE STUDY" means a study of the Reserve Account requirements of the Master Association. See Section 14.3 for details.

14.2 THE BUDGET.

A. ANNUAL BUDGET. At least sixty (60) days before the end of each Fiscal Year, the Managing Agent will prepare

and give to the Board an estimate of the Project Expenses for the following year. The estimate will cover all Parcels paying Assessments or expected to be paying Assessments by the start of the Fiscal Year. This estimate must include at least the following:

- 1) The estimated revenue and expenses of the Master Association on an accrual basis.
- 2) A summary (printed in bold type) of the Master Association's reserves based upon the most recent review or Reserve Study required by Section 14.3.
- 3) A statement as to whether the Board has determined or expects that it will have to charge one or more Special Assessments to repair, replace, or restore any Capital Asset or to provide adequate reserves for it.
- 4) A general statement addressing the procedures used to calculate and establish the reserves to pay for future repair, replacement or additions to the Capital Assets.

Upon review and approval by the Board, this estimate (with any changes the Board makes) will become the "*Budget*" for that year. The Budget must specifically state the Participating Properties that it covers or it must attach a list of them.

B. LIMITS ON ASSESSMENTS. The Board may not adopt a Budget that increases the Regular Assessment of any Parcel by more than 20% over the Regular Assessment for the previous year unless approved by the Developer and by vote or written consent of a Majority of the Owners Voting (not counting the Developer's votes). No vote or written consent is required, however, in these circumstances:

- 1) It is not required if the Regular Assessment for a Parcel would not have exceeded the limit except for an increase in taxes or other governmental assessments (for example real property taxes) or utility expenses.
- 2) It is not required if the funds are needed to pay the cost to comply with a court order or the requirements of the Resort Documents or the Ka'anapali North Beach Documents.
- 3) It is not required if the Parcel has more Units than the last year. This could happen if the Developer expands a hotel or apartment complex.
- 4) It is not required if the funds are necessary for an emergency situation such as repairs or maintenance necessary for personal or public safety.
- 5) It is not required if the funds are necessary for repairs or maintenance that could not reasonably be foreseen by the Board in preparing its Budget.

The rule limiting increases does not apply to Parcels not covered by the prior year's Budget. This happens when a Parcel is added to the Master Project after the Fiscal Year begins.

14.3 RESERVE STUDY.

A. WHEN A RESERVE STUDY IS REQUIRED. At least once every three years, the Board must arrange for someone to conduct a Reserve Study. The Reserve Study must include a reasonably competent and diligent visual inspection of the accessible areas of the Capital Assets.

B. REVIEW. The Board must review the Reserve Study each year. It must consider and implement any necessary adjustments to the Board's analysis of the Reserve Account requirements as a result of that review. "Reserve Account requirements" means the amount of money that the Board estimates will be needed at a specific point in time to repair, replace, restore, or maintain the Capital Assets.

C. CONTENT OF RESERVE STUDY. The Reserve Study must include at least these things:

- 1) It must identify the major Capital Assets that, as of the date of the study, have a remaining useful life of less than thirty years.
- 2) It must estimate the remaining useful life of those Capital Assets.
- 3) It must estimate the cost to repair, replace, restore, or maintain those Capital Assets during and at the end of their useful life.
- 4) It must estimate the total yearly contribution to the Reserve Accounts needed to pay the cost of those Capital Assets during and at the end of their useful life. This amount must subtract the total amount already saved in the Reserve Accounts. In making these estimates, the Board may consider interest that the Master Association has earned or expects to earn on any Reserve Accounts.
- 5) It must list the amount of money currently set aside in the Reserve Accounts for those Capital Assets.
- 6) It must state the percentage of the estimated costs described in Subsection 14.3C.3) that is set aside in the Reserve Accounts.

14.4 WHEN ASSESSMENTS BEGIN. For any Parcel, Assessments begin as follows.

A. In the case of a Parcel that consists of a single Unit (for example, a whole condominium apartment), Assessments will begin on the first day of the month after a First Deed transferring that Parcel to someone other than the Developer is recorded.

B. In the case of a Vacation Plan in which the Vacation Owners receive an undivided interest in a condominium apartment or other legally subdivided lot containing only a single Unit, Assessments for the entire Unit begin on the first day of the month after a First Deed transferring a Vacation Interest in that property is recorded.

C. In the case of a Vacation Plan in which the Vacation Owners receive an undivided interest in a legally subdivided lot that contains more than one Unit, Assessments for the entire Unit begin on the first day of the month after a First Deed transferring a Vacation Interest in that property based on the availability of that Unit is recorded.

D. In the case of a Vacation Plan in which the Vacation Owners do not receive an undivided interest in the Participating Property (for example, a "time share use plan" as that term is defined in the Time Share Act), Assessments for an entire Unit begin on the first day of the month after the Vacation Owners Association first issues a membership to someone other than the Developer based on the availability of that Unit.

E. In the case of a hotel or other project where Units or Vacation Interests are not sold to third parties, Assessments for a Unit will begin on the date when the Unit becomes a part of the Participating Property.

Regardless of what Subsections 14.4A to E say, in no case will Assessments for a Parcel begin before the date when the County of Maui issues a temporary or permanent certificate of occupancy for:

(i) That Parcel In the case of a Parcel that consists of a single Unit (for example, a whole condominium apartment).

(ii) That condominium apartment or other Unit in the case of a Vacation Plan in which the Vacation Owners receive an undivided interest in a condominium apartment or other legally subdivided lot containing only a single Unit

(iii) The Unit on that supports a First Deed in the case of a Vacation Plan in which the Vacation Owners receive an undivided interest in a legally subdivided lot that contains more than one Unit.

(iv) The Unit that supports the issuance of a membership in the case of a Vacation Plan in which the Vacation Owners do not receive an undivided interest in the Participating Property (for example, a "time share use plan" as that term is defined in the Time Share Act).

(v) The Unit in the case of a hotel or other project where Units or Vacation Interests are not sold to third parties.

After Assessments for a Parcel begin, the Owner of that Parcel, whether it is the Developer or someone else, must pay a Fair Share of the Project Expenses.

14.5 REGULAR ASSESSMENTS. The Owner of each Parcel will pay a share of the Project Expenses, called the "Regular Assessment." The Regular Assessment for each Parcel is set as follows:

A. For Parcels covered by the Budget, the Regular Assessment will be a Fair Share of the Budget.

B. For Parcels not covered by the Budget (such as Participating Property added to the Master Project at mid-year), the Regular Assessment will equal the Fair Share of a Unit having the same Relative Valuation. For example, if the Relative Valuation of a Unit covered by the Budget is 52,000 and its Fair Share is \$520, then the Fair Share of a Unit not covered by the Budget and having a Relative Valuation of 75,000 would be \$750 ($\$520/52,000 = \0.01 ; $\$0.01 \text{ times } 75,000 = \750).

14.6 SPECIAL ASSESSMENTS.

A. HANDLING SHORTFALLS. If for any reason the Regular Assessments for the Project Expenses are, or will be, inadequate to pay all Project Expenses on time, the Board must estimate the shortfall. The Board must then (i) increase the next year's Budget to make up the shortfall, or (ii) charge a Special Assessment.

B. SHORTFALL'S RELATING TO DAMAGE OR DESTRUCTION. If the Common Property is damaged or destroyed and the costs to repair or replace it cannot be fully paid by using available insurance proceeds and the money from any appropriate Reserve Account, the Board has the same two choices. It may charge a Special Assessment or add the amount needed to next year's Budget. The Special Assessment must be charged against all Parcels regardless of where or how the damage occurred or whether the Master Association is entitled to be repaid by an Occupant.

C. HOW SPECIAL ASSESSMENTS ARE CHARGED. To charge a Special Assessment, the Board must prepare and send to each Owner a Special Budget showing the amount of the shortfall. The Board will charge to each Parcel a Fair Share of the total shortfall shown on the Special Budget.

D. LIMITS ON SPECIAL ASSESSMENTS. The total of all Special Assessments charged to a Parcel in a Fiscal Year may not exceed 5% of the Regular Assessment for that Parcel in that Fiscal Year. The limit, however, is 10% for Special Assessments to pay the costs to repair or rebuild damaged or destroyed Common Property. The Board may exceed the limit if approved (i) by the Developer, and (ii) by the vote or written consent of a Majority of the Owners Voting (not counting Parcels and votes of the Developer). No vote or written consent is required, however, in these circumstances:

1) It is not required if the Special Assessment for a Parcel would not have exceeded the limit except for an

increase in taxes or other governmental assessments (for example real property taxes) or utility expenses.

2) It is not required if the funds are needed to pay the cost to comply with a court order or the requirements of the Resort Documents or the Ka'anapali North Beach Documents.

3) It is not required if the funds are necessary for an emergency situation such as repairs or maintenance necessary for personal or public safety.

4) It is not required if the funds are necessary for repairs or maintenance that could not reasonably be foreseen by the Board in preparing its Budget.

14.7 PERSONAL CHARGES. A "Personal Charge" is an expense not covered by Assessments. This includes expenses that result from the act, failure to act, or other conduct of an Owner or Occupant, or the Guest of an Owner or Occupant. It also includes charges for extra services requested or used by the Owners or Occupants, or by their Guests. Personal Charges should not be confused with Regular and Special Assessments. The following expenses are examples of Personal Charges:

- ❖ Charges arising from or related to a person's use of the Resort, the Master Association Amenities, or the Ka'anapali North Beach Amenities (for example, rentals of sports supplies or other recreational equipment, use of a spa, and so on).
- ❖ The cost of food and beverages provided by or through the Master Association, and other special services or supplies resulting from or related to the person's use of the Common Property.
- ❖ The cost to repair any the Common Area or to repair or replace any Common Furnishings caused by an Owner or Occupant, or by their Guest (unless caused by ordinary wear and tear or by an unavoidable accident or other casualty).
- ❖ Expenses to any other Owner or the Master Association due to a person's intentional or negligent act or failure to act.
- ❖ Expenses resulting from any intentional or negligent violation of the Ka'anapali North Beach Documents, the Master Association Documents, or the Resort Documents.
- ❖ The cost to collect any Assessments or other Personal Charges, including court costs and reasonable attorneys' fees.
- ❖ Any late charges and interest on overdue payments.

14.8 DUTY TO PAY ASSESSMENTS AND PERSONAL CHARGES.

A. PROMISE TO PAY. By acquiring a Parcel, an Owner promises to pay all Assessments on the Owner's Parcel and all Personal Charges charged to the Owner. Each Owner makes this promise whether or not he or she signs any document that expressly says so.

B. THE DEVELOPER'S DUTY TO PAY; SUBSIDY CONTRACT. The Developer also promises to pay the Assessments and Personal Charges for each Parcel while the Developer is the Owner of it. Instead of doing so, however, the Developer may enter into a "Subsidy Contract" with the Master Association in which the Developer agrees to pay to the Master Association the difference between the actual cost incurred by the Master Association and the Assessments charged to other Owners.

C. PERSONAL OBLIGATION TO PAY. Each Owner is personally obligated to pay on time all Assessments charged to his or her Parcel and all Personal Charges charged to the Owner. The amount of an Assessment will become the personal debt of the Owner as of the date when it is assessed. An Owner cannot avoid liability for the Assessments and Personal Charges by not using the Common Property or by abandoning his or her Parcel. Even if the Owner transfers his or her Parcel to someone else, the Owner is still personally obligated to pay all Assessments and Personal Charges due before the transfer takes effect.

D. INTEREST, LATE CHARGES AND COSTS. All sums not paid within ten days of the due date will be subject to: (i) interest at a rate set by the Board or, if no rate is set, then at one percent (1%) per month from the due date; and (ii) a late charge in the amount set by the Board or, if no amount is set, then fifty dollars (\$50). An Owner must also pay all costs of collection, including court costs and attorneys' fees.

E. HOW PAYMENTS WILL BE APPLIED. Payments will be applied as the Board provides in the Master Association Rules. If the Master Association Rules do not say how payments will be applied, then they will be applied (in equal shares for each Parcel if the Owner owns more than one) first to legal fees, costs and expenses, then to late charges, then to interest, then to the principal amount of the Assessment or Personal Charge.

14.9 COLLECTING ASSESSMENTS.

A. TIME AND METHOD OF PAYMENT. An Owner must pay his or her Assessments and Personal Charges to the Master Association. An Owner of a Vacation Interest must pay his or her Regular Assessments yearly in advance unless the Board adopts a different payment schedule. All other Owners must pay their Regular Assessments monthly in advance unless the Board adopts a different payment schedule. The Board may not adopt a schedule in which

payments are due more often than monthly. The Board may require Vacation Owners whose use rights recur only every other year to pay Assessments:

1) Every year, in which case the Owner must pay a Fair Share every year (see the example in Section 14.1C.3)(a)(2)), or

2) Every other year. In that case, every other year, the Owner must pay an amount equal to the Fair Share for a Vacation Interest having an every-year use right for that year. See the example in Section 14.1C.3)(a)(1).

B. BILLS FOR ASSESSMENTS. The Master Association or Managing Agent will mail to each Owner, at the address shown on the records of the Master Association, a bill stating the due date and amount of the Assessment for the Owner's Parcel. If a single Parcel is owned by more than one person, the bill may be sent to any of its co-Owners. No matter when the bill is sent, however, for the purpose of fixing the amount of any Secured Lien based on the Assessment, the Assessment will be considered due on the date stated in the bill.

1) **JOINT BILLINGS.** The Master Association or Managing Agent may join with any Resort Owners Association, the Master Association, the Ka'anapali North Beach Association, the Club Operator, or any of them to send out single bill covering Assessments due under the Resort Documents, the Master Association Documents, Ka'anapali North Beach Documents, the Club Documents, and/or the Vacation Plan Documents. The Master Association may permit a Resort Owners Association, a Vacation Plan Association, the Ka'anapali North Beach Association, or the Club Operator to collect the Assessments and turn them over to the Master Association or Managing Agent provided that they have adequate fidelity insurance and bonds. The Master Association may also agree with a Resort Owners Association, a Vacation Plan Association, the Ka'anapali North Beach Association, or the Club Operator to act as their agent in collecting amounts due under any Resort Documents, any Vacation Plan Documents, the Ka'anapali North Beach Documents, or the Club Documents.

2) **NOTICE OF ASSESSMENTS.** Any time that the Board increases the Regular Assessment or charges a Special Assessment, it must give written notice of the increase or Special Assessment to each Owner. The notice must state the amount of the increase or of the Special Assessment for the Owner or the Owner's Apartment. The Board must send the notice at least thirty (30) days before the increase or Special Assessment takes effect.

C. PAYMENT OF PERSONAL CHARGES.

1) **TIME FOR PAYMENT.** Personal Charges will be paid as follows:

(a) Vacation Owners and Exchange Users must pick up and pay all bills for Personal Charges that are ready at Check-Out Time. Examples include food or beverage charges, equipment rentals, and so on.

(b) In all other cases, Personal Charges must be paid within thirty (30) days after a bill for the Personal Charges is mailed.

2) **PERSONAL CHARGE DEPOSIT.** At any time before or during a person's occupancy, the Master Association or the Managing Agent may require an advance payment or deposit, or a credit card imprint, from an Occupant if they decide that it is appropriate. The Master Association or Managing Agent may (but are not required to) use these funds to pay any Personal Charges of that person. The Master Association may keep the money (or any unspent part of it) until all charges relating to that person's occupancy have been paid. Neither the Master Association nor the Managing Agent will be liable for not asking for or not keeping advance payments or deposits. The request or failure to request and keep them does not excuse an Occupant's duty to pay the Personal Charges.

D. COLLECTION POLICIES. The Board may establish collection policies and procedures and may delegate the authority to implement those policies and procedures to the Managing Agent. The Board may also compromise and settle disputed amounts and may delegate the authority to do so to the Managing Agent.

14.10 USE OF AMOUNTS COLLECTED. Assessments must be used exclusively for these purposes:

- ❖ To pay Project Expenses,
- ❖ To promote the recreation, health, safety and welfare of the Owners,
- ❖ To pay amounts due under any Resort Documents or the Ka'anapali North Beach Documents, or
- ❖ To operate, manage, maintain, improve, add to, upgrade, repair and replace the Common Property, and to pay any expenses incurred by the Master Association in performing its duties under the Master Association Documents.

14.11 DEPOSIT AND USE OF FUNDS.

A. MANAGEMENT OF ACCOUNTS. All amounts received by the Master Association or Managing Agent will be deposited in the General Account promptly after the Master Association receives it. Money received for any Reserve Accounts will be transferred to those accounts promptly. All accounts must be established with a safe and responsible depository (such as a bank, savings and loan association, or trust company) in Hawaii. This money may be

put in a savings or checking account. It also may be invested in treasury bills or certificates of deposit or other obligations of an agency of the United States of America (such as U.S. savings bonds) or obligations that are fully guaranteed as to principal by an agency of the United States of America. It may also be invested in any other investments authorized by the Condominium Property Act, the Hawaii Time Share Act, or the Planned Community Association Act. All interest will belong to the Master Association.

B. THE GENERAL ACCOUNT. The Board may spend the money in the General Account to pay Project Expenses as permitted by the Master Association Documents. Any extra money in the General Account at the end of any Fiscal Year must be used to pay Project Expenses in the following year. At the annual meeting each year, the Master Association must adopt a resolution requiring this. For this purpose, each Owner gives the president of the Master Association a proxy and a special power of attorney to adopt such a resolution.

C. THE RESERVE ACCOUNT. Any part of the Regular Assessment that is intended for a Reserve Account must be put in a separate account. Money in these accounts will be considered conclusively to be savings of the Owners of the Vacation Units held for their benefit to pay for Capital Improvements. Any part of an Owner's Assessments used or to be used by the Master Association for Capital Improvements or any other capital expense will be treated as a capital contribution by the Owner. It will be credited by the Master Association on its books as paid in surplus. It will not be treated as income to the Master Association or to the Owners. The Board will authorize payments from the Reserve Accounts as needed.

Money in the Reserve Accounts may be used only to pay for Capital Improvements. However, the Board may "borrow" money from a Reserve Account to meet short-term cash-flow requirements or other expenses. Before doing so, the Board must make a written finding that explains the reason that the loan is needed and describing when and how the money will be repaid to the Reserve Account. This finding must be recorded in the Board's minutes. The Board must see that the money is repaid to the Reserve Account within one year of the date of the initial borrowing. However, the Board may delay repayment temporarily if it makes a written finding that doing so is in the best interests of the Master Project. The Board must exercise prudent fiscal management in maintaining the integrity of the Reserve Accounts. If necessary, it must charge a Special Assessment to repay the full amount borrowed from the Reserve Account. This Special Assessment is subject to the limits stated in Section 14.6D. The Board can extend the due date for a Special Assessment. Any extension will not prevent the Board from using any legal remedy it has to collect an unpaid Special Assessment.

14.12 FINANCIAL MANAGEMENT. The Board must do the following things at least quarterly:

A. It must have someone reconcile the General Accounts and it must review the reconciliation.

B. It must have someone reconcile the Reserve Accounts and it must review the reconciliation.

C. It must review the current year's actual reserve revenues and expenses as compared to the current year's Budget.

D. It must review the latest account statements prepared by the financial institutions where the Master Association has its General Accounts and its Reserve Accounts.

E. It must review an operating and expense statement for the Master Association's General Accounts and its Reserve Accounts.

14.13 FINANCIAL REPORTS.

A. FINANCIAL STATEMENTS. The Master Association must prepare and send the following statements to each Owner:

1) **THE BUDGET.** At least 45 and not more than 60 days before the Fiscal Year starts the Master Association must send to the Owners (i) a pro-forma operating budget showing the estimated revenue and expenses of the Master Association on an accrual basis, and (ii) a summary of the association's reserves based upon the most recent Reserve Study or review of it. See Section 14.3.

2) **THE ANNUAL REPORT.** The Master Association must send an annual report to each Owner within 120 days after the end of each Fiscal Year. It must include:

(a) A balance sheet showing the assets, liabilities and net worth of the Master Association at the end of the Fiscal Year;

(b) An operating statement for the Fiscal Year;

(c) A statement of the net changes in the financial condition of the Master Association for the Fiscal Year;

(d) The name, mailing address and phone number of each Board member; and

(e) Any other information required by the law of any place (for example, another state) where the Master Project is registered.

3) **FINANCIAL STATEMENT REVIEW.** Each year, if the Annual Report is not prepared by a certified public accountant then the Managing Agent, or the Board if there is no Managing Agent, must arrange for a review of the Annual Report. The review must be conducted by a certified public

accountant in accordance with generally accepted accounting principles. The Master Association must send a copy of the review to each Owner within 120 days after the end of each Fiscal Year.

4) ANNUAL STATEMENT. Not more than 60 days before the start of each Fiscal Year, the Master Association must send to the Owners a statement describing the Master Association's policies and practices in enforcing its remedies against Owners for defaults in the payment of Regular and Special Assessments of Project Expenses, including the recording and foreclosing of liens against Owners' Parcels. This statement may be mailed with the budget information required in Subsection 14.13A.1).

5) INSURANCE. At least 60 days before the Fiscal Year starts the Master Association must send to the Owner a summary of the Master Association's property, general liability, and earthquake and flood insurance policies. It must include the following information for each policy:

- ❖ The name of the insurance company.
- ❖ The type of insurance.
- ❖ The policy limits of the insurance.
- ❖ The amount of deductibles, if any.

B. SUMMARY. Instead of sending the items required by Subsections 14.13A.1) to 14.13A.4), the Board may elect to send to the Owners a summary of those documents. The Board must include with the summary a notice saying (i) that the actual documents are available at the business office of the Master Association or at another suitable location within the Common Property, and (ii) that copies of the actual documents will be provided upon request and at the expense of the Master Association. The notice must appear in at least 10-point boldface type on the front page of the summary of the Budget. If any Owner asks that a copy of the actual documents be mailed to the Owner, the Master Association must provide a copy to the Owner by first-class United States mail at the expense of the Master Association and delivered within five days.

15. ENFORCEMENT

15.1 ENFORCING THE MASTER ASSOCIATION DOCUMENTS. If anyone violates the Master Association Documents, the Board or the Managing Agent (acting on behalf of the Master Association) has full power and the right to enforce compliance in any manner permitted in the Master Association Documents. The Developer and the Club Operator each have the right to enforce any rights they have under the Master Association Documents in any manner permitted by law or under the Master Association Documents. The enforcement powers contained in the Master Association

Documents, or provided by law are "cumulative". This means that they may be used one at a time or all at once. By acquiring a Parcel, each Owner promises and agrees that the Master Association, the Managing Agent, the Developer, and the Club Operator have all the rights, powers and remedies provided in the Master Association Documents or by law.

A. PRIOR FAILURE TO ENFORCE. Failure to enforce any provision of the Master Association Documents does not mean that the provision cannot be enforced later.

B. ATTORNEYS' FEES AND COSTS. The Master Association (and the Managing Agent if authorized by the Master Association) may employ an attorney to enforce the Master Association Documents against any Owner or Occupant. If so, the Owner or Occupant must pay, in addition to any other amounts due, all reasonable attorneys' fees and costs incurred by the Master Association or Managing Agent. Likewise, the Developer and the Club Operator may employ attorneys to enforce their rights under the Master Association Documents and may recover their reasonable attorneys' fees and costs.

15.2 RIGHT OF ENTRY. The Master Association and the Managing Agent have the right and power to enter any part of the Common Property at any time to stop any activity or condition or to remove anything that:

A. Violates the law, any applicable Resort Documents, the Ka'anapali North Beach Documents, or the Master Association Documents,

B. Is unauthorized, prohibited, harmful, offensive or potentially dangerous to others or their property, or

C. Threatens the property, rights or welfare of others.

15.3 SUSPENSION OF PRIVILEGES; FINES.

A. If any Owner or the Owner's Guests violate the Master Association Documents, the Master Association may charge the Owner a money penalty and/or suspend the Owner's rights under the Master Association Documents. For example, the Master Association may suspend the Owner's rights to use the Master Association Amenities or to participate in any vote under the Master Association Documents.

B. HEARING. The Board must meet and permit the Owner to present his or her case before it fines the Owner or suspends the Owner's privileges and services. This rule does not apply, however, when an Owner is fined or suspended for failing to pay any Assessment or Personal Charge on time. The Board must give the Owner written notice of the meeting at least 15 days in advance. The notice must state the purpose of the meeting and the reason for seeking the suspension or fine. The Owner has the right to appear and to explain why

the penalty should not be imposed. The Board will decide whether the Owner's defense will be oral or written. A majority of the directors present will decide whether to fine the Owner or to suspend the Owner's privileges. The directors cannot act, however, unless a quorum is present and the meeting is held as provided in the Bylaws.

C. WHEN THE FINE OR SUSPENSION TAKES EFFECT.

The Board must give the Owner written notice of any disciplinary action taken and the reasons for it. Any disciplinary action will take effect on the date that the notice is sent.

D. EFFECT ON AN EXCHANGE USER. A suspension under this Section 15.3 will not affect an Exchange User who has a reservation to use the suspended Owner's Vacation Period if the reservation was confirmed by the Vacation Owners Association or an Exchange Company before the suspension took effect.

E. WHEN PRIVILEGES WILL BE RESTORED. If an Owner is suspended for failing to pay amounts due under the Master Association Documents, the suspended privileges and services will be restored automatically thirty (30) days after the Owner pays to the Master Association, in cash or by cashier's or certified check, all amounts past due and any fine imposed. If an Owner is suspended for any other reason, the suspended privileges and services will be restored automatically at the end of the period stated in the suspension notice and after he or she pays any fine.

F. THE MANAGING AGENT'S ROLE. The Board may delegate to the Managing Agent the power to carry out any disciplinary actions imposed by the Board, including the right to suspend, without a hearing, an Owner's right to use the Master Association Amenities when the Owner has not paid all Assessments or Personal Charges due.

15.4 ENFORCEMENT BY FILING A LAWSUIT.

The Master Association, the Managing Agent, the Developer, the Club Operator, or any Owner may ask a court to enforce the Master Association Documents and ask for any appropriate relief. For example, the appropriate relief could be damages or an order specifically enforcing those documents, or a combination of those things. The Master Association or the Managing Agent may also enforce the liens provided by this Declaration and any other lien provided by law and have the right to take the Parcel of any defaulting Owner in any lawful manner.

A. A VIOLATION IS A NUISANCE. Each violation of the Master Association Documents is declared to be a nuisance. The Master Association, the Managing Agent, the Developer, or the Club Operator may seek an "*injunction*" (a court order requiring someone to do or stop doing something) or any other appropriate relief to stop the nuisance.

B. DISPUTES WITH THE DEVELOPER. No matter what else the Master Association Documents say, any dispute between the Master Association and the Developer with respect to whether the Developer has satisfied its obligations (i) to complete and pay for any improvements of the Common Area, (ii) to pay any Assessments and Personal Charges due under the Master Association Documents, or (iii) to pay the costs of operating the Master Association and maintaining the Common Property under a Subsidy Contract, must, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

15.5 THE MASTER ASSOCIATION'S "SECURED LIEN"; FORECLOSURE.

A. LIEN. The Master Association has a "*Secured Lien*" on each Parcel for all amounts charged to it or to its Owner. This means that the Parcel is collateral for the Owner's obligations to obey the Master Association Documents and to pay all Assessments and Personal Charges, including late charges, interest, costs of collection, and reasonable attorneys' fees. If the Owner fails to do so, the Master Association may "*foreclose*" its Secured Lien. This means that the Parcel will be sold and the money from the sale will be used to pay the amounts owed. The Secured Lien will cover all interests in a Parcel, including, for example, (i) the seller's and the buyer's interests under any Agreement of Sale, and (ii) all Condemnation and Insurance Proceeds relating to a Parcel. The recording of this Declaration is notice of the Secured Lien to each and every person who has or acquires any interest in or to any Parcel, now or later.

B. EFFECT OF MASTER ASSOCIATION'S LIEN.

1) EFFECT ON A NEW OWNER. In this Section 15.5B.1), "*Prior Owner*" means the Owner who transfers a Parcel, and "*New Owner*" means the person to whom the Parcel is transferred. If a Parcel is transferred, the New Owner is not personally responsible to pay Assessments or Personal Charges charged to the Prior Owner and due before the date the transfer took place. However, the Parcel will still be subject to the Secured Lien for all the unpaid Assessments and Personal Charges of the Prior Owner. As a result, the Master Association still may foreclose the Secured Lien on the Parcel. If so, the Parcel would be taken from the New Owner and sold to pay the amounts due. The New Owner would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid.

(a) STATEMENT OF UNPAID AMOUNTS. A New Owner can avoid this problem by asking the Master Association for a statement of unpaid amounts. Any Owner, Lender, potential Lender or potential buyer may ask the Master Association for a letter listing all amounts unpaid with respect to the Parcel. Within twenty (20) days after receiving the request, the Master Association or the Managing Agent

must provide the letter. The letter will bind the Master Association in favor of anyone who relies on it in good faith (except the Prior Owner). As a result, after the transfer or mortgage is made the Master Association may not foreclose the Secured Lien for any Assessments or Personal Charges due before the date of the letter in excess of the amount stated in the letter except for the amount of any check that is later dishonored and that is mentioned in the letter as having been received within the 30-day period immediately preceding the date of the letter. The Master Association and/or the Managing Agent may charge a reasonable fee for preparing the letter.

2) EFFECT ON MORTGAGES AND OTHER ENCUMBRANCES. No matter what else the Master Association Documents say, the Secured Lien is subordinate to (subject to and will not affect) the rights or remedies of any Lender whose mortgage is recorded before a Notice of Lien is recorded. Unless the law says otherwise, this rule only applies if the Lender has a first mortgage on a Parcel for a loan made in good faith and for value. In all other cases, the liens created by this Declaration will be prior to (superior to and controlling over) all mortgages made by an Owner and all liens or encumbrances imposed by law upon any Parcel. This will be so whether the Notice of Lien is recorded before or after any such encumbrance. Of course, some liens (such as real property tax liens) may be superior to the liens in this Declaration if the law makes them so.

3) EFFECT ON AGREEMENTS OF SALE. Since the buyer is considered the Owner, only the buyer (and not the seller) under an Agreement of Sale will be personally liable. The Parcel, however, has a Secured Lien on it for all unpaid Assessments and Personal Charges for which the buyer is personally liable. The Secured Lien will remain on the Parcel even if the Agreement of Sale is later canceled and the seller again becomes its "Owner." As a result, the Master Association may foreclose the Secured Lien at any time, before or after the Agreement of Sale is canceled.

If this happens before the Agreement of Sale is canceled, the Parcel will be taken from both the buyer and the seller and sold to someone else to pay the overdue amounts. The buyer and seller would get only the money that is left, if any, after all unpaid Assessments and Personal Charges have been fully paid. If this happens after the Agreement of Sale is canceled, the Parcel will be taken from the seller and sold, and the seller still gets only the money left after all unpaid amounts have been paid.

4) EFFECT ON A BUYER AT A FORECLOSURE SALE. Anyone who buys a Parcel at a foreclosure sale is not liable for any Assessment or Personal Charge due before the Parcel is transferred to the buyer. In addition, the Parcel will not be subject to the Secured Lien for any Assessments or Personal Charges which became due before the Parcel is transferred to the buyer. Of course, the Master Association

will have a Secured Lien on the Parcel for all Assessments and Personal Charges that become due after the Parcel is transferred to the buyer at the foreclosure sale.

C. FORECLOSURE AND SALE. The Secured Lien is like a mortgage with a private power of sale. The Master Association may foreclose it in any legal way and the defaulting Owner's Parcel may be sold at a public auction with or without first obtaining a court order. The Master Association may foreclose a Secured Lien for Personal Charges, however, only by court order in a foreclosure lawsuit.

1) NOTICE OF DEFAULT. Before the sale, the Master Association must give a notice to the defaulting Owner explaining the violation. The Master Association must send a copy of the notice to any Lender of the defaulting Owner which has asked for a copy and furnished its name and address to the Master Association. The notice must state the date and nature of the violation. If the Owner's default is that he or she failed to pay money, the notice must state the total of any unpaid amounts and include a demand for payment.

2) NOTICE OF LIEN. If the violation is not cured within ten (10) days after the Master Association gives its notice to the Owner, then an officer of or attorney for the Master Association or the Managing Agent may sign and record a Notice of Lien ("*Notice of Lien*"). The Notice of Lien must include each of these things:

(a) It must state the name of the defaulting Owner.

(b) It must include a legal description of the Owner's Parcel.

(c) It must state the amount claimed to be due (after any proper offset).

(d) It must say that the Notice of Lien is made by the Master Association under the terms of the Master Association Documents.

(e) It must say that a Secured Lien is claimed against the Parcel for the violation and in an amount equal to the net amount due plus interest and the costs of enforcement, including attorneys' fees.

(f) It must say that the Master Association intends to have the Parcel sold in a foreclosure sale.

Each violation will be a separate basis for a Notice of Lien. But a single Notice of Lien may cover more than one default, and may include defaults between the date of the Notice of Lien and the date of the sale.

3) CANCELLATION OF NOTICE OF LIEN. The Master Association may provide a document canceling a

Notice of Lien. It will do so if both of these conditions are met:

(a) The Board must first receive payment in full of the amount claimed to be due and owing (including interest, late fees, and any costs of enforcement and attorneys' fees).

(b) The Owner must ask for the cancellation document and pay a reasonable fee for it.

The document canceling the Notice of Lien must be signed by two (2) directors or officers of the Master Association or by the Managing Agent.

4) CONDUCTING THE SALE. The sale may be conducted in any lawful way. For example, the Master Association has a power of sale and may foreclose its Secured Lien in the manner provided in H.R.S. Section 667-5, or in any substitute or replacement laws.

5) POWER OF ATTORNEY. When foreclosing its Secured Lien on an Owner's Parcel, the Master Association may sign and deliver any legal documents necessary to transfer title to that Owner's Parcel to a purchaser. It may do so in its own name or in the name of the defaulting Owner. For this purpose, each Owner gives a special power of attorney to the Master Association.

6) PERMITTED BUYERS. The Master Association or anyone else except a Competitor may bid on and buy the Parcel at the foreclosure sale. The Master Association may offset the debt against the amount bid at the sale. The Board may buy the Parcel of a defaulting Owner. If the Board agrees, an Owner may transfer his or her Parcel to the Master Association in place of foreclosure.

7) AMOUNTS OWED AFTER THE SALE. The foreclosure sale may not produce enough money to pay all amounts owed by the defaulting Owner. If this happens, the defaulting Owner remains personally liable for the difference, and the Master Association can sue him or her to collect the unpaid amount.

8) BUYER AT FORECLOSURE. Anyone who buys the Parcel at the foreclosure sale will have to obey the Master Association Documents just like any other Owner.

16. INSURANCE

16.1 INSURANCE GENERALLY.

A. INSURANCE REQUIRED. The Board must see that, as a minimum, the Master Association and all of the Owners together are covered by the insurance required by this Chapter. The cost of insurance will be a Project Expense.

Each Policy may be separate or the Board may buy one or more commercial package policies.

B. SOURCE OF INSURANCE. The Master Association may buy the insurance itself. Or it may join with a Resort Owners Association or a Vacation Owners Association in order to buy insurance. If the Managing Agent or any related company manages more than one owners association or real estate project, then the Managing Agent may buy one or more blanket policies that cover the Master Association and/or the Common Property and also any other owners associations or real estate projects. In that case, the covered projects will split the costs of the policies. The amount charged to the Master Association for its share of the costs is subject to approval by the Board. If any part of this Chapter conflicts with any Resort Documents regarding insurance, the Resort Documents will control as to any of the Common Area located in that Resort.

C. QUALIFIED INSURANCE COMPANIES. Each insurance company must be licensed to do business in the State of Hawaii. This rule does not apply, however, to (i) federal flood insurance and other government insurance programs, and (ii) insurance not available, or not available at a reasonable price, from a company licensed in Hawaii. Each insurance company must have a financial rating of Class VI or better according to Best's Insurance Report. If the insurance cannot be obtained from a company having that rating, or if the Board decides that the cost is too high, then the Master Association may buy the insurance from any financially sound company of recognized responsibility. If the Master Association is relying on insurance bought by a Resort Owners Association or a Vacation Owners Association, the policy may be bought from any financially sound insurance company of recognized responsibility.

D. ADDED INSURANCE. The Board has the right and power to increase the insurance coverage or obtain better terms than those stated in this Chapter whenever the Board deems it necessary or in the best interests of the Master Association. The Board may also buy other kinds of insurance even if they are not described in this Chapter. For example, the Board may buy business interruption insurance.

E. SUBSTITUTE COVERAGE; REDUCTION IN INSURANCE. Except for insurance required by law, the Board need not buy any insurance if it is advised that it cannot reasonably be obtained or if the Board decides that it is too expensive. In those cases, the Board must buy other insurance that it believes to be appropriate under the circumstances for master association property similar in construction, location and use. The Board may accept any deductibles, uninsured retentions, and co-insurance as it chooses in its business judgment. Any amount paid on account of any deductible, uninsured retention, or co-insurance will be a Project Expense; provided that if a loss results from the negligence or willful misconduct of an Occupant, then the Master

Association may charge the amount to the Occupant as a Personal Charge as provided in Section 17.1B.

F. YEARLY REVIEW OF COVERAGE. The Board must review the insurance program at least yearly. The Managing Agent must prepare or cause to be prepared an analysis of (a) the insurance needs of the Master Association and the Owners; and (b) the adequacy of the existing insurance policies to meet those needs. The Board will review this analysis and then make any changes in the insurance program it deems necessary or appropriate. All Board decisions are final.

G. LIABILITY FOR INSURANCE DECISIONS. The Board will not be liable for any decision it makes on insurance unless it was grossly negligent or was guilty of intentional misconduct. Likewise, neither the Developer nor the Managing Agent will be liable either unless they were grossly negligent or guilty of intentional misconduct.

H. INSPECTION AND COPYING. Any Owner (and anyone having a contract to buy a Parcel) may inspect copies of the Master Association's insurance policies at the office of the Managing Agent. If asked to do so, the Board will furnish a copy of any Policy, or a current certificate of insurance, to any Lender that has a first mortgage on a Parcel. The Lender must pay a reasonable fee for the copy.

I. NOTICE OF CHANGES IN INSURANCE. The Master Association will send notice to the Owners if:

1) The Association's policy of property insurance under Section 16.2 or liability insurance under Section 16.3 has lapsed, has been canceled, or will not be renewed. However, the Master Association does not have to send notice if replacement coverage will be in effect before the policies lapse or are canceled.

2) There is a significant adverse change in the coverage of those policies (for example, a significant reduction in the policy limits or an increase in the deductible).

The Association must send any notice required by this Subsection by first-class mail and it must do so as soon as reasonably possible.

16.2 PROPERTY INSURANCE. The Board must buy a policy of property insurance. The insurance bought is called the "Policy" in this Section 16.2.

A. WHO IS INSURED. The Policy must be written in the name of the Master Association.

B. REQUIRED COVERAGE. The Policy must, if possible, cover one hundred percent (100%) of the cost to replace the Common Property without deductions for depreciation.

C. COVERAGE NOT REQUIRED. The Policy does not have to cover (i) exterior glass if the Board decides that this is too expensive, and (ii) underground improvements, except for conduits, plumbing and wiring.

D. FORM OF POLICY. The Policy must cover those risks generally covered by a special form policy. A "special form policy" commonly insures against these risks: fire, lightning, windstorm and hail, smoke, explosion, civil commotion, riot, and riot attending a strike, aircraft and vehicle damage, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, breakage of glass, falling objects, water damage, collapse of structure, and direct physical loss. If the Common Area is located in an area prone to earthquakes, the Master Association must also buy earthquake insurance if it is available at a reasonable cost.

E. ADDITIONAL COVERAGE.

1) The Policy must have an agreed amount endorsement. This protects members from co-insurance clauses. A co-insurance clause reduces benefits if the Master Association fails to buy enough insurance.

2) The Policy must have an inflation guard endorsement. This automatically increases the Policy limits up to a certain amount each year to keep the Policy limits current with inflation.

F. REQUIRED AND PROHIBITED PROVISIONS. Unless the Board decides the cost is unreasonably high (and its decision will be final), the Policy must provide as follows:

1) The Policy must not relieve the insurance company from liability because of:

(a) Any increased hazard on any part of the Common Area, whether or not within the control or knowledge of the Master Association, the Board, the Developer, the Managing Agent, any Resort Owners Association, any Vacation Owners Association, any Occupant, or any persons under any of them; or

(b) Any breach of warranty or condition or any other act or neglect by any of those persons.

2) The Policy must not permit the insurance company to cancel or substantially change the Policy or the coverage (whether or not asked by the Board) unless the insurance company gives written notice of the cancellation or change at least thirty (30) days in advance. The insurance company must send the notice to the Board and the Managing Agent.

3) The Policy must provide that the insurance company gives up any right to repair, rebuild or replace any damaged or destroyed Common Property if a decision is made under the Resort Documents not to do so.

4) The Policy must provide that the insurance company gives up any right of subrogation to any right of the persons insured by the Policy as against the Master Association, the Board, the Owners and any person under any of them. "Subrogation" is the right of the insurance company to try to recover its costs from the person who caused the loss.

5) The Policy must not limit or prohibit any Owner from buying other insurance for the Owner's own benefit. It must also provide that the liability of the insurance company will be primary and will not be affected by any such other insurance.

6) The Policy must provide that any loss with respect to any Common Property will be adjusted (settled) by the insurance company and the Board.

7) The Policy must contain a standard "Mortgagee Clause". This protects the rights of Lenders. Unless it cannot be obtained, the Mortgagee Clause must do these things:

(a) It must name as an insured any Lender whose name has been furnished to the Board and to the insurance company.

(b) It must provide that any reference to a lender in the Policy includes all Lenders, in their order of priority, whether or not named in the Policy.

(c) It must provide that any act or neglect of the Master Association, the Board or any Occupant will not release the insurance company from its duties to the Lender.

(d) It must provide that the insurance company gives up these rights:

(1) Any right to deny coverage for the Lender's benefit because the Lender fails to notify the insurance company of any hazardous use or vacancy.

(2) Any requirement that the Lender pay any Policy premium. (But, the Lender may pay any premium due if the Master Association fails to do so on time).

(3) Any right to contribution from the Lender.

(4) Any right to be subrogated to the right of any Lender against anyone causing the loss or to require that any Mortgage be transferred to the insurance company. However, the insurance company may retain the right of subrogation to the extent of insurance proceeds received and retained by the Lender, if the insurance company gives up any claims for liability against the Lender, the Master Association, the Board, the Managing Agent, the Club Operator, the Developer, the Owners and their Guests. This must not, however, impair the Lender's right to sue any person for any loss or deficiency not covered by the insurance proceeds.

16.3 LIABILITY INSURANCE. The Board must buy and keep in effect commercial general liability insurance and, if necessary, commercial umbrella insurance. In this Section 16.3, the commercial general liability insurance and commercial umbrella insurance are together called the "Policy".

A. WHO IS INSURED. The Policy must cover (i) the Master Association, the Board, the Developer, the Managing Agent, the Club Operator (at all times when any Owner is a Club Member), and (ii) each of their directors, officers, employees, and agents, and (iii) all Owners as a group against claims for personal injury, bodily injury, death and property damage.

B. REQUIRED COVERAGE. The Policy limits for each accident or occurrence may not be less than \$3,000,000 for personal injury, bodily injury, and death, and \$1,000,000 for property damage.

C. REQUIRED AND PROHIBITED PROVISIONS. Unless the Board decides the cost is unreasonably high (and its decision will be final), the Policy must provide as follows:

1) The Policy must not limit or prohibit any Owner from buying other liability insurance for the Owner's own benefit.

2) The Policy must not relieve the insurance company from liability because of any act or neglect of the Master Association, the Managing Agent, the Developer, the Board, the Club Operator, any Owner or Occupant, or any person under any of them;

3) The Policy must provide that the insurance company gives up any right of subrogation to any right of the persons insured by the Policy as against the Master Association, the Board, the Managing Agent, the Club Operator, the Developer, the Owners and any persons under any of them.

4) The Policy must contain a "cross-liability" endorsement. This permits one person who is covered by the Policy to file a claim on the Policy based on the acts or failure to act of another person who is also covered by the Policy.

5) The Policy must contain a "severability of interest" provision. This prevents the insurance company from denying the claim of one person who is covered by the Policy because of the negligence of another person who is covered by the Policy.

6) The Policy must provide that the Policy and the coverage it provides may not be canceled or substantially changed by the insurance company (whether or not asked by the Board) unless the insurance company gives a written notice of the cancellation or change at least thirty (30) days in advance. The notice must be sent to the Board, the Managing

Agent, the Developer, and, if any Owner is a Club Member, the Club Operator.

16.4 MOTOR VEHICLES. The Board must buy and maintain a commercial automobile liability policy of insurance if the Master Association owns or leases any motor vehicles. This is called the "Policy" in this Section 16.3C.6). It must insure the Board, the Master Association, the Developer, the Managing Agent, and each of their officers, directors, agents and employees. It must cover claims for bodily injury, death and property damage arising out of the condition, use, operation, ownership or lease of any motor vehicle owned or leased by the Master Association. The Policy limits may not be less than \$1,000,000 for bodily injury or death or property damage arising out of a single accident or occurrence. The Policy must contain a severability of interest provision and a cross-liability endorsement.

16.5 DIRECTORS AND OFFICERS INSURANCE. The Board must buy and maintain a policy insuring, to the extent allowed by law, each person who is or was a director, officer, agent or employee of the Master Association against all liability in connection with any claim made against him or her as a result of his or her holding that position. This is called the "Policy" in this Section 16.5. The Policy must also cover anyone who serves, at the request of the Master Association, as a director, officer, member, employee or agent of another company or organization. The Board will choose the Policy limits.

If it can be obtained at a reasonable cost, the Policy must provide coverage to the extent permitted by law for any proceeding whether it is civil or criminal, administrative or investigative. The Policy must pay for any expense actually and reasonably incurred. This includes, but is not limited to, attorneys' fees, court costs, and payment of any judgments, fines and settlements. The Board may decide to buy insurance to cover circumstances where direct reimbursement is not required by law.

16.6 FIDELITY BONDS. A "fidelity bond" covers the loss of money in the care or custody of the Master Association or the Managing Agent. The Master Association must buy a fidelity bond or fidelity insurance. It must cover the Master Association and the Managing Agent. It must also cover each of their directors, officers, agents, and employees who handle funds belonging to or administered by the Master Association or the Managing Agent. The fidelity bond or insurance must name the Master Association as the person protected and who gets paid in case of loss (the "obligee" or the "insured"). The amount of the coverage must not be less than one-half of one year's estimated operating expenses plus all of the savings of the Master Association. The bond or insurance must also do these things:

A. It must provide that it may not be canceled or substantially changed without at least thirty (30) days'

advance written notice to the Master Association and the Managing Agent.

B. It must cover anyone who serves without pay (for example, a volunteer). It must also waive (give up) any defense based on excluding such persons from the definition of the term "employee" or similar terms.

16.7 OTHER INSURANCE. The Master Association will buy all other insurance required by law. This may include, for example, temporary disability insurance and worker's compensation insurance. The Owners have the right to buy extra insurance for their own benefit at their own expense.

17. DAMAGE, DESTRUCTION, AND CONDEMNATION

17.1 REPAIRING VACATION PROPERTY. If the Common Area is located in a Resort, then the Resort Documents will govern all matters covered in them relating to damage or destruction of the Common Area located in that Resort. In all other cases, if the Common Property is damaged or destroyed (other than by ordinary wear and tear) the Master Association must immediately repair the damage and replace anything that cannot be repaired. Anything damaged by normal wear and tear, however, need not be repaired or replaced while it is still usable, reasonably attractive, safe, and in good condition. The Board will decide when such things will be repaired or replaced and its decision will be final. If the Board decides it is better to replace something instead of repairing it, the Board may do so. The Board may also use any available Insurance or Condemnation Proceeds to provide new amenities elsewhere on the Common Area to replace any that have been lost.

A. PAYING FOR THE REPAIRS. The Master Association will use any available Insurance or Condemnation Proceeds to pay for the repair or replacement. The Master Association also may use any money set aside in a Reserve Account to repair or replace the damaged items. The damage may not be covered by insurance, or the available proceeds or applicable Reserve Account may not be enough to pay the total cost of repairing or replacing the damaged property. If so, the Master Association may charge a Special Assessment to raise the money.

1) "Insurance Proceeds" means any money paid by an insurance company for a loss.

2) "Condemnation Proceeds" means any money paid if the Common Area or any part of it is "taken", meaning that it is condemned or is sold to a Condemning Agency that has threatened to condemn it. The government and certain other persons have the "power of eminent domain". This means that they can make someone sell their property to them.

This process is called “*Condemnation*”. Anyone having the power of eminent domain is called a “*Condemning Agency*”.

B. LIABILITY OF OWNERS AND OCCUPANTS FOR DAMAGES. If an Owner or an Owner’s Guest intentionally or negligently damages or destroys any Common Property, that person must repay the Master Association for all expenses related to repairing or replacing it. That amount will be a Personal Charge. If an Exchange User or his or her Guest intentionally or negligently damages or destroys any Common Property, that person must repay the Master Association for all expenses related to repairing or replacing it; the Owner of the Vacation Interest whose Vacation Period is used by the Exchange User, however, will not be responsible to repay the Master Association. The Board will decide what should be repaired or replaced as a result of any such damage or destruction. The Board’s decision will be binding on any person responsible for repayment. This Section 17.1B does not apply to damage or destruction that the Board decides is the result of ordinary wear and tear.

C. NO CLAIM FOR LOSSES PAID FOR BY INSURANCE. Despite what Section 17.1B says, the Master Association and the Owners will have no claim or cause of action against any Occupant for damage or destruction to the extent the loss is covered by insurance. An Occupant will have no claim or cause of action for any damage or destruction of his or her own property against the Master Association, the Board, the Managing Agent, the Developer, or any company related to the Developer (or any of officers, directors, employees or agents of any of these persons) or against any other Owner or Occupant to the extent that the loss is covered by insurance.

17.2 EXCESS PROCEEDS.

A. EXCESS PROCEEDS. “*Excess Proceeds*” are Insurance Proceeds or Condemnation Proceeds:

- ❖ remaining after paying the cost of repairs and replacements;
- ❖ paid on account of Common Property that is destroyed and is not rebuilt. This could happen, for example, if the law is changed so it cannot be rebuilt or if a decision not to rebuild it is made under the Resort Documents for the Resort in which the Common Area is located; or
- ❖ not required (i) to repair or replace the Common Property, or (ii) to pay any one or more Owners for personal injury or loss or damage to their property.

B. USE OF EXCESS PROCEEDS. Any excess proceeds will be deposited by the Master Association in the General Account. The Board may decide to use this money to pay Project Expenses or to reduce future Assessments, or the Board may deposit the money into one or more Reserve

Accounts. The Board must consider any tax issues that may be affected by their decision on how to use the money.

18. ADDING AND REMOVING PROPERTY

18.1 ADDING PROPERTY TO THE MASTER PROJECT. The Developer may add property to the Master Project at any time and without the consent of any Owner or anyone else. Only the Developer may add property to the Master Project. The Developer is not promising to add any more property to the Master Project. Owners may enjoy certain advantages from having property added but will have no legal right to insist that the Developer do so.

18.2 HOW PROPERTY IS ADDED. The Developer may add property to the Master Project, and it will become part of the Master Project, by meeting these conditions:

A. DECLARATION OF ANNEXATION.

1) REQUIRED CONTENT. The Developer may add property to the Master Project by recording a “*Declaration of Annexation*.” It must contain the following:

(a) A legal description of the property and the name of its record Owner;

(b) A statement submitting the property to this Declaration. This Declaration must be identified by title and recording data;

(c) A statement as to whether the property is Common Area or Participating Property;

(d) If the property being added is a Participating Property:

(1) A list of the Units if the property is not part of a condominium project or otherwise legally divided into separate parcels having only one Unit apiece; and

(2) The Relative Valuation of each Unit.

2) OTHER PROVISIONS: The Declaration of Annexation may contain any provisions that the Developer may consider appropriate. For example, it may include provisions that:

(a) Disclose that the record owner is not related to the Developer or the Master Association,

(b) Relieve the record owner of any responsibility for acts of the Developer or the Master Association; or

(c) Permit the Developer, at its own expense, to further develop the property being added. For example, the Developer might have the right:

(1) To develop and construct additional improvements on the property being added;

(2) To create, grant, accept or otherwise deal with any easements over, under, across or through the property being added or in favor of the property being added;

(3) To change the property being added as needed or helpful to comply with law or with governmental permits, approvals or zoning requirements;

(4) To enter the property being added and to permit its employees, agents, contractors, and so on, to do so; or

(5) To make noise, dust, vibrations and do other annoying things when using these rights.

3) LIMITATIONS ON DEVELOPER'S RIGHTS.

Despite what Section 18.2A.2) says:

(a) The Declaration of Annexation cannot unreasonably disturb or interfere with the rights of Owners to use the existing Common Property.

(b) The Declaration of Annexation cannot give some Owners the exclusive right to use any Common Area being added unless those Owners must also pay all costs to operate, manage, maintain, repair and replace that Common Area.

(c) The Declaration of Annexation cannot give the Owners of any new Participating Property more than 104 votes for each Unit. However, this does not mean that an amendment cannot change other voting rights. For example, if certain Owners have the exclusive right to use part of the Common Area and that property is destroyed by a fire, then the Declaration of Annexation might say that only those Owners can vote on whether or how to repair or replace that property.

(d) The Declaration of Annexation cannot include anything which in any way has the effect of taking away the Members' Easement.

4) **WHO MUST SIGN.** If the property being added to the Master Project is owned by anyone other than the Developer, then the record owner must also sign the Declaration of Annexation. If the Developer asks, the Master Association must also sign the Declaration of Annexation. The Master Association here and now gives the Developer a special power of attorney to sign for the Master Association.

B. TRANSFER OF COMMON AREA TO THE MASTER ASSOCIATION. If the property being added to the Master Project will be Common Area, then the Developer must transfer (or cause someone else to transfer) title to the property to the Master Association.

18.3 ADDED PROPERTY IS GOVERNED BY THE MASTER ASSOCIATION DOCUMENTS. The Master Association Documents will govern the ownership, use and transfer of any property added to the Master Project. Any property added will become Common Area or Participating Property, as stated in the Declaration of Annexation. Any money encumbrances or liens on the property as of the date it is added must be subordinated to this Declaration and to the lien rights given to the Master Association by this Declaration unless other reasonable arrangements are made to pay them off or to protect the use rights of the Owners, the Master Association, and the Developer.

18.4 PROPERTY MAY BE REMOVED FROM THE PLAN.

A. THE DEVELOPER'S RIGHTS.

1) WHEN THE DEVELOPER CAN REMOVE PROPERTY.

(a) If the Developer owns an entire Parcel, it may remove that Parcel from the operation of this Declaration and the Master Project. In the case of a Vacation Interest, however, the Developer must own all Vacation Interests in a legally subdivided parcel of real property. For example, if the Developer owns a Vacation Interest in a condominium apartment, it cannot remove that apartment from the Master Project unless it owns all of the Vacation Interests in that condominium apartment.

(b) If the Developer includes a Common Area by mistake, it may remove that property from the operation of this Declaration and the Master Project.

2) STEPS TO REMOVE PROPERTY. To remove property, the Developer must sign and record a document named "*Declaration of Removal*." It must contain both of these things:

- ❖ A legal description of the property being removed from the Master Project.
- ❖ A statement that the property being removed is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) EFFECT OF REMOVAL. After the Declaration of Removal is recorded:

(a) The Parcel described in it will no longer be subject to this Declaration nor part of the Master Project.

(b) The Master Project Easements granted or reserved in the Master Association Documents will no longer apply to the property removed.

(c) If the Master Association holds title to the property being removed, then within ten days after receiving a copy of the recorded Declaration of Removal, the Master Association must sign and record a document transferring legal title to the property being removed to the Developer or to someone else picked by the Developer. The Developer must reimburse the Master Association for its reasonable costs of doing so.

B. THE ASSOCIATION'S RIGHTS. If a Majority of the Owners vote to do so, and if their Lenders consent, the Owners may remove any legally subdivided part of the Common Area from the operation of this Declaration and the Master Project. They may not do so, however, without first getting the Developer's written (if the Developer owns, or holds mortgages on, at least fifty (50) Vacation Interests in the Master Project or one or more whole Units).

1) STEPS TO REMOVE COMMON AREA. To remove part of the Common Area, the Association must record a document named "*Declaration of Removal*." It must contain each of these things:

- ❖ A legal description of the property being removed.
- ❖ An affidavit signed by two officers of the Association stating that a Majority of the Owners voted to remove the property from this Declaration and from the Master Project.
- ❖ The written consent of the Lenders of Owners who make up the Majority of the Owners who voted for the removal.
- ❖ The written consent of the Developer so long as the Developer owns, or holds mortgages on, at least fifty (50) Vacation Interests in the Master Project or one or more whole Units.
- ❖ A statement that the property is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

2) EFFECT OF REMOVAL. After the Declaration of Removal is recorded:

(a) The property described in it will no longer be subject to this Declaration nor part of the Master Project.

(b) The Master Project Easements granted or reserved in the Master Association Documents will no longer apply to the property removed.

(c) The Association may then sell the property and keep the money from the sale.

C. THE OWNERS' RIGHTS.

1) WHEN THE OWNERS' CAN REMOVE A PARTICIPATING PROPERTY. Owners may remove a legally subdivided parcel of the Master Project from the operation of this Declaration and the Master Project in these circumstances:

(a) If all of the Owners of a Parcel that is not part of a Vacation Plan agree to do so, and if their Lenders consent, they may remove that Parcel from the Master Project.

(b) If all of the Owners of Vacation Interests in a legally subdivided parcel of real property agree to do so, and if their Lenders consent, they may remove that real property from the Master Project. For example, if all Owners of Vacation Interests in a single condominium apartment in the Ocean Resort Villas Vacation Ownership Plan agree to do so, and if their Lenders consent, they may remove that apartment from the Master Project.

In either case, the Owners may not remove property without first getting the Developer's written (if the Developer owns, or holds mortgages on, at least fifty (50) Vacation Interests in the Master Project or one or more whole Units).

2) STEPS TO REMOVE A UNIT. To remove a parcel, the Owners must record a document named "*Declaration of Removal*." It must contain all of these things:

- ❖ A legal description of the property being removed.
- ❖ An affidavit of the Owners saying that they own the property and that they desire to remove it from this Declaration and from the Master Project.
- ❖ A letter from the Master Association, acting under Section 15.5B.1)(a), showing that all Assessments and Personal Charges relating to the property being removed have been paid.
- ❖ The written consent of each such Owner's Lenders.
- ❖ The written consent of the Developer so long as the Developer owns, or holds mortgages on, at least fifty (50) Vacation Interests in the Master Project or one or more whole Units.
- ❖ A statement that the property is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) EFFECT OF REMOVAL. After the Declaration of Removal is recorded:

(a) The property described in it will no longer be subject to this Declaration nor part of the Master Project.

(b) The Master Project Easements granted or reserved in the Master Association Documents will no longer apply to the property removed.

D. DAMAGED OR CONDEMNED UNITS.

1) **WHEN THE MASTER ASSOCIATION CAN REMOVE A UNIT.** The Master Association, through the Board, may remove a legally subdivided parcel of property from the Master Project if the property is destroyed and a decision is made not to rebuild it, or if the property is condemned or is to be transferred under threat of condemnation. The Board may remove the property even if all Assessments and Personal Charges with respect to that Parcel have not been paid.

2) **STEPS TO REMOVE A UNIT.** To remove a parcel, the Master Association must record a document named "*Declaration of Removal*." It must contain each of these things:

(a) A legal description of the property being removed.

(b) An affidavit signed by any two officers of the Master Association. It must say either (i) that the property was destroyed and is not being rebuilt, or (ii) that the property was condemned or is being transferred under threat of condemnation.

(c) A statement that the property is no longer subject to this Declaration. This Declaration must be identified by title and recording data.

3) **EFFECT OF REMOVAL.** After the Declaration of Removal is recorded:

(a) The property described in it will no longer be subject to this Declaration nor part of the Master Project.

(b) The Master Project Easements granted or reserved in the Master Association Documents will no longer apply to the property removed.

(c) The Owners of the property will still be personally liable for all Assessments and Personal Charges owed by them even though the property is no longer part of the Master Project, and

(d) The Master Association's Secured Lien and security interest will remain on the property and any money received from the sale of it, until all Assessments and Personal Charges (including interest, late fees, and attorneys' fees) are paid in full. The Master Association may sign a

document releasing its lien in connection with any sale of the property.

19. REVISING, TERMINATING, AND INTERPRETING THIS DECLARATION

19.1 AMENDMENTS.

A. OWNERS'S RIGHTS. This Declaration may be "*amended*" (changed) from time to time by the vote or written consent of (i) the Developer (if it owns, or holds a mortgage on, a Parcel), and (ii) a Majority of the Owners Voting (not counting the Developer's Parcels and votes); provided that the Owners voting for the amendment must hold at least twenty-five percent of the total number of votes for all Parcels (not counting the Developer's Parcels and votes). There is an exception to this rule: Some parts of the Master Association Documents require the approval of more than a Majority of the Owners before taking certain actions (a "*super-majority*"). Such a provision cannot be amended unless (1) Owners casting votes equal to or exceeding the same super-majority required to take action under that provision vote in favor of that amendment, and (2) if the Developer owns, or holds a mortgage on, any Parcel, the Developer signs the amendment. No amendment will take effect until it is signed by any two officers of the Master Association and recorded.

B. DEVELOPER'S RIGHTS. Without the consent or approval of any person, including any Owner and anyone having a contract to buy a Parcel, the Developer may change this Declaration at any time:

1) And for any purpose before any First Deed or Agreement of Sale is recorded.

2) To comply with the laws and regulations of the State of Hawaii.

3) To comply with the real estate laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of: (i) any Resort, the Master Project, or any Vacation Plan that includes Participating Property, or (ii) the Club (if any Owner is a Club Member), or (iii) the Network (if any Owner is a Network Member).

4) To satisfy requests for changes made to the Developer by any institutional lender loaning money to the Developer, by any investor in mortgages initially made in favor of the Developer, or by any title company licensed to do business in the State of Hawaii.

5) In any Declaration of Annexation to the extent permitted by Section 18.2.

No amendment under Subsections 19.1B.3) or 19.1B.4) will be effective, however, unless:

(i) The Developer gives written notice of the proposed amendment (and a copy of the amendment) to each governmental authority (other than Hawaii governmental authorities) having authority over the Master Project as a result of the registration of it (or a Resort, Vacation Plan, the Club or the Network) with that governmental authority, and

(ii) The amendment includes as an attachment a copy of a letter or other document showing either that the amendment has been accepted or approved by that governmental authority or an affidavit signed by the Developer and stating that approval or acceptance is not necessary.

An amendment made by the Developer under this Section 19.1B will take effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

C. LIMITS ON AMENDMENTS.

1) Unless it is signed by the Owner and the Owner's Lender (if any), no amendment may:

(a) Take away the Member's Easement.

(b) Change the right of the Owner to cast the number of votes provided in Section 12.3.

2) No amendment may change the rights and privileges of the Developer unless the Developer signs it.

3) No amendment may change the rights and privileges of the Club Operator unless the Club Operator signs it or unless no Owners are Club Members.

D. BINDING EFFECT. If an amendment complies with these provisions, it will be binding on every Parcel and the Common Area, and on everyone, including for example any Owners and their Lenders, who has any interest in a Parcel or the Common Area.

19.2 TERMINATING THIS DECLARATION. This Declaration will remain in effect for sixty (60) years from the day it is recorded. After that, it will continue in effect for additional ten (10) year periods until an amendment canceling it is recorded. This Declaration may be terminated earlier if:

- ❖ All of the Participating Properties are removed from the Declaration under Section 18.4 above, or
- ❖ All of the Master Association Amenities are destroyed and a decision not to repair, rebuild, or restore them is in the manner provided in the Resort Documents for the Resort in which they are located, or

- ❖ All the Common Area or all of the Participating Properties are taken in condemnation proceedings or under threat of condemnation, or
- ❖ All of the Common Area is located in a single condominium and the condominium terminates.

When this Declaration terminates, (a) all Owners will remain personally liable for all Assessments and Personal Charges owed by them, and (b) the Master Association's Secured Lien and security interest will remain on each Owner's Parcel and each Owner's interest in the Master Association and any money received from the sale of the Owner's Parcel or the Common Area, until all Assessments and Personal Charges (including interest, late fees, and attorneys' fees) are paid in full and the Master Association's affairs are finally settled. Except as otherwise provided in Section 18.4, if this Declaration terminates, the Master Association may sell the Common Property free and clear of this Declaration and the Master Project Easements. All money received from the sale of any Common Property will be distributed to the Developer and the Owners as provided by the Hawaii Nonprofit Corporation Act and the Master Association Documents.

19.3 THE RULE AGAINST PERPETUITIES.

A. GENERAL NATURE OF THE RULE. The "Rule Against Perpetuities" (the "RAP") is a legal rule. It limits the amount of time that may pass between (i) the date when an interest in real estate is created, and (ii) the date when the interest "vests" such as when the Owner of that interest becomes entitled to possession of the property. The RAP creates a deadline for this to happen. This deadline is called the "RAP Deadline" in this Declaration. In legal terms, the interest becomes "vested" in the future. For convenience, however, we will say that the transfer "takes effect in the future".

B. APPLYING THE RULE. No matter what else this Declaration says, if any part of this Declaration violates the RAP or any other limit imposed by law on the duration of the part, then that part will be effective only until the earlier of:

- ❖ the maximum period permitted by law, or
- ❖ 21 years after the death of the last survivor of the now living descendants of Joseph and Rose Kennedy of Massachusetts and George H. W. Bush of Texas.

19.4 EFFECT OF INVALID PROVISIONS. The provisions of this Declaration are "severable". This means that if any part of it is not legal or valid, that part can be ignored. But the rest of this Declaration will remain in effect and everyone must obey it.

19.5 EFFECT OF FAILURE TO ENFORCE. A violation of any part of the Master Association Documents by one person does not excuse that person or anyone else from his or her duty to

obey that and all other parts of the Master Association Documents. Any failure to enforce any provision of the Master Association Documents does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked.

19.6 INTERPRETING THIS DECLARATION. To make this Declaration easier to read and understand, some Chapters or Sections include an introduction. The introduction is intended to help you understand what the Chapter or Section is about by giving you a general explanation. Likewise, captions have been added to many Sections. These are intended to help you find particular parts of this Declaration. But it is important to realize that the captions and introductions have been included as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of the provisions of this Declaration. You should read with care each and every part of this Declaration, not just the captions or the introductions.

Where this Declaration or the other Master Association Documents say things like “for example”, it means that there may be other examples besides the examples described in the document.

19.7 PRONOUNS. Pronouns (for example, “his” or “her”) used in the Master Association Documents include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

20. MISCELLANEOUS PROVISIONS AND GLOSSARY OF LEGAL TERMS

20.1 TRANSFER OF DEVELOPER’S RIGHTS.

A. If the Developer signs and records a document that expressly transfers some or all of its rights or duties as the Developer under the Master Association Documents to someone else, then that person will become the “Developer” to the extent of the rights and duties transferred.

B. The Developer may transfer its rights as collateral for a loan. If so, the Lender will not have the rights or duties of the “Developer” until (i) it forecloses the loan, (ii) it holds the rights of the Developer outright, and (iii) it notifies the Master Association that this has happened and provides a copy of the legal documents by which it holds the rights of the Developer. Under Section 20.1A, the Developer may also transfer its rights and duties to a Lender in place of foreclosure.

C. A transfer of all rights of the Developer will automatically transfer the Developer’s Easements to the same person. This will happen even if the transfer document does not say so.

20.2 NOTICES. Except as otherwise expressly provided in this Declaration or in the Bylaws, all notices must be given as follows:

A. NOTICE TO OWNERS. Notice to an Owner may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to his or her address as it is shown on the membership list. If more than one person is the “Owner” of a Parcel, notice to all Owners of that Parcel may be given by providing notice to any one of them.

B. NOTICE TO THE MASTER ASSOCIATION. Notice to the Master Association must be given to the president, vice-president, secretary, or any director. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to them at their addresses as shown on the membership list, or to any other address that they designate by notice to the Developer and to all Owners and Lenders.

C. NOTICE TO THE MANAGING AGENT. Notice to the Managing Agent must be mailed or delivered to the Managing Agent at its address as shown on in the Management Contract, or to any other address that the Managing Agent designates by notice to the Master Association from time to time.

D. NOTICE TO THE DEVELOPER. Notice to the Developer must be given to the president of the Developer. The notice may be given personally or by mail, fax, or messenger service. The notice must be mailed or delivered to the president of the Developer at the address shown on the membership list, or to any other address that the Developer designates by notice to the Master Association from time to time.

E. NOTICE TO A LENDER. Notice to a Lender or to an insurer or guarantor of a mortgage may be given delivering it in person or by mail, fax, or messenger service. The notice must be mailed or delivered to its address as it is shown on the membership list, or to any other address that it designates by notice to the Board.

F. CHANGE OF ADDRESS. All notices must be in writing. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Master Association’s records. Regardless of the prior two sentences, notices of addresses and changes of addresses will be deemed given only when they are actually received. The addresses for purposes of this Section 20.2 may be changed by giving written notice of the change. Unless written notice of an address change is received, the last address will remain effective for all purposes.

20.3 SPECIAL POWER OF ATTORNEY. Whenever this Declaration provides that an Owner or other person gives a "power of attorney" or appoints someone as "attorney-in-fact", the following Rules apply:

A. The power of attorney appointment is permanent. In legal terms, it is *coupled with an interest*, it is *irrevocable*, it is a *durable power of attorney*, and it will not be affected by the death or disability of the person who gives it.

B. It includes "*full power of substitution*". This means that the person given the power of attorney can let someone else act in his or her place as a substitute attorney-in-fact.

C. Each Owner (or other person) gives the power of attorney whether or not it expressly says so in the deed, mortgage or other document by which he or she obtained any interest in the Master Project or the Master Association.

D. It is a "*special power of attorney*." This means that the attorney-in-fact has the power to do only the things stated or intended by the Master Association Documents; this includes, however, the power to do anything else necessary or convenient to accomplish the stated or intended goal. Ambiguities must be resolved in favor of giving, not denying, the attorney-in-fact the power to act.

E. If asked by the attorney-in-fact, the person who is giving the special power of attorney must promptly deliver a signed and notarized special power of attorney in the form requested by the attorney-in-fact.

20.4 GLOSSARY OF LEGAL TERMS.

A. "**AGREEMENT OF SALE**" means a recorded contract which binds the seller to sell and the buyer to buy a Parcel and under which the seller keeps the title to the Parcel as collateral for payment of the sales price. The buyer, however, is considered the Owner of the Parcel and can use it so long as the buyer makes all payments and keeps his or her promises under the Agreement of Sale.

B. "**ATTACHMENT**" refers to the act or process of seizing property under a court order.

C. "**CONDOMINIUM PROPERTY ACT**" means the Hawaii Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, or any law that replaces that law.

D. "**EASEMENT**" means any right to use property possessed by someone else.

E. "**ENCUMBER**" refers to putting a legal claim or "encumbrance" on property.

F. "**ENCUMBRANCE**" means a right or interest in property held by someone other than the owner of that property.

G. "**INCUR**" means to pay or to become obligated to pay, or both.

H. "**JOINT AND SEVERAL LIABILITY**" means that two or more people are each fully responsible to keep a promise or pay a sum of money. This means that each person may be required to pay the whole amount due, not just part of it or his or her share of it.

I. "**LENDER**" means anyone who has a mortgage on a Parcel.

J. "**LIEN**" means a claim against property. For example, a mortgage on a Parcel is a claim on the Parcel as collateral for the payment of money.

K. "**MAJORITY OF THE OWNERS**" mean Owners of more than fifty percent (50%) of the total number of votes for all Parcels. Any reference to a specific percentage of Owners means Owners having that percentage of the total number of votes for all Parcels. When it refers to having a quorum or taking a vote, these terms mean Owners of a majority or other specific percentage of the votes for all Parcels then entitled to vote. The Bylaws explain how and when an Owner's voting rights may be suspended.

L. "**MAJORITY OF THE OWNERS VOTING**" mean Owners of more than fifty percent (50%) of the total number of votes held by Owners present and casting votes on the matter at hand. Any reference to a specific percentage of "Owners Voting" means Owners having that percentage of the total number of votes held by Owners present and casting votes on the matter. When it refers to having a quorum or taking a vote, only the votes of Parcels then entitled to vote will be considered. The Bylaws explain how and when an Owner's voting rights may be suspended.

M. "**MORTGAGE**" when used as a noun means a recorded mortgage or deed of trust by which an Owner's Parcel becomes collateral for the repayment of a loan. Usually, if the loan isn't repaid, the Parcel will be sold and the money will be used to repay the loan. When used as a verb, "mortgage" refers to making a Parcel subject to a mortgage or deed of trust.

N. "**PERSON**" means any natural person or any corporation, partnership, limited partnership, limited liability partnership, joint venture, trust, limited liability company, or other legal entity. Terms like "*somebody*", "*nobody*", "*someone*", "*anyone*", and so on refer to a "person" and, depending on the context, may refer to a person who is an "Owner."

O. "**PLANNED COMMUNITY ASSOCIATION ACT**" means Chapter 421J, Hawaii Revised Statutes, or any law that replaces that law.

P. "RECORD", "RECORDED", "RECORDING", and similar terms mean recorded in the Land Court. Hawaii law may be changed to require that deeds, mortgages, notices of liens, amendments to the Master Association Documents, or other documents, be recorded in the Bureau. After any such law takes effect, "record", "recorded", "recording" and similar terms will mean and refer to recording in the Bureau to the extent provided by the change in the law.

1) "BUREAU" means the Bureau of Conveyances of the State of Hawaii.

2) "LAND COURT" means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

Q. "SUBORDINATE TO" means governed by. For example, if a mortgage is "subordinate to" the Declaration then the mortgage will be governed by and will not affect the Declaration. If something in the mortgage does not agree with the Declaration, then the Declaration will control and must be obeyed.

R. "TENANTS IN COMMON" refers to the relationship between co-Owners of property. When the co-Owners are tenants in common, then each person owns an undivided interest or Ownership Share in the property. An Owner may mortgage or sell his or her Ownership Share. The Owner may also leave it to someone else in his or her will.

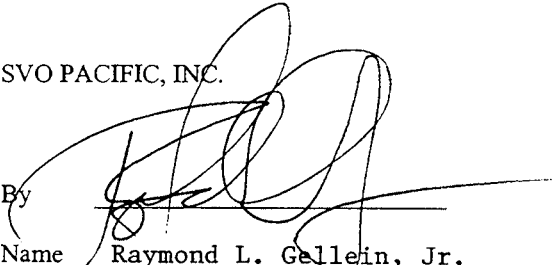
S. "TIME SHARE ACT" means the Hawaii Time Share Act, Chapter 514E, Hawaii Revised Statutes, or any law that replaces that law.

T. "TRANSFER" means any way one person may receive a Parcel from another, including for example a voluntary sale, an involuntary sale (such as a foreclosure sale), a recorded lease, an inheritance or a gift.

U. "UNDIVIDED INTEREST" refers to the ownership of property by two or more persons as tenants in common. Each person owns a share in the property, sometimes called an "Ownership Share". For example, if two people own a condominium apartment, each person would own a one-half Ownership Share. If four people own it, each would own a one-fourth Ownership Share, also called a one-fourth undivided interest. In the Ocean Resort Villas Vacation Ownership Plan, each Owner of an Every-Year Vacation Ownership Interest owns a one-fifty-second (1/52nd) undivided interest in a condominium apartment as tenants in common with the other Owners of Vacation Ownership Interests in that apartment. An Owner of an Every-Other-Year Vacation Ownership Interest owns a one-one-hundred and fourth (1/104th) undivided interest in a condominium apartment as tenants in common with the other Owners of Vacation Ownership Interests in that apartment.

The Developer signed this Declaration on September 5, 2001.

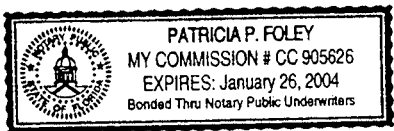
SVO PACIFIC, INC.

By 
Name Raymond L. Gellein, Jr.

Office Chairman of the Board

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 5th day of September, 2001 before me personally appeared RAYMOND L. GELLEIN Jr to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Patricia P. Foley
Name: Patricia P. Foley
Notary Public, State of Florida
My Commission expires: 1-26-04

EXHIBIT "A"

FIRST:

Apartments 102 (the "Arcade Apartment") of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238, (herein with any amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 1431, (herein with any amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;
3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;
4. Any other easements granted or reserved by the "Developer" in the Condominium Documents.

SECOND:

An undivided 0.000333940 percentage interest in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, and/or (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001, and recorded as Land Court Document No. 2734237, (herein with any amendments called the "Declaration of Merger"), and

SUBJECT TO the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger; and

2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made.

BEING A PORTION of the premises described in Transfer Certificate of Title No. 569,700, issued to SVO Pacific, Inc., a Florida corporation, as tenant in severalty.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.

2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.

4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; (iv) the Condominium Map; and (v) the Declaration of Merger.

NOTE: For purposes of that certain Notice of Time Share Plan dated December 4, 2000, filed December 6, 2000, as Document No. 2669185 and recorded December 6, 2000, as Document No. 2000-171389, this instrument is the "Club Declaration" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT "B"

FIRST:

Those certain one hundred and three (103) Apartments, as listed in Exhibit "C", of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238, (herein with any amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 1431, (herein with any amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;
3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;
4. Any other easements granted or reserved by the "Developer" in the Condominium Documents.

SECOND:

For each of said Apartments, an undivided percentage interest, as listed in Exhibit "C", in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, and/or (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001, and recorded as Land Court Document No. 2734237, (herein with any amendments called the "Declaration of Merger"), and

SUBJECT TO the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger; and

2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made.

BEING A PORTION of the premises described in Transfer Certificate of Title No. 569,700, issued to SVO Pacific, Inc., a Florida corporation, as tenant in severalty.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.

2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.

4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; (iv) the Condominium Map; and (v) the Declaration of Merger.

END OF EXHIBIT "B"

EXHIBIT "C"
TO
OCEAN RESORT MASTER DECLARATION

Apartment No.	Relative Valuation	Common Interest		Apartment No.	Relative Valuation	Common Interest
First Floor				Third Floor		
2108/10	52,000.00	0.003382575		2300/02	52,000.00	0.003382575
2109/11	52,000.00	0.003382575		2301	43,873.44	0.002853946
2112/14	52,000.00	0.003382575		2303	43,873.44	0.002853946
2113/15	52,000.00	0.003382575		2304/06	52,000.00	0.003382575
2116/18	52,000.00	0.003382575		2305/07	52,000.00	0.003382575
2117/19	52,000.00	0.003382575		2308/10	52,000.00	0.003382575
2120/22	52,000.00	0.003382575		2309/11	52,000.00	0.003382575
2121/23	52,000.00	0.003382575		2312/14	52,000.00	0.003382575
2124	43,873.44	0.002853946		2313/15	52,000.00	0.003382575
2125	43,873.44	0.002853946		2316/18	52,000.00	0.003382575
2126/28	71,653.10	0.004661000		2317/19	52,000.00	0.003382575
2127/29	71,653.10	0.004661000		2320/22	52,000.00	0.003382575
2130/31	52,000.00	0.003382575		2321/23	52,000.00	0.003382575
				2324	43,873.44	0.002853946
				2325	43,873.44	0.002853946
				2326/28	71,653.10	0.004661000
				2327/29	71,653.10	0.004661000
				2330/31	52,000.00	0.003382575
Second Floor				Fourth Floor		
2200/02	52,000.00	0.003382575		2400/02	52,000.00	0.003382575
2201	43,873.44	0.002853946		2401	43,873.44	0.002853946
2203	43,873.44	0.002853946		2403	43,873.44	0.002853946
2204/06	52,000.00	0.003382575		2404/06	52,000.00	0.003382575
2205/07	52,000.00	0.003382575		2405/07	52,000.00	0.003382575
2208/10	52,000.00	0.003382575		2408/10	52,000.00	0.003382575
2209/11	52,000.00	0.003382575		2409/11	52,000.00	0.003382575
2212/14	52,000.00	0.003382575		2412/14	52,000.00	0.003382575
2213/15	52,000.00	0.003382575		2413/15	52,000.00	0.003382575
2216/18	52,000.00	0.003382575		2416/18	52,000.00	0.003382575
2217/19	52,000.00	0.003382575		2417/19	52,000.00	0.003382575
2220/22	52,000.00	0.003382575		2420/22	52,000.00	0.003382575
2221/23	52,000.00	0.003382575		2421/23	52,000.00	0.003382575
2224	43,873.44	0.002853946		2424	43,873.44	0.002853946
2225	43,873.44	0.002853946		2425	43,873.44	0.002853946
2226/28	71,653.10	0.004661000		2426/28	71,653.10	0.004661000
2227/29	71,653.10	0.004661000		2427/29	71,653.10	0.004661000
2230/31	52,000.00	0.003382575		2430/31	52,000.00	0.003382575

EXHIBIT "C"
TO
OCEAN RESORT MASTER DECLARATION

Apartment No.	Relative Valuation	Common Interest
Fifth Floor		
2500/02	52,000.00	0.003382575
2501	43,873.44	0.002853946
2503	43,873.44	0.002853946
2504/06	52,000.00	0.003382575
2505/07	52,000.00	0.003382575
2508/10	52,000.00	0.003382575
2509/11	52,000.00	0.003382575
2512/14	52,000.00	0.003382575
2513/15	52,000.00	0.003382575
2516/18	52,000.00	0.003382575
2517/19	52,000.00	0.003382575
2520/22	52,000.00	0.003382575
2521/23	52,000.00	0.003382575
2524	43,873.44	0.002853946
2525	43,873.44	0.002853946
2526/28	71,653.10	0.004661000
2527/29	71,653.10	0.004661000
2530/31	52,000.00	0.003382575
Sixth Floor		
2600/02	52,000.00	0.003382575
2601	43,873.44	0.002853946
2603	43,873.44	0.002853946
2604/06	52,000.00	0.003382575
2605/07	52,000.00	0.003382575
2608/10	52,000.00	0.003382575
2609/11	52,000.00	0.003382575
2612/14	52,000.00	0.003382575
2613/15	52,000.00	0.003382575
2616/18	52,000.00	0.003382575
2617/19	52,000.00	0.003382575
2620/22	52,000.00	0.003382575
2621/23	52,000.00	0.003382575
2624	43,873.44	0.002853946
2625	43,873.44	0.002853946
2626/28	71,653.10	0.004661000
2627/29	71,653.10	0.004661000
2630/31	52,000.00	0.003382575

Exhibit “D”

Bylaws of the Ocean Resort Master Association

Please refer to Exhibit “2” of the First Amendment to the Declaration of
Covenants, Conditions, Easements and Restrictions
For Ocean Resort Master Association
For
The Amended and Restated Bylaws of the
Ocean Resort Master Association

Guaranteed to be a true and correct copy of the document
on 8/8/03 at 1:00 pm,
In the Office of the Assistant Registrar of the Land Court,

State of Hawaii, as Document No. 2974211

Island Title Corporation

By [Signature]

RETURN BY MAIL () PICK-UP () TO:

McCorriston Miller Mukai MacKinnon
P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor
500 Ala Moana Blvd. • Honolulu, Hawaii 96813
Attn: Charles E. Pear, Jr.

This document contains
— pages

ITC 198298 3

TMK No. (2) 4-4-14-3 CPR No.s: [Not yet assigned]

Ocean Resort Master Association

DECLARATION OF ANNEXATION

THIS DECLARATION OF ANNEXATION is made on this 5th day of August, 2003, by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND INFORMATION

A. The Developer filed a document called the "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737946. That document is called the "Master Declaration" in this document. All terms defined in the Master Declaration will have the same meaning in this document.

B. The Developer is the record owner of the property described in Exhibit "A" which is attached to and part of this document (the "New Property"). The Developer desires to include the New Property in the Master Project.

SUBMISSION OF THE PROPERTY TO THE MASTER DECLARATION

The Developer declares that from now on:

1. The New Property, and all rights of the Developer in it, is subject to the Master Declaration and the other Master Association Documents. (In legal terms, the Developer is submitting all of its "estate, right, title and interest" in the New Property to the Master Association Documents).

2. Each of the individual Apartments comprising the New Property is a Participating Property and is a part of the Master Project. In legal terms, the New Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Master Association Documents. Anyone who occupies or uses any of the New Property must obey the Master Association Documents.

3. The Master Association Documents will be binding on the New Property. They will also be binding on, and are intended to benefit, these persons:

- A. The Developer.
- B. The Master Association.
- C. Each Member.

D. Anyone else who owns all or any part of the New Property, or who has any rights or other interests in it or in any Membership in the Master Association. This includes, for example, all present and future Parcel Owners and their Lenders.

E. Anyone who, by law or by agreement, stands in the place of the persons listed in items A. to D., above. Such people are called, in technical legal terms, "heirs", "devises", "personal representatives", "successors", and "assigns".

All of these people must obey the Master Association Documents. It does not matter how or when someone obtains an interest in the Property or any Membership, or whether they ever signed the Master Association Documents or expressly agreed to obey them. They must still obey them just as if they signed them.

All of these people also have the right to enforce the Master Association Documents in any way permitted by the Planned Community Association Act or by the Master Association Documents. In legal terms, the Master Association Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this section 3.


4. Regardless of what sections 1 to 3 say, the Developer reserves to itself any and all rights it has (i) under the Resort Documents as the Resort Developer of any particular Resort

(including, for example, the Ocean Resort Villas Condominium), and (ii) as the Vacation Plan Developer of any particular Vacation Plan (including, for example, the Ocean Resort Villas Vacation Ownership Plan). The Developer alone may exercise the Developer's Reserved Rights under the Resort Documents and/or under the Vacation Plan Documents. Those rights will not be subject to the Master Association Documents, and they will not be transferred to the Master Association or to any of its Members, unless the Resort Developer or Vacation Plan Developer signs and records a document that clearly says so.

5. The Relative Valuation for each Apartment is listed in Exhibit B which is attached to and part of this document.

The Developer signed this document as of the date first written above.

SVO PACIFIC, INC.

By: 

Name: Susan Werth

Its: Senior Vice President/Law, Secretary

STATE OF Florida)
) ss:
COUNTY OF Orange)

On this 5th day of August, 2003, before me personally appeared Susan Werth, Senior Vice President/Law, Secretary of SVO Pacific, Inc., a Florida corporation to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina C. Churchwell
Name: SABRINA C. Churchwell
Notary Public, State of Florida

My Commission expires: 10/20/2006



EXHIBIT "A"

FIRST:

Those certain one hundred and seventy-seven (177) Apartments, as listed in the attached Exhibit "B", of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238, as amended and restated by that certain Amended and Restated Declaration of Condominium Property Regime of Ocean Resort Villas, dated and recorded concurrently herewith (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 1431, (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;

prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;

3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;

4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

For each of said Apartments, an undivided percentage interest, as listed in Exhibit "B", in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, and/or (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001, and recorded as Land Court Document No.2734237 (herein with any amendments called the "Declaration of Merger"), and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger; and

2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made; and

BEING THE PREMISES described in the Transfer Certificate of Title No. 569,700 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.

2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.

4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; (iv) the Condominium Map; and (v) the Declaration of Merger.

NOTE: For purposes of that certain Notice of Time Share Plan dated December 4, 2000, filed December 6, 2000, as Document No. 2669185 and recorded December 6, 2000, as Document No. 2000-171389, this instrument is a part of the "Club Declaration" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT B
TO
OCEAN RESORT MASTER ASSOCIATION
DECLARATION OF ANNEXATION

Apartment No.	Relative Valuation Per Unit	Common Interest Per Unit
MAKANIKAT BUILDING		
First Floor		
3101/03	52,000.00	0.003382575
3102	43,873.44	0.002853946
3104/06	52,000.00	0.003382575
3105/07	52,000.00	0.003382575
3108/10	52,000.00	0.003382575
3109/11	52,000.00	0.003382575
3112/14	52,000.00	0.003382575
3113/15	52,000.00	0.003382575
3116/18	52,000.00	0.003382575
3117/19	52,000.00	0.003382575
3120/22	52,000.00	0.003382575
3121/23	52,000.00	0.003382575
3124	43,873.44	0.002853946
3125	43,873.44	0.002853946
3126/28	71,653.10	0.004661000
3127/29	71,653.10	0.004661000
3130/31	52,000.00	0.003382575
Second Floor		
3200	43,873.44	0.002853946
3201/03	52,000.00	0.003382575
3202	43,873.44	0.002853946
3204/06	52,000.00	0.003382575
3205/07	52,000.00	0.003382575
3208/10	52,000.00	0.003382575
3209/11	52,000.00	0.003382575
3212/14	52,000.00	0.003382575
3213/15	52,000.00	0.003382575
3216/18	52,000.00	0.003382575
3217/19	52,000.00	0.003382575
3220/22	52,000.00	0.003382575
3221/23	52,000.00	0.003382575
3224	43,873.44	0.002853946
3225	43,873.44	0.002853946
3226/28	71,653.10	0.004661000
3227/29	71,653.10	0.004661000
3230/31	52,000.00	0.003382575
Third Floor		
3300	43,873.44	0.002853946
3301/03	52,000.00	0.003382575
3302	43,873.44	0.002853946
3304/06	52,000.00	0.003382575
3305/07	52,000.00	0.003382575
3308/10	52,000.00	0.003382575

Apartment No.	Relative Valuation Per Unit	Common Interest Per Unit
3309/11	52,000.00	0.003382575
3312/14	52,000.00	0.003382575
3313/15	52,000.00	0.003382575
3316/18	52,000.00	0.003382575
3317/19	52,000.00	0.003382575
3320/22	52,000.00	0.003382575
3321/23	52,000.00	0.003382575
3324	43,873.44	0.002853946
3325	43,873.44	0.002853946
3326/28	71,653.10	0.004661000
3327/29	71,653.10	0.004661000
3330/31	52,000.00	0.003382575

Fourth Floor

3400	43,873.44	0.002853946
3401/3403	52,000.00	0.003382575
3402	43,873.44	0.002853946
3404/06	52,000.00	0.003382575
3405/07	52,000.00	0.003382575
3408/10	52,000.00	0.003382575
3409/11	52,000.00	0.003382575
3412/14	52,000.00	0.003382575
3413/15	52,000.00	0.003382575
3416/18	52,000.00	0.003382575
3417/19	52,000.00	0.003382575
3420/22	52,000.00	0.003382575
3421/23	52,000.00	0.003382575
3424	43,873.44	0.002853946
3425	43,873.44	0.002853946
3426/28	71,653.10	0.004661000
3427/29	71,653.10	0.004661000
3430/31	52,000.00	0.003382575

Fifth Floor

3500	43,873.44	0.002853946
3501/03	52,000.00	0.003382575
3502	43,873.44	0.002853946
3504/06	52,000.00	0.003382575
3505/07	52,000.00	0.003382575
3508/10	52,000.00	0.003382575
3509/11	52,000.00	0.003382575
3512/14	52,000.00	0.003382575
3513/15	52,000.00	0.003382575
3516/18	52,000.00	0.003382575
3517/19	52,000.00	0.003382575
3520/22	52,000.00	0.003382575
3521/23	52,000.00	0.003382575
3524	43,873.44	0.002853946
3525	43,873.44	0.002853946
3526/28	71,653.10	0.004661000
3527/29	71,653.10	0.004661000
3530/31	52,000.00	0.003382575

Sixth Floor

3600	43,873.44	0.002853946
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Apartment No.	Relative Valuation Per Unit	Common Interest Per Unit
3601/03	52,000.00	0.003382575
3602	43,873.44	0.002853946
3604/06	52,000.00	0.003382575
3605/07	52,000.00	0.003382575
3608/10	52,000.00	0.003382575
3609/11	52,000.00	0.003382575
3612/14	52,000.00	0.003382575
3613/15	52,000.00	0.003382575
3616/18	52,000.00	0.003382575
3617/19	52,000.00	0.003382575
3620/22	52,000.00	0.003382575
3621/23	52,000.00	0.003382575
3624	43,873.44	0.002853946
3625	43,873.44	0.002853946
3626/28	71,653.10	0.004661000
3627/29	71,653.10	0.004661000
3630/31	52,000.00	0.003382575

THE LANI BUILDING

First Floor		
4100/01	52,000.00	0.003382575
4102/04	71,653.10	0.004661000
4103/05	71,653.10	0.004661000
4106/08	52,000.00	0.003382575
4107/09	52,000.00	0.003382575
4114/16	52,000.00	0.003382575
4115/17	52,000.00	0.003382575
4118/20	71,653.10	0.004661000
4119/21	71,653.10	0.004661000
4122/23	52,000.00	0.003382575

Second Floor		
4200/01	52,000.00	0.003382575
4202/04	71,653.10	0.004661000
4203/05	71,653.10	0.004661000
4206/08	52,000.00	0.003382575
4207/09	52,000.00	0.003382575
4211	43,873.44	0.002853946
4213	43,873.44	0.002853946
4214/16	52,000.00	0.003382575
4215/17	52,000.00	0.003382575
4218/20	71,653.10	0.004661000
4219/21	71,653.10	0.004661000
4222/23	52,000.00	0.003382575

Third Floor		
4300/01	52,000.00	0.003382575
4302/04	71,653.10	0.004661000
4303/05	71,653.10	0.004661000
4306/08	52,000.00	0.003382575
4307/09	52,000.00	0.003382575
4311	43,873.44	0.002853946
4313	43,873.44	0.002853946
4314/16	52,000.00	0.003382575
4315/17	52,000.00	0.003382575

Apartment No.	Relative Valuation Per Unit	Common Interest Per Unit
4318/20	71,653.10	0.004661000
4319/21	71,653.10	0.004661000
4322/23	52,000.00	0.003382575

Fourth Floor

4400/01	52,000.00	0.003382575
4402/04	71,653.10	0.004661000
4403/05	71,653.10	0.004661000
4406/08	52,000.00	0.003382575
4407/09	52,000.00	0.003382575
4411	43,873.44	0.002853946
4413	43,873.44	0.002853946
4414/16	52,000.00	0.003382575
4415/17	52,000.00	0.003382575
4418/20	71,653.10	0.004661000
4419/21	71,653.10	0.004661000
4422/23	52,000.00	0.003382575

Fifth Floor

4500/01	52,000.00	0.003382575
4502/04	71,653.10	0.004661000
4503/05	71,653.10	0.004661000
4506/08	52,000.00	0.003382575
4507/09	52,000.00	0.003382575
4511	43,873.44	0.002853946
4513	43,873.44	0.002853946
4514/16	52,000.00	0.003382575
4515/17	52,000.00	0.003382575
4518/20	71,653.10	0.004661000
4519/21	71,653.10	0.004661000
4522/23	52,000.00	0.003382575

Sixth Floor

4600/01	52,000.00	0.003382575
4602/04	71,653.10	0.004661000
4603/05	71,653.10	0.004661000
4606/08	52,000.00	0.003382575
4607/09	52,000.00	0.003382575
4611	43,873.44	0.002853946
4613	43,873.44	0.002853946
4614/16	52,000.00	0.003382575
4615/17	52,000.00	0.003382575
4618/20	71,653.10	0.004661000
4619/21	71,653.10	0.004661000
4622/23	52,000.00	0.003382575

53343_2.DOC

Certified to be a true and correct copy of the document recorded on 8-26-03 at 8:02 am. in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2982410.

Island Title Corporation

By _____

LAND COURT

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL]

PICK-UP]

McCorriston Miller Mukai MacKinnon LLP (CEP)
Five Waterfront Plaza, Suite 400
500 Ala Moana Blvd.
Honolulu, Hawaii 96813

ITC: 198298

This Document Contains 45 Pages



TMK No. (2) 4-4-14-3
CPR Nos.: [Not assigned yet]
TCT No.s [See Exhibit 1]

Ocean Resort Master Association

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR OCEAN RESORT MASTER ASSOCIATION

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR OCEAN RESORT MASTER ASSOCIATION (this "Amendment") is made this 21 day of August, 2003. It is made by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND

The Developer is developing the Ocean Resort Villas condominium (the "Condominium"). The Developer is also developing the Ocean Resort Villas Vacation Ownership Plan (the "Plan"). It consists of certain resort apartments in the Condominium. The Developer may also develop other condominium projects, hotels, vacation ownership, or time share projects, and/or fractional ownership projects on land next to the Condominium or elsewhere in Ka'anapali North Beach.

The Condominium includes various amenities. The Developer wants to be sure that the owners and occupants of the resort apartments in the Condominium may use these amenities and

perhaps certain other amenities. It also wants to provide a way to make these amenities available to owners and occupants of other projects located in Ka'anapali North Beach.

To accomplish this, the Developer created the Master Association. The Master Association owns, or will own, an apartment in the Ocean Resort Villas condominium. Certain amenities of the condominium are "limited common elements" of that apartment. This means that the Master Association, as the owner of that apartment, will have the right to use those amenities. The Master Association will, in turn, make these amenities available to the members of the Master Association and their guests.

The Master Association is a Hawaii nonprofit corporation. It is governed by its articles of incorporation, bylaws, and that certain Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association, dated September 5, 2001, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2,737,946 (the "Master Declaration") and noted on the Transfer Certificates of Title listed in Exhibit "1" to this document. All terms defined in the Master Declaration will have the same meaning in this Amendment.

The Developer intends to register the Plan in the State of California. The California Department of Real Estate has required that the Developer make certain changes to the Master Declaration as a condition to the registration of the Plan. Section 19.1B.3) of the Master Declaration authorizes the Developer to change the Master Association Documents in connection with the registration of the Plan in California.

AMENDMENT

THE DEVELOPER HERE AND NOW AMENDS THE MASTER DECLARATION as follows:

1. Section 8.3D of the Master Declaration is amended to read as follows:

D. AVAILABILITY OF MASTER ASSOCIATION AMENITIES. Master Association Amenities available at one time may not continue to be available, or available to Owners or other Occupants, in the future. The Board may determine which, if any, Master Association Amenities to add, continue, change, eliminate, replace, or upgrade; provided, that so long as the Developer holds a majority of the voting power of the Master Association, the Master Association shall make no material adverse change to the Master Association Amenities without the approval of the independent director elected pursuant to Section 6.4C of the Bylaws.

2. The Master Bylaws attached as Exhibit "D" to the Master Declaration are entirely deleted and the Amended and Restated Bylaws of the Ocean Resort Master Association attached to this Amendment as Exhibit "2" are substituted in their place.

CERTIFICATE OF ADOPTION

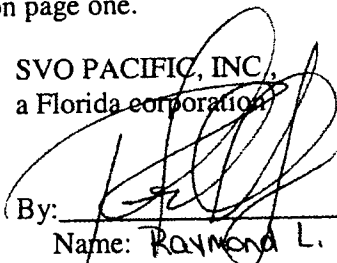
The Developer certifies that it has given notice of this Amendment, and a copy of it, to each governmental authority (other than Hawaii governmental authorities) having authority over the Plan as a result of the registration of it (or the Condominium, the Club, or SVN).

Attached as Exhibit "3" is an affidavit signed by the Developer and stating that approval or acceptance of this Amendment by any such governmental authority is not necessary.

The Master Declaration and Master Bylaws, as amended by this Amendment, are here and now ratified and confirmed and remain in full force and effect. The Developer signed this Amendment effective as of the date stated on page one.

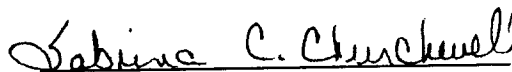
Developer:

SVO PACIFIC, INC.,
a Florida corporation

By: 
Name: Raymond L. Gellein, Sr.
Its: Chairman

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 21 day of August, 2003, before me personally appeared Raymond L. Gellein, Sr. to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.


Name: Sabrina C. Churchwell
Notary Public, State of Florida
My Commission expires: 10/20/2006



45194.7

DECLARATION OF MASTER - FIRST AMENDMENT (8.21.03).DOG

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawaii 96813
Phone No. (808) 529-7300

This document contains ____ pages.

Tax Map Key: 2nd Div., 4-4-14.3

AMENDED AND RESTATED BYLAWS

OF THE

Ocean Resort Master Association

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Starwood Vacation Ownership, Inc.

Exhibit 2

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1. GENERAL PROVISIONS.

1.1 THE MASTER ASSOCIATION; ITS NAME AND ADDRESS. The "Association" is a non-profit Hawaii corporation. Its name is "Ocean Resort Master Association." Its principal office is at the Ocean Resort Villas condominium located at Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761. From time to time, the Board of Directors may choose a new principal office elsewhere in Hawaii.

1.2 DEFINITIONS. This Section defines certain words or phrases having special meanings in these Bylaws. Other terms are defined elsewhere in these Bylaws in order to put them in context. Defined terms will have these special meanings except where the context clearly requires otherwise. In addition to the terms defined in these Bylaws, the Declaration also defines a number of key words and phrases. Terms defined in the Declaration have the same meaning in these Bylaws unless the context clearly indicates otherwise.

A. "DECLARATION" means the "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association", and all changes and additions properly made to it from time to time. It was recorded with these Bylaws.

B. "ARTICLES" means the "Articles of Incorporation of Ocean Resort Master Association". It also includes all changes and additions properly made to them from time to time.

C. "MEMBER" and "OWNER" mean the same thing.

1.3 POWERS AND DUTIES OF THE MASTER ASSOCIATION. Except as limited by the Declaration, the Articles, these Bylaws, or by law, the Master Association has and may exercise any or all of these powers and has each of these duties and obligations:

- ❖ It has the powers, duties and obligations granted to or imposed on the Master Association in the Declaration or these Bylaws.
- ❖ It has the powers, duties and obligations of a nonprofit corporation under the laws of the State of Hawaii.
- ❖ It has the powers, duties and obligations of a planned community association as provided in Chapter 421J, Hawaii Revised Statutes.
- ❖ It has any other powers, duties and obligations that it has by law or that are necessary or helpful to carry out the functions of the Master Association under the Declaration or these Bylaws, or that otherwise promote the general benefit of the Owners.

1.4 WHO MUST OBEY THESE BYLAWS. These Bylaws apply to anyone who now or later owns all or any part of the Master Project or has any rights or other interests in all or any

part of the Master Project, or in any Membership in the Master Association. This includes, among others (i) all present and future Owners, Lenders, Exchange Users, Occupants, and Guests, and (ii) all of their officers, directors, employees and agents. Anyone who has or acquires any interest in the Property or in any Membership, or who uses any Unit or the Common Area, automatically accepts, approves and agrees to obey the Master Association Documents.

1.5 CONFLICTS AMONG THE DOCUMENTS. The Declaration controls over any inconsistent provision in the Articles. The Declaration and the Articles control over any inconsistent Bylaw. If any part of the Master Association Documents is inconsistent with any law that applies, the law will control.

2. MEMBERSHIP

2.1 QUALIFICATIONS FOR MEMBERSHIP. "Owner" is defined in the Declaration. Anyone (including the Developer) who is the Owner of a Parcel automatically is a Member of the Master Association. If more than one person is the "Owner" of a Parcel, each of them is a Member. An Owner will be a Member for so long as he or she is the Owner of a Parcel. A person's Membership ends automatically when he or she is no longer the "Owner" of a Parcel, such as when an Owner deeds it to someone else. Being the Owner of a Parcel is the sole qualification for Membership.

2.2 MEMBERSHIP GOES WITH THE PARCEL. Anyone who transfers a Parcel also automatically transfers the Membership for that Parcel to its new Owner. An Owner cannot separate his or her Master Association Membership from his or her Parcel. He or she cannot sell, transfer, mortgage or otherwise deal with it separately from the Parcel. Any attempt to do so will not be effective. It will be void. There are two exceptions:

A. An Owner may Pledge or transfer voting rights to a Lender having a mortgage on his or her Parcel; and

B. The seller under an Agreement of Sale may retain legal title and the right to vote on certain matters. The buyer may transfer his or her entire interest under the Agreement of Sale, but nothing less.

3. ASSESSMENTS AND PERSONAL CHARGES

3.1 MEMBERSHIP ASSESSMENTS AND PERSONAL CHARGES. Each Member must pay Assessments and Personal Charges as provided in the Declaration. The Board will set, levy, collect and enforce the Assessments and Personal Charges as provided in the Declaration.

3.2 ENFORCEMENT; LIEN RIGHTS. The Master Association has the lien rights described in the Declaration to enforce and collect Assessments and Personal Charges. The Board can

enforce those rights in the manner described in the Declaration. The Board also has and may use all other rights and remedies available under the Declaration or by law or in equity.

3.3 FISCAL YEAR. The Master Association's fiscal year ends on December 31st of each year unless the Board chooses a different date.

4. MEMBERSHIP RIGHTS AND PRIVILEGES

4.1 MEMBERS' RIGHT AND DUTIES. Each Member has the rights, duties and obligations described in the Master Association Documents.

4.2 AUTHORITY OF MEMBERS. Unless the Board approves it, no Member can exercise any powers or perform any acts delegated by the Master Association Documents to the Master Association or the Board.

4.3 MASTER ASSOCIATION RULES. The Managing Agent may adopt, publish and enforce such rules and regulations as it may deem advisable relating to the Common Property or use by Occupants of the common elements or common areas of any Resort. These are called the "*Master Association Rules*". The Developer adopted the initial rules. The Managing Agent may change the Master Association Rules from time to time with the approval of the Board. The Board cannot withhold its approval unreasonably. At any meeting of the Master Association, a Majority of the Owners may change the Master Association Rules so long as the notice of meeting stated that the change would be considered at the meeting. So long as the Developer owns, or holds mortgages on, at least fifty Parcels, no change to the Master Association Rules will be effective without the Developer's written consent.

4.4 SUSPENSION OF PRIVILEGES; FINES. If any Member or the Member's Guest violates the Master Association Documents (including but not limited to the failure of the Member to pay any Assessment or Personal Charge on time), the Master Association may charge him or her a money penalty and/or suspend his or her rights under the Master Association Documents. For example, the Board may suspend a Member's right to participate in any vote under the Master Association Documents. The Declaration contains detailed requirements that must be satisfied in order for the Master Association to do these things. Each of those requirements is made a part of these Bylaws, just as if they were repeated here. The Board may delegate to the Managing Agent the power to carry out any disciplinary actions imposed by the Board. The Board may also delegate to the Managing Agent the authority to perform the Board's disciplinary duties. This includes the right to conduct hearings and to fine a Member and/or to suspend a Member's right to use the Master Association Amenities when the Owner has not paid all Assessments or Personal Charges due, and temporarily for gross misconduct or similar reasons.

5. MEETINGS OF MEMBERS

5.1 MEETING OF THE MASTER ASSOCIATION. Subject to Section 5.14, and unless otherwise expressly authorized by the Master Association Documents:

A. All action required or permitted to be taken by the Members may only be taken at a meeting of the Master Association;

B. The Master Association must give proper notice of the meeting; and

C. Enough Members must attend to have a quorum.

5.2 ANNUAL MEETINGS. The Master Association must hold the first annual meeting of the Master Association within twelve (12) months from the Starting Date. In the years after that, the Master Association will hold an annual meeting each year on a day that the Board chooses. If the Board does not choose a meeting date by the first day of September of each year, then the meeting will be held at the Ocean Resort Villas condominium at 11:00 a.m. on the third Wednesday in October. The Developer may set the date and time for the first annual meeting. At each annual meeting the Members:

A. Will elect, by written ballot, Directors as provided in these Bylaws; and

B. May transact any other Master Association business that properly comes before them.

5.3 SPECIAL MEETINGS. A special meeting of the Master Association may be called at any time for any one or more purposes. It may be called by: (i) the Master Association President; (ii) a majority of the Directors; (iii) the Developer; or (iv) a petition signed by Members holding at least five percent (5%) of the total voting power of all Members (not counting the Developer's votes). The Members may transact only that business the general nature of which is described in the notice of the special meeting.

5.4 MEETING PLACE. The Master Association will hold its meetings at the Ocean Resort Villas condominium unless the Board chooses another place.

5.5 NOTICE OF MEETINGS AND OTHER NOTICES.

A. **NOTICE REQUIRED.** Notice must be given for each meeting of the Master Association, whether it is an annual or special meeting.

B. **CONTENTS.** The notice must meet these requirements:

- ❖ It must be in writing.
- ❖ It must state the authority for calling the meeting.
- ❖ It must state the place, date and time of the meeting.

- ❖ It must state whether it is an annual or special meeting. If it is a special meeting, it must state the matter or matters for which the meeting was called.
- ❖ It must include the name, address and a brief biographical sketch of each Member who has announced his or her intention to stand for election to the Board (but only if Directors are to be elected at the meeting).
- ❖ It must list the items on the agenda. The agenda must include anything that, as of the day when the notice is prepared: (i) the Board expects to present; or (ii) a Member expects to present, but only if the Member has given written notice of it to the Board. Note: A Member may still present any other proper business at any annual meeting unless notice of that business is specifically and expressly required by another part of the Master Association Documents.

C. STANDARD PROXY FORM. The Board may include with the notice a standard proxy form authorized by the Master Association. It may also include any other necessary or helpful information.

D. WHEN NOTICE MUST BE SENT. Notice of each annual and special meeting must be given at least thirty (30) days but not more than sixty (60) days before the meeting date; provided that if Chapter 414D, Hawaii Revised Statutes, permits it and if the Board adopts a resolution permitting it, the notice may be given up to ninety (90) days before the date of the meeting.

E. WHO MUST SEND THE NOTICE. The Secretary will give the notice except when these Bylaws provide otherwise. The Secretary may delegate this task to the Managing Agent. If neither the Secretary nor the Managing Agent sends the notice within thirty (30) days after an officer of the Association receives a proper demand for a special meeting, a person or persons signing the demand may set the time and place of the meeting and give notice in the manner required by law and these Bylaws.

F. WHO IS ENTITLED TO NOTICE. Notice must be sent to each person entitled to vote as of the Record Date. Notice must also be sent to each holder, insurer or guarantor of a mortgage on a Parcel if, as of the Record Date, it has made a proper request for copies of such notices.

G. DELIVERY. The notice must be given: (a) by delivering it personally; or (b) by mailing it by first-class mail, postage prepaid or, (c) if the Planned Community Association Act or the Hawaii Nonprofit Corporation Act explicitly permit it, by posting notice on a world wide web site or by sending it by email. Any notice given by mail or email must be sent to the address listed in the Master Association's record of ownership.

1) CHANGE IN ADDRESS. Each Member and anyone who holds, insures or guarantees a mortgage must

inform the Master Association of any change in address at once.

2) MULTIPLE OWNERS. If more than one person is the Owner of a Parcel, notice to all Owners of that Parcel may be given by providing notice to any one of them.

H. NOTICE DOES NOT HAVE TO BE RECEIVED. If notice is given in the manner required by this Section 5.5, (i) nobody entitled to notice can object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

I. WAIVER OF NOTICE.

1) ATTENDANCE. Anyone who attends a meeting, in person or by proxy, gives up (in legal terms, "waives") any right to claim that notice was not given properly unless, when the meeting begins, he or she objects to holding it because notice was not given properly.

2) WRITTEN WAIVER. A Member may waive notice of any Master Association meeting by signing a document (i) that waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. All such documents must be filed with the Master Association records and made a part of the minutes of the meeting.

3) WAIVER BY INACTION. A Member automatically waives notice of any Master Association meeting if he or she does not file a written objection with the Secretary or the Managing Agent within fifteen (15) days after he or she receives written notice of any action taken at an Association meeting. A copy of the minutes, among other things, will be treated as written notice.

4) EFFECT OF WAIVER. If a Member waives notice under this Section 5.5I, the fact that notice was not given to that Member will not, by itself, make the meeting or any proceedings at the meeting invalid.

J. WHO MAY OBJECT TO NOTICE. A person entitled to receive notice may object if notice was not sent to him or her. A person cannot object that notice was not sent to someone else.

5.6 RECORD DATE FOR NOTICES AND VOTING.

A. PURPOSE OF THE RECORD DATE. The "Record Date" is the date used to determine who is entitled to receive notice and to vote at Association meetings or on any action to be taken without a meeting. The Record Date is also used to determine who may object to and waive lack of notice and exercise other such rights for or as a Member.

B. SETTING THE RECORD DATE. The Board may choose the Record Date. The Record Date for a meeting may not be more than seventy (70) days before the meeting date. The Record Date for action without a meeting may not be

more than thirty (30) days before the ballot or request for consent or approval is sent. Unless the Board chooses another date, the Record Date will be the date and time when the mailing list is prepared, or, if notice is waived, the last business day before the day of the meeting. If a meeting is adjourned and a new notice must be given, then a new Record Date must be set.

C. EFFECT OF SETTING RECORD DATE. When a Record Date is set, only the Members of Record on that date (or someone authorized to act for them) have the right to notice and to vote at a meeting or on a ballot or other request for consent or approval. This rule applies despite any issuance or transfer of a Membership in the records of the Master Association after the Record Date. A person holding a Membership as of the Record Date is considered to be the "Member of Record". A person who becomes a Member after the Record Date can, of course, act for the Member of Record by simply obtaining a proxy from the Member of Record. When these Bylaws refer to the "Owner" or "Member" with respect to notice (including waivers of notice) and voting, it means the Member of Record or someone authorized to act for the Member of Record.

5.7 QUORUM. The term "quorum" refers to the number or percentage of Owners who must be present at a meeting to conduct business. For all meetings of the Master Association, fifteen percent (15%) of the Owners (not counting the votes and Parcels of the Developer) must be present to have a quorum unless a different number is required or allowed by law, the Declaration or another part of these Bylaws.

A. WHEN A MEMBER IS "PRESENT". Members are "present" at a meeting if: (i) they attend it in person, or (ii) their Proxy Holder attends it for them, or (iii) someone else permitted by the Declaration or these Bylaws attends it for them.

5.8 ASSOCIATION ACTION. At any Association meeting at which a quorum is present, the acts and decisions of a Majority of the Owners Voting will be regarded as the acts and decisions of the Master Association, and will be binding on all Members for all purposes, unless a different percentage is required or allowed by law or by the Declaration or these Bylaws. If Owners of less than one-third of the votes are present, however, the Master Association may vote on only those matters of business, the general nature of which was described in the notice of meeting.

5.9 RULES FOR CONDUCTING MEETINGS. All meetings must be conducted in accordance with the latest available edition of Roberts Rules of Order.

5.10 ADJOURNING ASSOCIATION MEETINGS. Any meeting of the Master Association may be "adjourned" (temporarily ended, to resume later) to a date and time set by the vote of a Majority of the Owners Voting, whether or not a quorum is present. If no quorum is present, then the meeting must be adjourned *sine die*, which means that it cannot be resumed at a later date. If a meeting is adjourned for thirty (30) days or

more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 5.4. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Master Association may do anything that it could have done at the meeting as originally called. So long as the Developer owns, or holds mortgages on, at least fifty (50) Parcels, the Master Association cannot adjourn a meeting for more than seven days without the written consent of the Developer.

5.11 INSPECTORS FOR VOTING AND PROXIES.

A. APPOINTMENT. At least ten (10) days before any meeting of the Master Association or before any ballot is sent to the Members pursuant to Section 5.14, the Board will appoint inspectors of the voting at the meeting, including voting for the election of Directors. The Board may appoint either one or three inspectors of voting. If the Board fails or chooses not to do so, then the Managing Agent will be the inspector of the voting.

B. DUTIES. The voting inspectors will have these duties:

1) They will determine the authenticity, validity and effect of proxies, Pledges, and other documents purporting to give any person the right to represent, act and vote for a Member.

2) They will receive votes, ballots and consents.

3) They will hear and determine all challenges, questions and conflicts relating in any way to the right to cast votes.

4) They will count and tabulate all votes and consents.

5) They will decide when the polls will close.

6) They will determine the results of all votes and elections.

7) They may do anything else appropriate to conduct the vote or election fairly as to all Members.

If there is more than one inspector, the decision, act or certificate of a majority of them will be effective. Any facts stated in any effective report or certificate are presumed to be accurate.

5.12 VOTING.

A. NUMBER OF VOTES. Some parts of the Participating Property may be part of a Vacation Plan. Other parts may not. To accommodate this, the Owners will vote in this way:

1) If Parcel consists of a single Unit (such as a condominium apartment) the Owner will have one hundred and four (104) votes.

2) If a Parcel includes more than one whole Unit, then the Owner will have one hundred and four (104) votes for each Unit on that Parcel.

3) If the Vacation Owners in a particular Vacation Plan own undivided interests in the real property included in that Vacation Plan, then each Vacation Owner will be entitled to a vote equal to the undivided interest of the Vacation Interest multiplied by the amount determined under Subsections 1) or 2), above, whichever is appropriate.

For example, Owners of Vacation Interests in the Ocean Resort Villas Vacation Ownership Plan own either a 1/52nd or a 1/104th interest in a condominium apartment. In their case:

(a) A Vacation Owner who owns a 1/52nd interest in a Unit will have two (2) votes.

(b) A Vacation Owner who owns a 1/104th interest in a Unit will have one (1) vote.

B. If a Parcel is owned by more than one person, its co-Owners do not each receive separate votes. Instead, the co-Owners of that Parcel must share the votes for that Parcel. For example, only one vote may be cast for each Vacation Interest that includes a 1/104th interest in a Unit, regardless of the number of co-Owners of that Vacation Interest. Likewise, only two votes may be cast for each Vacation Interest that includes a 1/52nd interest in a Unit, regardless of the number of co-Owners of that Vacation Interest.

Where the Master Association Documents refer to a certain number or percentage of Members entitled to vote, this Section 5 and Section 4.4 govern the total number of available votes, the number of votes an Owner is entitled to cast, and how to cast the vote of each Parcel having more than one Owner.

C. WHO MAY VOTE.

1) **GENERALLY.** Votes may be cast in person or by proxy by an Owner listed in the Master Association's records of ownership or by anyone lawfully acting for or on behalf of the Owner.

2) **LEGAL REPRESENTATIVES.** Sometimes a Parcel may be owned or controlled by a person acting as a personal representative, guardian, or trustee. At any meeting of the Master Association, that person may cast the vote of each Parcel held by him or her in this capacity. He or she may vote in person or by proxy. It does not matter whether the Master Association's record of ownership shows that the personal representative, guardian, or trustee owns or controls the Parcel so long as that person presents evidence satisfactory to the Secretary that he or she owns or controls it in that capacity.

3) **AGREEMENT OF SALE.** A person buying a Parcel under a recorded Agreement of Sale has the rights of an Owner. This includes the right to vote except on matters where, under the Agreement of Sale and as permitted by law, the seller expressly retains the right to vote.

4) **PLEDGES.** Except as otherwise limited by law, an Owner may transfer or pledge the Owner's voting rights to someone else in a mortgage or in any other lawful document. Or a court order may transfer an Owner's voting rights to someone else. For simplicity, these arrangements are called a "Pledge" in this paragraph, and the person to whom the voting rights are transferred is called the "Proxy Holder". If a true copy of a document containing a Pledge is filed with the Secretary before the Record Date for a meeting, only the Proxy Holder may vote in person or by proxy at that meeting. The Proxy Holder may, however, substitute someone else to vote for it as the Proxy Holder. The Proxy Holder will have the right to vote at all later meetings until someone files with the Secretary satisfactory evidence that the Pledge has ended or has been released.

D. CO-OWNER DISPUTES. If a Parcel is owned by more than one person and they cannot agree on how to cast the vote or votes of that Parcel, they lose their right to vote on the matter in question. Fractional (split) votes are not allowed. When one or more co-Owners of a Parcel casts its vote, it is conclusively presumed for all purposes that he or she acted with the authority and consent of all its co-Owners unless (i) another co-Owner files a written objection with the Secretary or the chairperson of the meeting, or (ii) another co-Owner casts an inconsistent vote.

5.13 PROXIES. An Owner may appoint someone else to represent the Owner at meetings of the Master Association.

A. PROXY REQUIREMENTS. To be effective, the appointment must be stated in a document (a "proxy") signed by the Member and filed as required by Section 5.13B. Any proxy distributed by the Master Association to the Members must be in the form and contain any information required by law. It must also meet these requirements:

1) It must state the name of the person picked to represent the Owner (the "Proxy Holder").

2) It must provide a way for the Member to indicate whether he or she approves or disapproves each matter or group of matters of business proposed to be considered.

3) It must provide that if the Member makes a choice, the vote of the Member will be cast according to the choice(s) made.

B. FILING OF PROXY. A proxy, to be valid, must be filed with the Secretary or the Managing Agent no later than 4:30 p.m. on the second business day before the date of the meeting; provided that if the Planned Community Association Act permits it, the Board may require that proxies be filed at

an earlier date not to exceed seven (7) business days before the date of the meeting.

C. USE OF DUPLICATES OF PROXIES. A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used instead 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 must be a complete reproduction of the entire original proxy.

D. DURATION. Unless otherwise provided in the proxy, no proxy will be valid after eleven months from the date it is signed.

E. PROXY COUPLED WITH AN INTEREST. The requirements of Sections 5.13A through 5.13D do not apply to voting rights transferred by an Agreement of Sale under 5.12C.3) or a Pledge under Section 5.12C.4).

5.14 ACTION WITHOUT A MEETING. Except as otherwise limited by law, any action that may be taken at a meeting of the Members (such as, for example, electing Directors) also may be taken without a meeting and without advance notice if the action is taken in the manner permitted by Section 414D-104, Hawaii Revised Statutes, or if each of these requirements are met:

A. A written ballot must be sent to each Member entitled to vote. The ballot must be sent as though it were a notice of meeting and the rules of Section 5.5F will apply.

B. The ballot form must meet each of these requirements:

- ❖ It must state the proposed action and provide a way for the Member to indicate whether he or she approves or disapproves the proposal.
- ❖ It must state the deadline by which the ballot must be returned to count.
- ❖ It must provide a reasonable time for the ballot to be returned.

C. The number of ballots cast within the time period specified must equal or exceed the quorum required to be present at a meeting authorizing the action.

D. The number of approvals must equal or exceed the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of ballots cast.

An Owner may cancel or change his or her ballot by sending a letter or other document to the Master Association. It will take effect when the Secretary receives it, and only if it is received before the deadline for returning ballots.

6. BOARD OF DIRECTORS

6.1 NUMBER OF DIRECTORS. The Board of Directors will consist of five (5) persons.

A. The Master Association may increase or decrease the number of Directors from time to time by amending these Bylaws.

B. The number of Directors for the Association of Apartment Owners of the Ocean Resort Villas condominium may increase or decrease. This might happen if the developer of that Condominium builds more Apartments. It might also happen if that condominium is merged for administrative purposes with another condominium as permitted under the Declaration of Merger. If this happens, the Board may amend these Bylaws so that the Master Association has the same number of Directors as the Association of Apartment Owners of the Ocean Resort Villas condominium. The Board may do this without a vote by the Owners. So long as the Developer owns, or holds mortgages on, at least 50 Parcels, the Board must have the consent of the Developer before it changes the number of Directors under this Subsection 6.1B.

C. In no case may the number of Director positions be less than three (3) nor more than five (5).

6.2 POWERS AND DUTIES OF THE BOARD. Except as limited by law or by the Master Association Documents, the Board may exercise all powers of the Master Association and must perform all of its duties. The Board may not, however, take any action that, by law or under the Master Association Documents, must be taken, authorized or approved by the Members of the Master Association, or by some part or percentage of them. The Board may delegate its powers to the officers of the Master Association or to one or more professional managers hired by the Master Association, including but not limited to the Managing Agent. This authority is subject to any limits contained in the Declaration or these Bylaws. The Board may not act on behalf of the Master Association to amend the Declaration or to terminate the Master Project.

6.3 QUALIFICATIONS OF DIRECTORS.

A. All Directors, except for Directors appointed by the Developer, must be Owners, co-Owners, or an officer of any corporate Owner, or in the case of fiduciary Owners, the fiduciary or officers of corporate fiduciaries. For purposes of this Section:

- ❖ The partners in a general partnership and the general partners of a limited partnership are considered to be the Owners of a Parcel owned by their partnership.
- ❖ The general partners of a limited liability partnership are considered to be the Owners of a Parcel owned by their partnership.

- ❖ The managers of a manager-managed limited liability company are considered to be the Owners of a Parcel owned by such a company.
- ❖ The members of a member-managed limited liability company are considered to be the Owners of a Parcel owned by such a company.

B. So long as the Planned Community Association Act prohibits it, there can be no more than one representative on the Board from any one Parcel. This rule does not apply to the Developer.

C. No person may serve as a Director for more than six (6) years in a row. No person may be elected or appointed as a Director if serving out his or her full term as a Director would result in a violation of the rule against serving more than six years in a row. This Subsection 6.3B does not apply to Representatives of the Developer who serve as Directors.

6.4 ELECTION OF DIRECTORS.

A. **ELECTION.** The first Directors will be any persons appointed by the Developer. They will serve until their replacements are elected at the first meeting of the Master Association and qualified. At each annual meeting of the Master Association after the first meeting, and at any special meeting called for that purpose, the Members will elect a new Director to replace each Director whose term has expired or to fill any vacancy caused by any increase in the number of Directors. Directors will be elected by secret ballot.

B. **CUMULATIVE VOTING.** When electing Directors, an Owner may cumulate his or her votes. This means the Owner can give to one candidate, or divide among any number of candidates, a number of votes equal to the number of Directors being elected multiplied by the number of votes which that Owner has the right to cast. The candidates who receive the highest number of votes, up to the number of available positions, are elected.

C. **INDEPENDENT DIRECTOR.** So long as the Developer holds a majority of the voting power of the Master Association, at least one Director will be elected solely by the votes of the Members, other than the Developer, who are Owners of Vacation Interest in the Ocean Resort Villas Vacation Ownership Plan. At the first annual meeting of the Master Association, one Director will be elected solely by the Members (other than the Developer) who are Owners of Vacation Interest in the Ocean Resort Villas Vacation Ownership Plan. At each later election of Directors, one Director will be elected solely by the Members, other than the Developer, who are Owners of Vacation Interest in the Ocean Resort Villas Vacation Ownership Plan if there is then no such Director remaining on the Board. The election of this Director will be handled according to the following special election procedures:

- 1) The notice of the meeting must state that one Director will be elected by Members, other than the

Developer, who are the Owners of Vacation Interest in the Ocean Resort Villas Vacation Ownership Plan.

2) Members who are the Owners of Vacation Interest in the Ocean Resort Villas Vacation Ownership Plan (other than the Developer) will then elect that Director by written ballot before the regular election of the remaining Directors. The rest of the Directors will then be elected by all Members according to the regular election procedures set forth in these Bylaws.

6.5 NOMINATIONS.

A. **BY THE BOARD.** Each year, the Board will will nominate people for election to the Board at the annual meeting. The Board must do so before the Secretary gives notice of the annual meeting. The Secretary will send to each Member, with the notice of meeting required by Section 5.4, a list of the people nominated.

B. **FLOOR NOMINATIONS.** Any Member may nominate one or more candidates during an Association meeting.

6.6 TERM OF OFFICE OF ELECTED DIRECTORS.

A. Five (5) Directors will be elected at the first meeting of the Master Association. The term of office of the three (3) Directors receiving the most votes will end when the second annual meeting after their election ends. The term of office of the remaining two (2) Directors will end when the next annual meeting ends.

B. After the term of office of each of the initial elected Directors expires, each replacement Director will hold office until the end of the third annual meeting after his or her election. This should be a term of about three (3) years.

C. Each Director will continue to have the powers and duties of the office until someone else is elected or appointed to replace him or her.

6.7 REMOVING DIRECTORS.

A. BY VOTE OF THE OWNERS.

1) The Master Association may remove any one or more Directors from office, with or without cause, at any annual meeting or at any special meeting called for that purpose. Any Director whose removal is proposed must have an opportunity to be heard at the meeting. A Director will be removed if a Majority of the Owners Voting vote to remove him or her; provided that:

(a) Unless the entire Board is removed, no individual Director may be removed if the votes cast against removal, or not consenting in writing to the removal, would be sufficient to elect a Director if voted cumulatively (see Section 6.4B) at an election at which the same number of votes were cast and the entire number of Directors authorized to be

elected at the most recent election of the Directors were then being elected.

(b) A Director who was elected solely by the votes of the Members, other than the Developer, who are Owners of Vacation Interest in the Ocean Resort Villas Vacation Ownership Plan according to the special election procedure set forth in Section 6.4C, may be removed only by the vote of the Members (other than the Developer) who are Owners of Vacation Interest in the Ocean Resort Villas Vacation Ownership Plan.

2) If a Director is removed, the Master Association must then and there elect a replacement Director. The replacement will hold office for the rest of the term of the person replaced.

B. BY VOTE OF THE DIRECTORS. If any Director misses three (3) regular Board meetings in a row, the Board, by a vote of a majority of the other Directors, may remove him or her. The Board may do this at the third or any later meeting. But if the Director attends a Board meeting before being removed, the Director must miss at least three (3) more regular meetings in a row before the Board can remove him or her.

6.8 VACANCIES.

A. FILLING VACANCIES. Vacancies in the Board caused by any reason other than removal of a Director by the Master Association may be filled by the vote of a majority of the remaining Directors, even if there are not enough Directors remaining to have a quorum. A vacancy exists when any authorized position of Director is not filled. For example, a vacancy exists when:

- ❖ A Director dies or resigns. Unless required by its terms, a resignation does not have to be accepted by the Board to be effective. Instead, it will take effect as of the time stated. If no time is stated, it will take effect when the Board receives it. If a resignation will take effect at a later date, a majority of the remaining Directors can elect a replacement to take office when the resignation takes effect.
- ❖ A Director is removed by the other Directors. See Section 6.7B.
- ❖ A Director is no longer qualified to serve as a Director. See Section 6.3.
- ❖ The Members increase the authorized number of Directors but the Members fail to fill the new positions at the same meeting.
- ❖ An authorized position is not filled for any other reason by a properly elected Director.

B. TERM OF OFFICE OF APPOINTED DIRECTORS. Except as otherwise required by law, a replacement Director will hold office for the rest of the term of the person replaced.

A Director appointed because the Members fail to elect a Director will hold office for the term that he or she would have held it if he or she had been elected by the Members.

6.9 PLACE OF BOARD MEETINGS. Board meetings will be held at or near the Ocean Resort Villas condominium unless the Board decides that meeting elsewhere would significantly reduce the costs to the Master Association and/or any inconvenience to the Directors.

6.10 ANNUAL MEETING OF THE BOARD. Immediately after each annual meeting of the Master Association, the Board must hold a regular meeting at the same place. This meeting will be held to organize the Board. The Board must also elect any required officers. The Board may transact any other business. Except as otherwise required by law, no call or notice of this meeting is necessary.

6.11 OTHER REGULAR MEETINGS.

A. MEETING REQUIREMENTS. In addition to the annual meeting, the Board must hold other regular meetings. The number of meetings and the time and place of these meetings will be set from time to time by a majority of the Directors.

B. NOTICE. Notice of regular Board meetings must be given to each Director. The notice may be given personally or by mail, email, telephone, fax, or messenger service. It must be given at least thirty (30) days before the date of the meeting. If the notice is mailed, it will be deemed given and received seventy-two (72) hours after it is put in the United States mail. If the notice is faxed, it will be deemed given upon electronic confirmation of delivery by the fax machine at the fax phone number shown on the Master Association's records.

C. WHEN NOTICE MUST BE RECEIVED. If notice is not given in writing, then it must actually be received to be effective. In all other cases, if notice is given in the manner required by this Section, (i) Directors cannot object or complain if they do not actually receive the notice; and (ii) the fact that they did not actually receive the notice will not, by itself, make the meeting or any proceedings at the meeting invalid.

6.12 SPECIAL MEETINGS.

A. HOW CALLED. The President or any two Directors may call a special Board meeting for any purpose and at any reasonable time.

B. NOTICE. Except in an emergency, as determined by the President, notice of special meetings of the Board must be given in the same manner as notice of a regular meeting except that: (i) it must be given at least fifteen (15) days, instead of thirty days, before the meeting date, and (ii) the notice must state the nature of the special business to be considered. The provisions of Subsection 6.11C will also apply to notices of special meetings.

6.13 WAIVER OF NOTICE.

A. **ATTENDANCE.** Any Director who attends a meeting, in person or by proxy, gives up (in legal terms "waives") any right to claim that notice was not given properly unless, when the meeting begins, that Director objects to holding it because notice was not given properly.

B. **IN WRITING.** A Director may waive notice of any Board meeting by signing a document that (i) waives notice, or (ii) that consents to or approves the action taken at the meeting, or (iii) that approves the minutes of the meeting. If this happens, the fact that notice was not given to that Director will not, by itself, make the meeting or any proceedings at the meeting invalid. All such documents must be filed with the Master Association records and made a part of the minutes of the meeting.

6.14 QUORUM. When referring to the Board, "*quorum*" means the number or percentage of Directors who must be present at a meeting for the Board to conduct business. A majority of all Directors will be a quorum of the Board. "All Directors" means all the authorized number of Directors, even if a position is not filled.

A. **WHEN A DIRECTOR IS "PRESENT".** Directors are "present" at a Board meeting if they attend it in person or by telephone or other similar equipment as provided in Section 6.18. No Director can vote by proxy at Board meetings.

6.15 DECISIONS OF THE BOARD. At any Board meeting at which a quorum is present, the acts and decisions of a majority of the Directors present will be regarded as the acts and decisions of the Board unless a different percentage is required or allowed by law or by the Declaration or these Bylaws.

6.16 RULES FOR CONDUCTING BOARD MEETINGS. All meetings of the Board must be conducted in accordance with the latest available edition of Robert's Rules of Order.

6.17 MEMBERS MAY ATTEND MOST BOARD MEETINGS.

A. **OPEN MEETINGS.** All Board meetings are open to all Members of the Master Association. Members who are not on the Board may participate in any deliberation or discussion unless a majority of a quorum of the Board vote not to let them do so. If there is not enough room for all the Members wishing to attend at the place of the meeting, the Board must adjourn and reconvene the meeting as soon as possible in a place that has enough room. Any Member may ask to be connected to any meeting being held by telephone conference call or similar device. If the number of Members asking to be connected makes the meeting impractical or impossible, the meeting may not be held by telephone conference or similar device.

B. **PRIVATE MEETINGS.** The Board, with the approval of a majority of a quorum of the Directors, may adjourn a meeting and reconvene in "*executive session*". This means that only Board Members and persons invited by the Board

may attend. In executive session the Board may discuss and vote on personnel matters, lawsuits and other legal proceedings in which the Master Association is or may become involved, other matters of a similar nature, and as may be necessary to protect the attorney-client privilege of the Master Association. The general nature of any and all business to be considered in executive session must first be announced in open session.

6.18 MEETINGS BY TELEPHONE. Regardless of any other provision of these Bylaws, and unless the law provides otherwise, one or more Directors may take part in any meeting by telephone or other communications equipment. They may do so only if everyone authorized to participate in and actually participating in the meeting (including Owners who are not on the Board and who may listen and/or participate pursuant to Section 6.17A) can hear and be heard by each other. The Board may carry on all business within the Board's authority as if everyone participating by telephone or other communications equipment were physically present at the meeting.

6.19 ADJOURNING BOARD MEETINGS. Any meeting of the Board may be "*adjourned*" (temporarily ended, to resume later) to a date and time set by the vote of a majority of the Directors voting, whether or not a quorum is present. If a meeting is adjourned for fifteen (15) days or more, or if the law requires a new notice, then a new notice must be given in the manner required by Section 6.11B or 6.12B. In all other cases, notice may be given by simply announcing it at the meeting being adjourned. When an adjourned meeting is resumed, and if a quorum is present, the Board may do anything that it could have done at the meeting as originally called.

6.20 ACTION WITHOUT A BOARD MEETING. Any action that the Board is required or permitted to take, by law or by the Master Association Documents, also may be taken without a meeting if all Directors consent in writing to that action. Each written consent must describe the action taken, be signed by the Director, and be included in the minutes of the meetings of the Board. Any action taken in this way has the same force and effect as a unanimous vote of the Directors.

6.21 CONFLICTS OF INTEREST. Except as otherwise provided by law, any Member of the Board, any officer of the Master Association, and any Member of any Association committee (i.e. an "*interested party*") may be present at any Board or committee meeting, may be counted for quorum purposes, and may participate in the discussion of and voting on any matter on which the interested party, or any entity in which the interested party has any financial or other special interest, has an interest; provided that:

A. The interested party must first disclose his or her conflict of interest or, in the case of committee meetings, the conflict must be known to all the other persons considering the matter, and

B. If the vote of the interested party is necessary in order for the matter to be authorized, approved or ratified, the result must be fair and reasonable to the Master Association.

Any claim of the Master Association that such a matter is void or voidable or otherwise subject to change because the result was not fair or equitable to it, must be made within three (3) years from the date the matter was authorized, approved or ratified. Before pursuing any such claim, the Master Association must make reasonable efforts to modify the result so as to make it fair and equitable.

6.22 PAYMENTS TO DIRECTORS AND OFFICERS.

A. PAYMENT; EXPENSES. No one will receive any compensation for acting as a Director or officer of the Master Association unless that compensation is specifically authorized by vote of a Majority of the Owners Voting (not counting the votes of the Developer) at an Association meeting. However, Directors and officers will be reimbursed for transportation expenses incurred and reasonable per diem payments for expenses incurred in connection with their attendance at regular and special meetings of the Board.

B. OTHER WORK. Nothing in these Bylaws prevents any Director or officer from serving the Master Association in any capacity other than as an officer or a Director and being paid for those services as authorized and approved by the Board. But regardless of what Section 6.21 says, he or she must be excluded from the discussions and voting by the Board on whether to hire him or her and how much to pay him or her for serving in that other capacity.

6.23 MINUTES OF MEETINGS OF THE BOARD. Minutes of the Board meetings must include the recorded vote of each Director on all motions except motions voted upon in executive session. When a Director discloses a conflict of interest, the minutes of the meeting must record the fact that a disclosure was made. A copy of the written minutes of any meeting of the Board, or a summary of the minutes, will be sent to all Members within 60 days after the meeting ends. If notice of a meeting was properly given but a Director is absent, the minutes must say so.

7. OFFICERS

7.1 OFFICERS.

A. REQUIRED OFFICERS. The Master Association must have a President, a Vice President, a Secretary, and a Treasurer.

B. OTHER OFFICERS. The Master Association may have any other officers as may be deemed necessary or useful or as required by the Articles. The Board will determine the title, term of office, authority and duties of these officers.

7.2 QUALIFICATIONS OF OFFICERS. Any person may hold more than one office, except that neither the Secretary nor the Treasurer may also be the President at the same time. The

President must be a Director. The Vice President, Secretary and Treasurer may be Directors but they do not have to be Directors.

7.3 APPOINTMENT OF OFFICERS. The Board will appoint the officers required by Section 7.1A at the annual meeting of the Board. The Board may appoint any other officers permitted by Section 7.1B, or it may authorize the President or another officer to do so. Officers may be appointed at any meeting of the Board by vote of a majority of the entire Board.

7.4 TERM OF OFFICE. All officers will take office upon appointment. They will hold office only for so long as the Board desires.

7.5 REMOVAL OF OFFICERS. The Board may remove any officer, with or without cause, by vote of a majority of the Directors at any regular meeting of the Board or at any special meeting called for that purpose. Removal of an officer will not affect any contract rights of the officer.

7.6 VACANCIES. If any required officer resigns or dies, or if his or her office otherwise becomes vacant, then the Board must appoint a replacement at once. A majority of the remaining Directors may appoint a replacement even if there are not enough Directors remaining to have a quorum.

7.7 PRESIDENT. The President is the chief executive officer of the Master Association. The President has these powers and duties:

- ❖ The President supervises, directs and controls the business and affairs of the Master Association subject, however, to the control of the Board.
- ❖ The President chairs all meetings of the Master Association and all meetings of the Board.
- ❖ The President is a member of all committees.
- ❖ The President has the general powers and duties of management usually authorized for the office of president of a Hawaii corporation. This includes, among others, the power to appoint committees from among the Owners from time to time as the President alone decides are appropriate to assist in conducting the affairs of the Master Association.
- ❖ The President has any and all other powers and duties assigned to the President by the Declaration or these Bylaws, or by the Board.

7.8 VICE PRESIDENT. If the President is absent or unable to act, or if that office is vacant, the Vice President performs all the duties of the President. When doing so, the Vice President has all the powers and duties of, and is subject to all the restrictions on, the President. The Vice President also has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

A. OTHER TEMPORARY REPLACEMENT OF THE PRESIDENT. If the Vice President is also absent or unable to act, or if that office is also vacant, the Board must appoint another of its members to take the place of the President temporarily. The Board must do so even if there are not enough Directors remaining to have a quorum. The Director who is so appointed and acting will also have all of the powers and duties of, and is subject to all the restrictions on, the President.

7.9 SECRETARY. The Secretary has these powers and duties:

- ❖ The Secretary must keep the minutes of all meetings of the Master Association, the Board and all committees. For this purpose, the Secretary is a member of all committees.
- ❖ The Secretary must give all required notices of those meetings.
- ❖ The Secretary must keep a list of (i) all Owners, and (ii) anyone who is holding, insuring, or guaranteeing a mortgage and who has requested copies of all notices or other Association information and whose name is furnished as required by these Bylaws or the Declaration.
- ❖ The Secretary must keep all other books, records and documents of the Master Association except for financial records kept by the Treasurer.
- ❖ The Secretary has the general powers and duties of management usually authorized for the office of secretary of a Hawaii corporation.
- ❖ The Secretary has any other powers and performs any other duties assigned to him or her from time to time by the President, the Board, the Declaration, or these Bylaws.

The duties of the Secretary may be delegated to and performed by the Managing Agent or any other person appointed for that purpose. If the Secretary is absent or unable to act at any meeting, or if the office is vacant, another person must be appointed to act as the Secretary at least temporarily.

7.10 TREASURER. The Treasurer is the chief financial officer of the Master Association. The Treasurer has these powers and duties:

- ❖ The Treasurer must keep full and accurate financial and books and records of the properties and business transactions of the Master Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.
- ❖ The Treasurer must deposit all money and other valuables in the name and to the credit of the Master Association with the depositories (such as a bank) chosen by the Board.
- ❖ The Treasurer must pay out the funds of the Master Association as ordered by the Board.

- ❖ The Treasurer must prepare all financial statements and reports requested by the President or the Board.
- ❖ The Treasurer has the general powers and duties of management usually authorized for the office of treasurer of a Hawaii corporation.
- ❖ The Treasurer has any other powers and performs any other duties assigned to him or her by the President, the Board, the Declaration, or these Bylaws.

The duties of the Treasurer may be delegated to and performed by the Managing Agent, accountants, or other suitable persons providing professional financial services. If the Treasurer is unable to act or if the office is vacant, another person must be appointed to act as the Treasurer at least temporarily.

8. INDEMNIFICATION

8.1 DEFINITIONS. For the purpose of this Section 8:

A. "Agent" means any person who is or was a director, officer, employee, or other agent of the Association, or who is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan, or other enterprise. An Agent is considered to be serving an employee benefit plan at the corporation's request if the Agent's duties to the Association also impose duties on, or otherwise involve services by, the Agent to the plan or to participants in or beneficiaries of the plan. "Agent" also includes, unless the context requires otherwise, the estate or personal representative of an "Agent."

B. "Proceeding" means any threatened, pending, or completed action or proceeding (such as a lawsuit), whether formal or informal. It could be for example, a civil suit, a criminal matter, or an administrative or investigative proceeding.

C. "Expenses" includes, but is not limited to, attorneys' fees and costs.

D. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable Expenses actually incurred with respect to a proceeding.

8.2 THE MASTER ASSOCIATION WILL INDEMNIFY (REIMBURSE) ITS AGENTS. To the extent allowed by law, the Association must indemnify (which means that it will reimburse) each of its Agents with respect to any liability incurred by the Agent in any proceeding. The Hawaii Nonprofit Corporations Act defines how, when, and under what conditions the Association can make those reimbursements. These bylaws authorize and require the Association to make those reimbursements, and to make advances for expenses, to the full extent allowed by law. If

available, the Association must buy insurance to cover the reimbursements. The Association may, but need not, buy insurance that provides for payment of liabilities of an Agent in circumstances where the Association does not have the power to indemnify the Agent for those liabilities.

9. ASSOCIATION RECORDS

9.1 THE MASTER ASSOCIATION'S BOOKS AND RECORDS.

A. WHAT THE MASTER ASSOCIATION MUST KEEP.

The Master Association must keep (i) correct and complete books and records of account of the Master Association; (ii) minutes of the meetings and all other proceedings of the Master Association, Board, and any committee; (iii) all notices, objections, waivers, consents, dissents, and other matters related to these meetings; (iv) the original or a copy of all of the Master Association Documents; and (v) anything else required by law. The Master Association will keep the books and records of account, minutes, and other documents at the principal place of business of the Master Association or any other place or places selected by the Board.

B. MEMBER'S RIGHT TO INSPECT.

1) CURRENT FINANCIALS AND BOARD MINUTES.

Upon approval by the Board, the most current financial statements of the Master Association, and minutes of the most recent meeting of the Board (other than minutes of executive sessions) will be available for examination by any Owner at no cost, during reasonable hours, at a location designated by the Board.

2) MINUTES. The approved minutes of other meetings of the Board (other than executive sessions) and the approved minutes of the Master Association for the current and prior year will be available for examination by Members during reasonable hours at a location designated by the Board. Copies of those meeting minutes will be provided to any Member upon the Member's request if the Member pays a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

3) FINANCIAL RECORDS. Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers (or other comparable lists or schedules), insurance policies, contracts and invoices of the Master Association for the current and prior year and any documents regarding delinquencies of ninety (90) days or more will be available for examination by the Members during reasonable hours at a place designated by the Board; provided that:

(a) The Board must require the Member to furnish to the Master Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the Master Association or its Members or both; and

(b) The Member must pay for all costs associated with the examination of the documents.

Copies of these items will be provided to any Member upon such Member's request if the Member pays a reasonable fee for duplicating, postage and stationery and other administrative costs associated with handling the request.

C. VOTING RECORDS. The Members have the right to view proxies, tally sheets, ballots, Owners' check-in lists and the certificate of election for a period of thirty (30) days following any meeting of the Master Association; provided that:

1) The Board must require Owners to furnish to the Master Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interest of the Master Association or its Members or both; and

2) The Owner must pay all costs associated with the examination of the documents.

Proxies and ballots may be destroyed following the thirty-day period. Copies of tally sheets, Owners' check-in lists and the certificate of election from the most recent meeting of the Association will be provided to any Owner if the Owner requests it, provided that the Owner pays a reasonable fee for duplicating, postage, stationery and other administrative costs associated with handling such request.

D. OTHER RECORDS. Owners may file a written request with the Board to examine other documents of the Master Association. The Board must give written authorization or written refusal with an explanation of the refusal within sixty (60) calendar days of receipt of the request. The Board may condition its approval of any such request upon payment of reasonable fees. However, books and records kept by or on behalf of the Master Association may be withheld from inspection and copying to the extent that they concern any of the following:

- ❖ Personnel records.
- ❖ An individual's medical records.
- ❖ Records relating to business transactions that are currently in negotiation.
- ❖ Communications that are privileged because of the attorney-client privilege or any other applicable privilege of the Master Association.
- ❖ Complaints against individual Members.
- ❖ Any records, the release of which could violate any law, ordinance, rule or regulation.
- ❖ Any similar records.

E. DIRECTOR'S RIGHT TO INSPECT. Except as provided in Section 9.2, each Director has the absolute right at any reasonable time to inspect the books and records of account, minutes, papers and other books and records of the Master Association and the physical properties owned or controlled by the Master Association.

9.2 LIST OF MEMBERS. At all times, the Master Association must use good faith efforts to keep an accurate and current list of the names and addresses of all Members of the Master Association.

A. The Master Association will furnish a copy of the list within a reasonable time after any Member asks for it in writing, pays a reasonable fee (to be determined by the Board), and complies with any other requirements of the Declaration or these Bylaws. The Declaration contains detailed requirements that must be satisfied before the Master Association is allowed (i) to furnish the list of Members or any copy of it, or any other documents from which a Membership list may be compiled, or (ii) to let anyone inspect or make copies or extracts of the list or any other documents from which a list may be compiled. Those provisions of the Declaration are made a part of these Bylaws, just as if they were repeated here.

B. The Master Association will furnish a copy of the list to the Club Operator (at any time when any Owner is a Club Member) or to the Developer within a reasonable time after either of them requests it. The requirements of the Declaration governing release of the list to the Members do not apply to the Developer or the Club Operator.

C. The Board may impose other reasonable conditions intended to assure the confidentiality of the list of Members and that the list is not used (i) for commercial purposes by anyone other than the Developer or any company related to the Developer, or (ii) for any other improper purpose.

9.3 CERTIFICATE OF MEMBERSHIP. The Board may, but is not obligated to, issue to the Members certificates of membership in the Master Association in any form the Board chooses.

10. MISCELLANEOUS

10.1 WHO CAN SIGN CHECKS AND SO ON. All checks, drafts or other orders for payment of money, notes, or similar documents issued by or payable to the Master Association must be signed or endorsed as stated in a resolution adopted by the Board. If no resolution is adopted, they must be signed by any two of the President, Vice President, Secretary or Treasurer. The same rule applies to signing and delivering other documents authorized by the Master Association Documents or by action of the Board or the Master Association.

10.2 WHO CAN SIGN CONTRACTS AND OTHER DOCUMENTS. Except as otherwise provided in these Bylaws, the Board may

authorize any officer or officers, agent or agents, to enter into any contract or sign any document for the Master Association. This authority may be general or it may be limited to specific things. Unless authorized by the Board, no officer, agent or employee has any power or authority to bind the Master Association or to pledge its credit or to make it liable for any purpose or for any amount.

10.3 AMENDMENTS.

A. THE MASTER ASSOCIATION'S RIGHTS. These Bylaws may be "*amended*" (changed) from time to time by the vote or written consent of (i) the Developer (if it owns, or holds a mortgage on, a Parcel), and (ii) a Majority of the Owners Voting (not counting the Developer's Parcels and votes) provided that the Owners voting for the amendment must hold at least ten percent of the total number of votes for all Parcels (not counting the Developer's Parcels and votes). There is an exception to this rule: Some parts of the Master Association Documents require the approval of a Majority or more than a Majority of the Owners before taking certain actions (a "*super-majority*"). Such a provision cannot be amended unless (1) the number of votes cast by Owners voting in favor of that amendment equals or exceeds the number of votes required to take action under that provision (i.e., a super-majority), and (2) if the Developer owns, or holds a mortgage on, any Parcel, the Developer signs the amendment. No amendment made under this Subsection 10.3A will take effect until it is signed by any two officers of the Master Association and recorded.

B. THE DEVELOPER'S RIGHTS. Without the consent or approval of any person, including any Owner and anyone having a contract to buy a Parcel, the Developer may change these Bylaws at any time:

1) And for any purpose before any First Deed or Agreement of Sale is recorded.

2) To comply with the laws and regulations of the State of Hawaii.

3) To comply with the real estate laws of any other place (for example, the State of Maine) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of: (i) any Resort, the Master Project, or any Vacation Plan that includes Participating Property, or (ii) the Club (if any Owner is a Club Member), or (iii) the Network (if any Owner is a Network Member).

4) In any Declaration of Annexation to the extent permitted in the Declaration. See Section 18.2 of the Declaration.

No amendment under Subsections 10.3B.3) will be effective, however, unless:

(i) The Developer gives written notice of the proposed amendment (and a copy of the amendment) to each governmental authority (other than Hawaii governmental

authorities) having authority over the Master Project as a result of the registration of it (or a Resort, Vacation Plan, the Club or the Network) with that governmental authority, and

(ii) The amendment includes as an attachment a copy of a letter or other document showing either that the amendment has been accepted or approved by that governmental authority or an affidavit signed by the Developer and stating that approval or acceptance is not necessary.

An amendment made by the Developer under this Section 10.3B takes effect when it is signed by the Developer and recorded. It does not have to be signed by anyone else.

10.4 CAPTIONS. The Developer has tried to divide these Bylaws into useful Sections and to provide captions describing each Section. The captions are here only for convenience and as a matter of reference. They do not define, limit or describe the scope or intent of the provisions of these Bylaws. Members must read with care each and every part of these Bylaws, not just the captions.

10.5 PRONOUNS. Pronouns (for example, "his" or "her") used in the Master Association Documents include the male,

female, and neuter genders and include the singular and plural numbers, as the case may be.

10.6 ENFORCEMENT. A violation of any part of these Bylaws by one person does not excuse that person or anyone else from his or her duty to obey that and all other parts of these Bylaws. Any failure to enforce any provision of these Bylaws does not limit or take away the right to enforce that provision later. This will be true no matter how many times a violation is overlooked.

10.7 INTERPRETATION. These Bylaws should be liberally interpreted to carry out the purpose of creating a uniform plan for sharing the ownership, expenses and use of the Common Property under which the Master Association carries out and pays for the operation and maintenance of the Common Property and the Master Association.

10.8 EFFECT OF INVALID PROVISIONS. The provisions of these Bylaws are "severable". This means that if any part of them is not legal or valid, that part can be ignored. But the rest of these Bylaws will remain in effect and everyone must obey them.

END OF BYLAWS

3/24/05
45190.6

**Ocean Resort
Master Association**

**DEVELOPER AFFIDAVIT TO THE FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR
OCEAN RESORT MASTER ASSOCIATION**

This AFFIDAVIT ("Affidavit") to the First Amendment To Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association ("Amendment") is made this 21 day of August, 2003. It is made by SVO Pacific, Inc., a Florida corporation (the "Developer"). The Developer is the developer of Ocean Resort Villas Vacation Ownership Plan (the "Plan") and the Ocean Resort Master Project (the "Master Project").

The Developer hereby affirms that (i) written notice of the proposed Amendment (and a copy of it) has been given to each governmental authority having authority over the Master Project as a result of the registration of the Master Project (or the Condominium, the Plan, the Club, or SVN) and (ii) it is not necessary to obtain the approval or acceptance of the content of the Amendment by any such governmental authority as a condition to adopting the Amendment.

The Developer signed this Affidavit on the date referenced above.

SVO PACIFIC, INC.,
a Florida corporation

By: 

Name: Raymond L. Gellen, Jr.

Its: Chairman

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 21 day of August, 2003, before me personally appeared Raymond L. Gellen, Jr. to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Name: Sabrina C. Churchwell
Notary Public, State of Florida
My Commission expires: 10/20/2006

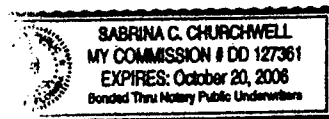


Exhibit 3

25
C



L-702 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
MAY 10, 2005 03:00 PM
Doc No(s) 3266461
on Cert(s) 635,744



20 417 Z1

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Am

RETURN BY MAIL () PICK-UP () TO:

McCorrison Miller Mukai MacKinnon
P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor
500 Ala Moana Blvd. • Honolulu, Hawaii 96813
Attn: Charles E. Pear, Jr.

This document contains
2 pages

TMK No. (2) 4-4-14-4 CPR Nos.: [Not yet assigned]

Ocean Resort Master Association

**DECLARATION OF ANNEXATION
(APARTMENT 102);
RESERVATION OF EASEMENTS; AND AMENDMENT**

THIS DECLARATION OF ANNEXATION is made on this 9th day of May, 2005, by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND INFORMATION

A. The Developer filed a document called the "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737946. That document is called the "Master Declaration" in this document. All terms defined in the Master Declaration will have the same meaning in this document.

B. The Developer is the record owner of the property described in Exhibit "A" which is attached to and part of this document (the "New Property"). The Developer desires to include the New Property in the Master Project.

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& Starwood Vacation Ownership, Inc.

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C. The Master Declaration allows the Developer to include in any Declaration of Annexation any provision that the Developer may consider appropriate. The Developer also has the right to amend the Master Declaration in any Declaration of Annexation.

D. The Developer considers it appropriate to reserve the right and an easement to establish, operate, maintain, repair, relocate, and replace concession stands on certain parts of the Common Area that is located in the Ocean Resort Villas North condominium, similar in nature to the rights held by the Developer with respect to the Ocean Resort Villas condominium, as provided in Section 5.2D of the Master Declaration.

DECLARATION, RESERVATION OF EASEMENTS, AND AMENDMENT

The Developer declares that from now on:

1. The New Property, and all rights of the Developer in it, is subject to the Master Declaration and the other Master Association Documents. (In legal terms, the Developer is submitting all of its "estate, right, title and interest" in the New Property to the Master Association Documents).

2. The New Property is a Common Area and is a part of the Master Project. In legal terms, the New Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Master Association Documents. Anyone who occupies or uses any of the New Property must obey the Master Association Documents.

3. The Master Association Documents will be binding on the New Property. They also will be binding on, and are intended to benefit, these persons:

A. The Developer.

B. The Master Association.

C. Each Member.

D. Anyone else who owns all or any part of the New Property, or who has any rights or other interests in it or in any Membership in the Master Association.

E. Anyone who, by law or by agreement, stands in the place of the persons listed in items A. to D., above. Such people are called, in technical legal terms, "heirs", "devises", "personal representatives", "successors", and "assigns".

All of these people must obey the Master Association Documents. It does not matter how or when someone obtains an interest in the Property or any Membership, or whether they ever signed

the Master Association Documents or expressly agreed to obey them. They must still obey them just as if they signed them.

All of these people also have the right to enforce the Master Association Documents in any way permitted by the Planned Community Association Act or by the Master Association Documents. In legal terms, the Master Association Documents “constitute equitable servitudes, liens and covenants running with the land” that are binding on and for the benefit of all of the persons described in this section 3.

4. Regardless of what sections 1 to 3 say, the Developer reserves to itself any and all rights it has (i) under the Resort Documents as the Resort Developer of any particular Resort (including, for example, the Ocean Resort Villas North Condominium), and (ii) as the Vacation Plan Developer of any particular Vacation Plan (including, for example, the Ocean Resort Villas North Vacation Ownership Plan). The Developer alone may exercise the Developer’s Reserved Rights under the Resort Documents and/or under the Vacation Plan Documents. Those rights will not be subject to the Master Association Documents, and they will not be transferred to the Master Association or to any of its Members, unless the Resort Developer or Vacation Plan Developer signs and records a document that clearly says so.

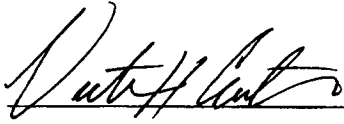
5. The Developer also reserves to itself the right and an easement to establish, operate, maintain, repair, relocate, and replace on the part of the Common Area that is located in the Ocean Resort Villas North condominium no more than four (4) concession stands apiece in each of the Courtyards of that condominium (as the Courtyards are identified in the condominium declaration for Ocean Resort Villas North) and no more than four (4) more concession stands on the portion of the grounds of that condominium that is part of the Common Area but that is not part of any Courtyard. The stands may be used only for the purposes allowed by Sections 5.2D.(1) and (2) of the Master Declaration.

The Developer’s easement under this Paragraph 5 includes the right to connect the concession stands with utility services. However, each month the Developer must pay to the Master Association an amount equal to the estimated cost of utility services. Any concession stands must be built, set up, operated, and maintained in accordance with the Resort Documents and all laws that apply. The Developer must pay all costs to build, set up, operate, maintain, repair, relocate, and replace any concession stands. The design of all such concession stands must be consistent with a first class destination resort. The Developer may operate the concession stands itself or it may contract with someone else to operate some or all of them. It may also rent them to someone else. The Developer has the right to keep all money it receives in connection with the operation of the concession stands.

If it is necessary to the establishment or exercise of the Developer’s rights and easements under this Paragraph 5, then the Developer here and now amends the Master Declaration to provide for these rights and easements as described above.

The Developer signed this document as of the date first written above.

SVO PACIFIC, INC.

By: 

Name: Victoria H. Carter

Its: Vice President

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 5th day of May, 2005, before me personally appeared Victoria H. Carter, Vice President of SVO Pacific, Inc., a Florida corporation, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina C. Churchwell
Name: Sabrina C. Churchwell
Notary Public, State of Florida

My Commission expires: 10/20/2006

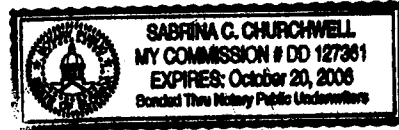


EXHIBIT "A"

FIRST:

That certain Apartment No. 102 of the condominium property regime known as the "Ocean Resort Villas North" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas North, dated April 25, 2005, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3266459 (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 115 (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall(s), if any, described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to

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& Starwood Vacation Ownership, Inc.

prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;

3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;

4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

An undivided 0.0020767 percentage interest in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in the Condominium Declaration, and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in the Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas North recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. _____ (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made.

BEING A PORTION OF THE PREMISES described in the Transfer Certificate of Title No. 635,744 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions,

Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; and (iv) the Condominium Map.

NOTE: For purposes of that certain Notice of Time Share Plan, as amended, recorded as Land Court Document No. 3237196, this instrument is a part of the "Master Declaration" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

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

The original of this document was
recorded as follows:

DOCUMENT NO. 3266462

DATE _____ TIME 3:00

RETURN BY MAIL () PICK-UP () TO:

McCorriston Miller Mukai MacKinnon
P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor
500 Ala Moana Blvd. • Honolulu, Hawaii 96813
Attn: Charles E. Pear, Jr.

This document contains
1 pages

TMK No. (2) 4-4-14: 3 & 4 CPR Nos.: [See Exhibits A & B]

Ocean Resort Master Association

**DECLARATION OF ANNEXATION
AND IMPOSITION OF ASSESSMENTS
ON COMMERCIAL APARTMENTS
(RETENTION BASIN EASEMENTS)**

THIS DECLARATION OF ANNEXATION is made on this 9th day of May, 2005, by SVO Pacific, Inc., a Florida corporation (the "Developer") and by Ocean Resort Master Association, a Hawaii non-profit corporation (the "Master Association").

BACKGROUND INFORMATION

A. The Developer filed a document called the "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737946. That document is called the "Master Declaration" in this document. All terms defined in the Master Declaration will have the same meaning in this document unless otherwise defined in this document.

B. The Developer has now submitted to the Master Declaration all Resort Apartments in the Ocean Resort Villas condominium (the "Phase I Resort") as established by the Condominium

Documents described in Exhibit "A". The Phase I Resort is located on Lot 98 as shown on Land Court Map 86, of Land Court Application 1744 filed by Pioneer Mill Company, Limited ("Lot 1").

C. Immediately after this document, the Developer intends to submit to the Master Declaration certain Resort Apartments in the Ocean Resort Villas North condominium (the "Phase II Resort") as established by the Condominium Documents described in Exhibit "B". The Phase II Resort is located on Lot 101 as shown on Land Court Map 86, of Land Court Application 1744 filed by Pioneer Mill Company, Limited ("Lot 2").

D. The Condominium Documents for the Phase I Resort and the Phase II Resort each provide that most of the grounds and landscaping of the Resorts are Limited Common Elements of Apartments owned or to be owned by the Master Association.

E. The Master Declaration provides that the Master Association is responsible to manage and maintain the grounds and landscaping of the Phase I and II Resorts and possibly for other Resorts in Ka'anapali North Beach.

F. The Master Declaration also provides in Section 13.2 J. that the Master Association must accept title to any real or personal property transferred to it by the Developer.

G. By that certain "Grant of Easement and Agreement Regarding Allocation of Retention Capacity (North Beach – Mauka Retention Basins)," dated October 20, 2004, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-214492 (the "Grant of Easements"), Ka'anapali Development Corp., a Hawaii corporation, granted certain right and easements in favor of Lot 1, Lot 2, the Developer and/or the Master Association. These rights include, but are not limited to the right and an easement to use certain "Retention Basins" for off-site storm water runoff retention and storage purposes as described in more detail in the Grant of Easements. The Developer arranged for Ka'anapali Development Corp. to transfer these property rights and easements to the Master Association as provided in Section 13.2J of the Master Declaration.

H. The Retention Basins are necessary to protect the grounds and landscaping of the Phase I and II Resorts from storm water runoff and are integral to the Master Association's ability and obligation to manage and maintain the grounds and landscaping of those Resorts.

I. The Developer and the Master Association intend to submit the rights and easements granted to the Master Association in the Grant of Easements (the "New Property") to the Master Declaration and to include the New Property in the Master Project.

J. The Grant of Easements requires that the Commercial Apartments of the Resorts pay a share of the annual costs and expenses for the maintenance and repair of the Retention Basins. The Developer and the Master Association intend to provide for such cost sharing in this document.

SUBMISSION OF THE PROPERTY TO THE MASTER DECLARATION

The Developer and the Master Association declare that from now on:

1. The New Property, and all rights of the Master Association in it, is subject to the Master Declaration and the other Master Association Documents. (In legal terms, the Master Association is submitting all of its "estate, right, title and interest" in the New Property to the Master Association Documents).

2. The New Property is a Common Area and is a part of the Master Project. In legal terms, the New Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Master Association Documents. Anyone who occupies or uses any of the New Property must obey the Master Association Documents.

3. The Master Association Documents will be binding on the New Property. They also will be binding on, and are intended to benefit, these persons:

A. The Developer.

B. The Master Association.

C. Each Member.

D. Anyone else who owns all or any part of the New Property, or who has any rights or other interests in it or in any Membership in the Master Association.

E. Anyone who, by law or by agreement, stands in the place of the persons listed in items A. to D., above. Such people are called, in technical legal terms, "heirs", "devises", "personal representatives", "successors", and "assigns".

All of these people must obey the Master Association Documents. It does not matter how or when someone obtains an interest in the New Property or any Membership, or whether they ever signed the Master Association Documents or expressly agreed to obey them. They must still obey them just as if they signed them.

All of these people also have the right to enforce the Master Association Documents in any way permitted by the Planned Community Association Act or by the Master Association Documents. In legal terms, the Master Association Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this section 3.

4. Regardless of what sections 1 to 3 say, the Developer reserves to itself any and all rights it has the Grant of Easements. Those rights will not be subject to the Master Association Documents, and they will not be transferred to the Master Association or to any of its Members, unless the Developer signs and records a document that clearly says so.

5. A. The Developer and the Master Association are the Owners of all of the Commercial Apartments in the Phase I Resort and the Phase II Resort. The current Commercial Apartments are described in Exhibit A (for the Phase I Resort), and Exhibit B (for the Phase II Resort). The Developer and the Master Association intend to impose on the Commercial Apartments and on any later Owner(s) of the Commercial Apartments, the obligation to pay and contribute to the Master Association on an annual basis a fair and equitable share of the total annual amount required to be assessed by the Master Association to pay the annual costs and expenses for the maintenance and repair of the Retention Basins. For that purposes, the Developer and the Master Association agree to pay a share equal to the total annual amount required to be assessed by the Master Association to pay the annual costs and expenses for the maintenance and repair of the Retention Basins pursuant to the Grant of Easements, multiplied by the following fraction:

**The Relative Valuation of the Commercial
Apartments**

**The sum of the Relative Valuation of the
Commercial Apartments PLUS the sum of the
Relative Valuations under the Master Declaration
for all Units for which Assessments have begun as
provided in Section 14.4 of the Master Declaration**

For purposes of this Section 5.A., the term "Relative Valuation of the Commercial Units" shall mean the sum of (i) the Relative Valuation (as stated in the Declaration of Condominium Property Regime for the Phase I Resort) of all Commercial Apartments in the Phase I Resort, plus (ii) upon issuance by the County of Maui of a certificate of occupancy for the Commercial Apartments in the Phase II Resort, the Relative Valuation (as stated in the Declaration of Condominium Property Regime for the Phase II Resort) of the Commercial Apartments in the Phase II Resort.

B. The Developer declares that from now on, the Commercial Units, and all rights of the Developer in them, are subject to the requirements of Section 5.A. (In legal terms, the Developer is submitting all of its "estate, right, title and interest" in the Commercial Apartments to the requirements of Section 5.A.). The provisions of Section 5.A. constitute equitable servitudes and covenants running with the land that are binding on the Commercial Apartments and their present and future Owners, and that are intended to benefit the Master Association and its successors. Nothing in this document will be deemed to declare the Commercial Apartments to be part of the Master Project or subject to any of the terms and conditions of the Master Declaration with the sole exception of the provisions of this Section 5.

The Developer and the Master Association signed this document as of the date first written above.

SVO PACIFIC, INC.

By: 

Name: Victoria A. Carter

Its: Vice President

OCEAN RESORT MASTER ASSOCIATION

By: _____

Name: _____

Its: _____

SVO PACIFIC, INC.

By: _____

Name: _____

Its: _____

OCEAN RESORT MASTER ASSOCIATION

By:  _____

Name: Thorp Thomas

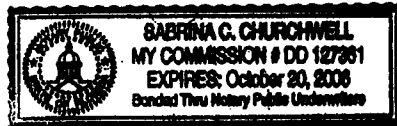
Its: president

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 5th day of May, 2005, before me personally appeared Victoria H. Carter, Vice President of SVO Pacific, Inc., a Florida corporation, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina C. Churchwell
Name: Sabrina C. Churchwell
Notary Public, State of Florida

My Commission expires: 10/20/2006



STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this _____ day of _____, before me personally appeared _____ of Ocean Resort Master Association, a Hawaii non-profit corporation, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name: _____
Notary Public, State of _____
My Commission expires: _____

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this _____ day of _____, before me personally appeared _____ of SVO Pacific, Inc., a Florida corporation, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name: _____
Notary Public, State of _____
My Commission expires: _____

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 5 day of may 2005, before me personally appeared Thorp Thomas, president of Ocean Resort Master Association, a Hawaii non-profit corporation, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Holly Wagenseller
Name: Holly Wagenseller
Notary Public, State of FLORIDA
My Commission expires: April 22, 2007



EXHIBIT "A"

[Apartments in the Ocean Resort Villas Condominium]

ITEM 1: Apartment 101 [CPR No. not assigned]

FIRST:

That certain Apartment No. 101 of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238 (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No.1431, (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stalls described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;
3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;
4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

An undivided .020005158 percentage interest in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, and/or (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001, and recorded as Land Court Document No. 2734237 (herein with any amendments called the "Declaration of Merger"), and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger; and
2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made; and

BEING THE PREMISES described in the Transfer Certificate of Title No. 635,744 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.
5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; and (iv) the Condominium Map.

ITEM 2: Arcade Apartment (Apartment No. 102) [CPR No.: not assigned]

FIRST:

That certain Arcade Apartment (Apartment No. 102) of the condominium property regime known as the "Ocean Resort Villas" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734238 (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No.1431, (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stalls described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;

3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;

4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;

2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;

3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;

4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

An undivided .000333940 percentage interest in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in (i) the Condominium Declaration, and/or (ii) that certain Declaration of Merger of Condominium Phases of the Ocean Resort Villas Condominium, dated August 28, 2001, and recorded as Land Court Document No. 2734237 (herein with any amendments called the "Declaration of Merger"), and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Declaration of Merger; and
2. The Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2734239 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made; and

BEING THE PREMISES described in the Transfer Certificate of Title No. 569,700 issued to Ocean Resort Master Association, a Hawaii non-profit corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.
5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; and (iv) the Condominium Map.
6. The "Master Association Documents" consisting of the following documents and any lawful amendments and supplements to them: (i) "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737946, (ii) the Articles of Incorporation of the Ocean Resort Master Association, (iii) the Bylaws of the Ocean Resort

Master Association, and (iv) any rules and regulations adopted thereunder.

NOTE: For purposes of that certain Notice of Time Share Plan dated December 4, 2000, filed December 6, 2000, as Document No. 2669185 and recorded December 6, 2000, as Document No. 2000-171389, this instrument is a part of the "Club Declaration" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT "B"

[Apartments in the Ocean Resort Villas North Condominium]

ITEM 1: Apartment 101 [CPR No: Not Yet Assigned]

FIRST:

That certain Apartment No. 101 of the condominium property regime known as the "Ocean Resort Villas North" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas North, dated April 25, 2005, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3266459 (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 1715, (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall(s), if any, described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;
3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;
4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

An undivided 0.9880706 percentage interest in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in the Condominium Declaration, and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in the Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas North recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3266460 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made.

BEING A PORTION OF THE PREMISES described in the Transfer Certificate of Title No. 635,744 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.

4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; and (iv) the Condominium Map.

ITEM 2: Apartment 102 [CPR No: Not Yet Assigned]

FIRST:

That certain Apartment No. 102 of the condominium property regime known as the "Ocean Resort Villas North" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas North, dated April 25, 2005, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 326659 (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 115, (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall(s), if any, described in the Condominium Declaration as being appurtenant to the Apartment;

2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;

3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;

4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;
3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;
4. Any other easements granted or reserved by the "Developer" in the Condominium Documents or the Master Association Documents.

SECOND:

An undivided 0.0020767 percentage interest in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in the Condominium Declaration, and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in the Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas North recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3766460 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made.

BEING A PORTION OF THE PREMISES described in the Transfer Certificate of Title No. 635,744 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.
5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; and (iv) the Condominium Map.
6. The "Master Association Documents" consisting of the following documents and any lawful amendments and supplements to them: (i) "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737946, (ii) the Articles of Incorporation of the Ocean Resort Master Association, (iii) the Bylaws of the Ocean Resort Master Association, and (iv) any rules and regulations adopted thereunder.

NOTE: For purposes of that certain Notice of Time Share Plan, recorded as Land Court Document No. 3237196, as amended, this instrument is a part of the "Master Declaration" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "B"

25



L-704 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
MAY 10, 2005 03:00 PM
Doc No(s) 3266463
on Cert(s) 635,744



20 6/7 Z1

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Am

RETURN BY MAIL () PICK-UP () TO:

6

McCorriston Miller Mukai MacKinnon
P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor
500 Ala Moana Blvd. • Honolulu, Hawaii 96813
Attn: Charles E. Pear, Jr.

This document contains
10 pages

TMK No. (2) 4-4-14-4 CPR Nos.: [Not yet assigned]

Ocean Resort Master Association

DECLARATION OF ANNEXATION (OCEAN RESORT VILLAS NORTH - BUILDINGS 5 AND 6)

THIS DECLARATION OF ANNEXATION is made on this 9th day of May, 2005, by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND INFORMATION

A. The Developer filed a document called the "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737946. That document is called the "Master Declaration" in this document. All terms defined in the Master Declaration will have the same meaning in this document.

B. The Developer is the record owner of the property described in Exhibit "A" which is attached to and part of this document (the "New Property"). The Developer desires to include the New Property in the Master Project.

SUBMISSION OF THE PROPERTY TO THE MASTER DECLARATION

The Developer declares that from now on:

1. The New Property, and all rights of the Developer in it, is subject to the Master Declaration and the other Master Association Documents. (In legal terms, the Developer is submitting all of its "estate, right, title and interest" in the New Property to the Master Association Documents).

2. Each of the individual Apartments comprising the New Property is a Participating Property and is a part of the Master Project. In legal terms, the New Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Master Association Documents. Anyone who occupies or uses any of the New Property must obey the Master Association Documents.

3. The Master Association Documents will be binding on the New Property. They also will be binding on, and are intended to benefit, these persons:

A. The Developer.

B. The Master Association.

C. Each Member.

D. Anyone else who owns all or any part of the New Property, or who has any rights or other interests in it or in any Membership in the Master Association. This includes, for example, all present and future Parcel Owners and their Lenders.

E. Anyone who, by law or by agreement, stands in the place of the persons listed in items A. to D., above. Such people are called, in technical legal terms, "heirs", "devises", "personal representatives", "successors", and "assigns".

All of these people must obey the Master Association Documents. It does not matter how or when someone obtains an interest in the Property or any Membership, or whether they ever signed the Master Association Documents or expressly agreed to obey them. They must still obey them just as if they signed them.

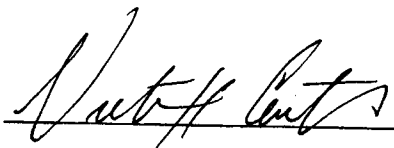
All of these people also have the right to enforce the Master Association Documents in any way permitted by the Planned Community Association Act or by the Master Association Documents. In legal terms, the Master Association Documents "constitute equitable servitudes, liens and covenants running with the land" that are binding on and for the benefit of all of the persons described in this section 3.

4. Regardless of what sections 1 to 3 say, the Developer reserves to itself any and all rights it has (i) under the Resort Documents as the Resort Developer of any particular Resort (including, for example, the Ocean Resort Villas North Condominium), and (ii) as the Vacation Plan Developer of any particular Vacation Plan (including, for example, the Ocean Resort Villas North Vacation Ownership Plan). The Developer alone may exercise the Developer's Reserved Rights under the Resort Documents and/or under the Vacation Plan Documents. Those rights will not be subject to the Master Association Documents, and they will not be transferred to the Master Association or to any of its Members, unless the Resort Developer or Vacation Plan Developer signs and records a document that clearly says so.

5. The Relative Valuation for each Apartment is listed in Exhibit B which is attached to and part of this document.

The Developer signed this document as of the date first written above.

SVO PACIFIC, INC.

By: 
Name: Victoria H. Carter
Its: Vice President

STATE OF FLORIDA)

COUNTY OF ORANGE)

) ss:

On this 5th day of May, 2005, before me personally appeared Victoria H. Carter, Vice President of SVO Pacific, Inc., a Florida corporation, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Sabrina C. Churchwell

Name: Sabrina C. Churchwell
Notary Public, State of Florida

My Commission expires: 10/20/2006

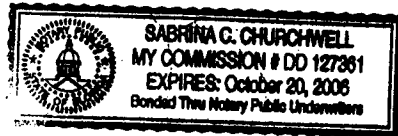


EXHIBIT "A"

FIRST:

Those certain one hundred forty-six (146) Apartments, as listed in the attached Exhibit "B", of the condominium property regime known as the "Ocean Resort Villas North" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas North, dated April 25, 2005, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3266459 (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as aforesaid as Condominium Map No. 115 (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall(s), if any, described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;

2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;

3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;

4. Any other easements granted or reserved by the "Developer" in or under the Condominium Documents or the Master Association Documents.

SECOND:

For each of said Apartments, an undivided percentage interest, as listed in Exhibit "B", in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in the Condominium Declaration, and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in the Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas North recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 326659 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made.

BEING A PORTION OF THE PREMISES described in the Transfer Certificate of Title No. 635,744 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.

4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; and (iv) the Condominium Map.

NOTE: For purposes of that certain Notice of Time Share Plan, recorded as Land Court Document No. 3237196, as amended, this instrument is a part of the "Master Declaration" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

EXHIBIT B
To
OCEAN RESORT MASTER ASSOCIATION
DECLARATION OF ANNEXATION

Apartment No.	Relative Valuation Per Unit	Common Interest Per Unit
BUILDING 5		
First Floor		
5101/02	52,000	0.003837144
5103/04	52,000	0.003837144
5106/05	52,000	0.003837144
5108/07	52,000	0.003837144
5110/09	52,000	0.003837144
5111/12	52,000	0.003837144
5114/13	52,000	0.003837144
5115/16	52,000	0.003837144
5119/17	52,000	0.003837144
5120/18	52,000	0.003837144
5121/23	52,000	0.003837144
5122/24	52,000	0.003837144
Second Floor		
5201/02	52,000	0.003837144
5203/04	52,000	0.003837144
5206/05	52,000	0.003837144
5208/07	52,000	0.003837144
5210/09	52,000	0.003837144
5211/12	52,000	0.003837144
5214/13	52,000	0.003837144
5215/16	52,000	0.003837144
5219/17	52,000	0.003837144
5220/18	52,000	0.003837144
5221/23	52,000	0.003837144
5222/24	52,000	0.003837144
Third Floor		
5301/02	52,000	0.003837144
5303/04	52,000	0.003837144
5306/05	52,000	0.003837144
5308/07	52,000	0.003837144
5310/09	52,000	0.003837144
5311/12	52,000	0.003837144
5314/13	52,000	0.003837144
5315/16	52,000	0.003837144
5319/17	52,000	0.003837144
5320/18	52,000	0.003837144
5321/23	52,000	0.003837144
5322/24	52,000	0.003837144
Fourth Floor		
5401/02	52,000	0.003837144
5403/04	52,000	0.003837144
5406/05	52,000	0.003837144
5408/07	52,000	0.003837144
5410/09	52,000	0.003837144
5411/12	52,000	0.003837144
5414/13	52,000	0.003837144
5415/16	52,000	0.003837144
5419/17	52,000	0.003837144
5420/18	52,000	0.003837144
5421/23	52,000	0.003837144
5422/24	52,000	0.003837144

Apartment No.	Relative Valuation Per Unit	Common Interest Per Unit
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Fifth Floor

5501/02	52,000	0.003837144
5503/04	52,000	0.003837144
5506/05	52,000	0.003837144
5508/07	52,000	0.003837144
5510/09	52,000	0.003837144
5511/12	52,000	0.003837144
5514/13	52,000	0.003837144
5515/16	52,000	0.003837144
5519/17	52,000	0.003837144
5520/18	52,000	0.003837144
5521/23	52,000	0.003837144
5522/24	52,000	0.003837144

Sixth Floor

5601/02	52,000	0.003837144
5603/04	52,000	0.003837144
5606/05	52,000	0.003837144
5608/07	52,000	0.003837144
5610/09	52,000	0.003837144
5611/12	52,000	0.003837144
5614/13	52,000	0.003837144
5615/16	52,000	0.003837144
5619/17	52,000	0.003837144
5620/18	52,000	0.003837144
5621/23	52,000	0.003837144
5622/24	52,000	0.003837144

BUILDING 6

First Floor

6127/25	52,000	0.003837144
6128/26	52,000	0.003837144
6129/31	52,000	0.003837144
6130/32	52,000	0.003837144
6133/35	52,000	0.003837144
6136/34	52,000	0.003837144
6154/53	52,000	0.003837144
6156/55	52,000	0.003837144
6157/58	52,000	0.003837144

Second Floor

6227/25	52,000	0.003837144
6228/26	52,000	0.003837144
6229/31	52,000	0.003837144
6230/32	52,000	0.003837144
6233/35	52,000	0.003837144
6236/34	52,000	0.003837144
6240/38	52,000	0.003837144
6242/44	52,000	0.003837144
6254/53	52,000	0.003837144
6256/55	52,000	0.003837144
6257/58	52,000	0.003837144

Third Floor

6327/25	52,000	0.003837144
6328/26	52,000	0.003837144
6329/31	52,000	0.003837144
6330/32	52,000	0.003837144
6333/35	52,000	0.003837144
6336/34	52,000	0.003837144
6340/38	52,000	0.003837144
6342/44	52,000	0.003837144
6354/53	52,000	0.003837144
6356/55	52,000	0.003837144
6357/58	52,000	0.003837144

Apartment No.	Relative Valuation Per Unit	Common Interest Per Unit
Fourth Floor		
6427/25	52,000	0.003837144
6428/26	52,000	0.003837144
6429/31	52,000	0.003837144
6430/32	52,000	0.003837144
6433/35	52,000	0.003837144
6436/34	52,000	0.003837144
6440/38	52,000	0.003837144
6442/44	52,000	0.003837144
6446/45	52,000	0.003837144
6447/48	52,000	0.003837144
6450/49	52,000	0.003837144
6451/52	52,000	0.003837144
6454/53	52,000	0.003837144
6456/55	52,000	0.003837144
6457/58	52,000	0.003837144
Fifth Floor		
6527/25	52,000	0.003837144
6528/26	52,000	0.003837144
6529/31	52,000	0.003837144
6530/32	52,000	0.003837144
6533/35	52,000	0.003837144
6536/34	52,000	0.003837144
6540/38	52,000	0.003837144
6542/44	52,000	0.003837144
6546/45	52,000	0.003837144
6547/48	52,000	0.003837144
6550/49	52,000	0.003837144
6551/52	52,000	0.003837144
6554/53	52,000	0.003837144
6556/55	52,000	0.003837144
6557/58	52,000	0.003837144
Sixth Floor		
6627/25	52,000	0.003837144
6628/26	52,000	0.003837144
6629/31	52,000	0.003837144
6630/32	52,000	0.003837144
6633/35	52,000	0.003837144
6636/34	52,000	0.003837144
6646/45	52,000	0.003837144
6647/48	52,000	0.003837144
6650/49	52,000	0.003837144
6651/52	52,000	0.003837144
6654/53	52,000	0.003837144
6656/55	52,000	0.003837144
6657/58	52,000	0.003837144

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

The original of this document was
recorded as follows:

DOCUMENT NO. Doc 3366582
CTN 635,744
DATE DEC 13, 2005 03:29 PM

RETURN BY MAIL () PICK-UP () TO:

2
McCorriston Miller Mukai MacKinnon
P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor
500 Ala Moana Blvd. • Honolulu, Hawaii 96813
Attn: Charles E. Pear, Jr.

This document contains
15 pages

TMK No. (2) 4-4-14-4 CPR Nos.: [Not yet assigned]

Ocean Resort Master Association

DECLARATION OF ANNEXATION
(OCEAN RESORT VILLAS NORTH - BUILDINGS 7 AND 8)

THIS DECLARATION OF ANNEXATION is made on this 13th day of December, 2005, by SVO Pacific, Inc., a Florida corporation (the "Developer").

BACKGROUND INFORMATION

A. The Developer filed a document called the "Declaration of Covenants, Conditions, Easements and Restrictions for Ocean Resort Master Association" in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2737946. That document is called the "Master Declaration" in this document. All terms defined in the Master Declaration will have the same meaning in this document.

B. The Developer is the record owner of the property described in Exhibit "A" which is attached to and part of this document (the "New Property"). The Developer desires to include the New Property in the Master Project.

SUBMISSION OF THE PROPERTY TO THE MASTER DECLARATION

The Developer declares that from now on:

1. The New Property, and all rights of the Developer in it, is subject to the Master Declaration and the other Master Association Documents. (In legal terms, the Developer is submitting all of its "estate, right, title and interest" in the New Property to the Master Association Documents).

2. Each of the individual Apartments comprising the New Property is a Participating Property and is a part of the Master Project. In legal terms, the New Property will be owned, used, leased, rented, mortgaged, encumbered, and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Master Association Documents. Anyone who occupies or uses any of the New Property must obey the Master Association Documents.

3. The Master Association Documents will be binding on the New Property. They also will be binding on, and are intended to benefit, these persons:

A. The Developer.

B. The Master Association.

C. Each Member.

D. Anyone else who owns all or any part of the New Property, or who has any rights or other interests in it or in any Membership in the Master Association. This includes, for example, all present and future Parcel Owners and their Lenders.

E. Anyone who, by law or by agreement, stands in the place of the persons listed in items A. to D., above. Such people are called, in technical legal terms, "heirs", "devises", "personal representatives", "successors", and "assigns".

All of these people must obey the Master Association Documents. It does not matter how or when someone obtains an interest in the Property or any Membership, or whether they ever signed the Master Association Documents or expressly agreed to obey them. They must still obey them just as if they signed them.

All of these people also have the right to enforce the Master Association Documents in any way permitted by the Planned Community Association Act or by the Master Association Documents. In legal terms, the Master Association Documents "constitute equitable servitudes, liens and covenants running with the land" which are binding on and for the benefit of all of the persons described in this section 3.

4. Regardless of what sections 1 to 3 say, the Developer reserves to itself any and all rights it has (i) under the Resort Documents as the Resort Developer of any particular Resort (including, for example, the Ocean Resort Villas North Condominium), and (ii) as the Vacation Plan Developer of any particular Vacation Plan (including, for example, the Ocean Resort Villas North Vacation Ownership Plan). The Developer alone may exercise the Developer's Reserved Rights under the Resort Documents and/or under the Vacation Plan Documents. Those rights will not be subject to the Master Association Documents, and they will not be transferred to the Master Association or to any of its Members, unless the Resort Developer or Vacation Plan Developer signs and records a document that clearly says so.

5. The Relative Valuation for each Apartment is listed in Exhibit "B" which is attached to and part of this document.

[SIGNATURE ON THE FOLLOWING PAGE.
THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

The Developer signed this document as of the date first written above.

SVO PACIFIC, INC.

By: 

Name: Susan Werth

Its: Senior Vice President/Law

STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 3rd day of November, 2005, before me personally appeared Susan Werth
Senior Vice President/Law of SVO Pacific, Inc., a Florida corporation, to me personally
known, who being by me duly sworn or affirmed, did say that such person executed the foregoing
instrument as the free act and deed of such person, and if applicable in the capacity shown, having
been duly authorized to execute such instrument in such capacity.

Sabrina C. Churchwell
Name: Sabrina C. Churchwell
Notary Public, State of Florida

My Commission expires: 10/20/2006

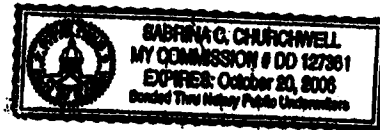


EXHIBIT "A"

FIRST:

Those certain one hundred twelve (112) Apartments, as listed in the attached Exhibit "B", of the condominium property regime known as the "Ocean Resort Villas North" (herein called the "Condominium"), as established by that certain Declaration of Condominium Property Regime of Ocean Resort Villas North recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3266459 (herein with all amendments called the "Condominium Declaration") and as shown on the plans of the Condominium filed as Condominium Map No. 1715, (herein with all amendments called the "Condominium Map").

TOGETHER WITH the following appurtenant easements:

1. The exclusive right to use the parking stall(s), if any, described in the Condominium Declaration as being appurtenant to the Apartment;
2. The right to use any other limited common elements described in the Condominium Declaration as being appurtenant to the Apartment together with such other persons, if any, having the right to use the same;
3. Nonexclusive easements for use of the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of the Apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Condominium Declaration; and in all other apartments and limited common elements of the building in which the Apartment is located for support;
4. If the Apartment or its limited common elements now or later encroaches on any other apartment, common elements or limited common elements, then a valid easement for the encroachment and the maintenance of it will remain in effect for so long as such encroachment continues. If any building is partly or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Condominium, minor encroachments of any parts of the common elements or apartments or limited common elements due to that construction, shifting, settlement or movement are permitted and valid easements for those encroachments and the maintenance of them will exist for so long as the encroachments continue.

EXCEPTING AND RESERVING AND SUBJECT TO:

1. Easements for encroachments appurtenant to other apartments as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;
2. Easements for access to the Apartment from time to time during reasonable hours as may be necessary for the operation of the Condominium or for making emergency repairs therein to prevent damage to the common elements or to another apartment or apartments or for the installation, repair or replacement of any common elements;

3. Easements through the Apartment appurtenant to the common elements of the Condominium and to all other apartments of the Condominium for support and repair of both the common elements of the Condominium and all other apartments of the Condominium;

4. Any other easements granted or reserved by the "Developer" in or under the Condominium Documents or the Master Association Documents.

SECOND:

For each of said Apartments, an undivided percentage interest, as listed in Exhibit "B", in and to the common elements of the Condominium, including the land, as described in the Condominium Declaration, or such other percentage interest as hereafter established for the Apartment by any amendment of the Condominium Declaration, as tenant in common with the other owners of apartments in the Condominium. The land of the Condominium is described in the Condominium Declaration and that description, as it may be amended from time to time, is hereby incorporated herein by this reference.

TOGETHER WITH, AS TO FIRST AND SECOND, appurtenant easements described in the Condominium Declaration, and **SUBJECT TO** the easements, encumbrances, restrictions, covenants, agreements, obligations, conditions, exceptions, reservations, and other provisions set forth in the Condominium Declaration, the Bylaws of the Association of Apartment Owners of Ocean Resort Villas North recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3266460 (the "Condominium Bylaws"), any rules and regulations adopted thereunder (the "Condominium Rules"), as any of the same may be amended from time to time, and the Condominium Map, to which reference is hereby made.

BEING A PORTION OF THE PREMISES described in the Transfer Certificate of Title No. 635,744 issued to SVO Pacific, Inc., a Florida corporation.

SUBJECT, HOWEVER, TO:

1. The lien of real property taxes not yet due and owing.
2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.
3. All of the encumbrances described in Exhibit "A" to the Condominium Declaration, each of which is incorporated herein by this reference.
4. The "Ka'anapali North Beach Documents" consisting of the following documents and any lawful amendments to them: (i) that certain Declaration of Covenants, Conditions, Easements and Restrictions for Kaanapali North Beach dated December 6, 2000, filed December 6, 2000, as Document No. 2668967, and recorded December 6, 2000, as Document No. 2000-170917, (ii) the Articles of Incorporation of Ka'anapali North Beach Master Association, Inc., (iii) the Bylaws of Ka'anapali North Beach Master Association, Inc., and (iv) any rules and regulations adopted

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& Starwood Vacation Ownership, Inc.

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thereunder.

5. The "Condominium Documents" consisting of the following documents and any lawful amendments to them: (i) the Condominium Declaration; (ii) the Condominium Bylaws; (iii) the Condominium Rules; and (iv) the Condominium Map.

NOTE: For purposes of that certain Notice of Time Share Plan, recorded as Land Court Document No. 3237196, as amended, this instrument is a part of the "Master Declaration" identified therein and, accordingly, the Notice of Time Share Plan is subordinate hereto as therein provided.

END OF EXHIBIT "A"

Exhibit "B"

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Relative Valuation Per Apartment	Common Interest Per Apartment
First Floor		
7160/59	52,000	0.003837144
7161/62	52,000	0.003837144
7167/68	52,000	0.003837144
7170/69	52,000	0.003837144
7172/71	52,000	0.003837144
7174/73	52,000	0.003837144
7176/75	52,000	0.003837144
7178/77	52,000	0.003837144
7180/79	52,000	0.003837144
7182/81	52,000	0.003837144
7184/83	52,000	0.003837144
Second Floor		
7260/59	52,000	0.003837144
7261/62	52,000	0.003837144
7263/64	52,000	0.003837144
7265/66	52,000	0.003837144
7267/68	52,000	0.003837144
7270/69	52,000	0.003837144

Exhibit "B"

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Relative Valuation Per Apartment	Common Interest Per Apartment
7272/71	52,000	0.003837144
7274/73	52,000	0.003837144
7276/75	52,000	0.003837144
7278/77	52,000	0.003837144
7280/79	52,000	0.003837144
7282/81	52,000	0.003837144
7284/83	52,000	0.003837144
Third Floor		
7360/59	52,000	0.003837144
7361/62	52,000	0.003837144
7363/64	52,000	0.003837144
7365/66	52,000	0.003837144
7367/68	52,000	0.003837144
7370/69	52,000	0.003837144
7372/71	52,000	0.003837144
7374/73	52,000	0.003837144
7376/75	52,000	0.003837144
7378/77	52,000	0.003837144
7380/79	52,000	0.003837144
7382/81	52,000	0.003837144

Exhibit "E"

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Relative Valuation Per Apartment	Common Interest Per Apartment
7384/83	52,000	0.003837144
Fourth Floor		
7460/59	52,000	0.003837144
7461/62	52,000	0.003837144
7463/64	52,000	0.003837144
7465/66	52,000	0.003837144
7467/68	52,000	0.003837144
7470/69	52,000	0.003837144
7472/71	52,000	0.003837144
7474/73	52,000	0.003837144
7476/75	52,000	0.003837144
7478/77	52,000	0.003837144
7480/79	52,000	0.003837144
7482/81	52,000	0.003837144
7484/83	52,000	0.003837144
Fifth Floor		
7560/59	52,000	0.003837144
7561/62	52,000	0.003837144
7563/64	52,000	0.003837144
7565/66	52,000	0.003837144
7567/68	52,000	0.003837144

Exhibit "B"

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Relative Valuation Per Apartment	Common Interest Per Apartment
7570/69	52,000	0.003837144
7572/71	52,000	0.003837144
7574/73	52,000	0.003837144
7576/75	52,000	0.003837144
7578/77	52,000	0.003837144
7580/79	52,000	0.003837144
7582/81	52,000	0.003837144
Sixth Floor		
7660/59	52,000	0.003837144
7661/62	52,000	0.003837144
7663/64	52,000	0.003837144
7665/66	52,000	0.003837144
7670/69	52,000	0.003837144
7672/71	52,000	0.003837144
7674/73	52,000	0.003837144
7676/75	52,000	0.003837144
7678/77	52,000	0.003837144
First Floor		
8101/02	52,000	0.003837144

Exhibit "B"

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Relative Valuation Per Apartment	Common Interest Per Apartment
8103/04	52,000	0.003837144
8105/06	52,000	0.003837144
8107/08	52,000	0.003837144
8110/09	52,000	0.003837144
8112/11	52,000	0.003837144
8114/13	52,000	0.003837144
Second Floor		
8201/02	52,000	0.003837144
8203/04	52,000	0.003837144
8205/06	52,000	0.003837144
8207/08	52,000	0.003837144
8210/09	52,000	0.003837144
8212/11	52,000	0.003837144
8214/13	52,000	0.003837144
Third Floor		
8301/02	52,000	0.003837144
8303/04	52,000	0.003837144
8305/06	52,000	0.003837144
8307/08	52,000	0.003837144
8310/09	52,000	0.003837144
8312/11	52,000	0.003837144

Exhibit "B"

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Relative Valuation Per Apartment	Common Interest Per Apartment
8314/13	52,000	0.003837144
Fourth Floor		
8401/02	52,000	0.003837144
8403/04	52,000	0.003837144
8405/06	52,000	0.003837144
8407/08	52,000	0.003837144
8410/09	52,000	0.003837144
8412/11	52,000	0.003837144
8414/13	52,000	0.003837144
Fifth Floor		
8501/02	52,000	0.003837144
8503/04	52,000	0.003837144
8505/06	52,000	0.003837144
8507/08	52,000	0.003837144
8510/09	52,000	0.003837144
8512/11	52,000	0.003837144
8514/13	52,000	0.003837144
Sixth Floor		
8603/04	52,000	0.003837144
8605/06	52,000	0.003837144
8607/08	52,000	0.003837144

Exhibit "B"

**OCEAN RESORT VILLAS NORTH
UNIT LISTING - BUILDINGS 7 & 8**

Apartment No.	Relative Valuation Per Apartment	Common Interest Per Apartment
8610/09	52,000	0.003837144
8612/11	52,000	0.003837144
8614/13	52,000	0.003837144

Vistana Signature Network Disclosure Guide

For Members of the Vistana Signature Network

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION REGARDING THE EXCHANGE PROGRAM OWNED AND OPERATED BY VISTANA SIGNATURE NETWORK, INC. IN ACCORDANCE WITH APPLICABLE LAW.

This does not constitute an offer to sell nor a solicitation of an offer to buy securities or any interest in real estate. For further information, please contact:

**VISTANA SIGNATURE NETWORK, INC.
9002 San Marco Court
Orlando, Florida 32819**

I. Definitions

The capitalized terms used in this Disclosure Guide shall have the same meaning as the identical terms defined in the Vistana Signature Network Rules and Regulations attached as Exhibit "A" unless the context otherwise requires.

II. Information about Network Operator

Network Operator, Vistana Signature Network, Inc., is a Delaware corporation with principal offices located at 9002 San Marco Court, Orlando, Florida 32819. The sole shareholder of Network Operator is Vistana Signature Experiences, Inc., a Delaware corporation ("Parent"). The officers and directors of Network Operator are as listed on the attached Exhibit "B." Network Operator has no legal or beneficial interest in any developer, seller, or managing entity for any vacation ownership plan participating in the Network. However, one or more of the developers, sellers, or managing entities for Network Resorts may also be subsidiaries or affiliates of the Parent. None of the officers and directors of Network Operator have any legal or beneficial interest in any developer, seller, or managing entity for any vacation ownership plan participating in the Network, although one or more of them may also be an officer or director of such entities and/or a stockholder of the Parent. Network Operator and its shareholder, officers, and directors reserve the right to act as developers or sellers of vacation ownership plans and multisite vacation ownership plans for future resorts which plans may or may not be affiliated with the Network.

Westin and Sheraton and their logos are the registered trademarks of Starwood Hotels & Resorts Worldwide, Inc. or its affiliates ("Starwood"). Vistana Signature Experiences, Inc. and the programs and products provided under the Vistana brand are not owned, developed, or sold by Starwood. Vistana Signature Experiences, Inc. uses the Starwood marks under a license agreement from Starwood.

III. Membership in the Network

A purchaser of a Vacation Ownership Interest ("VOI") in a Club Resort automatically is enrolled as a Club Member and a Network Member at the time that the purchaser acquires such VOI. There is no Network contract separate and distinct from the purchaser's contract with the developer of the vacation ownership plan at a Club Resort, and the terms of such membership are as set forth in the Club Documents and the Network Documents. Membership in the Network is granted to all purchasers of Club Resort VOIs. A resort becomes a Club Resort by means of a Club Resort Affiliation Agreement between Club Operator and a developer or management company for a Club Resort under which the accommodations and facilities of that resort are included as a part of the Club. All Club Resorts are affiliated with the Network by means of a Network Affiliation Agreement between the Club Operator and Network Operator. The purchaser's decision to use the Network exchange program by making a reservation for a Vacation Period at a Network Resort, or otherwise using StarOptions after the expiration of the Home Resort Preference Period is voluntary. If the Network Member no longer owns a Club Resort VOI, the person no longer will be a Network Member and the new owner of that Club Resort VOI automatically will become the Network Member. Membership in the Network also is dependent on the continued affiliation between the Network and the Club Resort where the Network Member owns a VOI.

A purchaser at a non-Club Resort is not automatically a member of the Network. To use and enjoy benefits of membership in the Network, a purchaser of a Vacation Ownership Interest at a Network Resort must be enrolled by Network Operator, which will require the execution of an Owner Membership Agreement and the payment of any applicable fee, as determined by Network Operator. The terms and conditions of such membership also may be set forth in the Resort Documents for that Network Resort. Such Network Member's decision to use the Network by reserving a Vacation Period at a Network Resort, or otherwise using StarOptions after the expiration of the Home Resort Reservation Period is voluntary. For so long as such Network Member remains a Network Member, such Network Member's ability to reserve use of the Vacation Period related to the Network Member's VOI, or any other Network accommodations, is subject to the Network Rules. Membership in the Network automatically terminates if the Network Member voluntarily or involuntarily transfers the Network Member's VOI and owns no other VOI, or if the Network Member's Home Resort ceases to be a Network Resort. Network Membership is not transferable.

IV. Network Procedures and Obligations

The terms and conditions of the purchaser's contractual relationship with Network Operator and the procedures for using the Network exchange program are set forth in the Network Rules attached to this Disclosure Guide as Exhibit "A."

The terms and conditions of this Disclosure Guide and the Network Rules, including fees, benefits, and reservation procedures, are subject to change by Network Operator without advance notice.

Among the changes in these Network Rules is the addition of an Arbitration Provision.

PLEASE READ THE ARBITRATION PROVISION CAREFULLY. IT PROVIDES THAT EITHER PARTY CAN REQUIRE THAT CERTAIN DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY A NEUTRAL ARBITRATOR INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES ARE SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT.

EXCEPT AS SET FORTH IN THE ARBITRATION PROVISION, THE TERMS AND CONDITIONS OF MEMBERSHIP IN THE NETWORK WILL BE GOVERNED EXCLUSIVELY BY THE LAWS OF THE STATE OF FLORIDA. ANY ACTION AT LAW OR IN EQUITY BY A NETWORK MEMBER TO CHALLENGE OR ENFORCE THE TERMS AND CONDITIONS OF MEMBERSHIP IN THE NETWORK MUST BE SUBMITTED EXCLUSIVELY TO THE JURISDICTION OF THE COURTS OF ORANGE COUNTY, FLORIDA, AND BY MAINTAINING MEMBERSHIP WITH THE NETWORK, EACH NETWORK MEMBER CONSENTS TO THE PERSONAL JURISDICTION OF THOSE COURTS. IF AN ACTION AT LAW OR IN EQUITY IS INITIATED BY EITHER A NETWORK MEMBER OR NETWORK OPERATOR, THE LOSING PARTY SHALL PAY ALL COSTS INCURRED BY THE PREVAILING PARTY IN DEFENDING SUCH ACTION, INCLUDING REASONABLE ATTORNEYS' FEES AND LEGAL COSTS.

Each Network Member recognizes and acknowledges that:

1. Network Operator does not sell, lease, or otherwise convey any interest in real property;
2. Because not all owners of vacation ownership interests in all Network Resorts will become members of the Network, only a limited number of Vacation Periods at such Network Resorts, if any, will be available from time to time for reservation by Network Members. Consequently, purchasers should not rely on the status of a particular resort as a Network Resort in determining whether to purchase a VOI in a Network Resort;
3. Network Resort accommodations and facilities vary by location and resort. In addition, VOI accommodations that have been reserved may differ in unit size, design, furnishing, or amenities from the VOI accommodations a particular Network Member owns due to variations between resorts;
4. Fees, if any, incurred by a Network Member for the use of amenities at a host Network Resort are determined and collected by the host Network Resort;

5. A Network Member is responsible for payment of any personal expenses incurred while occupying a Unit received through a reservation confirmation, as well as for any damage, theft, or loss caused by the Network Member or the Network Member's guests;
6. If the Unit for which a reservation confirmation is provided becomes unavailable due to natural disaster, act of God, war, insurrection, or any other reason beyond Network Operator's control, the Network Member waives any and all claims against Network Operator; and
7. Network Operator is not liable for any claim or loss incurred in connection with participation in the Network or with respect to ownership of a VOI.

V. Fees

Network Members will be required to pay all Network Membership Fees charged against them in accordance with the Network Documents and the Resort Documents for each Network Member's respective Home Resort. The Club Resort Operating Budget includes that Club Resort's share of charges. Members are charged Network Membership Fees directly by Network Operator in connection with or through the operation of the Network. The Network Membership Fees are charged to the Managing Entity of the Network Resort, depending on the terms and conditions pursuant to a Club Resort Affiliation Agreement. These fees are listed on the attached Exhibit "C." A Biennial VOI shall be subject to the yearly Network Membership Fee every fiscal year, not just in alternate years. A Network Member who uses the Network to make a reservation other than a reservation during the Home Resort Reservation Period shall be liable for any transaction fees charged by Network Operator from time to time, as referenced in the Network Fees Chart as may be amended by Network Operator from time to time in its sole discretion. Use of StarOptions may be restricted by Network Operator if the Network Member is not current in the payment of the Network Member's Home Resort maintenance fees and taxes, all applicable Network Membership Fees, or Vacation Ownership Interest mortgage or purchase money payments. Network Operator also will require advance payment of estimated maintenance fees and taxes to the Network Member's Home Resort Managing Entity and estimated Network Membership Fees to Network Operator before permitting use of StarOptions.

VI. Network Resorts

Network Members may make reservations in accordance with the Network Documents for any Network Resort that is affiliated with the Network from time to time by Network Operator. The names and addresses of all Network Resorts currently participating in Network are as follows:

Resorts with 21-50 Units

<u>Name and Address</u>	<u>Number of Units</u>	<u>Vacation Ownership Interest</u>
Lakeside Terrace Condominium 340 Lake Street Avon, Colorado 81620	23	558
Village North Condominium 8700 Vistana Court Port St. Lucie, Florida 34986	42	1,106
Steamboat Villas Condominium 2200 Village Inn Court Steamboat Springs, Colorado 80477	21	309

Sunset Bay Vacation Ownership Plan
Great Cruz Bay
St. John, U.S. Virgin Islands 00831

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(Occupancy of Phase 1 will begin no sooner than January 2017)

Resorts with over 51 Units

<u>Name and Address</u>	<u>Number of Units</u>	<u>Vacation Ownership Interest</u>
Bella Florida Condominium 12401 International Drive Orlando, Florida 32821	340	19,189
Key West Condominium 12401 International Drive Orlando, Florida 32821	170	7,522
Amelia Resort Condominium 12401 International Drive Orlando, Florida 32821	155	5,795
St. Augustine Resort Condominium 12401 International Drive Orlando, Florida 32821	374	11,563
Bay Vista Condominium Great Cruz Bay St. John, U.S. Virgin Islands 00830	54	3,386
Coral Vista Vacation Ownership Plan Great Cruz Bay St. John, U.S. Virgin Islands 00830	54	3,361
Virgin Grand Villas- St. John Condominium Great Cruz Bay St. John, U.S. Virgin Islands 00830	92	4,335
Mountain Vista Condominium Benchmark Road and West Beaver Creek Boulevard Avon, Colorado	170	4,572
Riverfront Mountain Villas Condominium 218 Riverfront Lane Avon, Colorado 81620	68	2,209
Desert Willow Resort Condominium 39-500 Portola Avenue Palm Desert, California 92260	178	9,923
Mission Hills Villas 71777 Dinah Shore Drive Rancho Mirage, California 92270	158	9,247
Scottsdale Pinnacle Condominium 17700 N. Hayden Road Scottsdale, Arizona 86225	228	7,643

Scottsdale Sonoran Villas Condominium (Kierland Villas) 15620 North Clubgate Drive Phoenix, Arizona 85254	298	11,058
Broadway Palmetto Horizontal Property Regime 3301 Robert M. Grissom Parkway Myrtle Beach, South Carolina 29577	108	4,060
Broadway Plantation Horizontal Property Regime 3301 Robert M. Grissom Parkway Myrtle Beach, South Carolina 29577	312	10,237
Harborside Resort Condominium I Paradise Island Nassau, The Bahamas	64	5,979
Harborside Resort Condominium II Paradise Island Nassau, The Bahamas	228	10,531
Vistana Beach Club Condominium 10740 South Highway A1A Jensen Beach, Florida 34957	76	2,018
Vistana Cascades Condominium 13800 State Road 535 Orlando, Florida 32821	426	14,792
Vistana Lakes Condominium 13800 State Road 535 Orlando, Florida 32821	216	5,776
Vistana Fountains Condominium 13800 State Road 535 Orlando, Florida 32821	234	4,684
Vistana Fountains II Condominium 13800 State Road 535 Orlando, Florida 32821	138	3,973
Vistana Falls Condominium 13800 State Road 535 Orlando, Florida 32821	112	1,907
Vistana Springs Condominium 13800 State Road 535 Orlando, Florida 32821	102	1,797
Vistana Spa Condominium 13800 State Road 535 Orlando, Florida 32821	248	4,893
Vistana Condominium 13800 State Road 535 Orlando, Florida 32821	98	1,330
Ocean Resort Villas Six Kai Ala Drive Lahaina, Maui Hawaii 96761	280	17,567

Ocean Resort Villas North 170 Kai Ala Drive Lahaina, Maui Hawaii 96761	258	17,336
Nanea Ocean Villas 45 Kai Malina Pkwy. Lahaina, Maui, Hawaii 96761	190	1,094
<i>(Occupancy of Phase 1 will begin no sooner than August 2017)</i>		
Princeville Ocean Resort Villas 3838 Wylie Road Princeville, Kauai, Hawaii 96722	179	11,946
Lagunamar Ocean Resort 12.5 Boulevard-Zona Hotelera Cancun, Quintana Roo 77500 Mexico	592	24,028
Flex Vacations Ownership Plan 9002 San Marco Court Orlando, Florida 32819	N/A	12,075

As of December 31, 2015, there were 257,991 Network Members enrolled in the Network. If required by applicable law, an independent audit of the Network operations will be performed and reported through the period ending December 31st each year. Network Operator calculates the number of Network Members based on the number of VOIs enrolled in the Network at each Network Resort.

For the calendar year ending December 31, 2015, the percentage of confirmed exchanges (which is the number of reservations confirmed by Network Operator divided by the number of reservation requests properly applied for) was 99.0% as shown on the annual audit report.

All exchanges are based on availability. Network Operator receives improperly submitted exchange requests in the normal course of business. Exchange requests cannot be honored if the Network Member does not follow the Network's procedures by either improperly completing an exchange request form or failing to submit an exchange request within the minimum time required. Accordingly, the Network does not guarantee that Network Members will receive a specific exchange choice. In order to exchange a Vacation Period, a Network Member must: (a) pay all delinquent Home Resort maintenance fees, taxes, Club Dues, Membership Fees, and VOI mortgage or purchase money payments attributable to the Network Member's VOI; (b) not have placed the Vacation Period with another exchange company or program; and (c) the Vacation Period to be obtained must be within the same calendar year as the Vacation Period to be exchanged. A Network Member may have limited rights to bank all or a portion of the Network Member's StarOptions for use in succeeding use years subject to restrictions. StarOptions that are unused or have expired are not automatically banked by Network Operator. The use of banked StarOptions is subject to availability, limited reservation windows and is not guaranteed by Network Operator.

The percentage of confirmed reservations contained in any annual audit report will be only a summary of the reservation requests entered in the year reported, and such percentage should not be relied on as an indication of the probability of a Network Member being confirmed to any specific choice or range of choices.

Exhibit "A"

Vistana Signature Network Rules and Regulations

These Network Rules are binding on all Network Members, their guests, invitees, lessees, licensees, and designees.

I. Definitions and Abbreviations

The following terms have the meaning set forth below unless the context requires a different meaning:

Bank, Banking or Banked means the act of depositing the Network Member's StarOptions from the current Use Year with Network Operator in order to save them for use in the next two succeeding Use Years.

Banked StarOptions means StarOptions which have been Banked by the Network Member and are subject to the provisions of Section 3.6. Unless otherwise noted in these Network Rules, all terms and restrictions which apply to StarOptions shall apply to Banked StarOptions.

Biennial Vacation Ownership Interest means a VOI in which the Network Member's Use Year occurs every other year. Biennial VOI may not exist at every Network Resort.

Borrow means to use the Network Member's StarOptions from the next succeeding Use Year in a preceding Use Year.

Check-in Day means the first day of use of a given Vacation Period. All Network Resorts have one or more established Check-in Day. Network Points Resorts may establish every day of the week as a permitted Check-in Day.

Club means the service name given to the variety of exchange and reservation services and vacation and travel benefits currently offered and the restrictions currently imposed by Club Operator for Club Resorts. Currently, the Clubs affiliated with the Network include Vistana East Vacation Club, Vistana Pacific Vacation Club, and Vistana West Vacation Club. Club Members reserve the use of the Units at a Club Resort and access an External Exchange Program through the Club reservation system pursuant to the priorities, restrictions, and limitations set forth in the Club Documents. The Clubs are not legal entities or associations of any kind.

Club Documents means those instruments governing the use and operation of the Club, including each Club Resort Affiliation Agreement and the Club Rules, as promulgated, executed, or amended by Club Operator from time to time.

Club Dues means the charges assessed by Club Operator in connection with the operation of the Club that are assessable to each Club Member or Club Resort each calendar year.

Club Member means an Owner in a Club Resort.

Club Operator means the entity, as named in the Club Documents, which provides certain services for the Club, including the operation of a reservation system for the Club.

Club Resort means a resort that has become affiliated with the Club from time to time pursuant to a Club Resort Affiliation Agreement, and in which membership in the Club is a condition of ownership of a VOI. For a resort in which membership in the Club is a condition of ownership of some but not all VOIs, the term "Club Resort" refers only to Club Resort VOIs in such resort.

Club Resort Affiliation Agreement means a Vistana Signature Club Resort Affiliation Agreement between Club Operator and the developer or association for a resort under which the accommodations and facilities of that resort are included in the Club, such resort becomes a Club Resort and some or all owners of vacation ownership interests in the resort become Club Members as a condition of ownership.

Club Resort Operating Budget means the budget that accounts for the estimated annual common expenses and reserves of a given Club Resort, including any Club Dues assessable to that Club Resort.

Club Resort Vacation Ownership Interest means a VOI in a Club Resort.

Club Rules means the Rules and Regulations governing the reservation and use of Units and Club Resort facilities, as promulgated, adopted, or amended from time to time by Club Operator pursuant to the Club Documents. In

accordance with the Network Affiliation Agreement for Club Resorts, Club Operator has agreed to adopt the Network Rules as the initial Club Rules.

Designated Representative means the person or persons designated by the Primary Contact who are authorized to make reservations on behalf of the Owners and who may receive information about the VOI.

Disclosure Guide means the Vistana Signature Network Disclosure Guide promulgated by Network Operator from time to time.

Even Year Biennial Vacation Ownership Interest means a Biennial VOI in which the Vacation Period associated with the Network Member's VOI only occurs in calendar years ending in an even digit or zero.

Event Vacation Ownership Interest means a VOI for which a particular Network Member has the right to use or receive a confirmed reservation for a 7-day Vacation Period during a special event, holiday, or similar occasion at the Network Member's Home Resort as set forth in the Resort Documents for the Network Member's Home Resort and in accordance with the Network Rules. Event VOIs may not exist in every Network Resort.

Event Period or Event Vacation Period means a 7-day Vacation Period occurring during a special event, holiday or similar occasion at a Network Resort as set forth in the Resort Documents for the particular Home Resort.

External Exchange Company means any company that provides services to the Network or to Network Members under an External Exchange Program.

External Exchange Program means the contractual arrangement pursuant to which a Network Member may exchange the use of a Vacation Period, under certain conditions, for the use of accommodations in resorts other than Network Resorts.

Fixed Vacation Ownership Interest means a VOI for which a particular Network Member has the right to reserve the use of a Fixed Vacation Period in either a specific Unit or Unit type at the Network Member's Home Resort in accordance with the Network Rules and the Resort Documents. Fixed Vacation Ownership Interests may not exist at every Network Resort.

Fixed Vacation Period means a specific Vacation Period within either a specific Unit or Unit type, the exclusive use and occupancy of which may only be reserved by a particular Network Member during the Home Resort Fixed Priority Period, subject to the Resort Documents and the Network Rules.

Floating Vacation Ownership Interest means a VOI for which a particular Network Member has the right to reserve the use of a Floating Vacation Period at the Network Member's Home Resort in accordance with the Network Rules.

Floating Vacation Period means a Vacation Period within a specific Unit type and Season, the exclusive use and occupancy of which may be reserved by a particular group of Network Members at a Network Resort on a space available, first-come, first-served basis during the Home Resort Reservation Period, subject to the Resort Documents and the Network Rules.

Home Options means the name given to Ownership Points at certain Network Points Resort(s).

Home Resort means the Network Resort in which a Network Member's VOI is located.

Home Resort Reservation Period means the four (4)-month period beginning twelve (12) months and ending eight (8) months prior to the Check-in Day of the Vacation Period. The Home Resort Reservation Period is comprised of the Home Resort Fixed Priority Period (12-10 months) and the Home Resort Float Period.

Home Resort Fixed Priority Period means the two (2)-month period beginning twelve (12) months and ending ten (10) months prior to the Check-in Day of the Vacation Period, during which each Network Member owning a Fixed VOI has the exclusive right to reserve the Network Member's Fixed Vacation Period without competition from other Network Members, while each Network Member owning a Floating VOI competes exclusively with other Owners of VOIs at the Network Member's Home Resort to reserve Floating Vacation Periods within such Member's Season and Unit type at the Member's Home Resort, each subject to any limitations in the Resort Documents and the Network Rules. Not all Network Resorts will have a Home Resort Fixed Priority Period.

Home Resort Float Period means the period during which all Network Members owning VOIs at a particular Home Resort have the exclusive right to compete to reserve the use of Vacation Periods within their Season and Unit type at their Home Resort, subject to the Resort Documents and the Network Rules.

Lock-Off Unit means a Unit which allows the occupancy of less than the entire Unit during a Vacation Period such that a Network Member may occupy a part of a Unit for a Vacation Period with the remaining part of the Unit being "locked off" and being subject to exclusive use by others.

Managing Entity means the condominium or owners' association, management company, or other entity responsible for operating and maintaining a given Network Resort.

Odd Year Biennial Vacation Ownership Interest means a Biennial VOI in which the Vacation Period associated with the Network Member's VOI only occurs in calendar years ending in an odd digit.

Owner means the owner of a VOI. During any period of time in which a purchaser has entered into a valid contract for the purchase of a VOI with a developer of a Network Resort, has passed any applicable rescission period, and has not defaulted, such purchaser shall be considered an Owner.

Owner Membership Agreement means an agreement executed by an Owner and Network Operator, pursuant to which agreement the Owner becomes a Network Member on a voluntary basis in accordance with the terms of such agreement and the other Network Documents.

Ownership Points means the unit of measurement assigned to each Vacation Ownership Interest at a Network Points Resort which expresses the equity ownership of the Owner and reflects the Owner's reservation rights at the Home Resort.

Owner Services means the division of Network Operator that handles and processes reservation requests and other Network Member services from time to time.

Primary Contact means the individual designated by the multiple Owners of a single VOI to represent them in dealing with Owner Services.

Reservation Window means the annually recurring twelve (12) month period beginning one year prior to the first day of use of each Vacation Period. The Reservation Window consists of the Home Resort Reservation Period, followed by the Network Float Period, followed by the Network Priority Period.

Reserved Periods means Ultra Premium Vacation Periods, Event Vacation Periods, Fixed Vacation Periods, Specific Week Periods and Event Periods.

Resort Documents means all of the documents, other than the Network Documents and any applicable Club Documents, that create and govern the VOI of the Network Member at their particular Home Resort and govern the use and operation of that Network Resort.

Season means that certain segment of a year within which a Vacation Period occurs. There may be one or more Seasons at any particular Network Resort. Different Seasons indicate different levels of values and desirability. The Season of each Vacation Period during the Home Resort Reservation Period is established by the Resort Documents. The Season of each Vacation Period also is one of the factors used by Network Operator in assigning StarOptions as set forth in Section 3.1.

Specific Week Period means a designated period of seven (7) consecutive days in each calendar year, numbered 1 through 52, for which an Owner of a VOI at a Network Points Resort has the right to receive an automatic confirmed reservation.

Specific Week Rights means the appurtenant reservation right designated for certain Vacation Ownership Interests at Network Points Resorts entitling the Network Member owning such Vacation Ownership Interest to receive an automatic, confirmed reservation of the designated Specific Week Period.

StarOption means the symbolic unit of use comparison assigned annually to a Network Member's VOI by Network Operator which enables the Network Member to access the Network services and benefits. Network Operator reserves the right to implement the Network tiers, pursuant to which Network Operator could assign a tier or level for each VOI.

StarOptions Chart means the current chart detailing the StarOptions required to reserve the use of a given Vacation Period, as may be amended by Network Operator from time to time.

Starpoints means the symbolic unit of use medium that enables an eligible Network Member to access the Starwood Preferred Guest Program.

Starwood means Starwood Hotels & Resorts Worldwide, Inc., a Maryland corporation.

Starwood Preferred Guest® Program means the vacation and travel benefits program created by Starwood, as more particularly set forth in the Terms & Conditions for the Starwood Preferred Guest Program. The Starwood Preferred Guest Program is a separate program and is not part of the Network or the Club. Eligible Network Members may access the Starwood Preferred Guest Program through the Starpoints Conversion Program described in Section VII.

Network means the Vistana Signature Network, the service name given to the variety of exchange and reservation services and vacation and travel benefits currently offered and the restrictions currently imposed by Network Operator for Network Resorts. The Network is an exchange program offered by Network Operator, an exchange company. Network Members reserve the use of the Units through the Network, which may or may not include access to an External Exchange Program, as set forth in the applicable Network Documents. The Network is not a legal entity or association of any kind. Note that the Network was formerly known as Starwood Vacation Network and may be referred to by such former name in various documents and agreements. Also note that the Network was formerly known by the acronym SVN and may be referred to by such former acronym in various documents and agreements.

Network Affiliation Agreement means an agreement setting forth the terms and conditions that Network Operator establishes from time to time, to make membership in the Network available to owners in Network Resorts.

Network Documents means those instruments governing the use and operation of the Network, including each Network Affiliation Agreement, Owner Membership Agreement, if applicable, the Disclosure Guide, and the Network Rules, as promulgated, executed, or amended by Network Operator from time to time.

Network Float Period means the period beginning eight (8) months prior to the Check-in Day for a given Vacation Period and ending sixty (60) days prior to the Check-in Day, during which all Network Members compete for reservations on a space available, first-come, first-served basis to reserve the use of one or more Vacation Periods for which the Network Member holds sufficient StarOptions, subject to the Network Rules. The Network Float Period begins immediately after the Home Resort Reservation Period.

Network Member means an Owner, including a Club Member, who meets all of the terms and conditions for membership in the Network as determined by Network Operator from time to time.

Network Membership Fees means the charges of Network Operator assessed to each Network Member or Network Resort each calendar year.

Network Operator means Vistana Signature Network, Inc., a Delaware corporation, its successors and permitted assigns. Note that Vistana Signature Network, Inc. was formerly known as Starwood Vacation Exchange Company, Inc. and may be referred to by such former name in various documents and agreements.

Network Points Resort means a Network Resort which permits the reservation and use of Vacation Periods by Owners using Ownership Points at the Home Resort during the Home Resort Reservation Period.

Network Priority Period means the sixty (60)-day period immediately preceding the Check-in Day of a given Vacation Period, during which Network Members have limited rights to reserve one or more Vacation Periods, subject to the Network Rules.

Network Resort means a resort that is affiliated with the Network. Unless the context provides otherwise, Network Resort shall mean both a Network Points Resort and a Network Weeks Resort.

Network Rules means the Vistana Signature Network Rules and Regulations governing the reservation and use of Units and Network Resort facilities, as promulgated, adopted, or amended from time to time by Network Operator pursuant to the Network Documents.

Network Weeks Resort means a Network Resort in which the Resort Documents permit the reservation and use of only 7- day Vacation Periods using Unit Weeks by Owners at the Home Resort during the Home Resort Reservation Period.

Ultra Premium Vacation Ownership Interest means a VOI for which a particular Network Member has an automatic, confirmed reservation of a specified Vacation Period in either a specific Unit or Unit type at the Network Member's Home Resort as set forth in the Resort Documents and in accordance with these Network Rules. Ultra Premium VOIs may not exist in every Network Resort.

Ultra Premium Vacation Period means the Vacation Period attributable to the Owner's Ultra Premium VOI.

Unit means an accommodation of a Network Resort that is subject to exclusive occupancy by one or more persons pursuant to the Resort Documents and the Network Documents and available for reservation by Network Members.

Unit Weeks means the period of ownership assigned to each Vacation Ownership Interest at a Network Weeks Resort which consists of seven consecutive days beginning on the assigned Check-in Day and reflects the Owner's reservation rights at the Home Resort. .

Use Year means the annually recurring twelve (12) month period beginning on the first Check-In Day of every Year and ending on the day before the first Check-In Day of the following Use Year or as otherwise agreed in writing by Network Operator from time to time, during which each Vacation Period occurs once. Network Members owning a Biennial VOI will have a Use Year that occurs every other year.

Vacation Ownership Interest or VOI means the vacation ownership estate or other real or personal ownership interest in a Unit that entitles the Owner to reserve a Vacation Period. Unless the context dictates otherwise, the term will include Biennial VOIs and Club Resort VOIs.

Vacation Period means a period of consecutive days during which a Network Member with a reservation confirmation is entitled to the possession and use of a Unit. For Network Weeks Resorts only Vacation Periods of seven (7) days may be reserved beginning on an established Check-In Day during the Home Resort Reservation Period. For Network Points Resorts the length of a Vacation Period and any required Check-In Days during the Home Resort Reservation Period will be determined by the reservation rules of the applicable Home Resort. During the Network Float Period and the Network Priority Period, Network Operator reserves the right to limit the length of reserved Vacation Periods in its sole discretion.

II. Network Operation

2.1 Membership. Membership in the Club is a condition of ownership of each Club Resort VOI pursuant to the terms of a Club Resort Affiliation Agreement, and is required of all purchasers of Club Resort VOIs. On recording of a deed or a memorandum of contract for deed to a Club Resort VOI, the Club Member is entitled to enjoy the benefits of membership in the Club. Pursuant to a Network Affiliation Agreement between Club Operator and Network Operator, a Club Member also is entitled to enjoy the benefits of membership in the Network. Membership in the Network is not an appurtenance to VOIs, and automatically terminates if such Club Member's Home Resort ceases to be a Network Resort.

A purchaser at a non-Club Resort is not automatically a member of the Network. To use and enjoy benefits of membership in the Network, a VOI purchaser must be enrolled by Network Operator, which will require the execution of an Owner Membership Agreement and the payment of any applicable fee, as determined by Network Operator. Only Owners who acquire their Vacation Ownership Interest directly from the Seller of a Network Resort or from resales brokered by an authorized resale company of Seller, a subsidiary or affiliated company of such Seller, or transferees of such Owners by will or intestate succession, or present or future children of such Owners who have otherwise succeeded to their parents' interest are eligible to become members of Network. In addition, Network Operator may, in its sole discretion and in some circumstances, transfer Network membership to an Owner's immediate family member if the Owner has transferred title to the Vacation Ownership Interest directly to that immediate family member. Immediate family members mean the Owner's spouse, domestic partner, children, brother, sister, parents and parent-in-laws. Network Operator reserves the right to expand or reduce the list of eligible Owners who may participate in the Network in its sole discretion. For so long as such Network Member remains a Network Member, such Network Member's ability to reserve use of the Vacation Period related to the Network Member's VOI, or any other Network accommodations, is subject to the Network Rules. Such Membership in Network automatically terminates if the Network Member voluntarily or involuntarily transfers the Network Member's VOI and owns no other VOI, or if the Network Member's Home Resort ceases to be a Network Resort. Network Membership is not transferable.

2.2 Management. Club Operator has contracted with Network Operator for Network Operator to perform certain of Club Operator's responsibilities to operate the Club pursuant to the Network Affiliation Agreement for the Club. The Network is operated and managed by Network Operator pursuant to the Network Documents. Network Operator expressly is authorized to take such actions as it deems necessary or appropriate for the operation of the Club or the Network, including the implementation of all exchange program and reservation duties as outlined in the Network Rules.

2.3 Primary Contact and Designated Representative. The Owners of each VOI which is owned by more than one person or by a business entity must designate a Primary Contact from time to time by notifying Owner Services of same through a writing executed by all individuals holding the membership or by an authorized representative of the business entity. The Primary Contact will be the primary individual with whom Owner Services will deal with respect to making reservations, sending confirmations, and providing other services. A Primary Contact may designate one or more persons who are authorized to make reservations on behalf of the Owners and who may receive information about the VOI. Owner Services may charge an administrative fee to change a Primary Contact or Designated Representative. Network Operator will defer to the Primary Contact in the event of any conflict among the Owners regarding use of the VOI.

2.4 Club Dues and Network Membership Fees.

a. Club Resorts. Charges incurred by Club Operator in connection with the operation of the reservation system and the delivery of other Club services and benefits, including Network Membership Fees, constitute common expenses of the Club and will be charged as Club Dues to individual Club Members or each Club Resort, as more specifically provided in the Club Resort Affiliation Agreement for each Club Resort. The Managing Entity of each Club Resort will have the responsibility for promulgating a Club Resort Operating Budget each calendar year in the manner required by applicable law, which budget must include the Club Resort's share of the Club Dues as charged by Club Operator in accordance with the Resort Documents.

b. Restrictions on Use of StarOptions. Use of StarOptions may be restricted by Network Operator if the Network Member is not current in the payment of the Network Member's Home Resort maintenance fees and taxes, all applicable Network Membership Fees, and other financial obligations attributable to the Network Member's VOI (or has not paid such estimated payments for the current Use Year in accordance with Article VI). Except as otherwise provided in the Resort Documents, a Network Member who uses the Network to make a reservation -- other than a reservation for a Vacation Period during the applicable Home Resort Reservation Period -- will be liable for any transaction fees charged by Network Operator from time to time.

2.5 Transaction Fees. In addition to Network Membership Fees, Network Operator has the right to charge such other transaction fees as it deems appropriate in its sole discretion from time to time. Such fees may be charged for transactions including additional reservation request fees, cancellation fees, borrowing fees, Banking fees, rental fees, Network exchange fees, Starwood Preferred Guest conversion fees, daily use fees, fees for additional housekeeping, and such other items as provided in the Network Fees Chart as may be amended by Network Operator from time to time in its sole discretion. Daily housekeeping may be made available to guests on request subject to the payment of a fee to the Managing Entity of the Network Resort in an amount to be published from time to time. Network Members should inquire as to the amount of the current housekeeping fees with the Managing Entity at the time of check-in.

Currently, the only transaction fees charged by Network Operator are listed on the Network Fees Chart as may be amended by Network Operator from time to time in its sole discretion. These fees include those for the cancellation of a reservation as described in Section 4.7, Banking StarOptions as described in Section 3.6 and the Network Fees Chart, a Starpoints Conversion Program conversion fee as described on the Network Fees Chart, fees for additional housekeeping as described in Sections 3.4, 4.2.d and 4.3, daily housekeeping fees as described in this Article, and such other items shown on the Network Fees Chart as may be amended by Network Operator from time to time in its sole discretion.

2.6 Basis for Addition. Network Operator may decide to affiliate additional resorts with the Network from time to time. The affiliation of additional Network Resorts is not subject to the approval of the Network Members. Network Operator will make any decision to associate resorts with the Network, including the terms and conditions under which such resorts are affiliated, in its sole discretion.

2.7 Availability of Network Resorts. Availability of Units in a Network Resort, other than a Network Member's Home Resort, is dependent on the number of Owners in such Network Resort who become Network Members from time to

time, the continued affiliation of each Network Resort with the Network, and the number of Vacation Periods available for reservation in such Network Resort during the Network Float Period and the Network Priority Period.

III. StarOptions

3.1 Assignment of StarOptions. For administrative convenience in the operation of the Network and in the determination of the respective rights of Network Members to enjoy the benefits of membership in the Network, each Network Member will receive an assigned number of StarOptions representing the reservation power of the Network Member's VOI in relation to the other VOI currently participating in Network. Network Operator will assign StarOptions to each Network Member for the Network Member's Use Year. StarOptions will be assigned at the beginning of the Network Float Period.

The number of StarOptions assigned represents the reservation power of a given Vacation Ownership Interest within the Network, based on such factors as relative Network Member demand for the particular Network Resort, seasonality of the VOI, Unit type assigned to the VOI, Use Rights associated with the VOI, Network Resort type, Network Member use patterns, and availability of Vacation Periods for reservation at the particular Network Resort ("Assignment Factors"). Network Operator reserves the right, in its sole discretion, to revise the number of StarOptions required for reservations within the Network annually, each without Network Member consent. However, in making any revisions with respect to Club Resorts, Network Operator will take into account the Assignment Factors and sufficient StarOptions shall be assigned to each Network Member each year so as to enable each Network Member to reserve or confirm a reservation for a seven (7)-day Vacation Period (as applicable) corresponding to the Network Member's VOI, subject to and in accordance with the Network Documents. Club Operator also reserves the right to revise the assignment of Club points based on the Assignment Factors. As a consequence, the relative reservation power of Club points in the Club may vary from the relative reservation power of StarOptions in the Network in the future.

In those calendar years when Vacation Period 53 occurs (as defined in the Resort Documents for a given Network Resort), Vacation Period 53 may be reserved for use by the person to whom such use is assigned pursuant to the Network Affiliation Agreement or the Resort Documents. It may also be assigned to an External Exchange company; however, Vacation Period 53 may not be deposited with the Network, no StarOptions will be assigned to Vacation Period 53, and it may not be converted to Starpoints.

3.2 StarOptions Chart and Use of StarOptions. The number of StarOptions required to reserve the use of a given Vacation Period during the Network Float Period is set forth in the StarOptions Chart. Network Members may use StarOptions to reserve available Vacation Periods at Network Resorts or Bank or Borrow StarOptions during the Network Float Period pursuant to the Network Rules. StarOptions are valid for immediate use as soon as the StarOptions are assigned to the Network Member, subject to the Network Rules. The StarOptions Chart is subject to change at the discretion of the Network Operator.

StarOptions that have not been Banked are valid until the end of the Use Year for which the StarOptions are assigned, and may only be used to reserve Vacation Periods that occur before the end of such Use Year. If a Network Member fails to use any or all of the Network Member's StarOptions for Vacation Periods that occur before the end of the assigned Use Year, the StarOptions automatically will expire. StarOptions may be Banked to reserve Vacation Periods that occur during succeeding Use Years subject to the rules regarding Banking set forth in Section 3.6. Network Members owning Biennial VOIs will be assigned StarOptions only for their Even or Odd Use Year. StarOptions assigned to the Network Member owning more than one VOI will be allocated for reservation purposes to the Vacation Period with the shortest remaining time availability for the Use Year in which the reservation is being requested, subject to the Network Rules.

3.3 Additional StarOptions. If a Network Member does not have sufficient StarOptions to make a desired reservation or access desired Network benefits during a given Use Year, the Network Member may Borrow StarOptions

from the next Use Year as set forth in Section 3.5; or, if available, may reserve using Banked StarOptions as set forth in Section 3.6. In addition, if available, a Network Member may purchase an additional VOI to supplement the Network Member's total StarOptions. Network Members may not be able to rent or buy StarOptions for one-time use. The assignment or transfer by one Network Member of the use of the Network Member's StarOptions to another Network Member is prohibited.

3.4 Use of Remaining StarOptions. After a Network Member has used a portion of the Network Member's StarOptions during a given Use Year, the balance of the Network Member's StarOptions will remain available until the end of the Use Year for the Network Member's use in reserving additional Vacation Periods or accessing Network benefits. Additional housekeeping fees will apply for additional Vacation Periods reserved during such Use Year. At the end of such Use Year, any unused StarOptions automatically will expire unless those StarOptions have been Banked pursuant to Section 3.6.

3.5 Borrowing StarOptions. During the Network Float Period, a Network Member may Borrow all or a portion of the Network Member's StarOptions from the succeeding Use Year for use in the current Use Year. StarOptions may not be Borrowed during the Home Resort Reservation Period. The Borrowing of StarOptions is subject to the following restrictions:

a. A Network Member may not Borrow StarOptions to make a reservation through an External Exchange Program or to convert to Starpoints.

b. A Network Member at a Network Weeks Resort relinquishes the Member's priority rights during the following Use Year's Home Resort Reservation Period whenever the Network Member Borrows StarOptions from such Use Year.

c. A Network Member may only Borrow StarOptions at the time a reservation request is made. Only the number of StarOptions actually needed to confirm the requested reservation may be Borrowed.

d. If a Network Member intends to Borrow all or a portion of the StarOptions from the Network Member's next Use Year, the Network Member must first pay, at the time of reservation, the Network Member's total estimated Home Resort maintenance fees, taxes, and Network Membership Fees for the following Use Year to Network Operator, and if required by applicable law, Network Operator will escrow such estimated maintenance fees, taxes, and Network Membership Fees for the benefit of the Home Resort Managing Entity or the Network Member.

e. Network Operator reserves the right to prohibit a Network Member from Borrowing the Network Member's StarOptions during the first two (2) years of the term of any purchase-money financing related to the Network Member's VOI.

f. A Network Member will not be permitted to Borrow StarOptions any time the Network Member is delinquent in the payment of Network Membership Fees, Home Resort maintenance fees or taxes, or other financial obligations attributable to the Network Member's VOI.

g. Network Operator reserves the right, in its sole discretion, to revise the Network Rules with regard to Borrowing at any time, and from time to time, including suspending or expanding the Borrowing activity.

h. A Network Member who owns a Biennial VOI may only Borrow StarOptions during the Use Year associated with such Biennial VOI.

i. Borrowing is subject to the availability of StarOptions. Network Operator may limit, in its sole and absolute discretion, the amount of StarOptions for a given Use Year that may be borrowed by Network Members.

3.6 Banking StarOptions. A Network Member has limited rights to Bank all or a portion of the Network Member's StarOptions for use in succeeding Use Years subject to the following restrictions:

a. StarOptions that are unused or have expired do not automatically carry over to the next Use Year and are not automatically banked by Network Operator. A Network Member interested in Banking StarOptions must notify Owner Services by the deadlines set forth herein and comply with all Banking terms and conditions.

b. In order to be eligible for Banking, the Network Member may not be delinquent or late in the payment of Network Membership Fees, Home Resort maintenance fees or taxes, or other financial obligations attributable to the Network Member's VOI.

c. A Network Member may Bank StarOptions at the beginning of the Network Float Period of the preceding Use Year associated with the Banked StarOptions. For example, if a Network Member wishes to Bank the StarOptions associated with their 2015 Use Year, they may make this request at the beginning of the 2014 Network Float Period. Network Operator reserves the right to modify, change or alter Banking deadlines from time to time, in its sole discretion and without notice to Network Members.

d. Banked StarOptions may only be used to make reservations during the Network Float Period and cannot be used to make reservations during any Home Resort Reservation Period. Reservations requested using Banked StarOptions are subject to availability and are not guaranteed.

e. Banked StarOptions expire at the end of the second Use Year following the Use Year associated with the Banked StarOptions. By way of example, StarOptions banked in 2014 are valid until December 31, 2016.

f. Banking is a final transaction and cannot be reversed or canceled and Network Operator will not issue a refund of any fees, including but not limited to maintenance fees and/or Banking Fees, if Banked StarOptions expire or are unused.

g. Banked StarOptions are only valid for reservations at Network Resorts, are subject to all Network Rules, and cannot be used to make a reservation for an External Exchange. In addition, Banked StarOptions are not eligible for Starpoints Conversion Program.

h. A Network Member must pay the applicable Banking fees as set forth in the Network Fees Chart, at the time of Banking and such fees are charged per Banking transaction. In addition, other fees including but not limited to additional housekeeping fees, may be assessed.

i. Banked StarOptions automatically expire if a Network Member voluntarily or involuntarily transfers the ownership of the Network Member's VOI.

j. Network Operator reserves the right, in its sole discretion, to revise the Network Rules with regard to Banking at any time, and from time to time, including suspending or expanding the Banking activity, with or without notice.

IV. Reservations

The Club provides for the methods and means by which Club Members compete among themselves for the use of any Club accommodations and includes the reservation system. Pursuant to each Club Resort Affiliation Agreement, Club Operator is responsible for the operation of a reservation system for the Club. However, as indicated above and pursuant to the Network Affiliation Agreement for the Club, Club Operator has contracted with Network Operator for Network Operator to perform this and other responsibilities of Club Operator.

4.1 Making a Reservation.

a. Reservation Window; First-Come, First-Served. Each Network Member will be permitted to use a Vacation Period during such Network Member's Use Year, subject to availability. Network Members who own Biennial VOIs have a Use Year that occurs every other year. Prior to the beginning of the Home Resort Reservation Period, Network Operator will automatically reserve Ultra Premium Vacation Periods, Fixed Vacation Periods, Specific Week Periods and Event Vacation Periods as further described in Section 4.2. These periods are collectively referred to as Reserved Periods. All of the Reserved Periods, except for Fixed Reserved Periods will be held until the Check-In Day for the applicable Reserved Period, unless released by the Owner as further described in Section 4.2 below. Other than the Reserved Periods, all reservation requests for a particular Vacation Period will be taken on a first-come, first-served basis within the Vacation Period's Reservation Window, in accordance with the reservation periods set forth below. A Network Member may only make a reservation for an available Vacation Period during that Vacation Period's Reservation Window.

b. Biennial Restrictions. Each Network Member owning a Biennial VOI may request use of assigned StarOptions and be granted a confirmed reservation only for occupancy of a Vacation Period occurring during such Network Member's Use Year, which occurs every other year. During the Home Resort Fixed Priority Period, (a) a Network Member owning an Even Year Biennial VOI can only reserve occupancy of such Network Member's Fixed Vacation Period which occurs in calendar years ending in an even number or zero; and (b) a Network Member owning an Odd Year Biennial VOI can only reserve occupancy of the such Network Member's Fixed Vacation Period in calendar years ending in an odd number.

c. Submitting a Reservation Request. The Network Member must submit a reservation request to Network Operator in writing, by telephone, e-mail, or such other electronic means acceptable to Network Operator from time to time. Network Members who engage in verbal abuse or display verbal aggression towards the employees or agents of Network Operator, will be required to submit reservation requests to Network Operator only by electronic means. Network Members may not make a reservation request that is received by Network Operator earlier than the beginning of the Reservation Window for a particular Vacation Period. Network Operator, on receipt of a valid reservation request, will assign the Network Member the use of a designated Vacation Period if the Vacation Period requested is available. A Network Member has no right to make a reservation unless the Network Member has paid all Home Resort maintenance fees, Network Membership Fees, taxes, and VOI mortgage or purchase money payments. As provided in Article VI, Network Operator may require the advance payment of the estimated current Use Year's maintenance fee assessment and tax assessment which ultimately will become due to the Managing Entity and payment of the current Use Year's estimated Network Membership Fees to Network Operator, as a condition to acceptance by Network Operator of a reservation request. A Network Member may make a reservation in the name of a guest provided that reservation is not a rental for commercial purposes. Network Members are prohibited from reserving Vacation Periods for commercial purposes, including without limitation rental purposes, as described in Section 8.1.

4.2 Reservation Window Priorities.

Reservation requests for Vacation Periods will be taken on a first-come, first-served basis, subject to the reservation priorities listed below. Since availability will vary, Network Operator cannot guarantee confirmation of a reservation for any specific Vacation Period at any specific Network Resort at any time. The earlier a reservation request is submitted, the better the chance that a reservation confirmation can be secured.

Reservation requests are subject to the following priorities:

a. Ultra Premium Vacation Periods, Event Vacation Periods, and Specific Week Periods.

(1) Ultra Premium Vacation Periods. Network Members owning Ultra Premium VOIs have the exclusive right to receive confirmed reservations of their Ultra Premium Vacation Periods without competition from other Network Members, subject to any limitations in the Resort Documents and the Network Rules. Each Ultra Premium Vacation Period will be automatically reserved prior to the beginning of the Home Resort Reservation Period for the use of the Owner of the corresponding Ultra Premium VOI within either a specific Unit or Unit type, as set forth in the Resort Documents for the Network Member's Home Resort. During the Home Resort Reservation Period, Network Members owning Ultra Premium VOIs may voluntarily give up their rights to use their Ultra Premium Vacation Periods and reserve available Floating Vacation Periods within their Season and Unit type at their Home Resort. During the Network Float Period and the Network Priority Period, Network Members owning Ultra Premium VOIs may voluntarily give up their rights to use their Ultra Premium Vacation Period and use StarOptions to reserve available Vacation Periods.

(2) Event Vacation Periods. Network Members owning Event VOIs have the exclusive right to use their Event Vacation Periods without competition from other Network Members, subject to any limitations in the Resort Documents and the Network Rules. Each Event Vacation Period will be automatically reserved prior to the beginning of the Home Resort Reservation Period for the use of the Owner of the corresponding Event VOI within either a specific Unit or Unit type, as set forth in the Resort Documents for the Network Member's Home Resort.

During the Home Resort Reservation Period, Network Members owning Event VOIs may voluntarily give up their rights to use their Event Vacation Period and reserve available Floating Vacation Periods within their Season and Unit type at their Home Resort. During the Network Float Period and the Network Priority Period, Network Members owning Event VOIs may give up their rights to use their Event Vacation Period and use StarOptions to reserve available Vacation Periods. Because the actual dates of the events on which some of the Event Vacation Periods are based are determined by each Home Resort, the dates on which certain Vacation Periods are designated as Event Vacation Periods may vary. Event Week reservations are generally only accessible to Network Members who own an Event VOI, depending upon the specific Resort Documents. Network Members who do not own an Event VOI should not expect to reserve an Event Period during the Home Resort Reservation Period.

(3) Event Period and Specific Week Rights. Network Members who own Ownership Points with Event Period Rights or Specific Week Rights have the exclusive right to receive confirmed reservation of the Event Period or Specific Week Period associated with their VOI without competition from other Network Members, subject to any limitations in the Resort Documents and the Network Rules. Each Event Period or Specific Week Period will be automatically reserved prior to the beginning of the Home Resort Reservation Period for the use of the Owner of

the corresponding VOI within either a specific Unit or Unit type, as set forth in the Resort Documents for the Network Member's Home Resort. During the Home Resort Reservation Period, Network Members owning VOIs with Event Period Rights or Specific Week Rights may voluntarily give up their rights to use their reserved Vacation Periods and use their Ownership Points to reserve available Vacation Periods at their Home Resort. During the Network Float Period and Network Priority Period, Network Members owning VOIs with Event Period Rights or Specific Week Rights may voluntarily give up their rights to use their reserved Vacation Periods and use StarOptions to reserve available Vacation Periods.

b. Home Resort Reservation Period. The Home Resort Reservation Period begins twelve (12) months and ends eight (8) months prior to the Check-in Day of a given Vacation Period. The Home Resort Reservation Period is comprised of the Home Resort Fixed Priority Period (12-10 months) and the Home Resort Float Period. At a Network Weeks Resort, during the Home Resort Reservation Period only 7-day Vacation Periods beginning on an established Check-In Day may be reserved, and no Network Member may reserve a Vacation Period in a Season or Unit type different from the Season and Unit type of the Network Member's VOI. The 7-day Vacation Period and Unit type restriction does not apply at Network Points Resorts. However, Owners at Network Points Resorts may be required to reserve Vacation Periods in certain designated seasons, depending on the use rights associated with their Ownership Points and as may be required by the Resort Documents. **Network Points Resorts currently have a Home Resort Reservation Period which does not contain a Home Resort Fixed Priority Period or a Home Resort Float Period.**

(1) Home Resort Fixed Priority Period for Network Weeks Resorts. At Network Weeks Resorts, during the Home Resort Fixed Priority Period, Network Members owning Fixed VOIs have the exclusive right to reserve their Fixed Vacation Periods without competition from other Network Members, subject to any limitations in the Resort Documents and the Network Rules. Unconfirmed reservations for Fixed Vacation Periods will be automatically cancelled by the Network Operator at the end of the Fixed Priority Period and, thereafter, such Fixed VOI shall be treated as Floating VOI. During the Home Resort Fixed Priority Period, a Network Member owning a Fixed VOI in a Lock-Off Unit may exercise a priority right to reserve the use of either portion of the Lock-Off Unit during the Network Member's Fixed Vacation Period. Reservation requests for the remaining unreserved portion of the Lock-Off Unit will continue to be subject to the Reservation Window priorities. During the Home Resort Fixed Priority Period, Network Members owning Floating VOIs have the exclusive right to compete with other Network Members to reserve Floating Vacation Periods within their Season and Unit type at their Home Resorts, subject to any limitations in the Resort Documents and the Network Rules. During the Home Resort Fixed Priority Period, a Network Member owning a Floating VOI in a Lock-Off Unit may exercise a priority right to reserve the use of either portion of the Lock-Off Unit during a Floating Vacation Period. Reservation requests for the remaining unreserved portion of the Lock-Off Unit will continue to be subject to the Reservation Window priorities. During the Home Resort Reservation Period, Network Members owning Ultra Premium VOIs or Event VOIs may voluntarily give up their rights to use their Vacation Periods and compete with other Network Members at their Home Resort to reserve Vacation Periods within their Season and Unit type at their Home Resort.

(2) Home Resort Float Period for Network Weeks Resorts. At Network Weeks Resorts, during the Home Resort Float Period, Network Members have the exclusive right to reserve a Vacation Period in their Home Resorts without competition from Network Members in other Network Resorts, subject to any limitations in the Resort Documents. During the Home Resort Float Period, Network Members must compete with other Network Members owning VOIs in the Network Members' Home Resorts for reservations on a first-come, first-served basis for a reservation for any available Vacation Period that the Network Member has the right to reserve within the Member's Season and Unit type at the Member's Home Resorts. During the Home Resort Float Period, a Network Member owning a VOI in a Lock-Off Unit may exercise a priority right to reserve the use of either portion of a Lock-Off Unit in the Network Member's Home Resort during any available Vacation Period that the Network Member has the right to reserve. Reservation requests for the remaining unreserved portion of the Lock-Off Unit will continue to be subject to the Reservation Window priorities. During the Home Resort Float Period, Network Members owning Ultra Premium VOIs or Event VOIs may voluntarily give up their rights to use their Vacation Periods and compete with Network Members owning VOIs at their Home Resort to reserve Vacation Periods within their Season and Unit type at their Home Resort.

(3) Home Resort Reservation Period and Restrictions

(a) On receiving a reservation confirmation for a Vacation Period during the Home Resort Reservation Period, a Network Member may use the Vacation Period for personal use or for use by a guest.

(b) A Network Member relinquishes the Network Member's Home Resort Reservation Period rights whenever the Network Member voluntarily enters the Network Float Period without obtaining a confirmed reservation during the Home Resort Reservation Period.

(c) A Network Member relinquishes the Network Member's Home Resort Reservation Period rights when the Network Member voluntarily seeks access to an External Exchange Program and the requested external exchange is confirmed.

(d) If a Network Member cancels a reserved Vacation Period during the Home Resort Reservation Period, the Network Member may be required to relinquish the Network Member's Home Resort Reservation Period rights and enter the Network Float Period. If a Network Member desires to reserve a Vacation Period after such a cancellation, the Network Member will compete with other Network Members for such reservation on a first-come, first-served basis.

(e) Network Operator has the right to affiliate resorts that have Home Resort Reservation Periods, Home Resort Fixed Priority Periods, Home Resort Float Periods of varying lengths or Home Resort Reservation Periods which do not contain a Home Resort Fixed Priority Period or a Home Resort Float Period.

c. Bulk Banking for Anticipated External and Starwood Preferred Guest Program Exchanges. Network Operator has the right, but not the obligation, to reserve a number of Floating Vacation Periods from time to time at any time after the beginning of the Home Resort Reservation Period, and any unreserved Vacation Period after the Home Resort Reservation Period, for the purpose of depositing the reserved Vacation Periods with an External Exchange Program on behalf of Network Members based on Network Operator's determination, in its sole discretion, of anticipated Network Member demand to access an External Exchange Program or the Starwood Preferred Guest Program. Network Members may request an external exchange company assignment based upon the resort, unit and season being assigned by the Network Member for an external exchange request.

d. Network Float Period. The Network Float Period begins eight (8) months prior to the Check-in Day for a given Vacation Period and ends sixty (60) days prior to the Check-in Day. It follows the Home Resort Reservation Period for a given Vacation Period and precedes the Network Priority Period. During the Network Float Period, all Network Members must compete with other Network Members for reservations on a first-come, first-served basis for a reservation for any available Vacation Period that the Network Member has sufficient StarOptions to reserve. Due to the automatic reservation of Reserved Periods as described in Section 4.2.a (2), the availability of such Vacation Periods may be limited.

Network Members also will compete with Network Operator for reservations during the Network Float Period with respect to Network Operator's rights to make reservations for bulk banking for external exchange and anticipating Network Member demand to access the Starwood Preferred Guest Program as discussed above.

Banked StarOptions may be used to reserve a Vacation Period during the Network Float Period as permitted in Section 3.6. StarOptions may also be Borrowed to reserve a Vacation Period during the Network Float Period. Additional housekeeping fees may apply.

e. Network Priority Period. The Network Priority Period is the sixty (60)-day period immediately preceding the Check-in Day of a given Vacation Period. If a reservation request for a given Vacation Period has not been received by Owner Services by the beginning of the Network Priority Period, Owner Services' ability to confirm a subsequent reservation request for the Vacation Period will be limited by and subject to the following:

(1) Any reservations made available by Network Operator to the Managing Entity for maintenance purposes;

(2) Any reservations used by Network Operator for rental to Network Members; and

(3) Any reservations used by Network Operator for its own purposes including exchange, promotional use, rental to third parties, or any other purpose as Network Operator determines in its sole discretion.

4.3 Vacation Periods Less than Seven Days. During the Network Float Period and the Network Priority Period, Network Members will be permitted to reserve Vacation Periods of less than seven days as permitted by Network Operator from time to time. All such reservations are subject to the reservation request priorities for the Vacation Period containing the days in question, including those set forth in the Resort Documents. Network Operator reserves the right in its sole discretion to restrict those Vacation Periods in which daily reservations will be permitted to be reserved from time to time. The StarOptions required to reserve a Vacation Period of less than seven days are subject to change

by Network Operator from time to time pursuant to Article III. Additional housekeeping fees may apply as described on the Network Fees Chart.

4.4 Failure to Make a Timely Reservation. If a Network Member fails to make a reservation for a Vacation Period that occurs during the Network Member's Use Year, the Network Member's right to make a reservation for that Use Year automatically will expire and the StarOptions assigned for that Use Year automatically will expire. On the first day of each new Use Year, the Network Member will again have the right to reserve a Vacation Period for use during that new Use Year in accordance with the Network Rules. A Network Member unable to use any available Vacation Period is not relieved of the obligation to pay all Network Membership Fees, maintenance fee assessments and taxes, and mortgage or purchase money payments associated with ownership of a VOI. Network Operator shall have the right to rent or otherwise use all such unreserved Vacation Periods during the Network Priority Period.

4.5 Owner Rental. Before a Network Member may rent the Network Member's Vacation Period, the Network Member must receive a reservation confirmation for the Network Member's Vacation Period at the Network Member's Home Resort.

4.6 Confirmations; Accommodation Preferences. Confirmations will be provided to the Primary Contact for each Network Member by Owner Services to confirm all reservations. Except for Owners who have a right to receive a reservation for a specific Unit, Owner Services will not assign a specific Unit until the time of check-in. Special Unit assignments, such as ground level Units, cannot be guaranteed, but will be noted as a preference in the reservation system. Accommodation preference requests will be taken no sooner than at the beginning of the Home Resort Reservation Period and will be honored, subject to availability, in the order received.

4.7 Cancellations, Additional Reservation Requests, and No-Shows.

A Network Member may cancel a confirmed reservation by notifying Network Operator prior to the Check-in Day of the assigned Vacation Period. Charges for cancellations are set forth on the Network Fees Chart as amended by Network Operator from time to time in its sole discretion.

Cancellations or changes in reservations made more than sixty (60) days prior to the Check-in Day for a reserved Vacation Period will result in the restoration of the associated StarOptions used by the Network Member for the reserved Vacation Period. However, a Network Member must use the restored StarOptions before the end of the Use Year. In addition, the Network Member's related Home Resort Reservation Period rights will not be restored.

A Network Member who cancels or changes a reservation less than sixty (60) days prior to the Check-in Day will result in the restoration of the associated StarOptions used to reserve the Vacation Period. However, the Network Member will incur a financial penalty as listed on the Network Fees Chart. In addition, the restored StarOptions must be used before the end of the Use Year and may only be used to reserve available Vacation Periods with Check-in Days occurring within sixty (60) days from the date the reservation is made. The restored StarOptions may not be exchange or converted to any other program, including an Exchange Program or for Starwood Preferred Guest points.

Network Members who fail to arrive on the Check-in Day of the reserved Vacation Period must notify Network Operator that they will be arriving subsequent to such Check-in Day or risk losing the reservation. A Network Member must cancel a reservation confirmation by notifying Network Operator by telephone prior to the Check-in Day of the assigned Vacation Period. A Network Member's StarOptions will not be restored to the Network Member for further use if the Network Member fails to cancel a reservation prior to the Check-in Day for a reserved Vacation Period. Borrowed StarOptions that were used to make a cancelled reservation will be returned to the succeeding Use Year without penalty if cancelled within 61 days or more in advance of reservation; however, no refund of advance payment of estimated maintenance fees, taxes, and Network Membership Fees will be made, and Home Resort Reservation Period rights associated with such Use Year will not be restored.

4.8 Multiple Reservation List. Network Operator may, in its sole discretion, institute a service whereby it will maintain a list for Owners of multiple VOIs who wish to reserve multiple Vacation Periods in a given Use Year. Such Owners may notify Network Operator of the requested Vacation Periods to be reserved no sooner than the beginning of the Reservation Window for the earliest Vacation Period requested. Reservation requests for all such Vacation

Periods for which Reservation Windows have not yet begun will be held on the multiple reservation list. Network Operator will make reservations for Vacation Periods on the multiple reservation list in accordance with the applicable Reservation Window for each Vacation Period. Reservations for requested Vacation Periods, if available in accordance with the Network Rules, will be made by the Network Operator during the beginning of Network Operator's business hours on the first calendar day of the Reservation Window for the Vacation Period requested. Network Operator will provide the Primary Contact for such multiple VOIs with confirmation of each reserved Vacation Period after each such reservation has been made by Network Operator, or will promptly notify such Primary Contact if any such Vacation Period is not available.

V. External Exchange Program

In order to increase the range of options available to Network Members, Network Operator has made arrangements for each Network Member to have access to an External Exchange Program. All external exchange requests will be handled by Network Operator and the External Exchange Company provider. A Network Member who is interested in an external exchange must contact Owner Services and indicate the Network Member's preference for an exchange. A Network Member may make an external exchange request up to one year in advance of the Network Member's Season or VOI, or at any time prior to the end of the Network Member's Use Year, subject to the limitations in Section 4.7 above. Following verification of the identity of the Network Member and verification that the Network Member is in good standing, an Owner Services representative will note the Network Member's desired exchange request including specific time, destination, and type of room type along with any other special requests. The Network Member may also be asked to designate more than one alternative set of exchange requests, in order to increase the Network Member's chances of getting a desired exchange. Network Member participation in an External Exchange Program will be governed by the terms and conditions of the External Exchange Program and the following:

(1) In identifying the Network Member's VOI being assigned for external exchange, the Network Member acknowledges that he/she has relinquished all other use rights for that particular VOI or the designated number of StarOptions or Ownership Points allocated to VOI.

(2) All rules and regulations that apply to the use of Units and Network facilities by Network Members also will apply to users of such Units and facilities through the External Exchange Program.

(3) If a Network Member intends to assign a current or future use year to an External Exchange Company, the Network Operator will require the Network Member to pay in advance, at the time of assignment, the Network Member's total estimated maintenance fees, taxes, and Network Membership fees for the Use Year being assigned provided that Network Operator shall be obligated to remit such estimated maintenance fees, taxes, and Network Membership Fees to the Home Resort as required by applicable law.

(4) The External Exchange Company provider will charge a Network Member an exchange fee for each confirmed exchange through the External Exchange Program.

(5) Network Members participate in a customized exchange method that is offered by the current External Exchange Provider to Vistana Signature Owners. As a result, there may be differences in the way Network members access external exchange benefits from the standard exchange methods that may be generally published by external exchange companies to non-Network members.

(6) Each Use Year, a Network Member shall be permitted to request an External Exchange Company assignment for each eligible VOI owned by the Network Member, regardless of the number of Vacation Periods such Member may be entitled to reserve in the Network through the use of StarOptions. A Network Member owning a VOI in a Lock-Off Unit may request an exchange assignment for one or both portions of the Lock-Off Unit with the External Exchange Company and shall be permitted one external exchange per exchange assignment requested. Reservation requests for any remaining unassigned portion of the Lock-Off Unit will continue to be subject to the Network Reservation Window priorities.

(7) With the exception of Vacation Periods reserved at the Home Resort, Network Members are prohibited from renting to a third party any accommodation reserved through the Network's exchange program, including accommodations of the External Exchange Program.

(8) Availability of accommodations within the External Exchange Program is dependent on the vacation ownership interests from various External Exchange Program member resorts that are deposited into it by other members of the External Exchange Program from time to time. A Network Member can have no assurance that an External Exchange Company will be able to provide the Network Member with an accommodation that meets the Network Member's needs and desires when the Network Member wants it or at a particular time. The exchange accommodation received may or may not be comparable in size, layout, furnishings, services, or amenities to those in Network Resorts.

(9) External exchange assignments are valid for travel for up to 36 months from January of the use year of the assignment. As an example, a Network Member requesting an external exchange assignment in January 2015 may travel on the deposit through December 31, 2017. A Network Member requesting an external exchange assignment in August 2015 may travel on the deposit through December 31, 2017.

(10) External exchange assignments may be cancelled no later than December 1st of the occupancy year. A Network Member's use right will be reinstated based on availability at the time the exchange assignment is cancelled, and a Network Member is not guaranteed availability at the Home Resort or a Network resort.

VI. Delinquency

Network Operator reserves the right not to accept a reservation request from Network Member if the Network Member is not current in the payment of all of the Network Member's Home Resort maintenance fees, taxes, Club Dues, Membership Fees, and VOI mortgage or purchase money payments attributable to the Network Member's VOI. A Network Member who is delinquent in the payment of any maintenance fee assessment, tax assessment, Club Dues, Membership Fees, or VOI mortgage or purchase money payment shall have no right to reserve a Vacation Period through Network Operator or any External Exchange Company, and any previously confirmed Vacation Period reservation may be cancelled, until the delinquency is satisfied in full. Network Operator may collect any delinquent maintenance fee assessments, tax assessments, Club Dues, Membership Fees, or VOI mortgage or purchase money payments by credit card. Furthermore, Network Operator may require the advance payment of the estimated current Use Year's maintenance fee assessment and tax assessment which ultimately will become due to the Managing Entity and payment of the current Use Year's estimated Club Dues, Membership Fees, as a condition to acceptance by Network Operator of a reservation request, provided that any such prepaid maintenance fee and taxes for Network Resorts are held in escrow if required by applicable law.

VII. Starpoints Conversion Program

In order to increase the range of available options, certain Network Members may have the ability to exchange their reserved Vacation Period for Starpoints and to use these Starpoints to access the hotels and other benefits and services available through the Starwood Preferred Guest Program by means of the Starpoints Conversion Program. In addition to exchanging their reserved Vacation Period for Starpoints, certain Network Members at Network Points Resorts may also have the ability to exchange a portion of the Ownership Points associated with their VOI for Starpoints. Starpoints are the symbolic unit of use medium that enables an eligible Network Member to access the Starwood Preferred Guest Program. Network Members who participate in the Starpoints Conversion Program must comply with the terms and conditions of this program, as set forth in the Starpoints Disclosure Statement and Starwood Preferred Guest Program terms and conditions. The Starwood Preferred Guest Program and the Starpoints Conversion Program are separate programs and are not part of the Network or the Club. Access to the Starpoints Conversion Program is not transferable and the terms of both the Starwood Preferred Guest Program and the Starpoints Conversion Program are subject to change at any time and without notice.

VIII. Miscellaneous Provisions

8.1 Personal Use; Commercial Purposes. Use of the Units and facilities associated with Network is limited solely to the personal use of Network Members, their guests, invitees, exchangers, and lessees and for recreational use by corporations or other similar business entities owning VOIs. Purchase of a VOI or use of Units and facilities associated with Network for commercial purposes including without limitation rental purposes, for contribution to or use in a different vacation ownership plan or vacation club (except as expressly permitted in the Network Documents), or for any purpose other than the personal use described above is prohibited. Violations of this Section may result in the suspension of a Network Member's reservation and/or ability to make future reservations.

8.2 Network Member Rentals. A Network Member may reserve a Vacation Period at the Network Member's Home Resort and rent it on the Network Member's own account. All renters must comply with the rules and regulations of the Resort Documents affecting occupancy, and the renting Network Member will be responsible for the acts or omissions of the Network Member's renters or any other person or persons permitted by the Network Member to use the Unit. Rental by a Network Member of Units reserved through Network (other than a Vacation Period reserved at the Network Member's Home Resort) is prohibited.

8.3 Amendment of the Network Rules. Except as provided in the Resort Documents, Network Operator expressly reserves the right to amend the Network Rules, with respect to Network Resorts in all respects, in its sole discretion, from time to time, without the consent of Network Members, for any purpose, including permitting banking of Vacation Periods and creating Network tiers. Network Operator shall deliver notice of any amendment to each Primary Contact at the Primary Contact's last known address. Notice of amendments may be made by newsletter, annual mailings, facsimile, or e-mail.

8.4 Special Exchange Programs. Network Operator reserves the right, from time to time, to enter into special exchange relationships with any entity other than an External Exchange Company pursuant to which Network Members will have access to selected non-Network resorts and non-Network owners will have access to Network accommodations after the Home Resort Reservation Period. Any special exchange programs will be governed by reservation rules and regulations similar to those governing an External Exchange Program.

8.5 Amendment of Network Documents. Each Network Member's participation in the Network will be governed by the Network Documents, as amended from time to time by Network Operator. Network Operator shall have the right to amend any portions of the Network Documents that Network Operator in its sole discretion determines are necessary or desirable to amend from time to time, without the consent of Network Members, except as provided in the Resort Documents. Network Operator shall deliver notice of any amendment in the same manner as described in Section 8.3.

8.6 Termination. If the Network Affiliation Agreement, Owner Membership Agreement, or other instrument that affiliates a Network Resort with the Network is terminated or expires in accordance with its own terms, the terminated Network Resort will no longer be affiliated as a part of the Network. However, on termination of such instrument, all confirmed reservations of Network Members (from the terminating Network Resort and from the non-terminating Network Resorts) will be honored at both the terminating Network Resort and at non-terminating Network Resorts.

8.7 Severability and Conflict. The invalidity in whole or in part of any covenant or restriction, or any article, section, subsection, sentence, clause, phrase, word, or other provision of the Network Documents shall not affect the validity of the remaining portions.

8.8 Include. The term "include" and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

8.9 Arbitration. Any dispute, controversy or claim ("Claim") between Owner and Network Operator, whether preexisting, present or future, arising from or relating to the Network Rules, Owner's VOI, the Resort or the Condominium shall, at the election of either party, be arbitrated on an individual basis before JAMS (www.jamsadr.org, 1-800-352-5267) pursuant to its Streamlined Rules. If JAMS cannot serve and the parties cannot agree on a substitute, a court with jurisdiction will select the arbitrator. The Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, *et seq.*, shall govern the interpretation and enforcement of this Section. A single neutral arbitrator shall be appointed. The arbitrator shall follow applicable substantive law consistent with the FAA, apply applicable statutes of limitations, honor valid claims of privilege, and issue a written reasoned decision which will be final and binding except for any review under the FAA. The arbitrator may award all remedies that would apply in an individual court action (subject to constitutional limits that would apply in court). Any in-person hearing will be held in Orange County, Florida unless otherwise agreed. If Owner initiates an individual arbitration, Network Operator will pay all administrative and arbitrator fees exceeding \$250. Solely for purposes of this Provision, "Network Operator" also means Network Operator's parent companies, subsidiaries and affiliates; Network Operator's and their employees, officers and directors; and any other person or entity named as a defendant or respondent in a Claim by Owner against Network Operator. "Owner" also means Owner's heirs, successors and assigns and any other person or entity to which a VOI is subsequently resold or otherwise conveyed.

"**Claim**" shall be broadly construed and includes, without limitation, disputes concerning: purchase, financing, ownership or occupancy; breach, termination, cancellation or default; condition of the property; the Vistana Signature Network or other exchange programs; Owner's VOI, the Resort or the Condominium; reservations, points or rewards

programs; applications and personal information; marketing or sales solicitations, representations, advertisements, promotions or disclosures; and collection of delinquent amounts and the manner of collection. "Claim" includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, Uniform Commercial Code, regulation, ordinance, common law and equity. "Claim" does not include: (i) disputes about the validity, enforceability, coverage or scope of this Section or any part thereof, which are for a court to decide. But disputes about the validity or enforceability of the Network Rules as a whole are for the arbitrator to decide; or (ii) any individual action by Owner in small claims or an equivalent court, unless that action is transferred, removed or appealed to a different court.

Class Action Waiver. If a Claim is arbitrated, neither Owner nor Network Operator will have the right to (i) participate in a class action in court or in arbitration, either as a class representative or class member, (ii) act as a private attorney general in court or in arbitration, or (iii) join or consolidate Claim(s) with claims of any other person or entity. The arbitrator shall have no authority to conduct any class, private attorney general or multiple-party proceeding or to issue any relief that applies to any person or entity except Owner and Network Operator individually.

An arbitration award may be enforced in any court with jurisdiction. This Section shall survive the breach, cancellation, termination or rescission of the Network Rules, and any bankruptcy to the extent permitted by law. This Section governs if it conflicts with the Network Rules or the arbitration rules. If any part of this Section other than the Class Action Waiver is declared unenforceable, the remainder shall be enforceable. If the Class Action Waiver is declared unenforceable in a proceeding between Owner and Network Operator, without impairing the right to appeal such decision, this entire Section (except for this sentence) shall be null and void in such proceeding. Network Operator will not amend this Section in a manner that adversely affects Owner's rights unless Network Operator gives Owner a right to reject the amendment.

Right to Reject Arbitration Provision: Owner may reject this Section by sending Network Operator a written notice which gives Owner's name and Agreement number and states that Owner rejects the Arbitration Provision. The rejection notice must be sent by certified mail, return receipt requested, to Vistana Signature Network, Inc., 9002 San Marco Ct., Orlando, Florida 32819, Attn: Legal Department - Arbitration Rejection Notice. **A rejection notice must be signed by Owner and received by Network Operator within thirty (30) days after becoming a Network Member.** Rejection of arbitration will not affect any other term of this Agreement.

Each Owner has read, understands and voluntarily agrees to this Arbitration Provision and acknowledges that if a Claim is arbitrated, there will be no right to have a court or jury trial or participate in a class action.

Exhibit "B"

Officers and Directors of Vistana Signature Network, Inc.

Officers

President, Chief Executive Officer
Executive Vice President
Executive Vice President

Craig M. Nash
Jeanette E. Marbert
William L. Harvey

Senior Vice President, Chief Operating Officer
Senior Vice President, Chief Financial Officer
Senior Vice President

Stephen G. Williams
Heather McGill
Thorp S. Thomas

Vice President, Secretary
Vice President, Assistant Secretary
Vice President, Assistant Secretary
Vice President, Treasurer
Vice President
Assistant Treasurer
Assistant Secretary

Angela K. Halladay
Robin L. Suarez
Barbara E. Overton
Lisa Cassin
Charles Bell
John A. Galea
Victoria J. Kincke

Directors:

Stephen G. Williams
Thorp S. Thomas
Jeanette E. Marbert

Exhibit "C"

Chart for Vistana Signature Network Fees

Note: This chart provides a summary of the fees that may be charged for the use of the Vistana Signature Network. For additional information, please see the Vistana Signature Network Rules and Regulations.

Fees for Vistana Signature Network Members

Network Yearly Membership Fee ¹	US \$140	per year for the 1 st Vacation Ownership Interest (annual or biennial) in the Vistana Signature Network
	US \$45	per year for the 2 nd Vacation Ownership Interest (annual or biennial) in the Vistana Signature Network
	US \$0	for all additional owned Vacation Ownership Interests in the Vistana Signature Network
International Surcharge ²	US \$25	per year
Starwood Preferred Guest [®] Program Conversion Fee ³	US \$130	per conversion
StarOptions Banking Fee ⁴	US \$99	per Banking transaction
Reservation Cancellation Fee ⁵	US \$75	per cancellation
Housekeeping Fees		Additional requests for housekeeping services will be assessed when appropriate, based upon the number of confirmed reservations. Splitting your vacation period into two or more segments may require the payment of additional housekeeping fees. Please consult your owner services representative for the specific amount of additional housekeeping fees, if any, at the time you make your reservation.

¹ Your Network fees include your Club Dues. For vacation ownership interests owned in the State of Hawaii, there is an additional 4.166% state tax added to the Network fee amounts shown on this chart.

² The International Surcharge is charged to those owners living outside the U.S., Canada, Puerto Rico, Bermuda and most Caribbean Islands.

³ For Vistana Elite 4-Star and 5-Star Members, SPG Conversion Fees are waived.

⁴ For Vistana Elite 3-Star and 4-Star Members, Banking Fee is US \$79 and for Vistana Elite 5-Star Members, Banking Fee is waived.

⁵ Cancellations made more than 60 days prior to arrival will receive no cancellation fee. Cancellations made between 60 days and 8 days prior to arrival will incur a \$50 fee. Cancellations made 7 days or less prior to arrival will incur a \$75 fee.



BUYERS' 2015 GUIDE

FOR MEMBERS
OF THE
STARWOOD
VACATION
NETWORK

This *Buyers' Guide to the Interval International® Exchange Program* contains important information concerning your exchange privilege. You should read this document prior to your purchase of a vacation interest. Unless otherwise stated, the information contained in this publication is correct as of May 31, 2015.

interval
INTERNATIONAL®

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42	Resorts With 6 – 10 Units Participating And Available For Occupancy*
44	Resorts With 1 – 5 Units Participating And Available For Occupancy*
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*Accurate as of December 31, 2014

DISCLOSURE INFORMATION ABOUT THE INTERVAL INTERNATIONAL® EXCHANGE PROGRAM FOR STARWOOD VACATION OWNERSHIP AND MEMBERS OF THE STARWOOD VACATION NETWORK

This guide is provided to explain the Exchange Program made available to Starwood Vacation Ownership and members of the Starwood Vacation Network through Interval International, Inc. (“II”). You should review this information to ensure that you understand the terms and conditions of participation in the Exchange Program. The following are definitions of special terms which are included within the text of this guide.

DEFINITIONS

1. **“Host Resort”** or **“Host Accommodations”** means the resort into which the Network or Individual Member has been issued a Verified Confirmation (including Flexchange®, ShortStay Exchange®, and Getaway Confirmations, as well as E-Plus® retrades).
2. **“Individual Member”** means any person, persons, or entity who owns a vacation interest at one of the SVO Managed Resorts, and who by participating in the Exchange Program, agrees to be bound by these terms and conditions of II membership and exchange as amended from time to time. An Individual Member is said to be in good standing with II and/or SVO Management, Inc. when the Individual Member is current in the payment of all fees or assessments prescribed by II or SVO Management, Inc., and is in compliance with all II, SVO Management, Inc. and/or any SVO Managed Resort terms and conditions then in effect. The term “Individual Member” does not include any Network Member, where he or she participates in the Exchange Program by virtue of the corporate membership in the Exchange Program maintained by SVEC, as explained in “Membership,” Paragraph 1 below.
3. **“Interval Gold®”** and **“Interval Platinum®”** refer to the upgraded benefits packages available to Network Members and Individual Members in good standing upon payment of the applicable Interval Gold or Interval Platinum membership upgrade fee. Interval Gold or Interval Platinum status provides such Network Members and Individual Members with certain additional travel and leisure benefits not available through basic membership in the Exchange Program.
4. **“Interval International Resort Directory”** and **“Travel Planner”** means II’s online and print publications, respectively. Both publications include the Terms and Conditions of Individual Membership and Exchange as well as an overview of benefits of II membership and a descriptive listing of selected Member Resorts.
5. **“Member Resort”** means any resort, or vacation club membership program, for which a developer, homeowners’ association, or other third party has entered into a contract with II, pursuant to which accommodations and facilities may be made available to Network Members, Individual Members, and Other II Members, as well as any resort for which II provides exchange services directly to its owners. Member Resorts include Network Resorts and SVO Managed Resorts, except where expressly noted to the contrary.
6. **“Network”** means the STARWOOD VACATION NETWORK, which is the service name given to the variety of exchange and reservations services and vacation and travel benefits currently offered and the restrictions currently imposed through SVEC (defined hereunder), and which allows Network Members to reserve accommodations at any location included within the Network’s operations.
7. **“Network Deposit”** means the deposit with II by SVEC of accommodations from Network Resorts in one-week increments which SVEC makes, or will make, from time to time, on behalf of Network Members.
8. **“Network Member”** means the owner of record of a SVN Vacation Ownership Interest at a Network Resort, who has complied with all of the terms and conditions for membership in the Network as determined by SVEC for that Network Resort and who is enrolled with the Exchange Program. A Network Member is said to be in good standing with II when said Network Member is current in the payment of all fees prescribed by II and is in compliance with all II terms and conditions then in effect.
9. **“Network Resort”** means a SVN Resort which, from time to time, is owned by the Network or, becomes affiliated with the Network by virtue of the execution of a resort agreement between the developer and/or managing entity of such resort and SVEC. Current Network Resorts include Harborside Resort at Atlantis, Lakeside Terrace, Sheraton Broadway Plantation, Sheraton Desert Oasis, Sheraton Mountain Vista, Sheraton PGA Vacation Resort, Sheraton Steamboat Resort Villas, Sheraton Vistana Resort, Sheraton Vistana Villages, Vistana’s Beach Club, Westin Desert Willow Villas, Westin Ka’anapali Ocean Resort Villas, Westin Ka’anapali Ocean Resort Villas North, Westin Kierland Villas, Westin Laganamar Ocean Resort, Westin Mission Hills Resort Villas, Westin Princeville Ocean Resort Villas, Westin Riverfront Mountain Villas, and Westin St. John Resort and Villas.
10. **“Network Rules”** means the Starwood Vacation Network Rules and Regulations governing the reservation and use of the Network accommodations and facilities, which rules and regulations have been promulgated and adopted by SVEC. The Network Rules are attached to the Starwood Vacation Exchange Company Exchange Program Disclosure Guide as Exhibit A thereto.
11. **“Other II Member”** means an owner of a vacation interest at a Member Resort, who is not an Individual Member or a participating member of Starwood Vacation Network, and who agrees to be bound by the terms and conditions of II membership and exchange.
12. **“Ownership Points”** refers to the unit of measurement assigned by SVEC to each points-based Vacation Ownership Interest and expresses the Network or Individual Member’s relative ability to request particular Host Accommodations in accordance with the terms and conditions of the II Exchange Program.
13. **“Resort Assignment”** means the code used collectively by SVO Management Inc., the Network, and II to identify the Network or SVO Managed Resort, season, unit size, and Use Year being relinquished by the Network Member or Individual Member for exchange.
14. **“Suspension”** or **“Suspended Resort”** means that a Member Resort is not in compliance with an II affiliation agreement, II policies and procedures, or is not otherwise in good standing with II. While a Member Resort is suspended, processing of new memberships, membership renewals, and exchange requests may be temporarily halted.
15. **“SVEC”** means Starwood Vacation Exchange Company, a Delaware corporation and its successors or assigns, the manager and operator of reservation services and vacation and travel benefits for the Network.
16. **“SVN Vacation Ownership Interest”** means a Vacation Ownership Interest in a Network Resort for which membership in the Network is made in accordance with SVEC from time to time.
17. **“SVO”** means Starwood Vacation Ownership and its successors and assigns.
18. **“SVO Deposit”** means the deposit with II by an SVO Managed Resort of accommodations in one-week increments, which SVO Management, Inc. makes, or will make, from time to time on behalf of Individual Members owning a floating SVO Vacation Ownership Interest.
19. **“SVO Managed Resorts”** means those Member Resorts for which the homeowners’ association maintains a management agreement with SVO Management, Inc. Certain owners at the SVO Managed Resorts are not Network Members and participate in the Exchange Program by virtue of an association affiliation agreement with II. SVO Managed Resorts include Sheraton Vistana Resort, Vistana’s Beach Club, Sheraton Broadway Plantation, Sheraton Desert Oasis, and Lakeside Terrace.
20. **“SVO Management, Inc.”** means the managing agent for the SVO Managed Resorts, which is responsible for the administration of the reservation system for the SVO Managed Resorts. This definition of “SVO Management, Inc.” shall also include any affiliates of SVO Management, Inc. and its successors and assigns.

21. **“TDI” or “Travel Demand Index”** means the seasonal indices that are updated periodically to reflect the cycles of relative weekly demand for a specific geographic area. The TDI is a vacation-planning tool offered by II to assist Network Members and Individual Members in determining which time periods offer the best opportunities for travel to a particular region and when accommodations are most likely to be available. The TDI is not an indication of the quality or desirability of vacationing in any specific resort, geographic area, or season, nor are they necessarily an indication of the availability of a particular week in the Exchange Program.
22. **“Verified Confirmation”** means a written or electronic acknowledgment from II that a request for accommodations has been fulfilled.

Network Members/Individual Members should consult the Network’s Program Disclosure Guide and the Network Rules and Regulations for the definitions of the terms Home Resort, Home Resort Preference Period, Reservation Services, Reservation Window, SVN Resort, Use Year, and Vacation Ownership Interest, and for further information, details, and explanations of the reservation and use of Network accommodations and facilities, and for other terms, conditions, and information regarding the Network; Individual Members should consult their respective association documents. II is not responsible for fulfilling any such terms and conditions, nor does II have any control over such terms and conditions. All information contained in these terms and conditions has been established by SVEC and SVO Management, Inc. and is subject to change by the parties.

THE TERMS AND CONDITIONS SET FORTH HEREIN ARE DIFFERENT FROM II’S STANDARD TERMS AND CONDITIONS OF INDIVIDUAL MEMBERSHIP AND EXCHANGE FOR OTHER II MEMBERS, WHICH STANDARD TERMS AND CONDITIONS ARE SET FORTH IN THE II TRAVEL PLANNER AND OTHER II PUBLICATIONS FROM TIME TO TIME. THE TERMS AND CONDITIONS SET FORTH HEREIN HAVE BEEN SPECIALLY AGREED UPON BY SVEC AND II FOR OBTAINING RESORT ACCOMMODATIONS THROUGH THE II EXCHANGE PROGRAM. THEREFORE, WHEN PLACING A REQUEST FOR ACCOMMODATIONS WITH II YOU SHOULD REFER TO THESE TERMS AND CONDITIONS AND NOT THE STANDARD TERMS AND CONDITIONS THAT ARE SET FORTH IN THE II TRAVEL PLANNER AND IN OTHER II PUBLICATIONS. IN THE EVENT OF A CONFLICT BETWEEN THESE TERMS AND CONDITIONS AND SUCH OTHER STANDARD TERMS AND CONDITIONS, THESE TERMS AND CONDITIONS SHALL PREVAIL.

WHO WE ARE

1. II is a Florida corporation offering an exchange service for use by Network Members and Other II Members, and in certain circumstances other travel and leisure benefits (the “Exchange Program”). II is a wholly owned subsidiary of Interval Holdings, Inc., a Delaware corporation. II’s corporate headquarters is located at:
P.O. Box 431920
6262 Sunset Drive
Miami, Florida 33243-1920
305.666.1861

The obligations of II, pursuant to the terms and conditions set forth in this guide, may be performed by II, its authorized representatives, or designated licensees.

2. II is an independent exchange service company and is not operated or managed by any developer, seller, managing entity, or marketer of any Member Resort. No developer of any Member Resort is an agent for or a joint venturer with II. II does not sell, lease, or otherwise convey an interest in any real property. Neither II, nor any of its officers or directors, has any legal or beneficial interest in SVEC or any developer or seller, of any resort participating in the Exchange Program. Related companies of II, HV Global Group, Inc. and its affiliates, own and manage the Hyatt Residence Club program, which includes a limited number of Member Resorts participating in the Exchange Program. II, through its subsidiaries, Trading Places International, LLC, and its subsidiary, TPI Management – Canada Inc.

(collectively, “TPI”), and Vacation Resorts International and its subsidiary, Owners’ Resorts and Exchange, Inc. (collectively, “VRI”), manages a limited number of the Member Resorts participating in the Exchange Program; which Member Resorts are designated on pages 11 through 45 with the symbol “∞” for TPI-managed resorts and with the symbol “◊” for VRI-managed resorts.

3. The following are the corporate officers and directors of II:

Craig M. Nash	Chairman, Chief Executive Officer, Director
David C. Gilbert	President
Jeanette E. Marbert	Executive Vice President, Chief Operating Officer, Director
John A. Galea	Senior Vice President, Chief Financial Officer, Director
William L. Harvey	Executive Vice President
Marie A. Lee	Senior Vice President and Chief Information Officer
Victoria J. Kincke	Senior Vice President, General Counsel, and Secretary
R. Marcos Agostini	Senior Vice President
Thomas A. Bell	Senior Vice President
Mary Cheddie	Senior Vice President
Raul E. Estrada	Senior Vice President
Darren Ettridge	Senior Vice President
Sharon C. Freed	Senior Vice President
Bryan Ten Broek	Senior Vice President

4. SVEC and II entered into a contract pursuant to which, among other things, II will provide its Exchange Program for use by Network Members, subject to the terms and conditions of membership in the Network and in accordance with the terms and conditions set forth herein.

MEMBERSHIP

1. The Network maintains a corporate membership in the Exchange Program, and each Network Member derives II membership benefits and exchange privileges through such corporate membership. The Network enrolls each Network Member in the Exchange Program. These terms and conditions of membership constitute the Network Member’s contract with II, which is a separate and distinct contract from the contract with the developer or seller of the SVN Vacation Ownership Interest. Enrollment in the Exchange Program commences upon II’s receipt and processing of the enrollment form and the applicable fee.
2. In subsequent years, the Network arranges for renewal of the corporate membership with II. At all times, participation in the Exchange Program by Network Members is voluntary.
3. Each Individual Member is responsible for maintaining his or her II membership. Individual Membership commences upon II’s receipt and processing of such purchaser’s membership application and applicable membership fee. In subsequent years, Individual Members are generally billed directly by II, and membership in the Exchange Program is voluntary.
4. A Network or Individual Member may independently upgrade his or her membership to Interval Gold or Interval Platinum status upon his or her payment of an upgrade fee, plus any applicable tax. Each Network Member acknowledges and agrees that membership in Interval Gold or Interval Platinum is separate and distinct from the corporate membership maintained on behalf of each Network Member by the Network, and each Network Member shall be responsible for his or her enrollment in and, where applicable, renewal of the Interval Gold or Interval Platinum membership.
5. **Membership benefits including, but not limited to, participation in Special Exchange Services and various incentive programs (which may be offered from time to time) will be provided so long as the Network or Individual Member, the Network, and the Network and SVO Managed Resorts are in good standing with II.** Additionally, the Network Member or Individual Member must be in good standing with the

Network or SVO Managed Resort (i.e., Network or Individual Member is current in all contract and operating fund payments to the Network or SVO Managed Resort). Membership benefits other than the exchange privilege, including certain Interval Gold and Interval Platinum benefits, are subject to separate terms and conditions. Said benefits, their providers, and their terms of use may be changed, substituted, or eliminated without prior notice. Where benefits are provided by independent third parties, II expressly disclaims responsibility for the acts or omissions of any persons or entities providing such benefits. Network and Individual Members are not required to utilize the exchange benefit or to use any other benefits provided through the Exchange Program.

6. Membership in II is conditioned upon the Network's continued adherence (and the adherence of Network Resorts and SVO Managed Resorts) to II's standards of service, appearance, management, and operation. The failure of the Network or Network Resorts or SVO Managed Resorts to maintain these standards or to timely renovate or construct vacation accommodations and/or amenities participating in, or committed to participate in, the Exchange Program, or the failure of the Network or SVO Managed Resorts to remain in good standing with II (e.g., failure to comply with contractual obligations, including the obligation to enroll purchasers and remit fees, the failure to honor Verified Confirmations, and/or the failure to otherwise comply with II policies and procedures), may result in suspension or termination of the Network or SVO Managed Resorts' affiliation with II. **A Network or SVO Managed Resort's suspension or termination from the Exchange Program may result in the loss of all or some of the membership benefits, including the exchange privilege for the resort's associated Network or Individual Members.**
7. Representations concerning Individual Membership and the Exchange Program are limited to materials supplied or otherwise approved by II in writing. All other representations are not valid or binding on II.
8. Not all Member Resorts are included in the *Interval International Resort Directory* or *Travel Planner*. The failure to picture a Member Resort in the *Resort Directory* or *Travel Planner*, however, does not necessarily mean that such Member Resort is not in good standing with II, or that its associated Network or Individual Members or Other II Members are not entitled to use the exchange privilege. Likewise, the inclusion of a Member Resort in the *Resort Directory* or *Travel Planner* does not necessarily mean that such Member Resort is in good standing with II, or that the associated Network or Individual Members or Other II Members are entitled to use the exchange privilege. All reasonable efforts are made to ensure that published resort information is accurate. II, however, expressly disclaims liability in the event of omission or error.
9. Network and Individual Members acknowledge that:
 - (a) Resort facilities, amenities, and services vary by country, location, and resort, and room accommodations vary in size, decor, and interior detail.
 - (b) The description and amenities symbols provided in the *Resort Directory* or *Travel Planner* for each Member Resort are representative of the features generally available at such Member Resort. However, unit amenities and views may vary from unit to unit within a Member Resort, and II cannot guarantee specific selection of any such elements with respect to the Host Accommodations or that all amenities will be available during any specific period of occupancy. Each Network and Individual Member should review the Verified Confirmation for specific information about his or her Host Accommodations.
 - (c) The exchange privilege should not be the primary reason for purchasing a vacation interest, and the relative demand indicated in a Travel Demand Index and assigned to each particular week should not be relied upon in determining the value of any week for exchange.
 - (d) II is not liable for any damage to, or loss or theft of personal property left in any Network or SVO Managed Resort accommodations; nor is II liable for any damage to or loss or theft of personal property that occurs through Network or Individual Members' use of Host Resort accommodations. II is not liable for any personal or bodily injury that occurs either at any Network or SVO Managed Resort or at a Host Resort.
- (e) II is not liable or responsible for any claim or loss incurred in connection with the purchase or ownership of a SVN Vacation Ownership Interest or your participation in the Network.
- (f) Upon each use of the Exchange Program, and to the extent allowed by applicable law, any and all claims against II are waived, and II is released from all liability, if any, arising out of participation that occurred prior to the use of same.
- (g) II's liability to a Network or Individual Member, if any, in connection with participation in the Exchange Program is limited to the annual membership and exchange fees paid to II by or on behalf of the Network or Individual Member.
- (h) All rules and regulations of the Host Resort, as well as these terms and conditions, must be adhered to. Violation of such rules or these terms and conditions may result in the loss of present and future occupancy rights at the Host Resort and/or the cancellation of membership without further obligation by II.
- (i) If a Vacation Ownership Interest is owned by a corporation, partnership, or trust, a corporate officer, partner, or trustee must be established as the primary contact or administrator to manage the membership.
- (j) Where multiple individuals are listed in a single membership record as the owners of a Vacation Ownership Interest(s), one individual and such individual's contact information must be designated as the primary contact where all Member materials, Confirmations, and communications will be sent. Contact information may also be included for all other owners. In order to be associated to a single membership record, each contact's information must reference the same country of residence. II may continue to provide membership and exchange benefits for all individuals listed until II receives verifiable documentation of any change of ownership of the vacation interest(s).
- (k) **Membership in II may be used only for personal and noncommercial purposes. Any other use of membership benefits may result in the suspension or termination of a Network or Individual Member's membership and/or exchange privileges, as well as cancellation of any existing Confirmations and loss of fees associated with all II memberships and Confirmations held by such Network or Individual Member.**
- (l) To the extent allowed by applicable law, telephone conversations between Network or Individual Members and II employees or representatives may be recorded and/or monitored.
- (m) If II should fail or be delayed or impaired in the performance of any obligation hereunder, including, but not limited to, providing exchange accommodations, due to causes beyond the control of and without the fault or negligence of II, then II shall be excused from further performance. Such causes may include, but are not limited to, acts of God or public enemy, fire, strikes, lock-out or other labor unrest, riot, explosion, civil disobedience, declared or undeclared war, revolution, insurrection, boycotts, acts of piracy, acts of terrorism, acts of public authorities, blockade, embargo, accident, epidemic or quarantine, labor shortages based on pandemics or widespread illness within a given servicing location, delays or defaults caused by public or common carriers, and/or other circumstances materially impacting travel to a particular region or in general.
- (n) Although II submits this disclosure statement for approval by regulatory agencies having jurisdiction over timeshare and exchange programs in various states, such approval should not be interpreted as applying to any travel, leisure, or other benefit, or service falling outside the jurisdiction of any such agency.

- (o) It is prohibited from doing business with certain entities and individuals residing in certain nationally sanctioned countries or otherwise set forth from time to time on any list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control (collectively, "Blocked Parties"). If II receives an enrollment form for a Network or Individual Member defined as a Blocked Party, II will refuse membership for such purchaser. If a Network or Individual Member subsequently becomes or is determined to be a Blocked Party, II will cancel the membership without refund or other obligation.
10. Network and Individual Members acknowledge and agree that, to the extent allowed by applicable law, II may upon occasion offer various products and services relating to individual membership benefits, including exchange and travel benefits offered by II.
11. The terms and conditions of membership with II and the use of the Exchange Program shall be construed under the laws of the State of Florida. By remaining a member of the Exchange Program, Network and Individual Members consent to the exclusive subject matter and personal jurisdiction of the courts in Miami-Dade County, Florida. In the event of litigation between the parties, the prevailing party shall be entitled to all costs incurred, including reasonable attorneys' fees.
12. These Terms and Conditions of Individual Membership and Exchange, including any fees associated therewith may be changed by II at its sole discretion. Except where expressly noted otherwise, Network and Individual Members will be advised of any such changes through II's regular publications or on II's website, IntervalWorld.com.

POINTS-BASED EXCHANGE METHOD

(applicable to all Network and Individual Members who receive their exchange benefits based on the relinquishment of Ownership Points)

1. **These Network and Individual Members utilize an exchange method, often referred to as Request First, whereby they do not give up their Ownership Points until an exchange has been confirmed.**
2. **Other than exchanges made through the Flexchange program, exchange requests must be received by II at least 60 days in advance of the commencement date of the week requested.** An exchange fee, plus the applicable tax, is required when placing an exchange request for a Member Resort, other than a Network Resort.
3. Ownership Points
 - (a) For a Verified Confirmation to be issued, the following Ownership Points are required based on the exchange accommodations being requested:

SELECT POINTS CHARTS FULL-WEEK EXCHANGE VALUES

TDI Range	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
135 – 150	60,000	70,000	110,000	175,000	250,000
115 – 130	44,000	51,700	81,000	125,000	190,000
90 – 110	37,000	44,000	67,100	104,100	157,500
65 – 85	25,800	30,500	44,000	69,800	105,000
50 – 60	20,700	25,800	37,000	57,700	85,000

SHORTSTAY NIGHTLY EXCHANGE VALUES

TDI Range	Day of Week	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
135 – 150	SUN – THU	6,000	7,000	11,000	17,500	25,000
	FRI/SAT	15,000	17,500	27,500	43,750	62,500
115 – 130	SUN – THU	4,400	5,170	8,100	12,500	19,000
	FRI/SAT	11,000	12,925	20,250	31,250	47,500
90 – 110	SUN – THU	3,700	4,400	6,710	10,410	15,750
	FRI/SAT	9,250	11,000	16,775	26,025	39,375
65 – 85	SUN – THU	2,580	3,050	4,400	6,980	10,500
	FRI/SAT	6,450	7,625	11,000	17,450	26,250
50 – 60	SUN – THU	2,070	2,580	3,700	5,770	8,500
	FRI/SAT	5,175	6,450	9,250	14,425	21,250

When a Network or Individual Member places an exchange request, Ownership Points required for the highest-valued accommodations are placed on hold in such Network or Individual Member's Ownership Points account and will not be available for use during the pendency of such exchange request.

- (b) Once a Verified Confirmation has been issued, the Network or Individual Member will be deemed to have used the number of his or her Ownership Points applicable to such Verified Confirmation, and such Ownership Points will no longer be available to that Network or Individual Member, unless the Verified Confirmation is canceled in accordance with II's Exchange Cancellation Policy, as described below in General Exchange Procedures and Priorities, Paragraph 12.
 - (c) Where a given exchange request is not confirmed, the Ownership Points will be released to the Network or Individual Member's account. Alternatively, the Network or Individual Member may assign remaining or unused Ownership Points to II for a future exchange request in the subsequent Use Year by contacting the Owner Services Department no later than December 31 of the current Use Year.
4. Use of the Deposit First method, as explained in more detail in Week-Based Exchange Method, Paragraph 2 below, is not available to Network and Individual Members relinquishing Ownership Points, as II does not currently accept the deposit of Ownership Points.

WEEK-BASED EXCHANGE METHOD

(applicable to Network and Individual Members who receive exchange benefits from II based on the relinquishment of a Resort Assignment)

1. To submit a request for exchange accommodations, Network and Individual Members may first contact the Owner Services Department during the Reservation Window to secure a Resort Assignment for exchange. The Network or Individual Member may then contact II to place an exchange request. Your Owner Services Department will provide II with accommodations through the Network or SVO Deposits on behalf of the Network or Individual Member after an exchange has been confirmed. Requests may not be submitted more than 12 months prior to the commencement date of the week being requested. Network and Individual Members acknowledge that Owner Services will assign an expiration date to each Resort Assignment, and that this expiration date will be based upon the member's respective eligible Use Year as it relates to the timing of the particular request being placed. Further, Network and Individual Members acknowledge that the requested travel must be completed prior to such expiration date.
2. As an alternative, Network and Individual Members may also utilize the "Deposit First" method of exchange, whereby they may "deposit" the use and occupancy of their Resort Assignment with II. The Resort Assignment may be deposited with II as late as December 31 of the current Use Year. A deposit may be cancelled at any time, provided that the Network or Individual Member has not placed an exchange request or received Verified Confirmation from II for the current or a future Use Year.
3. Other than exchanges made through the Flexchange program, exchange requests must be received by II at least 60 days in advance of the commencement date of the week requested. An exchange fee, plus any applicable tax, is required when placing an exchange request.
4. No fee is required to deposit a Resort Assignment. An exchange fee, however, is required when placing an exchange request against the deposited Resort Assignment.
5. Upon receipt of a deposit, II will assign a deposit number which must be utilized when placing an exchange request. An exchange may be requested for the same amount of time as that deposited, except where the Network or Individual Member is requesting a ShortStay Exchange, as discussed in more detail below in Paragraph 4 under General Exchange Procedures and Priorities. The exchange request may be placed at the same time that the deposit is made or at any time after receipt of the deposit number, but no later than 24 months after the commencement

date of the deposited Resort Assignment. In addition, the requested travel dates must be no earlier than 12 months before the commencement date of the deposited Resort Assignment. Requests may not be submitted more than 24 months prior to the commencement date of the resort accommodations requested. All normal exchange procedures (as detailed below) must be adhered to when placing a request against the deposited Resort Assignment.

6. By using the Deposit Extension Option, Network and Individual Members may, upon the payment of an additional fee, extend the period in which they can utilize a particular deposit ("Redemption Window") for up to a period of one year. Any particular deposit may be extended a total of two times. The Deposit Extension Option must be exercised no later than three months after the date on which the original or extended Redemption Window expires. The extension begins on the date on which the original or extended Redemption Window expired. The exchange request placed within an extended Redemption Window must be placed through II's Flexchange service. **The Deposit Extension Option may not be used to extend the expiration date of an E-Plus Usage Window or a retrade of a Verified Confirmation using E-Plus, or to extend the time period in which Network or Individual Members may request substitute accommodations pursuant to II's Exchange Cancellation Policy, or request accommodations pursuant to the redemption of an accommodations certificate. All other terms and conditions of exchange apply.**
7. The Exchange Program is based upon the "Comparable Exchange" concept. Comparable Exchange attempts to parallel, to the greatest extent possible, the supply of and demand for the weeks comprising, or that will comprise (as agreed upon between II and SVEC), the Network or SVO Deposits with the supply of and demand for the vacation period being requested in exchange. Comparable Exchange also attempts to ensure that Network and Individual Members are confirmed, whenever possible, to resorts that are comparable in quality to the Network or SVO Managed Resorts.
8. II, therefore, in order to achieve its goal of providing the Network or Individual Member with an exchange experience comparable to that which SVEC or the SVO Managed Resort provides, assigns a priority to each request based on the following factors:
 - (a) **The supply of and demand for, within the Exchange Program, the vacation periods deposited from time to time by SVEC or SVO Management, Inc.**
 - (b) **The supply of and demand for, within the Exchange Program, the vacation periods and Member Resorts being requested in exchange.**
 - (c) **The quality, facilities, and overall experience offered by the Network or SVO Managed Resorts as compared to the quality, facilities, and overall experience of the Member Resorts being requested in exchange. This is based on evaluation forms received from exchange guests to Member Resorts, resort inspections and evaluations, and other information received by II regarding Network and SVO Managed Resorts.**
 - (d) **When the exchange request is received by II. The earlier of two identical requests for the same vacation period with identical relinquishment will receive priority.**
 - (e) **The amount of time in advance of the first date of occupancy at which the Network or SVO Deposit is made available to II.**
 - (f) **The unit type and private sleeping capacity of the Network or SVO Managed Resort accommodations associated with the Resort Assignment being relinquished as compared to the unit type and private sleeping capacity being requested.**

All of the above factors, with the exceptions of when the Network or SVO Deposit is made available to II, when a request is received, and the unit type and private sleeping capacity, are constantly changing and are updated by II on an ongoing basis.

GENERAL EXCHANGE PROCEDURES AND PRIORITIES

1. To utilize the exchange privilege pursuant to these terms and conditions, including Special Exchange Services, the Network or Individual Member must be in good standing with II and the Network or SVO Managed Resort from the time a request is placed through the actual travel dates. In addition, the Network or SVO Managed Resort must be in good standing with II. For example, SVEC or SVO Management, Inc. must comply with its obligations to timely and properly provide II with Network or SVO Deposits. **Failure to timely and properly make the Network Deposits and/or SVO Deposits may result in the loss of exchange privileges for the Network or Individual Member.**
2. To submit a valid exchange request, a minimum of three different resorts and one time period, three different time periods and one resort, or two resorts and two time periods must be requested. Network and Individual Members may be automatically confirmed into any resort or time period requested.
3. **Regular exchange requests must be received by II at least 60 days in advance of the commencement date of the week requested.** Flexchange is a service in which vacation exchange requests may be submitted from 59 days up until 24 hours in advance of the travel dates desired. Available Host Accommodations for the date requested will be offered and an instant Verified Confirmation will be issued if one of the availabilities offered at the time of the call is accepted. Holiday, summer, and other highly demanded weeks usually are not available through this late-request exchange service. All other terms and conditions of exchange apply to this service, except where expressly noted to the contrary. **Regardless of the methodology used, once an exchange request is submitted, it may be canceled only if notice of cancellation is received by II prior to Verified Confirmation of the request. Once issued, a Verified Confirmation may be canceled only in accordance with II's Exchange Cancellation Policy, as described in Paragraph 12 below.**
4. ShortStay Exchange ("ShortStay Exchange") is an exchange service offered by II to members in good standing of the Interval Gold and Interval Platinum membership programs, in which, upon payment of the appropriate fee and any applicable tax, Network or Individual Members can be confirmed to resort accommodations for periods of less than seven days. To participate in a ShortStay Exchange, a Network or Individual Member must be a participant in the Interval Gold or Interval Platinum membership program and must contact the Owner Services Department during the Reservation Window to secure a vacation period in order to secure up to two ShortStay Exchange Confirmations. Network and individual members who exchange with II based on the relinquishment of Ownership Points may confirm as many ShortStay Exchange Confirmations as their points will allow. A ShortStay Exchange Confirmation will not be issued until the Resort Assignment or availability of the required number of Ownership Points is verified. Holiday, summer, and other highly demanded travel periods usually will not be available through ShortStay Exchange. **II's Exchange Cancellation Policy does not apply to ShortStay Exchange Confirmations. A cancellation of a ShortStay Exchange Confirmation results in the loss of the Resort Assignment unit week or Ownership Points as well as the exchange fee paid to secure such Confirmation.** All other terms and conditions of the Exchange Program apply to this exchange service, except as noted to the contrary.
5. (a) For Network and Individual Members who wish to change their Host Accommodations subsequent to receiving a Verified Confirmation without canceling their Verified Confirmation, E-Plus is available to allow such members to "retrade" their original Verified Confirmation, up to a total of three times, upon the payment of an additional fee. The use of E-Plus may be purchased at any time commencing at the time an exchange request is initially placed and continuing up to five (5) days following the issuance of a Confirmation, so long as the purchase is prior to the first date of occupancy of the Host Accommodations and the Host Resort is in good standing with II.

- E-Plus may be used to secure up to three (3) retrades of the member's Host Accommodations and/or vacation periods, at any time up to 12 months after the first date of occupancy of the Host Accommodations of the original Verified Confirmation (the "E-Plus Usage Window"). Once established, the E-Plus Usage Window does not change upon any subsequent retrade.
- (b) When transacting an E-Plus retrade, the Network or Individual Member may view available Host Accommodations, and an E-Plus retrade will be instantly issued if the desired accommodations are available at the time the retrade is initiated. Retrade requests may be made online or by telephone.
- (c) (i) When the Network or Individual Member transacts an E-Plus retrade 60 days or more from the first date of occupancy of the original Verified Confirmation or, if applicable, previously-issued retrade, he or she will be entitled to select available accommodations with travel dates any time up to the expiration of the E-Plus Usage Window.
- (ii) When the Network or Individual Member requests an E-Plus retrade 59 days to 24 hours prior to the first date of occupancy of the original Verified Confirmation or, if applicable, initial retrade, the Member may only select from accommodations that have occupancy dates commencing up to 60 days after the first date of occupancy of the original Verified Confirmation or previously-issued retrade. Any subsequent retrade request may only be for Host Accommodations with occupancy dates 60 days or less prior to the first date of occupancy of the current retrade.
- (iii) **E-Plus may not be used to change Host Accommodations less than 24 hours prior to the first date of occupancy of the current Host Accommodations.**
- (d) Only one purchase of E-Plus may be made as to any particular Verified Confirmation.
- (e) **E-Plus may not be purchased for use with a ShortStay Exchange Confirmation, an Interval Options Confirmation, or with respect to the purchase of accommodations through the Getaway Program.**
- (f) **E-Plus may not be used to secure a retrade where the Host Accommodations have become unavailable for occupancy for any reason.** Where a Network or Individual Member secures a retrade for accommodations located in an area prone to damage or destruction due to adverse weather conditions, earthquakes, or other natural disasters, travel insurance is available through a third-party provider. Information about travel insurance is available at IntervalWorld.com.
- (g) II's Exchange Cancellation Policy does not apply to E-Plus retrades.
6. Requests for accommodations may be placed with II by telephone, or at II's website, IntervalWorld.com. After contacting your Owner Services Department, a request by telephone should be made by calling II's Starwood desk: 877.782.7088.
7. An exchange fee is required to be paid by the Network or Individual Member to II when placing an exchange request.
8. **Exchanges are arranged on a space-available basis. Neither II, SVEC, SVO Management, Inc. nor any developer or marketer can guarantee the fulfillment of a specific request, as weeks are received on a periodic basis throughout the year. Generally, II does not control the timing, location, or number of weeks available to the Exchange Program.**
9. Network and Individual Members may confirm as many exchanges as their Vacation Ownership Interest will support.
10. **Some Network and Individual Members may be restricted from exchanging into resorts located within the same geographical area as the Network Member's Home Resort accommodations. There are currently restrictions in Aruba; Barbados; Cabo San Lucas, Mexico; Cancún, Mexico; Cyprus; the Dominican Republic; Door County, Wisconsin; Eastern British Columbia; Gatlinburg/Pigeon Forge, Tennessee; Grand Bahama Island; Grand Cayman Island; Guatemala; Hawaii (the Big Island); Kauai, Hawaii; Maui, Hawaii; Hilton Head, South Carolina; Lake Tahoe, California; Las Vegas, Nevada; Madeira, Portugal; Malta; Marco Island, Florida; Mazatlán, Mexico; Naples, Florida; Okaloosa/Walton County, Florida; Orlando/Kissimmee, Florida; Palm Desert, California; Palm Springs, California; Phuket, Thailand; Puerto Vallarta, Mexico; Riviera Maya, Mexico; Riviera Nayarit, Mexico; St. Maarten; Stateline, Nevada; Summit County, Colorado; Virginia Beach, Virginia; and Williamsburg, Virginia. Generally, this restriction does not apply to Network Members requesting an exchange to another Network Resort in the same geographic area. Additional geographic areas may be restricted in the future.**
11. Only II can confirm vacation exchange requests, and only II written confirmations are valid. II will attempt to confirm a request until 48 hours before the latest travel dates requested; however, beginning on the 29th day prior to the latest travel dates requested, the Member will be contacted by telephone in order to obtain acceptance (or rejection) by the Network or Individual Member prior to issuing a Verified Confirmation. Verified Confirmations are sent to Members directly from II.
12. II Exchange Cancellation Policy
- (a) **The only circumstances under which a Network or Individual Member using the Exchange Program may lose the use of his or her Ownership Points or the use and occupancy of the Network or SVO Managed Resort accommodations without being provided Host Accommodations are if the Network or Individual Member: (i) cancels a Verified Confirmation seven days or more prior to the first date of occupancy of the Host Accommodations being canceled and fails to request substitute accommodations in accordance with II's Exchange Cancellation Policy; (ii) cancels a Verified Confirmation less than seven days prior to the first date of occupancy of the Host Accommodations being canceled; (iii) cancels or loses the use of a Verified Confirmation, at any time, due to the threatened or actual damage or destruction of the Host Accommodations; (iv) cancels a Verified Confirmation for substitute Host Accommodations that were previously issued to the Network or Individual Member under II's Exchange Cancellation Policy, or (v) where the use of the confirmed Network or SVO Managed Resort accommodations by II is lost or impaired due to circumstances beyond II's control.**
- (b) **Under II's Exchange Cancellation Policy, a Network or Individual Member is entitled to cancel a Verified Confirmation by notifying II of his or her desire to cancel such Verified Confirmation within the first 24 hours after the exchange request has been confirmed.** In such circumstances, the Network or Individual Member's exchange fee will be refunded, and the right to utilize the Resort Assignment shall revert to the Network or Individual Member.
- (c) **When a Network or Individual Member notifies II of his or her desire to cancel a Verified Confirmation seven days or more prior to the first date of occupancy of the Host Accommodations being canceled, the Network or Individual Member will be entitled to request substitute exchange accommodations, as long as the Network or Individual Member requests travel occurring no later than 12 months after the date on which the Network or Individual Member canceled said Verified Confirmation for the Host Accommodations. However, the time period in which such Network or Individual Member is entitled to request substitute exchange accommodations is limited, as follows:**
- (i) **When a Network or Individual Member notifies II of his or her desire to cancel the Verified Confirmation 60 days or more prior to the first date of occupancy of his or her Host Accommodations, the Network or Individual Member may request substitute exchange accommodations at any time from the date of cancellation up to**

- 24 hours prior to the first date of occupancy of such substitute exchange accommodations.
- (ii) Where the Network or Individual Member notifies II of his or her desire to cancel the Verified Confirmation 59 to 14 days prior to the first date of occupancy of his or her exchange accommodations, the Network or Individual Member may request substitute exchange accommodations 59 days to 24 hours prior to the first date of occupancy of such substitute exchange accommodations.
- (iii) When a Network or Individual Member notifies II of his or her desire to cancel the Verified Confirmation 13 to seven days prior to the first date of occupancy of his or her exchange accommodations, the Network or Individual Member may request substitute exchange accommodations from limited travel destinations 30 days to 24 hours prior to the first date of occupancy of such substitute exchange accommodations.
- (iv) II will retain the exchange fee paid initially to secure the canceled Verified Confirmation.
- (d) **Notwithstanding the foregoing, a Network or Individual Member may not request substitute exchange accommodations where he or she has canceled or has lost the use of a Verified Confirmation, as a result of the Host Accommodations being damaged or destroyed or where such damage or destruction is imminent.** Where a Network or Individual Member is issued a Verified Confirmation or a retrade to a Host Resort located in an area prone to damage or destruction due to adverse weather conditions, earthquakes, or other natural disasters, travel insurance is available through a third-party provider. Information about travel insurance is available at IntervalWorld.com. II reserves the right to deny a Network or Individual Member substitute exchange accommodations under II's Exchange Cancellation Policy where such member has received compensation for his or her canceled exchange accommodations pursuant to travel insurance or otherwise.
- (e) **In all instances that a Network or Individual Member requests substitute exchange accommodations pursuant to II's Exchange Cancellation Policy, the member will be entitled to request substitute Host Accommodations comparable in value to the Network or SVO Managed Resort accommodations or Ownership Points relinquished.**
- (f) **The date the Network or Individual Member cancels will be deemed the new date of relinquishment in determining a priority with respect to Paragraph 8(e) under Week-Based Exchange method.**
- (g) **Where a request for substitute exchange accommodations is allowed under II's Exchange Cancellation Policy, the Network or Individual Member will be required to pay an additional exchange fee at the time he or she requests substitute exchange accommodations.**
- (h) **II's Exchange Cancellation Policy does not apply to ShortStay Exchange Confirmations, E-Plus retrades, Getaway Confirmations, or Interval Options Confirmations. A cancellation of a ShortStay Exchange Confirmation or Interval Options Confirmation results in the loss of the Network or SVO Managed Resort accommodations or Ownership Points.**
13. **Irrespective of the calendar followed by any Network or SVO Managed Resorts, Network or Individual Members may be confirmed into a resort with weekly time periods beginning on any day of the week.**
14. Any accommodations provided to II through a Network or SVO Deposit that are not confirmed by II to a Network or Individual Member or Other II Member may be used by II for general commercial purposes.
15. **In addition to the above, priority in the exchange confirmation process is provided to:**
- (a) **Network, Individual, and Other II Members requesting an exchange to selected Member Resorts that are owned, or in certain instances branded, marketed, and/or managed in common with the home resort, and**
 - (b) **Network, Individual, and Other II Members who own a Vacation Interest at a Member Resort located in certain geographic regions including, but not limited to, Australia, New Zealand, and/or South Africa and are requesting an exchange to other Member Resorts that are located in the same geographic region as the member's home resort.**
16. **The Host Accommodations may be used only for personal and noncommercial purposes.** Network and Individual Members are expressly prohibited from exchanging or renting the Host Accommodations, including, but not limited to offering the Host Accommodations for sale or rent to third parties through the use of a Guest Certificate or otherwise. Failure to use the Host Accommodations will not entitle Network or Individual Members to recover any Resort Assignment. Verified Confirmations are issued only in the name of the Network or Individual Member placing the exchange request, and Host Accommodations may be used only by the Network or Individual Member and accompanying guests, unless a Guest Certificate is obtained from II. There is a fee for each week assigned via a Guest Certificate, and it must be paid, plus any applicable tax, when the certificate is requested. This Guest Certificate fee is in addition to the exchange fee required when the exchange request is placed. Notwithstanding the foregoing, Interval Platinum Members are not required to pay a Guest Certificate fee when requesting a Guest Certificate for their guests. **Guest Certificates may only be obtained for personal or noncommercial purposes. Failure to secure a Guest Certificate where required for a guest of the Network or Individual Member when the Network or Individual Member does not plan to occupy the Host Accommodations (including instances where the Network or Individual Member has been issued Verified Confirmations for multiple units having the same travel dates at the same Member Resort) or obtaining Guest Certificates that are used for commercial purposes may result in the termination of the membership and cancellation of any existing Confirmations, including those with future travel dates. Guests of Network or Individual Members who arrive at a Host Resort without a Guest Certificate will be denied access to the accommodations until the Network or Individual Member has purchased a Guest Certificate from II.**
17. The Network or Individual Member requesting the Guest Certificate is responsible for the acts and omissions of the individuals occupying the Host Accommodations, including any loss or damage to the Host Resort or the Host Accommodations. **Individuals under the age of 21 are not eligible to receive a Guest Certificate. Additionally, the issuance of a Guest Certificate and the use of the Host Accommodations are subject to any restrictions or limitations that may be imposed by the Host Resort. Network and Individual Members are expressly prohibited from selling or exchanging a Guest Certificate for cash, barter, or other consideration. In the event that any of the above terms are breached, II reserves the right to revoke the Guest Certificate, cancel the underlying Confirmation, and terminate the membership without further obligation by II or SVEC.**
18. By submitting an exchange request, Network and Individual Members represent and warrant that they have the right to use or assign the Resort Assignment or Ownership Points, and that all required maintenance fees and taxes, or similar charges, have been paid through the requested travel dates. **Exchange privileges may be denied if all such maintenance fee assessments or similar charges with the Network or SVO Managed Resort have not been paid. II reserves the right to cancel any previously issued Confirmation if it subsequently receives notice that a Network or Individual Member has not timely paid any outstanding fee, assessment, or other charge in a timely fashion.**

STARWOOD INTERNAL EXCHANGE PROCEDURES AND PRIORITIES

1. This Section, titled "Starwood Internal Exchange Procedures and Priorities" contains information relating to exchange procedures and priorities for Network Members when requesting an exchange to a Network Resort. **The procedures set forth herein are applicable only when all resorts requested for exchange are Network Resorts.**
2. To place a valid exchange request for use of accommodations at Network Resorts only, a minimum of one Network Resort and one time period (in one-week increments) must be requested. Additional Network Resorts and time periods may be specified, and you may be confirmed into any listed resort for any week specified.
3. **In addition to the priorities noted in Paragraph 8 under Week-Based Exchange Method and as set forth in Paragraph 15 under the Section titled General Exchange Procedures and Priorities above, Network Members requesting an exchange to their Network Resort will receive priority over other Network Members who do not own a vacation interest at such Network Resort; and Network Members requesting an exchange to other Network Resorts will receive priority over Individual Members and Other II Members who do not own a vacation interest at such Network Resorts when requesting an exchange into a Network Resort.**
4. The special Starwood Internal Exchange Fee for requests to Network Resorts is the then-current applicable exchange fee discounted by \$35, plus any applicable tax, per week exchanged. This exchange fee must be submitted at the time a request is made, and will only be refunded if the exchange request cannot be confirmed or if cancellation is received by II prior to the Verified Confirmation. Any exchange request that includes both Network Resorts and other Member Resorts must be submitted in accordance with the other terms and conditions set forth in this guide, including the payment of the standard applicable exchange fee. In the event such request is ultimately confirmed to a Network Resort, no portion of the fee paid to II will be refunded (i.e., the difference between the applicable exchange processing fee and the special Starwood Internal Exchange Fee).

SPECIAL EXCHANGE SERVICES

1. The Getaway Program is a special exchange service offered by II from time to time in which resort accommodations are confirmed to Network and Individual Members upon payment of a fee plus any applicable tax. The resort accommodations available through the Getaway Program include resort accommodations that have been deposited by the Network or SVO Management, Inc. or deposited or relinquished by Other II Members, but are not otherwise utilized by II, and resort accommodations made available to II directly by resort developers or other third parties. The fee charged to Members by II is based primarily upon the unit size confirmed, the location of the accommodations, and the occupancy date. **To participate in the Getaway Program, the Network or Individual Member is not required to secure a Resort Assignment. Interval Platinum Members are afforded "priority" Getaway viewing, which allows the Interval Platinum Members to view and reserve selected, newly added Getaway resort accommodations in advance of other members, provided, however, that priority Getaway viewing does not apply to any resort accommodations 59 days or less before their initial date of occupancy. Resort accommodations will be available to all members in good standing at that time. In certain circumstances, Network or Individual Members may not be confirmed through the Getaway Program into a Network or SVO Managed Resort. II reserves the right to limit the number of Getaway Confirmations issued to a particular Network or Individual Member in any particular year and to limit the number of units confirmed to a Network or Individual Member for any given Member Resort or for any given travel dates.**
2. The Interval Options® Program is an alternative exchange service offered by II to members of the Interval Gold and Interval Platinum membership programs, whereby said members are allowed to exchange their Home Resort accommodations for a credit against the purchase of cruise, spa, or

golf vacations, as well as tours and certain other travel services.

Participation in this Program requires the payment of an exchange fee, as designated by II at the time the request is placed, and a supplemental fee upon II's confirmation thereof. The amount of the supplemental fee is assessed on a per-person basis and varies depending on many factors, including, but not limited to, the alternative vacation selected, the itinerary and travel dates selected, the accommodations selected, and the Network or SVO Managed Resort accommodations (as represented by the Resort Assignment) relinquished. All Interval Options exchange requests must be placed at least 90 days prior to the initial occupancy date of the Network or SVO Managed Resort accommodations relinquished for such Interval Options exchange. The initial occupancy date of the requested Interval Options exchange may be prior to or subsequent to the occupancy date of the Network or SVO Managed Resort accommodations relinquished, but no later than the advance booking date of the alternative vacation component. Additionally, the commencement date of the Network or SVO Managed Resort accommodations relinquished may not be more than one year after the first occupancy date of the confirmed alternative vacation component.

3. **II's Exchange Cancellation Policy does not apply to Getaway and Interval Options Confirmations. Any cancellation of a Getaway Confirmation results in the loss of the Getaway resort accommodations and all fees paid. Getaway fees will not be refunded under any circumstances. The exchange fee associated with an Interval Options exchange request will be returned only if an exchange cannot be confirmed, or if cancellation of the applicable exchange request is received by II prior to Confirmation. In the event that a Confirmation made through the Interval Options Program is canceled, the supplemental fee shall be refunded in accordance with the refund policies of the provider(s) of the alternative vacation component(s). Where a Network or Individual Member receives a Getaway or Interval Options Confirmation for accommodations or an alternative vacation package located in an area prone to damage or destruction due to adverse weather conditions, earthquakes, or other natural disasters, travel insurance is available through a third-party provider. Information about travel insurance is available at IntervalWorld.com.**
4. **Getaway and Interval Options Confirmations may not be sold, bartered, or exchanged for other consideration.** However, where the Network or Individual Member will not be occupying the confirmed Getaway resort accommodations or utilizing the Interval Options alternative vacation package, a Guest Certificate may be obtained in accordance with the terms set forth in Paragraphs 16 and 17 under General Exchange Procedures and Priorities.
5. All other terms and conditions of the Exchange Program apply to these special services except where noted to the contrary.
6. II does not guarantee the continuation of either of these special services. Network and Individual Members will be advised in writing if either of these services is discontinued. The vacation opportunities available through the Getaway Program may vary, from time to time, and its terms of use may be changed without notice.

FEES

The fees set forth below are applicable for residents of the United States, Canada, and the Caribbean. Residents of other geographic areas are subject to different fees which are assessed by local servicing offices or representatives.

1. The Network maintains a corporate membership in the II Exchange Program, and each Network Member derives II membership benefits and exchange privileges through such corporate membership.
2. In subsequent years, the Network arranges for renewal of the corporate membership with II, but use of the Exchange Program by Network Members is voluntary.
3. Notwithstanding the provisions of the foregoing Paragraphs 1 and 2, where a Network Member also owns a vacation interest at a Member

Resort as well as that which supports his or her membership in the Network, and includes such other vacation interest in the Exchange Program, the Network Member must maintain his or her Individual Membership in the Exchange Program, separate and distinct from his or her participation in the corporate membership program offered by the Network.

4. Individual Members pay an annual membership fee of US\$89, plus any applicable tax. Where an Individual Member is enrolled in II's Automatic Renewal Option, annual renewal dues (including those for Interval Gold or Interval Platinum membership, where applicable) will be charged automatically to the credit card indicated, at the rate applicable at membership expiration, unless canceled in writing prior to the renewal date by contacting membership support services at your local II service office. II will provide each Individual Member not less than thirty (30) calendar days' written notice of renewal prior to processing such automatic charge. Individual Membership will continue from year to year for as long as the Individual Member is eligible for membership. Where an Individual Member purchases additional Vacation Ownership Interests, such Individual Member may include such additional Vacation Ownership Interests within his or her then-current Individual Membership upon the payment of an administrative fee of US\$39 per adjustment. Alternatively, upon the purchase of additional Vacation Ownership Interests, an Individual Member may elect to pay an additional annual Individual Membership fee of US\$89 at the time such Vacation Ownership Interests are included with the Individual Membership, whereupon II shall extend the term of said Member's then-current Individual Membership for an additional 12-month period per additional membership fee paid. **Individual Membership fees are refundable on a pro rata basis (based on the number of full months remaining in the applicable membership period) upon II's receipt of an Individual Member's request for cancellation of his or her membership and a refund.**
5. Any Network Member or Individual Member may independently upgrade his or her corporate membership to Interval Gold or Interval Platinum status upon his or her payment of an upgrade fee of: a) US\$59, plus any applicable tax, for Interval Gold, or b) US\$129, plus any applicable tax, for Interval Platinum. Each Network Member and Individual Member acknowledges and agrees that membership in Interval Gold and Interval Platinum is separate and distinct from the corporate membership maintained on behalf of each Network Member by the Network or the Individual Membership, as applicable, and each Network and Individual Member shall be responsible for his or her enrollment in and, where applicable, renewal of Interval Gold or Interval Platinum membership. **Interval Gold membership fees are refundable on a pro rata basis (based on the number of full months remaining in the applicable membership period) upon II's receipt of a Network Member's or Individual Member's request for cancellation of his or her membership and a refund; provided, however, that the Network Member or Individual Member also returns to II any Interval Gold membership card(s) that he or she has received. Upgrade fees for Interval Platinum are nonrefundable under any circumstances.** Failure to renew Interval Gold or Interval Platinum membership within 120 days from any expiration thereof may require payment of a readmission fee of US\$200 to reinstate membership.
6. **The exchange fee per week confirmed is US\$189 and is subject to any applicable tax which must be paid at the time an exchange request is placed.** Network or Individual Members who choose to utilize II's website at IntervalWorld.com to transact an exchange are eligible for a US\$15 discount on the applicable exchange fee, per week confirmed. If the request is made by telephone, the exchange fee may be paid by a credit card acceptable to II or by check. (Where the exchange fee is paid by check, however, confirmation will not occur until said check has been received and processed by II. Accommodations will be held for five (5) calendar days pending receipt of a check for an exchange fee. In addition, in any instance in which a Network or Individual Member pays a fee by check, II reserves the right to collect an administrative fee where such check is returned to II. Checks are not accepted for Confirmations with

occupancy commencement dates of thirty days or less). Exchange fees will be refunded only if an exchange cannot be confirmed, if cancellation of the applicable exchange request is received by II prior to Verified Confirmation, or if cancellation is received by II within the first 24 hours of a Verified Confirmation's issuance. Exchange fees will not be refunded under any other circumstances.

7. The ShortStay Exchange fees per Confirmation are as follows:

Duration of Stay	Call Center Transaction	Online Transaction
1 night	US\$149	US\$129
2 nights	US\$159	US\$139
3 – 4 nights	US\$169	US\$149
5 – 6 nights	US\$179	US\$159

These fees, plus any applicable tax, must be submitted by the Network or Individual Member at the time a ShortStay Exchange Confirmation is received. These exchange fees are nonrefundable. Any cancellation of a ShortStay Exchange results in the loss of the accommodations relinquished.

8. The purchase of E-Plus requires the payment of an additional fee of US\$49, plus any applicable tax, per exchange request or Confirmation. **An E-Plus fee will only be refunded if the original exchange request cannot be confirmed or if cancellation of the original exchange request is received prior to Confirmation. E-Plus fees will not be refunded under any other circumstances.**
9. If the Deposit Extension Option is selected by the Network or Individual Member, an additional fee per deposit is required at the time the deposit extension is requested. The fee to extend a deposit for six months is US\$99 and for 12 months is US\$189.
10. If a Guest Certificate is requested by the Network or Individual Member, other than an Interval Platinum Member, an additional fee of US\$59 per Confirmation is required to be paid to II by the Network or Individual Member at the time the certificate is requested. If II does not issue a Confirmation for which the Guest Certificate has been purchased, the certificate fee will be refunded. Guest Certificate fees will not be refunded under any other circumstances. Interval Platinum Members are not required to pay a fee to request a Guest Certificate.
11. II may suspend membership privileges in the event a Network or Individual Member fails to pay any amount owed to the Host Resort, II, or any other company related to II.
12. Some jurisdictions have imposed a tax on the occupant of resort accommodations. Consequently, any bed tax, transient occupancy tax, or similar tax that is imposed shall, in those circumstances, be the responsibility of the exchanging member. Network and Individual Members may be required to contact the Host Resort prior to arrival in order to prepay such taxes and certain other resort fees. Additionally, Network and Individual Members are responsible for all personal charges (e.g., telephone calls and meals) while at the Host Resort, and any utility surcharge or other charge imposed by a resort, as well as any damage to, or loss or theft from the Host Accommodations and facilities that is caused by the Network or Individual Members or their guests.
13. Fees, if any, charged by Member Resorts for certain services, meal plans, and amenities, are determined and levied by each resort. Such fees are the responsibility of the Network or Individual Member. These fees vary from resort to resort.
14. All fees may be increased from time to time by II, at its sole discretion. Network and Individual Members will be advised of any such increases through II's regular publications or on II's website at IntervalWorld.com.

RESORTS WITH 51 OR MORE UNITS PARTICIPATING AND AVAILABLE FOR OCCUPANCY

Akiris

Contrada Laccata
Marina di Nova Siri
Nova Siri (MT) 75020, Italy

Alanda Club Marbella

Ctra. Cádiz Km. 192
Jardines de Las Golondrinas
Marbella, Málaga, Spain

Alessidamo Club

Via del Mare
Santa Pelagina
Metaponto Lido (MT), Italy

Alpenclub Schliersee

Kirchbichelweg 18
Schliersee 83727, Germany

Alpine Club, The

Schladmining/Rohrmoos
Styria 8970, Austria

Amatique Bay Resort & Marina

Bahia de Amatique
Puerto Barrios, Guatemala

American Resorts International Holiday Network – Maria Alm

Dorf 86 – A-5761 Maria Alm
Maria Alm, Austria

American Resorts International Holiday Network – St. Johann

Hans-Kappacher Str. 7-9
St. Johann im Pongau 5600, Austria

Americano Beach Lodge Resort

1260 North Atlantic Avenue
Daytona Beach, FL 32118

Anantara Vacation Club Phuket Mai Khao

889 Moo 3 Tumbon Mai Khao
Amphur Thalung
Phuket 83110, Thailand

Anna Grand Hotel Vacation Club

Gyógy tér 1
Balatonfüred 8230, Hungary

Apart Holidays – Hotel Fuenfjahreszeiten

Auf dem Koepfle 1-5
Todtmoos 79682, Germany

Apartur Bariloche

Av. Mitre 685
Bariloche, Río Negro, Argentina

Aquarius Vacation Club at Boqueron Beach

Carr. #101 Int. 307
KM 18, HM 8
Cabo Rojo, Puerto Rico

Aquarius Vacation Club at Embassy Suites

201 Dorado del Mar Boulevard
Dorado, Puerto Rico

Aruba Beach Club

L.G. Smith Boulevard #53
Oranjestad, Aruba, Dutch Caribbean

Aruban Resort & Casino at Eagle Beach, The

J.E. Yrausquin Boulevard 250
Oranjestad, Aruba, Dutch Caribbean

Atlantic Club Reserva de Marbella

Ctra. Nacional 340, Km. 193.6
Marbella, Málaga 29600, Spain

Atrium Resort, The

Arctic Avenue at 21st Street
Virginia Beach, VA 23451

Auramar Beach Club

Aparthotel Auramar
Apartado 851, Praia Dos Aveiros
8200 Albufeira, Algarve, Portugal

Avalon Excalibur

Avenida Costera Miguel Aleman #163
Fraccionamiento Magallanes, C.P.
Acapulco, Guerrero 39670, Mexico

Avenue Plaza Resort

2111 St. Charles Avenue
New Orleans, LA 70130

Azul Beach Hotel

Carretera Federal Cancún, Tulum
KM 27.5
Puerto Morelos
Quintana Roo 77580, Mexico

Azul Fives Hotel and Private Residences

Predio el Limonar, Fraccion 2
Xcalacoco
Quintana Roo 77710, Mexico

Azul Sensori

Carretera Puerto Morelos
KM 1+173.33 Fracc. III y IV
Playa del Carmen
Quintana Roo 77710, Mexico

Bagaglino I Giardini di Porto Cervo

I Ginepri & Le Magnolie
Liscia di Vacca, Sassari, Italy

Bahía Manzano

Puerto Manzano – Los Lagos
Villa La Angostura
Neuquén, Argentina

Bahia Plaza Hotel

Estrada Do Coco, KM 8
Praia Busca-Vida
Camacari, BA 42840000
Brazil

Banff Rocky Mountain Resort

1029 Banff Avenue
P.O. Box 100
Banff, Alberta T0L 0L0, Canada

Barceló Los Cabos

P. Malecón Lote 5 s/n D. Fonatur
San José del Cabo, B.C.S., Mexico

Beach House Golf and Racquet Club

6800 North Ocean Boulevard
Myrtle Beach, SC 29577

Beach House Seaside Resort

52 Marine Parade
Coolangatta, Queensland 4225
Australia

Beach Quarters

5th & Atlantic Avenues
Virginia Beach, VA 23451

Beacons of Minocqua, The

8250 Northern Road
Minocqua, WI 54548

Bel Air Collection Resort & Spa Cancún

Boulevard Kukulcan Km. 50.5
Zona Hotelera
Cancún, Quintana Roo, Mexico

Bel Air Collection Resort & Spa Vallarta

Lot F. Flamingos
Nuevo Vallarta, Nayarit, Mexico

Bel Air Collection Resort & Spa Xpuha

Kilometro 265 Riviera Maya
Riviera Maya, Quintana Roo, Mexico

Bellasera Tuscan Villas & Piazza

1795 Country Club Drive
Kelowna, British Columbia V1Y 9N8
Canada

Bent Creek Golf Village

3919 East Parkway
Gatlinburg, TN 37738

Bighorn Meadows Resort

7563 Columbia Avenue and Stanley
Street

Radium Hot Springs
British Columbia V0A 1M0, Canada

Bilmar Beach Resort Condominium

10650 Gulf Boulevard
Treasure Island, FL 33706

Blackstone Mountain Lodge

170 Kananakis Way
Canmore, Alberta, Canada

Bliss Jungle Riviera Maya IV, The

Km 48 Carretera Federal Cancún
Playa del Carmen
Riviera Maya, Quintana Roo 77710
Mexico

Bliss Jungle Riviera Maya V, The

Km 48 Carretera Federal Cancún
Playa del Carmen
Riviera Maya, Quintana Roo 77710
Mexico

BlueBay Beach Club

Avda. Pablo Picasso s/s
Urb. Bahía Feliz
San Agustín, Gran Canaria 35100
Canary Islands
Spain

Blue Ridge Village, an Equivest Managed Resort

Route 1, Box 264, Highway 184
Banner Elk, NC 28604

Blue Seas Resort & Spa

Calle Malecon #1
Colonia Emiliano Zapata
Puerto Vallarta, Jalisco 48300
Mexico

Blue Tree Resort at Lake Buena Vista

12007 Cypress Run Road
Orlando, FL 32836

Bluebeard's Beach Club & Villas

100 Frenchman's Bay
St. Thomas 00802
U.S. Virgin Islands

Bluebeard's Castle Resort – Hilltop Villas

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Bluebeard's Castle Resort – Villas III

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Bluegreen's Club La Pension

115 Decatur Street
New Orleans, LA 70130

Bluewater Resort and Marina

10 Bluewater Marina Drive
Hilton Head Island, SC 29926

Boambee Bay Resort

8 Barber Close
Toormina, New South Wales 2452
Australia

Boyne Vacation Club at Bay Harbor Resort

3600 Village Harbor Drive
Bay Harbor, MI 49770

Boyne Vacation Club at Disciples Ridge

1 Boyne Mountain Road
P.O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Mountain Grand Lodge

1 Boyne Mountain Road
P.O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Hemlock

1 Boyne Mountain Road
P.O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Pleasantview Loft

600 Highlands Drive
Harbor Springs, MI 49790

Boyne Vacation Club at Shoshone

1 Lone Mountain Trail
P.O. Box 160001
Big Sky, MT 59716

Boyne Vacation Club at Stillwater

1 Lone Mountain Trail
P.O. Box 160001
Big Sky, MT 59716

Brewster Green Resort 

203 Lund Farm Way
Brewster, MA 02631

Briarwood

Pine Valley Drive
Falmouth, MA 02540

Brockway Springs Resort

101 Chipmunk Street
Kings Beach, CA 96143

Cabins at Green Mountain

3864 Green Mountain Drive
Branson, MO 65616

Cabo Villas Beach Resort

Callejon Del Pescador S/N
Cabo San Lucas 00257, Mexico

Calampiso

Sauci Grande, San Vito lo Capo
Trapani, Sicily, Italy

California Vacation Club – Indian Palms

48-630 Monroe Street
Indio, CA 92201

California Vacation Club – The Lodge at Kingsbury

133 Deer Run Court
Stateline, NV 89449

California Vacation Club – Riverpointe Napa Valley

500 Lincoln Avenue
Napa, CA 94558

California Vacation Club – Vista Mirage

400 S. Hermosa
Palm Springs, CA 92262

Calypso Cay Vacation Villas

4951 Calypso Cay Way
Kissimmee, FL 34746

Canada House Beach Club

1704 North Ocean Boulevard
Pompano Beach, FL 33062

Canadian Resorts – Marparaiso Queen

Km. 24 Carretera a Barra Vieja
Acapulco, Mexico

Cancún Clipper Club

Mauna Loa Shopping Center
Apartado Postal #1725
Cancún, Quintana Roo 77500, Mexico

Canyon Woods Vacation Club at Canyon Cove Hotel & Spa

Far East Road
Piloto Wawa
Nasugbu, Batangas 4221, Philippines

Cancún Resort Las Vegas

8335 South Las Vegas Boulevard
Las Vegas, NV 89123

Caribbean and Dream Buildings at Ocean Landings Resort

900 North Atlantic Avenue
Cocoa Beach, FL 32931

Caribbean Palm Village

Noord 43-E Palm Beach Road
Oranjestad, Aruba, Dutch Caribbean

Carriage House, The

105 East Harmon Avenue
Las Vegas, NV 89109

Carriage House at Pocono Manor

Route 314
Pocono Manor, PA 18349

Carriage Place at Surrey Vacation Resort, The 

430 C Highway 165 South
Branson, MO 65616

Casa Del Mar Beach Resort

J.E. Yrausquin Boulevard 51/53
Oranjestad, Aruba, Dutch Caribbean

Casa Dorada at Médano Beach

Avenida del Pescador s/n
Loc. 9 y 10 Col.
El Médano, Cabo San Lucas, Mexico

Casa MenDan

Gyógyfűö ter 4
Zalakavos, Zala 8749, Hungary

Casa Ybel Beach and Racquet Club

2255 West Gulf Drive
Sanibel Island, FL 33957

Castaways Cove

Collier's Bay
Collier's Bay, Grand Cayman
Cayman Islands

Castillo Beach Club

Lake Reception, Caleta de Fuste
Antigua, Fuerteventura 35600
Canary Islands, Spain

Catalina Beach Club

1303 South Atlantic Avenue
Daytona Beach, FL 32018

Causeway on Gull

8095 Lost Lake Road
Nisswa, MN 56468

Cedar Lake Country Club

555 Nerang Murwillumbah Road
Advancetown Via Nerang
Queensland 4211, Australia

Chalet High

Basye, VA 22810

Chayofa Country Club

Chayofa, Arona
Tenerife 38627, Canary Islands, Spain

Cherry Tree Condo Hotel

2345 US 31 North
Traverse City, MI 49686

Christie Lodge, The

47 East Beaver Creek Boulevard
Avon, CO 81620

Christmas Mountain Village

5944 Christmas Mountain Road
Wisconsin Dells, WI 53965

Chula Vista Resort

Highway 13 North
Wisconsin Dells, WI 53965

Cibola Vista Resort and Spa

27501 N. Lake Pleasant Road
Peoria, AZ 85383

Cliffs Club, The

3811 Edwards Road
Princeville, Kauai, HI 96722

Cliff Club at Snowbird

9600 E. Little Cottonwood Canyon
Road
Snowbird, UT 84092

Clowance Estate & Country Club

Praze-An-Beeble
Camborne, Cornwall TR14 0PT
United Kingdom

Club Armonia

Kadikalesi – Turgutreis
Bodrum-Mugla, Turkey

Club Asia International – Damai Beach Resort

Jalan Santubong
Kuching, Sarawak 93756
Malaysia

Club Asia International – Damai Puri Resort and Spa

Jalan Santubong
Kuching, Sarawak 93762, Malaysia

Club Asia International – Riverside Majestic Hotel

Jalan Tunku Abdul Rahman
Kuching, Sarawak 93756
Malaysia

Club Cala de Palmas (Palmas del Mar)

170 Candelero Drive
Humacao, PR 00791

Club Casa Dorada Spa & Golf Resort

Km. 19.5 Carretera Transpeninsular
San José del Cabo, B.C.S. 23400
Mexico

Club Cascadas de Baja 

Camino Viejo a San José
Cabo San Lucas, B.C.S., Mexico

Club de Soléil

5499 West Tropicana Avenue
Las Vegas, NV 89103

Club del Carmen

Calle Noruega 2
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Club Destin Resort

1085 Highway 98
Destin, FL 32541

Club Elite Vacation at La Fenice Resort

Localita Osseddu – Olbia 2
Olbia, OT 07026, Italy

Club Estela Dorada at Gruphotel Club Jardines Paraisol

Calle Ciudad de Reus, 19
Salou, Tarragona 43840, Spain

Club Estela Dorada at Gruphotel Mediterranean Club Cala Pi

Urb. Torre Cala Pi
Llucmajor, Mallorca
Balearic Islands 07639, Spain

Club Flipper

Tilkicik Mevkii
Yalikavak
Bodrum, Mugla, Turkey

Club Gran Dorado

Port Zélande 2
Oudorp 3253 MG, Netherlands

Club Greece at Vilea Village

Analipsi, Pefkon
Sitia, Crete, Greece

Club Hotel Tiberias

Ahad Ha'am Street
Tiberias 14222, Israel

Club In

Coral Beach
Eilat, Israel

Club Internacional de Cancún
Bulevar Kukulkán
Cancún, Quintana Roo 77500, Mexico

Club Intrawest – Blackcomb
4580 Chateau Boulevard
Whistler, British Columbia V6B 5C6
Canada

Club Intrawest – Blue Mountain
276 Jozo Weider Boulevard
Blue Mountain, Ontario L9Y 0V2
Canada

Club Intrawest – Palm Desert
1 Willow Ridge
Palm Desert, CA 92260

Club Intrawest – Sandestin
8626 Baytowne Avenue West
Sandestin, FL 32550

Club Intrawest – Zihuatanejo
Carretera Escencia Playa la Ropa
Zona Hotelera, P. O. Box 272
Zihuatanejo, Guerrero 40880
Mexico

Club La Costa Marina del Sol
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Marina Park
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Monterey
Calle Finlandia 8-10
San Eugenio Alto, Adeje
Playa de las Americas, Tenerife 38660
Spain

Club La Costa Paradise
Calle Galicia 6
Torviscas Alto, Adeje
Playa de las Americas, Tenerife 38660
Spain

Club La Costa Pueblo Marina
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

**Club La Costa San Diego Suites
at California Beach Resort**
Ctra. de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

**Club La Costa Sunningdale
Village**
Golf del Sur
San Miguel de Abona, Tenerife 38620
Spain

Club Monte Anfi
Barranco de la Verca
Arguineguín, Gran Canaria 35120
Canary Islands, Spain

Club Mougins
Chemin de Val Fleuri
Mougins 06250, France

Club Ocean Villas II
105 Edward Taylor Road
120th Street
Ocean City, MD 21842

Club Paihia
67 Williams Road
Paihia, New Zealand

Club Patara
Kalkan Club Patara
Kalkan, Turkey

Club Prestige
Tuerkmen Mahallesi
(Aydin) Kusadasi, Turkey

Club QM at Kingsbury Crossing
133 Deer Run Court
Stateline, NV 89449

**Club QM at Thunderbird Resort
Club**
200 Nichols Boulevard
Sparks, NV 89431

Club Residence Capopiccio
Località Capopiccio
Isola di Capo Rizzuto
Crotona 88076, Italy

**Club Royale at Aztec Country
Club**
c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Royale at Lubina Sol
c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Rüyakent
Turgutreis Akyarlar
Bodrum-Mugla, Turkey

Club Sevilla
4646 West Irlo Bronson Memorial
Highway
Kissimmee, FL 34746

Club Sol del Este
Avenida Roosevelt y Parada 12
Punta del Este, Uruguay

Club Sultán de Marbella
Calle Arturo Rubinstein, s/n
Marbella 29600, Spain

**Club Système Vacances at
Oasis Club**
Avenida Las Palmeras
Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

**Club Système Vacances at
Parque Albatross**
Urb. Golf del Sur
San Miguel de Abona, Tenerife
Canary Islands, Spain

**Club Système Vacances at
Vera Beach Club**
Urb. Pueblo Laguna
Ctra. Garrucha-Palomares
Urb. Vera Coast, Apdo. 198
Garrucha, Almería, Spain

Club Tahiti II
Calle Isla de Lobos 12
Costa Teguiise
Lanzarote, Canary Islands, Spain

Club Tahoe Resort ∞
914 Northwood Boulevard
Incline Village, NV 89451

**Club Tesoro at Cabo San Lucas
Resort**
Boulevard Marian s/n
Cabo San Lucas, BCS 23410, Mexico

**Club Vacacional en la Torre Azul
Fontan**
Bulevar Ixtapa s/n
Zona Hotelera
Ixtapa, Guerrero 40880, Mexico

Clube Praia da Oura
Apartado 827
8200 Albufeira
Algarve, Portugal

Coconut Bay Resort
919 North Birch Road #101
Fort Lauderdale, FL 33304

Coconut Beach Resort
1500 Alberta Street
Key West, FL 33040

Coconut Palms Beach Resort
611 South Atlantic Avenue
New Smyrna Beach, FL 32169

Cold Spring Properties
460 North Ashland Road
Ashland, NH 03217

Colonies at Williamsburg, The
5380 Olde Towne Road
Williamsburg, VA 23188

Condohotel Villa Del Mar
Km. 2.5, Francisco Medino Ascencio
Puerto Vallarta, Jalisco, Mexico

Condominio Gran Hotel Pucón
Holzapfel 190
Pucón, Chile

Condominios Solamar Inn
Boulevard Sábalo #1942
Mazatlán, Sinaloa, Mexico

Corail Royal Plage
Tabarka, Tunisia

Coral Beach Resort
Urbanization La Concha
c/Nestor Alamo, 1
Playa Honda
Arrecife, Lanzarote 35500
Canary Islands, Spain

Coral Hills Marza Allam
Piece No. 2, 40 km North Airport
Alsrām Marine centre area
Marsa Allam, Red Sea, Egypt

Coral Reef Beach Resort ◊
5800 Gulf Boulevard
St. Petersburg Beach, FL 33706

**Cordial Residence ‘Il Pelagone’
Toscana**
Km. 219 SS 1 Aurelia
Loc. Il Pelagone
Gavorrano (Grosseto) I-58023, Italy

Cordial Sanotel Badgastein
Conrad-Strochner-Strasse 2
Badgastein 5640, Austria

Cordial Theaterhotel Wien
Josefstädterstrasse 22
Vienna 1081, Austria

Cordial-Hotel Achenkirch
Am Achensee 177
Achenkirch 6215, Austria

**Cordial-Hotel Reith bei
Kitzbühel**
Cordial Platz 1
Reith bei Kitzbühel A-6370, Austria

Costa Linda
59 J.E. Irausquin Boulevard
P. O. Box 1345
Oranjestad, Aruba, Dutch Caribbean

Cove at Ormond Beach, The
145 South Atlantic Avenue
Ormond Beach, FL 32176

Cove at Yarmouth, The ◊
183 Main Street, Route 28
West Yarmouth, MA 02673

Cozumel Palace
San Miguel Rafael E. Melgar
km 1.5 Cozumel
Cozumel, QR 77600, Mexico

Creekside Village
Resort Road
Bryce Mountain Resort
Basye, VA 22810

Crown Point Condominiums ◊
220 Crown Point Drive
Ruidoso, NM 88355

**Crown Regency Vacations at
Crown Regency Hotel
and Towers**
0 Kilometer Jones Avenue
Fuente Smena
Cebu City 6000, Philippines

**Crown Regency Vacation at
Crown Regency Suites**
Maximo Patalinghug Jr. Avenue
Lapu Lapu, Cebu 6015
Philippines

Crystal Beach Suites and Health Club

6985 Collins Avenue
Miami Beach, FL 33141

Cypress Pointe Resort ◇

8651 Treasure Cay Lane
Lake Buena Vista, FL 32836

Dana Inn Resort Pousada Tabatinga

Rodovia Caragua/Ubatuba, Km. 17
Caraguatatuba
São Paulo 11600, Brazil

David Walley's Resort ∞

2001 Foothill Road
Genoa, NV 89411

Daytona Beach Regency

400 N. Atlantic Avenue
Daytona Beach, FL 32118

Desert Breezes Resort ∞
and World Wide Vacations at Desert Breezes Resort

77-955 Calle Las Brisas, South
Palm Desert, CA 92260

Desert Isle of Palm Springs ◇

2555 East Palm Canyon Drive
Palm Springs, CA 92264

De Vere Resort Ownership – Cameron House

Cameron House Hotel & Country Estate
Loch Lomond
Dunbartonshire G83 8QZ
United Kingdom

Deerhurst Residences

1235 Deerhurst Drive
Huntsville, Ontario P1H 2EB
Canada

Diar Lemdina

Medina Vacation Club
Yasmine
Hammamet 00191, Tunisia

Discovery Bay Yacht & Racquet Club

141 Orcas Drive
Port Townsend, WA 98368

Discovery Beach Resort ◇

300 Barlow Street
Cocoa Beach, FL 32931

Divi Aruba Phoenix Beach Resort

L.G. Smith Blvd. 75
Oranjestad
Aruba – DCB

Divi Dutch Village Beach Resort

J.E. Yrausquin Boulevard #47
Aruba, Dutch Caribbean

Divi Little Bay Beach Resort

Little Bay Road
Philipsburg, St. Maarten
Dutch Caribbean

Divi Village Golf and Beach Resort

J.E. Yrausquin Boulevard #93
Aruba, Dutch Caribbean

Domaine Mont Sainte-Anne

203 rue Val Des Neiges
C.P.-57
Beaupre, Québec G0A 1E0
Canada

Dunes Hotel & Beach Resort

Calle Campo
Valle de Pedro Gonzalez
Isla Margarita, Venezuela

Eagle Crest

1522 Cline Falls Road
Redmond, OR 97756

Eagle Point

1500 Matterhorn Circle
Vail, CO 81657

Eagle's Nest

410 South Collier Boulevard
Marco Island, FL 33937

Edgewater Beach Resort ◇

95 Chase Avenue
Dennisport, MA 02639

Edgewater Resort

Sargood Drive Wanaka
Wanaka, New Zealand

Edificio Rambla

Las Heras 2100
Mar del Plata 7600
Argentina

Eilat Club Hotel

Harava Road
Eilat 88000, Israel

El Cid El Moro Beach

Av. Camarón s/n
Mazatlán, Sinaloa 82110, Mexico

El Cid Marina Beach

Av. Camarón Sábalo s/n
Zona Dorada
Mazatlán, Sinaloa 82110, Mexico

El San Juan Towers

ESJ Towers Box 2200
6165 Isla Verde Avenue
Carolina, PR 00979-5765

Elara, a Hilton Grand Vacations Club

80 East Harmon
Las Vegas, NV 89109

Ellington at Wachesaw Plantation East

911 Riverwood Drive
Murrells Inlet, SC 29576

Elphistone Resort

25 KM North Marsa Alam City
Marsa Alam, Red Sea 84721, Egypt

Embarcadero Pacifico

Av. La Marina Sur
Esq. con Ancla
Puerto Vallarta, Jalisco, Mexico

Emerald Grande at Harborwalk Village

10 Harbor Drive
Destin, FL 32541

Equivest Inn On The Harbor

359 Thames
Newport, RI 02840

Escapes! to Galveston

11739 Farm Road 3005
Galveston, TX 77554

Escapes! to Greens at Bella Vista

Riordan Road
430 Town Center
Bella Vista, AR 72714

Escapes! to Hot Springs

One Los Lagos Boulevard
Hot Springs Village, AR 71909

Esmeralda Beach Club

Calle Ponent, 1
Playa de Levante
Calpe, Alicante 03710, Spain

Estero Island Beach Club

1840 Estero Boulevard
Fort Myers Beach, FL 33931

Exclusive Resorts at the Cape Suites Hotel

18 De Villiers Street
Zonnebloem, Capetown 8000
South Africa

Fairmont Vacation Villas at Hillside

5129 River View Gate
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

Fairmont Vacation Villas at Mountainside

5247 Fairmont Creek Road
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

Fairmont Vacation Villas at Riverside

5129 River View Gate
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

Fairway Forest

4350 Highway 64 West
Sapphire, NC 28774

Falcon Point

175 Lake Street
Avon/Beaver Creek, CO 81620

Falls at Ogunquit, The ◇

639 Main Street
Ogunquit, ME 03907

Falls Village, The

200 Creekside Road
Branson, MO 65616

Fantasea Resorts – Flagship

60 North Maine Avenue
Atlantic City, NJ 08401

FantasyWorld Club Villas

2935 Hart Avenue
Kissimmee, FL 32741

Flamingo Beach Resort

6 Billy Folly Road
Pelican Key, St. Maarten
Dutch Caribbean

Flamingo Club

Marina San Eugenio
Adeje, Tenerife
Canary Islands, Spain

Floriday's Orlando Resort

7482 Vineland Avenue
Orlando, FL 32821

Fort Lauderdale Beach Resort ◇

909 Breakers Avenue
Fort Lauderdale, FL 33304

Four Seasons Country Club

Quinta do Lago, Apartado 3282
Almancil, Algarve 8135, Portugal

Four Seasons Fairways

Apartado 3259
Almansil, 8136 Almansil Codex
Algarve, Portugal

Four Seasons Residence Club Aviara

7039 Finch Lane
Carlsbad, CA 92009

Four Seasons Vilamoura

Apartado 507
Vilamoura Codex
Algarve 8125, Portugal

Foxhunt Town Homes

4350 Hwy 64 W
Sapphire Valley, NC 28717

Foxrun ◇

180 Herman Wilson Road
Lake Lure, NC 28746

Franz Klammer Lodge

567 Mountain Village Boulevard
Telluride, CO 81435

French Lick Springs Villas

Highway 56
French Lick, IN 47432

Galleon Resort, The

617 Front Street
Key West, FL 33040

Galleria at Split Rock

1 Lake Drive
Lake Harmony, PA 18624

Garden Hotel, The

#368 Huan Shi Dong Road
Guangzhou, Guangdong 510064
China

Garden Lago

Calle Amsterdam, 3
Urb. Lago Menor, Puerto Alcudia
Mallorca, Balearic Islands, Spain

Gardenia Plaza Resort

Shark Bay
Sharm El Sheikh, Egypt

Gardenia Resort

Plot Number 10 (a)
Hurghada, Red Sea
Egypt

Gaslamp Plaza Suites

520 E. Street
San Diego, CA 92101

Gatlinburg Town Square

414 Airport Road
Gatlinburg, TN 37738

Generations Riviera Maya by Karisma

Km 45, Carretera Cancún Tulum
Riviera Maya, Quintana Roo 77710
Mexico

Georgian Inn Beach Club

759 South Atlantic Avenue
Ormond Beach, FL 32074

Golf Beach Hotel Tabarka

Zone Touristique B.P. 360
Tabarka 8110, Tunisia

Golf Hotel Punta Ala

Via del Gualdo 2
(Castiglione della Pescaia – Toscana)
Punta Ala 58040, Italy

Gold Coast Aruba

Diamante 142
Malmok, Aruba
Dutch Caribbean

Golden Tulip Club Dead Sea

Nirvana on the Dead Sea
Shefer Zohar, Dead Sea 84960, Israel

Goldstar Resort

45 rue Marechal Joffre
Nice, France 06000

Gran Caribe Real by Real Club

Boulevard Kukulcan, KM 11.5
Cancún, Quintana Roo, Mexico

Gran Solare Lencois Resort

Estrada de Sao Domingo S/N
Povoado de Boa Vista
Barreirinhas, Maranhão 65590-000
Brazil

Grand Bliss Riviera Maya, The

KM 48 Carretera Federal Cancún
Riviera Maya, Quintana Roo 77710
Mexico

Grand Dominicus

Bayahibe, La Romana
Dominican Republic

Grand Holiday Club at Flamingo Club

Avda. Espana 3
San Eugenio, Puerto Colon
Costa Adeje, Tenerife
Canary Islands, Spain

Grand Lodge at Peak 7

Lot 1, Peak 7 Subdivision
Breckenridge, CO 80424

Grand Luxxe Residence Club

Paseo de las Moras S/N
Fracc. Nautico Tutistico
Bahia de Banderas 63732, Mexico

Grand Luxxe Residence Club Riviera Maya

KM 48 de la Carretera Federal Cancún
Playa del Carmen
Quintana Roo, Mexico

Grand Miramar Resort and Spa

Paseo de los Corales 139
Puerto Vallarta, Jalisco 48390
Mexico

Grand Oasis Cancún Resort & Spa

Boulevard Kukulcan Kilometro 16.5
Zona Hotelera
Cancún, Quintana Roo 77500
Mexico

Grand Oasis Palm Resort & Spa

Boulevard Kukulcan Kilometro 4.5
Zona Hotelera
Cancún, QR 77500, Mexico

Grand Oasis Sens

Blvd. Kukulcan Km. 19.5
Zona Hotelera
Cancún, QR 77500
Mexico

Grand Oasis Tulum

Riviera Maya Kilometro 251
Tulum 77780
Mexico

Grand Rockies Resort

1151 Sidney Street
Canmore, Alberta
Canada T1W 3G1

Grand Seas Resort

2424 North Atlantic Avenue
Daytona Beach, FL 32118

Grand Sharm Resort

Ras Om El-Sid Cliff
Sharm el Sheikh
Egypt

Grand Timber Lodge

75 Snow Flake Drive
Breckenridge, CO 80424

Grande Villas

8651 Treasure Cay Lane
Lake Buena Vista, FL 32836

Greensprings Vacation Resort

3500 Ludwell Parkway
Williamsburg, VA 23188

Halland International Resort Club

Ta L-Ibragg
St. Andrews
Malta

Hanalei Bay Resort

5380 Honoiki Road
Princeville, Kauai, HI 96722

Harborside Inn

3 South Water Street
Edgartown
Martha's Vineyard, MA 02539

Harborside Resort at Atlantis

Coral Tower Casino Drive
Paradise Island, Nassau
Bahamas

Harbortown Point Marina Resort & Club

1651 Anchors Way
Ventura, CA 93001

Harbour Lights

2690 Harbour Lights Drive
Myrtle Beach, SC 29577

Hato Viejo Boutique Resort

Kilometro 125 Carretera
Panamericana
Anton, Panama

Havasú Dunes

620 Lake Havasu Avenue South
Lake Havasu City, AZ 86403

Herod's Residence Club

North Shore
Eilat 88000, Israel

High Point World Resort

2951 High Point Boulevard
Kissimmee, FL 32741

Highlands at Sugar, The

1077 Highlands Drive
Banner Elk, NC 28604

Hilton Craigendarroch Resort

Braemar Road
Ballater, Aberdeenshire AB35 5XA
United Kingdom

Hippocampus Beach International Resort

Final Av. El Cristo, Secc. La Caranta
Pampatar, Isla Margarita, Venezuela

Hippocampus Viña del Mar Resort & Club

Concon
Viña del Mar, Chile

Historic Powhatan Resort, The

3601 Ironbound Road
Williamsburg, VA 23188

Holiday Beach Resort

1006 U.S. Highway 98 East
Destin, FL 32540

Holiday Club Airisto

Airistontie 700
Stormalo, Parainen 21600, Finland

Holly Tree Resort Hotel

412 Main Street
Route 28
West Yarmouth, MA 02673

Hollywood Beach Tower

301 Harrison Street
Hollywood, FL 33019

Hospederia Duruelo

Carretera 3 #12-88
Villa de Leyva, Boyaca
Colombia

Hotel Acapulco Malibu

Costera Miguel Aleman No. 79
Acapulco, Guerrero 39690
Mexico

Hotel and Club Aladino's

Av. Lomas del Mar #10 Fracc.
Club Deportivo
Acapulco, Guerrero, Mexico

Hotel bh El Poblado

Cra. 43, No. 9 Sur-35
Antioquia
Medellín, Colombia

Hotel bh Parque 93

Cra. 14, No. 93A-69
Cundinamarca
Bogotá, Colombia

Hotel bh Tempo

Cra. 7a, No. 65-01
Bogotá, Colombia

Hotel Bustillo Villa Huinid

Bustillo Km 2.6
Bariloche, Rio Negro 8400
Argentina

Hotel de la Monnaie

405 Esplanade Avenue
New Orleans, LA 70116

Hotel Doubletree Resort by Hilton Puntarenas

Carretera a Puerto Caldera s/n
El Roble, Puntarenas, Costa Rica

Hotel La Sierra

Carretera 1, No. 9-47
Rodadero
Santa Maria, Magdalena
Colombia

Hotel Pioneros at Villa Huinid Hotel

Av. Bustillo km 2.6
Bariloche, Rio Negro R8402AAX
Argentina

Hotel Santa Clara

Calle del Torno 39-29
San Diego – Zona Amurallada
Cartagena, Colombia

Hotel Serena Beach Club

Punici Street
Xlendi Bay
Island of Gozo VCT 115, Malta

Hotel Viva Clarion Suites

14 Calle 3-08 Zona 10
Guatemala City, Guatemala

Huronic Residences at Living Water, The

9 Harbour St. East
Collingwood
Ontario L9Y 5C5
Canada

Hyatt Beach House Resort

5051 Overseas Highway (US 1)
Key West, FL 33040

Hyatt Coconut Plantation

23282 Coconut Pointe Resort Drive
Bonita Beach, FL 34134

Hyatt Escala Lodge at Park City

3551 North Escala Court
Park City, UT 84095

Hyatt Grand Aspen

400 Dean Street
Aspen, CO 81611

Hyatt Hacienda del Mar

Highway 693
Dorado, PR 00646

Hyatt High Sierra Lodge

989 Incline Way
Incline Village, NV 89451

Hyatt Highlands Inn

120 Highlands Drive
Carmel, CA 93923

Hyatt Main Street Station

505 Main Street
Breckenridge, CO 80424

Hyatt Mountain Lodge

210 Offerson Road, BCP #164
Beaver Creek, CO 81620

Hyatt Piñon Pointe

1 North Highway 89A
Sedona, AZ 86336

Hyatt Wild Oak

9700 W. Military Drive
San Antonio, TX 78251

Hyatt Windward Pointe

3675 South Roosevelt Boulevard
Key West, FL 33040

Ile des Pêcheurs

La Coudalère Nord
Barcarès 66420, France

Imperial Fiesta Club Casa Maya

Paseo Kukulcán Km. 5.5
Cancún, Quintana Roo 77500, Mexico

Imperial Hawaii Vacation Club – Imperial Hawaii Resort

205 Lewers Street
Honolulu, Oahu, HI 96815

Indian Palms Intervals

82-954 Steward Drive
Indio, CA 92201

Inn at SilverCreek, The

62927 U.S. Highway 40
Silver Creek, CO 80446

Inn at the Springs

8901 Highland Wood Boulevard
Bonita Springs, FL 34135

InnSeasons Resorts – Falls at Ogunquit, The

639 Main Street
Ogunquit, ME 03907

InnSeasons Resorts – Pollard Brook

Kancamagus Highway
Lincoln, NH 03251

Iron Blossam Lodge

Utah Highway 210, Resort Entry #2
Snowbird, UT 84092-9000

Isla Mujeres Palace

Carretera Garrafon, Vista Alegre
MZ 63 Lt1, SM 007
Isla Mujeres, QR 77400, Mexico

Island Links Resort

1 Coggins Point Road
Hilton Head Island, SC 29928

Island Park Village Resort

Highway 20 & MM 394/395
Island Park, ID 83429

Island Residence Club at Golden Sands**Radisson SAS Golden Sands Resort & Spa**

Golden Bay
L/O Mellieha Mlh 02
Malta

Island Seas Resort

123 Silver Point Drive
P.O. Box F-44735
Freeport, Grand Bahama Island
Bahamas

Islander Beach Resort

1601 South Atlantic Avenue
New Smyrna Beach, FL 32169

Jan Thiel Resort

Jan Thiel Beach
Willemstad, Curaçao, Dutch Caribbean

Jerusalem Gold Hotel

Jaffa 234
Jerusalem 94383, Israel

Jockey Club, The

3700 Las Vegas Boulevard South
Las Vegas, NV 89109

Kahana Beach Vacation Club

4221 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Kahana Falls

4260 L Honoapiilani Road
Lahaina, HI 96761

Kenmore Club, The

Kenmore, Perthshire PH15 2HH
United Kingdom

Kilconquhar Castle Estate & Country Club

Kilconquhar
Elie, Leven
Fife KY9 1EZ, United Kingdom

Killington Grand Hotel

228 East Mountain Road
Killington, VT 05751

King's Creek Plantation

191 Cottage Cove Lane
Williamsburg, VA 23185

Kingsbury Crossing and World Wide Vacations Club at Kingsbury Crossing

133 Deer Run Court
Stateline, NV 89449

Kona Coast Interval Ownership Resort, The

78-6842 Alii Drive
Kailua-Kona, Hawaii, HI 96740

Kona Coast Resort II, The

78-6842 Alii Drive
Kailua-Kona, Hawaii, HI 96739

L'Eyssina

Vars le Claux 05560, France

La Cabana Beach Resort and Casino

J.E. Yrausquin Boulevard 250
Oranjestad, Aruba, Dutch Caribbean

La Costa Beach Club

1504 North Ocean Boulevard
Pompano Beach, FL 33062

La Quinta Beach Resort

J.E. Irausquin Boulevard 228
Eagle Beach, Oranjestad, Aruba
Dutch Caribbean

Lagonita Lodge II

183 Lagonita Lane
Big Bear Lake, CA 92315

Lagos de Fañabe

Playa Fañabe
Adeje, Tenerife
Canary Islands, Spain

Lagos de Fañabe II

Apdos. Los Olivos
Playa Fañabe, Adeje, Tenerife
Canary Islands, Spain

Lake Marion Resort Community

6641 Lake Marion Golf Resort Drive
Kissimmee, FL 34759

Lakeview Resort Club

1 Lakeview Drive
Morgantown, WV 26505

Landing at Seven Coves, The

7031 Kingston Cove Lane
Willis, TX 77378

Landmark Holiday Beach Resort

17501 Front Beach Road
Panama City, FL 32413

Landmark Resort

7643 Hillside Road
Egg Harbor, WI 54209

Langdale Estate

Great Langdale, Nr. Ambleside
Cumbria LA22 9JD, United Kingdom

Las Olas Resort

Av. D. Urb. Los Canales de Río Chico
Río Chico, Miranda, Venezuela

Laugharne Park

Laugharne
Dyfed SA33 4SG, United Kingdom

Laurel Crest Resort

636 Wears Valley Road
Pigeon Forge, TN 37863

Lawai Beach Resort – Alii Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Lawai Beach Resort – Banyan Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Lawrence Welk Resort Villas

8860 Lawrence Welk Drive
Escondido, CA 92026

Le Blanc Spa Resort

Boulevard Kukulcan Km. 10
Cancún, Quintana Roo 77500, Mexico

Legacy Grand Eastgate

5265 West Irló Bronson Memorial
Highway
Kissimmee, FL 34746

Legacy Vacation Club

Brigantine Beach – The Inn
1400 Ocean Avenue
Brigantine, NJ 08203

Legacy Vacation Club Lake Buena Vista

8451 Palm Parkway
Lake Buena Vista, FL 32819

Legacy Vacation Club Orlando

2794 North Poinciana Boulevard
Kissimmee, FL 34746

Legacy Vacation Club Orlando Oaks

2794 North Poinciana Boulevard
Kissimmee, FL 34746

Legacy Vacation Club Orlando Spas

2800 North Poinciana Boulevard
Kissimmee, FL 34746

Legacy Vacation Club Palm Coast

201 Clubhouse Drive
Palm Coast, FL 32137

Legacy Vacation Club Steamboat Springs – Hilltop

1000 Highpoint Drive
Steamboat Springs, CO 80477

Legacy Vacation Club Steamboat Springs – The Suites

1485 Pine Grove Road
Steamboat Springs, CO 80477

Lehigh Resort Club

231 Joel Boulevard
Lehigh Acres, FL 33972

Les Chalets

Avda. Camacho s/n Parada 19 de la
Mansa Barrio Parque Cantegril
Punta del Este, Uruguay

Les Marines de Gassin

RN 98, Route de St. Tropez
Gassin 83580, France

Lighthouse Cove

1406 North Ocean Boulevard
Pompano Beach, FL 33062

Lighthouse Key Resort & Spa

8545 West Irlo Bronson Hwy
Kissimmee, FL 34747

Liki Tiki Village

17777 Bali Boulevard
Winter Garden, FL 34787

Limetree Beach Resort

1050 Ben Franklin Drive
Sarasota, FL 34236

Links Golf and Racquet Club

917 Thomas Avenue
North Myrtle Beach, SC 29582

Lodge Alley Inn, The

195 East Bay Street
Charleston, SC 29401

London Bridge Resort

1477 Queens Bay
Lake Havasu City, AZ 86403

Longevity Wellness Resort Monchique

Lugar do Montinho
Monchique 8550-232, Portugal

Lord Stanley Suites on the Park

1889 Alberni Street
Vancouver
British Columbia V6G 3G7, Canada

Loreley

387 Brucken Street
Helen, GA 30545

Los Amigos Beach Club

Ctra. Cádiz Km. 204
Mijas-Costa, Málaga 29647, Spain

Los Cabos Golf Resort

Cabo San Lucas Country Club
Cabo San Lucas, B.C.S., Mexico

Los Tinajeros Resort

Calle Campos entre Marcano y Cedeno
Porlamar, Isla Margarita, Venezuela

Macdonald Dalfaber Resort

Dalfaber Estate
Aviemore
Inverness, Scotland PH22 1ST
United Kingdom

Macdonald Doña Lola Resort

Ctra. de Cádiz, Km. 197-8
Mijas-Costa, Málaga 29649, Spain

Macdonald Forest Hills Hotel and Lochside Resort

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling FK8 3TL
United Kingdom

Macdonald Leila Playa Resort

Ctra. de Cádiz, Km. 196
Mijas-Costa, Málaga 29649, Spain

Macdonald Loch Rannoch Hotel & Lochside Resort

Loch Rannoch Estate
Kinloch Rannoch
Perthshire PH16 5PS, United Kingdom

Macdonald Plas Talgarth Health & Leisure Club

The Plas Talgarth Estate
Pennal, Nr. Machynlleth
Powys, SY20 9JY, United Kingdom

Macdonald Villacana Resort

Km. 165, Ctra de Cádiz
Estepona, Málaga, Spain

Magic Tree Resort

2795 North Old Lake Wilson Road
Kissimmee, FL 34734

Mares Marmaris

Marmaris Altin Yunis
Pamucak, Mevkii
Marmaris, Mugla, Turkey

Margarita International Resort

Avenida Bolivar-Urbanización Dumar
Urb. Dumar
Porlamar, Isla Margarita, Venezuela

Mariner Shores Resort & Beach Club

254-260 The Esplanade
Miami, Queensland, Australia

Maritime Beach Club

400 North Ocean Boulevard
North Myrtle Beach, SC 29582

Marriott Residence Inn at Muskoka Wharf

285 Steamship Bay Road
Gravenhurst, Ontario, P1P 1Z9
Canada

Marriott Vacation Club at The Empire Place

88 Naradhiwas Rajanagarindra Road
Sathorn, Yannawa, Bangkok, Thailand

Marriott's Aruba Ocean Club

99 L.G. Smith Boulevard
Oranjestad, Aruba, Dutch Caribbean

Marriott's Aruba Surf Club

LG Smith Boulevard #99
Palm Beach, Aruba, Dutch Caribbean

Marriott's Barony Beach Club

5 Grasslawn Avenue
Hilton Head, SC 29928

Marriott's BeachPlace Towers

21 South Fort Lauderdale Beach
Boulevard
Fort Lauderdale, FL 33316

Marriott's Canyon Villas at Desert Ridge

5220 E. Marriott Drive
Phoenix, AZ 85054

Marriott's Club Son Antem

Ctra. Llucmajor, PM 602, Km. 3.4
Apartado 363
Llucmajor, Mallorca
Balearic Islands 07620, Spain

Marriott's Crystal Shores on Marco Island

600 S. Collier Boulevard
Marco Island, FL 34145

Marriott's Custom House

3 McKinley Square
Boston, MA 02109

Marriott's Cypress Harbour

11251 Harbour Villa Road
Orlando, FL 32821

Marriott's Desert Springs Villas

1091 Pinehurst Lane
Palm Desert, CA 92260

Marriott's Desert Springs Villas II

1091 Pinehurst Lane
Palm Desert, CA 92260

Marriott's Fairway Villas

500 East Fairway Lane
Galloway Township, NJ 08201

Marriott's Frenchman's Cove

7338 Estate Bakkeroe
St. Thomas 00801
U.S. Virgin Islands

Marriott's Grand Chateau

75 East Harmon Avenue
Las Vegas, NV 89109

Marriott's Grand Residence Tahoe

1001 Park Avenue
South Lake Tahoe, CA 96150

Marriott's Grande Ocean Resort

51 South Forest Beach Drive
Hilton Head Island, SC 29928

Marriott's Grande Vista

5925 Avenida Vista
Orlando, FL 32821

Marriott's Harbour Lake

7102 Grand Horizons Boulevard
Orlando, FL 32821

Marriott's Harbour Point at Shelter Cove

4 Shelter Cove Lane
Hilton Head Island, SC 29928

Marriott's Kauai Beach Club

3610 Rice Street, Kalapaki Beach
Lihue, Kauai, HI 96766

Marriott's Kauai Lagoons

3325 Holokawelu Way
Lihue, Kauai, HI 96766

Marriott's Ko Olina

92-101 Mauloa Place
Kapolei, Oahu, HI 96707

Marriott's Lakeshore Reserve

11120 Lakeshore Reserve Drive
Orlando, FL 32837

Marriott's Legend's Edge at Bay Point

4000 Marriott Drive
Panama City Beach, FL 32408

Marriott's Mai Khao Beach

234 Moo 3
Mai Khao, Thalang
Phuket, Thailand 83110

Marriott's Manor Club at Ford's Colony

101 St. Andrews Drive
Williamsburg, VA 23188

Marriott's Manor Club Sequel

101 St. Andrews Drive
Williamsburg, VA 23188

Marriott's Marbella Beach Resort

Ctra. de Cádiz, Km. 193
Urb. Marbella del Este
Marbella, Málaga 29600, Spain

Marriott's Maui Lahaina & Napili Villas

100 Nohea Kai Drive
Lahaina, HI 96761

Marriott's Maui Ocean Club

100 Nohea Kai Drive
Lahaina, Maui, HI 96761

Marriott's Monarch at Sea Pines

91 North Sea Pine Drive
Hilton Head Island, SC 29938

Marriott's Mountainside at Park City

1305 Lowell Avenue
Park City, UT 84060

Marriott's Mountain Valley Lodge

655 Columbine Road
Breckenridge, CO 80424

Marriott's Newport Coast Villas

23000 Newport Coast Drive
Newport Coast, CA 92657

Marriott's Ocean Pointe

71 Ocean Avenue
Palm Beach Shores, FL 33404

Marriott's OceanWatch Villas at Grande Dunes

8450 Costa Verde Drive
Myrtle Beach, SC 29572

Marriott's Phuket Beach Club

Had Mai Khao Moo 3 Baan Suan
Maprow, Talang
Amphor, Phuket
Thailand

Marriott's Playa Andaluz

Ctra. Se Cádiz KM 168
Estepona, Málaga 29680
Spain

Marriott's Royal Palms Resort

8404 Vacation Way
Orlando, FL 32821

Marriott's Sabal Palms Resort

8805 World Center Drive
Orlando, FL 32821

Marriott's Shadow Ridge Villages

36000 Monterey Avenue
Palm Desert, CA 92260

Marriott's Shadow Ridge Enclaves

9003 Shadow Ridge Road
Palm Desert, CA 92211

Marriott's St. Kitt's Beach Club

858 Frigate Bay Road
Frigate Bay, St. Kitts
St. Kitts & Nevis

Marriott's StreamSide

2264 South Frontage Road West
Vail, CO 81657

Marriott's Summit Watch at Park City

780 Main Street
Park City, UT 84060

Marriott's SurfWatch

10 Fifth Street
Hilton Head, SC 29928

Marriott's Timber Lodge

4100 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Marriott's Village d'Ile de France

Allee de l'Orme Rond
Bailly Romainvilliers 77700, France

Marriott's Villas at Doral

4101 N.W. 87th Avenue
Miami, FL 33178

Marriott's Waiohai Beach Club

2249 Poipu Road
Koloa, Kauai, HI 96756

Marriott's Willow Ridge Lodge

2929 Green Mountain Drive
Branson, MO 65616

Maui Schooner Resort ∞

980 South Kihei Road
Kihei, Maui, HI 96753

Mayhills Resort

142, Gohan-ri
Gohan-up, Jeongseon-gun
Gangwon-do 233-811, Korea

Mendihuaca Caribbean Resort

Km. 33 Via Santa Marta – Riohacha
Santa Marta, Magdalena, Colombia

Mexicana Sharm Resort

Mexicana Sharm
Ras Om El Sid
Sharm el Sheikh, Egypt

Michelangelo @ Hotel La Fenice

Lacalita Osseddu – Olbia 2
Olbia 07026, Italy

Michelangelo @ Meridie Village

San Sostene
Catanzaro 88060, Italy

Mill Resort & Suites Vacation, The

J.E. Yrausquin Boulevard 330
Oranjestad, Aruba, Dutch Caribbean

Miraflores Vacation Club

Ctra. de Cádiz, Km. 199
Mijas-Costa, Málaga 29647, Spain

Mirror Tamarack Lake Resort

E10035 Xanadu Road
Wisconsin Dells, WI 53965

Monarch Grand Vacation – Cedar Breaks

223 Hunter Ridge Road
Brian Head, UT 84719

Moon Palace Golf & Spa Resort-Nizuc

Carretera Federal Km 307
Chetumal-Cancún
Cancún, Quintana Roo 77500, Mexico

Moon Palace Grand

Carretera Cancún-Chetumal Km 340
Cancún, Quintana Roo 77500, Mexico

Moon Palace Jamaica Grande

St. Ann Bay Ocho Rios
Ocho Rios, St. Ann
Jamaica

Moon Palace Sunrise

Carretera Cancún-Chetumal Km 340
Cancún, Quintana Roo 77500, Mexico

Mount Snow Grand Summit Hotel at The Grand Summit Resort Hotel & Conference Center

89 Grand Summit Way
West Dover, VT 05356

Morritt's Tortuga Club

2289 Queens Highway
East End
Grand Cayman KY11106
Cayman Islands

Mountain Club at Loon, The

Main Street
Lincoln, NH 03251

Mountain Laurel Resort and Spa

Route 940
White Haven, PA 18661

Mountain Loft Resort

110 Mountainloft Drive
Gatlinburg, TN 37738

Mountainside Resort at Stowe

171 Cottage Club Road
Stowe, VT 05672

Mountainside Villas at Massanutten

Route 644, Intersection of Peak
Middle Coff Drive
McGaheysville, VA 22840

Multigestion – Multivacances Avoriaz

Avoriaz
Morzine 74110, France

Multigestion – Reberty les Menuires

St. Martin de Belleville 73440
France

Multigestion – Résidence de Rochebrune

18, Porting de Rochebrune
Megeve 74120, France

Multigestion – Résidence Emeraude

Belle Plagne
Aime 73210, France

Myrtle Beach Resort, The

5905 South Kings Highway
Surfside Beach, SC 29587

Mystic Dunes Resort & Golf Club

7600 Palms Parkway
Kissimmee, FL 34747

Nautilus Residences

White Sands Golf and Beach Resort
Bavara, La Altagracia
Dominican Republic

Nepean Country Club

Browns Road
Rosebud, Victoria 3838, Australia

Nostos Village

Tzaneria
Skiathos 37002, Greece

Oak N' Spruce Resort

Meadow Street
South Lee, MA 01260

Oak Plantation

4090 Enchanted Oaks Circle
Kissimmee, FL 34741

Oakmont Resort

555 Middle Creek Road
Pigeon Forge, TN 37863

Oasis Cancún Resort

Boulevard Kukulcan Kilometro 16.5
Zona Hotelera
Cancún, Quintana Roo 77500
Mexico

Oasis Club

Avenida Las Palmeras
Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Oasis Lanz Club

Av. Punta Jablillo, 7
35509 Costa Teguisse
Lanzarote, Canary Islands, Spain

Ocean Beach Club

3401 Atlantic Avenue
Virginia Beach, VA 23451

Ocean Club

1908 North Ocean Boulevard
North Myrtle Beach, SC 29582

Ocean Club on Smuggler's Beach

329 South Shore Drive
South Yarmouth, MA 02664

Ocean Hotel

Blvd. Kukulcan KM 3.5
Zona Hotelera, CP 77500
Quintana Roo, Cancún, Mexico

Ocean Landings Resort & Racquet Club

900 North Atlantic Avenue
Cocoa Beach, FL 32931

Ocean Reef Resort

Bahama Reef Boulevard
P.O. Box 2695
Freeport, Grand Bahama Island
Bahamas

Ocean Towers Beach Club

11211 Front Beach Road
Panama City Beach, FL 32407

Ocean Two Resort & Residences

Dover
Dover, Christ Church
Barbados

Oceanaire at Ocean Beach Club

3401 Atlantic Avenue
Virginia Beach, VA 23451

Olympic Village Inn

1909 Chamonix Place
Olympic Valley, CA 96146

Options at Macdonald at Forest Hills Hotel and Resort

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling FK8 3TL
United Kingdom

Options at Macdonald at Plas Talgarth Resort

The Plas Talgarth Estate
Pennal, Nr. Machynlleth
Powys SY20 9JY
United Kingdom

Orange Tree Interval Ownership Resort, The, and Shell Vacations Club at Orange Tree Interval Ownership

10601 North 56th Street
Scottsdale, AZ 85254

Outer Banks Beach Club and Outer Banks Beach Club Villas II

Mile Post 9, Virginia Dare Road
Kill Devil Hills, NC 27948

Own Grand Palermo Soho

Gurruchaga 2121
Buenos Aires, Buenos Aires 1113
Argentina

Oyster Bay Beach Resort

Emerald Merit Road 26
Box 239
Philipsburg, St. Maarten
Dutch Caribbean

Pahia at Ka Eo Kai

3970 Wyllie Road
Princeville, Kauai, HI 96722

Palace Ponte di Legno

Via Trento 19
Ponte di Legno (BS) 25056, Italy

Palace Vacation Club – Palace of the Golden Horses

Jalan Kuda Emas
The Mines Resort City
Seri Kembangan 43300
Malaysia

Palace View by Spinnaker

700 Blue Meadows Drive
Branson, MO 65616

Palm at Playa, The

Calle 8 Manzana 29 Lote 5 entre
10 y 5ta Avenida
Playa del Carmen
Quintana Roo 77710, Mexico

Palm Bay Resort

2525 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Palm Canyon Resort and Spa and Monarch Grand Vacations at Palm Canyon Resort and Spa

2800 South Palm Canyon Drive
Palm Springs, CA 92264

Palm Oasis

Albert Einstein s/n, Parcela 34
Urb. Sonnenland
Maspalomas, Gran Canaria
Canary Islands, Spain

Palm Springs Tennis Club

701 West Baristo Road
Palm Springs, CA 92262

Panareti's Royal Coral Bay Resort

Keratidiou Street
Pegeia Paphros 62479, Cyprus

Paradise Beach Villas

J.E. Yrausquin Boulevard Z/N
Oranjestad, Aruba, Dutch Caribbean

Paradise Point Resort

250 Lakewood Drive
Hollister, MO 65672

Paradise Village Beach Resort & Spa

Paseo de los Cocoteros #001
Nuevo Vallarta, Nayarit, Mexico

Paradise Village Marine Residence

Paseo de los Cocoteros #001
Nuevo Vallarta, Nayarit, Mexico

Park Plaza

2060 Sidewinder Drive
Park City, UT 84060

Park Regency, The[∞]

1710 Prospector Avenue
Park City, UT 84060

Parkway International Resort

6200 Safari Trail
Kissimmee, FL 32741

Parque del Sol

Urb. Playa Fañabe
38660 Adeje
Playa de las Américas
Tenerife, Canary Islands, Spain

Paseo del Sol

Paseo Xaman Ha
Manzana 12, Lote 4-5
Playa del Carmen, Quintana Roo
Mexico

Passporto at Porto Sokhna

Porto Sokhna
Ein El Sokhna
Red Sea, Egypt

Patriots Inn

1420 Richmond Road
Williamsburg, VA 23185

Peninsula Beach Resort

Jalan Pratama, Tanjung Benoa
Bali, Indonesia

Peninsula Island Resort and Spa

340 Padre Boulevard
South Padre Island, TX 78597

Peppertree Atlantic Beach Villas

715 West Fort Macon Road
Atlantic Beach, NC 28512

Peppertree by the Sea

305 South Ocean Boulevard
North Myrtle Beach, SC 29582

Perennial Vacation Club – Daytona

2525 South Atlantic Avenue
Daytona Beach, FL 32118

Perennial Vacation Club – Tahoe Village/Eagles Nest

472 Needle Peak Road
Stateline, NV 89449

Pier 7 Condominiums

711 Main Street
South Yarmouth, MA 02664

Pine Lake Resort

Carnforth, Lancashire LA6 1JZ
United Kingdom

Plantation Beach Club at South Seas Plantation

P.O. Box 194
5400 South Seas Plantation Road
Captiva Island, FL 33924

Playa del Sol Costa Sur

Km. 4-456 Carretera Barra Navidad
Puerto Vallarta, Jalisco
Mexico

Playa Linda Beach Resort

J.E. Yrausquin Boulevard #87
Oranjestad, Aruba
Dutch Caribbean

Playa Maroma

Km. 52, Carretera Federal
Cancún – Tulum
Quintana Roo, Mexico

Playacar Palace

Fraccionamiento Playacar
Bahia del Espiritu Santo
Esquina Abraira de Arriba
Playa del Carmen
Quintana Roo 77710
Mexico

Players Club of Hilton Head Island

35 Deallyon Avenue
Hilton Head Island, SC 29928

Plaza Blumenau Hotel

Rua 7 de Setembro, 818
Blumenau, SC 89010200
Brazil

Plaza Caldas Imperatriz Resort & Spa

Rodovia Princesa Leopoldina, 3355
Santo Amaro da Imperatriz
SC 88140000
Brazil

Plaza Florianopolis Hotel

Rua Silva Jardim, 830
88020000, Brazil

Plaza Itapema Resort & Spa

BR 101-KM 144
Itapema, SC 88220000
Brazil

Plaza Porto Alegre Hotel

Rua Senhor dos Passos, 154
Centro Histórico
Porto Alegre, RS 90020 180
Brazil

Plaza Sao Rafael

Avenida Alberto Bins, 514
Porto Alegre, RS 90030 140
Brazil

Plaza Resort and Spa, The

2601 Golf Club Drive
Palm Springs, CA 92264

Plaza Pelicanos Grand Beach Resort and Shell Vacations Club @ Plaza Pelicanos Grand Beach Resort

Jose Clemente Orozco #131
Zona Hotelera Las Glorias
Puerto Vallarta, Jalisco 48351
Mexico

Polynesian Isles Resort

3045 Polynesian Isles Boulevard
Kissimmee, FL 34746

Pono Kai, The

1250 Kuhio Highway
Kapaa, Kauai, HI 96746

Port Pacific

6-14 Clarence Street
Port Macquarie
New South Wales 2444, Australia

Port Trinitie

State Road 1200
Duck-Corolla Road
Duck, NC 27949

Porto Vacation Club at Porto Sokhna

Porto Sokhna
Ein El Sokhna
Red Sea, Egypt

President Hotel

Alexander Road
P.O. Box 1050, Seapoint 8060
Bantry Bay, Capetown 8001
South Africa

Premiere Vacation Collection – Bell Rock, Sedona

6246 Highway 179
Sedona, AZ 86351

Premiere Vacation Collection – Kohl's Ranch Lodge

East Highway 260 HC2
Box 96K
Payson, AZ 85541

Premiere Vacation Collection – Sedona Vacation Club at Los Abrigados

160 Portal Lane
Sedona, AZ 86351

Premiere Vacation Collection – Varsity Clubs, Tucson Chapter

3855 East Speedway Boulevard
Tucson, AZ 85716

Privilège Residenzhotel Hotel Sunstar Arosa

Ferienclub Privilège
Arosa, CH-7050, Switzerland

Privilège Residenzhotel Hotel Sunstar Davos

Ferienclub Privilège
Davos-Platz, CH-7270, Switzerland

Privilège Residenzhotel Hotel Sunstar Flims

Ferienclub Privilège
Flims-Waldhaus, CH-7018
Switzerland

Privilège Residenzhotel Hotel Sunstar Grindelwald

Ferienclub Privilège
Grindelwald, CH-3818, Switzerland

Privilège Residenzhotel Hotel Sunstar Lenzerheide

Ferienclub Privilège
Lenzerheide, CH-7079, Switzerland

Privilège Residenzhotel Hotel Sunstar Wengen

Ferienclub Privilège
Wengen, CH-3823, Switzerland

Pyhäniemi

Kihnio SF-39820, Finland

Quarter House, The

129 Chartres Street
New Orleans, LA 70130

Quijote Inn

Av. Camarón Sábalo s/n
Apartado Postal 934 & 966
Mazatlán, Sinaloa, Mexico

Rancho Banderas All Suite Resort

Km. 8.3 Ctra. Cruz de Huanecastle
Punta Mita, Nayarit, Mexico

Reef Ocean Resort, The

3450 Ocean Drive
Vero Beach, FL 32963

Renaissance Aruba Beach Resort and Casino

J.E. Yrausquin Boulevard 9
Oranjestad, Aruba
Dutch Caribbean

Residence Kamarina

Viale Kamarina
(c/Randello, SP 85 km 7)
Localita Randello
Ragusa 97017
Italy

Résidence l'Annonciade

RN 98
Port Cogolin 83310, France

Résidence le Cervin

Dumez Immobilier
Plagne Soleil
La Plagne Village 73210, France

Résidence le Grand Bois

La Tania
Courchevel 73120, France

Résidence le Ruitor

Arc 1800
Les Arcs
Bourg St. Maurice 73700, France

Résidence le Trianon

Avenue du Professeur Joliet
Arcachon 33120, France

Résidence les Cottages du Golf

Golf de Saint Laurent
Ploemel, Auray 56400, France

Résidence les Félibriges

93, Rue Georges Clemenceau
Cannes 06400, France

Résidence les Rivages de Rochelongue

Mail de Rochelongue
Cap d'Agde 34300, France

Résidence Marsa Sicla

C.da Torre Samuele
Sampieri, Scicli 97018, Italy

Résidence Mer et Golf

47, Boulevard de la Mer
Anglet 64600, France

Résidence Mer et Golf Le Boucanier

Rue du Belvedere
Vieux Boucau 40480, France

Résidence Pamplousse

Les Principautes du Casino
Chatelaillon, Charentes Maritimes
France

Résidence Pamplousse II

Avenue des Pays de Loire
Golf de St. Jean de Monts
St. Jean de Monts 85160
France

Résidence Paris XV

20 Rue Oradour sur Glane
Paris 75015, France

Résidence Pierre et Vacances – Avoriaz

Centre d'accueil d'Avoriaz
Avoriaz 74110, France

Résidence Pierre et Vacances – Belle Plagne

Bellentre
Aime 73210, France

Résidence Pierre et Vacances – Cannes Villa Francia

Avenue A.W. Wemyss
Cannes 061520, France

Résidence Pierre et Vacances – Cap Esterel

Camp Long Par Agay
St. Raphaël 83700, France

Résidence Pierre et Vacances – Le Port du Bourgenay

Talmont St. Hilaire, 85440, France

Résidence Pierre et Vacances – Le Port du Crouesty

Arzon 56640, France

Résidence Pierre et Vacances – Les Coches

Bellentre, Aime 73210, France

Résidence Pierre et Vacances – Les Parcs de Grimaud

Route Nationale 98
Grimaud, France

Résidence Pierre et Vacances – Meribel

Résidence du Mottaret
Le Chatelet
Meribel, Mottaret 73550, France

Résidence Pierre et Vacances – Moliets

Moliets Complex
Rue Bremonnier – Moliettes
Messanges 40660, France

Résidence Pierre et Vacances – Résidence Cap d'Ail

Avenue du Général de Gaulle
Cap d'Ail 06320, France

Résidence Pierre et Vacances – Résidence Paris XV

20 Rue Oradour sur Glane
Paris 75015, France

Résidence Pierre et Vacances – Village Cap Coudalère

25 Place Martinique
Port Barcarès 66420, France

Résidence Sokoburu

Boulevard de la Mer
Hendaye 64700, France

Residencial Pousada do Serrano

Rua Angelo Bisol 300
Gramado, Brazil

Residenza Nevesole Folgarida

Via Monti Alti
Folgarida di Dimaro (TN) 38025
Italy

Residenza Torre Rinalda

Litoranea Salentina, CP 152
Lecce – Loc. Torre Rinalda
Lecce 73100, Italy

Residenza Valle Fiorita

Via Annunziata
Rocchetta al Volturno (IS)
Isernia 86070
Italy

Residenziale Serra degli Alimini 1

Localita Serra degli Alimini
Otranto, Lecce 73028
Italy

Resort at Marina Village Residences, The

6021 Silver King Boulevard
Cape Coral, FL 33914

Resort at Whale Pointe Condominium, The

939 Northwest Highway 101
Depoe Bay, OR 97341

Resort on Cocoa Beach, The

1600 N. Atlantic Avenue
Cocoa Beach, FL 32931

Ridge on Sedona Golf Resort, The

55 Sun Ridge Circle
Sedona, AZ 86351

Ridge Tahoe, The

400 Ridge Club Drive
Stateline, NV 89449

Ridge Top Village at Shawnee

River Road
Shawnee-On-Delaware, PA 18356

Rincón de Los Andes

Juez Del Valle 611
San Martín de los Andes
Neuquén 8370, Argentina

Rincón del Este

Parada 22 – Playa Brava
Punta del Este, Uruguay

Rio Falzé

Via Pian dei Frari 29
Campo Carlo Magno
Madonna di Campiglio 38086, Italy

Riviera Beach and Spa Resort I & II[∞]

34630 Pacific Coast Highway
Capistrano Beach, CA 92624

Riviera Oaks Resort & Racquet Club

25382 Pappas Road
Ramona, CA 92065

Rochester Classic

Esmeralda 543
Buenos Aires C1001ABB
Argentina

Roundhouse Resort 

5829 Buck Springs Road
Pinetop, AZ 85935

Royal Aloha Vacation Club – The Torre Blanca

Majahua #25 Puerto Marqués
Acapulco, Guerrero, Mexico

Royal Aloha Vacation Club – Waikiki

2224 Aloha Drive
Waikiki, Oahu, HI 96815

Royal Caribbean, The

Lote 50, Km. 17
Bulevar Kukulcán
Cancún, Quintana Roo 77500
Mexico

Royal Floridian Resort

51 South Atlantic Avenue
Ormond Beach, FL 32176

Royal Floridian South

51 South Atlantic Avenue
Ormond Beach, FL 32176

Royal Haciendas, The

Lote 002 Manzana 070 Municipio
de Solidaridad
Playa del Carmen, Quintana Roo
Mexico

Royal in Cancún by Real Club

Boulevard Kukulcan KM 11.5
Cancún, Quintana Roo, Mexico

Royal Islander, The

Lote 51, Km. 17
Bulevar Kukulcán
Cancún, Quintana Roo, Mexico

Royal Islander Club La Plage

Maho Bay
St. Maarten, Dutch Caribbean

Royal Mayan, The

Lote 49, Km. 17
Bulevar Kukulcán
Cancún, Quintana Roo, Mexico

Royal Oasis Club at Benal Beach

Ctra. de Cádiz, Km. 221
Benalmadena-Costa
Málaga 29630, Spain

Royal Oasis Club at Pueblo Quinta

Av. Federico García Lorca
Benalmadena-Costa
Málaga 29630, Spain

Royal Palm Beach Resort

Simpson Bay
St. Maarten, Dutch Caribbean

Royal Sands, The

Lote 32, Boulevard Kukulcan
Cancún, Quintana Roo 77500, Mexico

Royal Savoy Resort

Avenida do Infante
Funchal, Madeira 9004-542, Portugal

Royal Suites Punta de Mita, The

Carretera Punta de Mita Km. 11.5
Bahía de Banderas, Nayarit 63734
Mexico

Royal Suites Turquesa, The

C/El Cortecito, Playa Bavaro
Bavaro, Punta Cana
Dominican Republic

Royal Suites Yucatan, The

Carretera Chetumal-Puerto Juarez
km. 256-100
Municipio Solidaridad
Riviera Maya, Quintana Roo 77710
Mexico

Royal Sunset Beach Club

Calle Londres No. 6, Playa Fañabe
Costa Adeje, Tenerife 38660
Canary Islands, Spain

Royal Tenerife Country Club

Complejo San Andres, Golf del Sur
San Miguel de Abona
Tenerife 38620, Canary Islands
Spain

Royal Vacation Suites[∞]

99 Convention Center Drive
Las Vegas, NV 89109

Royale Beach and Tennis Club 

400 Padre Boulevard
South Padre Island, TX 78597

Sahara Sunset

Avenida Rocio Jurado
Benalmadena-Costa
Málaga 29630, Spain

Samoset Resort

220 Warrenton Street
Rockport, ME 04856

San Clemente Inn 

2600 Avenida del Presidente
San Clemente, CA 92672

San Diego Country Estates

25385 Pappas Road
Ramona, CA 92065

San Luis Bay Inn

3254 Avila Beach Drive
Avila Beach, CA 93424

Sand Pebbles Resort

535 South Highway 101
Solana Beach, CA 92075

Sands of Kahana Vacation Club

4299 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Sandstone Creek Club

1020 Vail View Drive
Vail, CO 81657

Santa Barbara Golf and Ocean Club

Golf del Sur
San Miguel de Abona
Tenerife 38620
Canary Islands, Spain

Sapphire Beach Club and Resort

Lowlands 147
Cupecoy Beach, St. Maarten
Dutch Caribbean

Sarasota Sands

2150 Ben Franklin Drive
Sarasota, FL 34236

Schooner Beach and Racquet Club

7100 North Ocean Boulevard
Myrtle Beach, SC 29577

Schooner II Beach and Racquet Club

2108 North Ocean Boulevard
Myrtle Beach, SC 29577

Scottsdale Camelback Resort

6302 East Camelback Road
Scottsdale, AZ 85251

Scottsdale Links Resort

16858 North Perimeter
Scottsdale, AZ 85260

Scottsdale Villa Mirage

7887 E. Princess Boulevard
Scottsdale, AZ 85255

Sea Gardens Beach and Tennis Resort

615 North Ocean Boulevard
Pompano Beach, FL 33062

Sea Mist Resort 

141 Great Neck Road South
Mashpee, MA 02649

Sea Scape Beach and Golf Villas

4724 Route 158 By-Pass MM 2.5
Kitty Hawk, NC 27949

Seasons at Clowance Estate and Country Club

Praze-an-Beeble
Camborne, Cornwall TR12 OPT
United Kingdom

Seasons at Club Tahiti

Calle Isla de Lobos 12
35509 Costa Teguisé
Lanzarote, Canary Islands, Spain

Seasons at Laugharne Park

Laugharne Park, Laugharne
Dyfed SA33 4SG, United Kingdom

Seawatch at Island Club

85 Folly Road
Hilton Head Island, SC 29928

Sedona Summit

500 Navoti Drive
Sedona, AZ 86336

Sedona Vacation Club at Los Abrigados

160 Portal Lane
Sedona, AZ 86336

Shanghai SunIsland International Club

Shenxiang, Qingpu County
Shanghai 201714, China

Shawnee Ridgetop Village

River Road
Shawnee-On-Delaware, PA 18356

Shawnee River Village II

River Road
Shawnee-On-Delaware, PA 18356

Shell Vacations Club at Carriage Hills Resort

90 Highland Drive, RR #1
Shanty Bay, Ontario L0L 2L0, Canada

Shell Vacations Club at Carriage Ridge Resort

90 Highland Drive, RR #1
Shanty Bay, Ontario L0L 2L0, Canada

Shell Vacations Club at Desert Rose Resort

5051 Duke Ellington Way
Las Vegas, NV 89119

Shell Vacations Club at Kauai Coast Resort at the Beachboy

520 Aleka Loop
Kapaa, HI 96746

Shell Vacations Club at The Legacy Golf Resort

6808 S. 32nd Street
Phoenix, AZ 85042

Shell Vacations Club at Paniolo Greens

68-1745 Waikoloa Road
Waikoloa, HI 96738

Shell Vacations Club at Peacock Suites

1745 South Anaheim Boulevard
Anaheim, CA 92805

Shell Vacations Club at Plaza Pelicanos Grand Beach Resort

Jose Clemente Orozco #131
Zona Hotelera Las Glorias
Puerto Vallarta, Jalisco 48351, Mexico

Shell Vacations Club at Vino Bello Resort

865 Bordeaux Way
Napa, CA 94558

Shell Vacations Club at Waikiki Marina Resort at the Ilikai

1777 Ala Moana Blvd. #212
Honolulu, HI 96815

Shenandoah Crossing Resort

10 Shenandoah Crossing Drive
Gordonsville, VA 22942

Sheraton Broadway Plantation

3301 Robert M. Grissom Parkway
Myrtle Beach, SC 29577

Sheraton Desert Oasis

17700 N. Hayden Road
Scottsdale, AZ 85255

Sheraton Mountain Vista

160 West Beaver Creek Boulevard
Avon, CO 81620

Sheraton Vistana Resort

8800 Vistana Centre Drive
Orlando, FL 32821

Sheraton Vistana Villages

12401 International Drive
Orlando, FL 32821

Shore Crest Vacation Villas

4709 South Ocean Boulevard
North Myrtle Beach, SC 29582

Signum Resort Miami Beach

3010 Collins Avenue
Miami Beach, FL 33140

Simola Golf & Country Estate

Number One, Old Cape Road
Western Cape
Knysna 6570, South Africa

Simpson Bay Resort & Marina

Pelican Keys
Philipsburg, St. Maarten
Dutch Caribbean

Sing Ken Ken Vacation Club

JL. Arjuna No. 1 (Jl. Double Six)
Legian Kaja
Kuta, Bali 80361, Indonesia

Sirena del Mar by Welk Resorts

Km 4.5 Transpeninsular Highway
Cabo San Lucas, BCS 23410, Mexico

Southcape Resort and Club

950 Falmouth Road
Mashpee, MA 02649

Southwinds Beach & Racquet Club

St. Lawrence Gap
Christ Church, Barbados

Spirit Ridge Vineyard Resort and Spa

1200 Rancher Creek Road
Osoyoos, British Columbia V0H 1V6
Canada

St. Augustine Beach & Tennis Resort

10 Ocean Trace Road
St. Augustine, FL 32080

St. Moritz Apartments

14-18 Brunswick Street
Queenstown, Otago, New Zealand

Stanzamare Coral Comfort

El Corecito
Bavaro, Punta Cana
Dominican Republic

Star Island Resort and Club

5000 Avenue of the Stars
Kissimmee, FL 34746

Stonebridge Village

1600 Ledgestone Way
Reeds Spring, MO 65737

Stoneridge Condominiums

250 Chatwold
Blanchard, ID 83804

Strand Lakeside Resort

7343 Okanagan Landing Road
Vernon, British Columbia V1H 1G6
Canada

Suites at Fall Creek, The

1 Fall Creek Drive
Branson, MO 65616

Suites at Polo Towers, The

3745 Las Vegas Boulevard South
Las Vegas, NV 89109

Sun Bay Beach Club

4810 Central Avenue
Hot Springs, AR 71913

Sun Bay Lodge

4810 Central Avenue
Hot Springs, AR 71913

Sun Hills Suites

Jounieh Highway
P.O. Box 55398
Beirut, Lebanon

Sun Palace

Bldv Kukulkan Km 20, Zona Hotelera
Cancún, Quintana Roo 77500
Mexico

Sunningdale Village

Golf del Sur
San Miguel, Tenerife
Canary Islands
Spain

Sunrise Ridge Resort

1175 Resort Drive
Parksville, British Columbia V9P 2E3
Canada

Sunset Bay Club

c/Antonio Navarro, Torviscas
Adeje, Tenerife 38660
Canary Islands, Spain

Sunset Harbour Club

c/Valencia No. 1
Pueblo Torviscas
Adeje, Tenerife 38660
Canary Islands, Spain

Sunset View Club

Urb. Golf del Sur
San Miguel de Abona
Tenerife 38620
Canary Islands, Spain

Suntide Island Beach Club

850 Ben Franklin Drive
Sarasota, FL 34236

Surfside Resort

134 Menauhant Road
East Falmouth, MA 02536

Surrey Grand Crowne Resort and Country Club, The

430C State Highway 165 South
Branson, MO 65616

Sweetwater Park City Lift Lodge

1255 Empire Avenue
Park City, UT 84060

Tahiti

5101 West Tropicana Avenue
Las Vegas, NV 89103

Tahiti Village

7200 South Las Vegas Boulevard
Las Vegas, NV 89119

Tahoe Beach and Ski Club

3601 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Tahoe Seasons Resort at Heavenly Valley

3901 Saddle Road
South Lake Tahoe, CA 96157

Tamarack Beach Resort

3200 Carlsbad Boulevard
Carlsbad, CA 92008

Tangalooma Island Resort

Moreton Island
Queensland 4004, Australia

Tanglwood Resort

Junction Routes 507 & 6
Hawley, PA 18428

Tenerife Royal Garden

Av. Maritima, s/n
Playa de las Américas
Arona, Tenerife
Canary Islands, Spain

Terrazas al Mar

Av. Costanera entre 1 y 2
Costa del Este
Buenos Aires, Argentina

Thunderbird Resort Club

200 Nichols Boulevard
Sparks, NV 89431

Thurnham Vacation Club at Cromer Country Club

127 Overstrand Road
Cromer, Norfolk NR27 0DJ
United Kingdom

Tiki Village International Resort

River End Cavill Avenue
Surfer's Paradise, Queensland
Australia

Timberline Lodges (Juniper)

4559 Timberline Crescent
P.O. Box 1316
Fernie, British Columbia V0B 1M6
Canada

Toccaciolo Resort

Contrada Laccata s/n
Nova Siri Marina 75020, Italy

Topaz Beach Club

Topaz Hotel
Bugibba, St. Paul's Bay SPB 03, Malta

Torres Mazatlán

Apdo. Postal 695 – Av. Sábalo
Cerritos, Esq. Lopez Portillo
Mazatlán, Sinaloa, Mexico

Tortuga Beach Club

959 East Gulf Drive
Sanibel Island, FL 33957

Townes at King's Creek Plantation, The

191 Cottage Cove Lane
Williamsburg, VA 23185

Townhouses at St. Augustine Beach and Tennis Resort, The

3960 A1A South
St. Augustine Beach, FL 32084

Trapp Family Guest Houses

42 Trapp Hill Road
Stowe, VT 05672

Tree Tops Resort of Gatlinburg

290 Sherman Clabo Road
Gatlinburg, TN 37738

Tropic Shores Resort

3111 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Turtle Cay Resort

6th Street and Atlantic Avenue
Virginia Beach, VA 23451

Vacation Club I and II

5820 Shanty Creek Road
Bellaire, MI 49615

Vacation Internationale – Oasis Villa Resort

4190 East Palm Canyon Drive
Palm Springs, CA 92263

Vacation Internationale – Pines at Sunriver, The

Meadow Road
Sunriver, OR 97707

Vacation Internationale – Rosedale on Robson

838 Hamilton St.
Vancouver, BC V6B 6A2
Canada

Vacation Internationale – Sea Village

75-6002 Alii Drive, Suite 10-A
Kailua-Kona, HI 96740

Vacation Internationale – Torres Mazatlán

Apdo. Postal 695
Av. Sábalo Cerritos
Esq. Lopez Portillo
Mazatlán, Sinaloa, Mexico

Vacation Internationale – Vallarta Torre

Apartado Postal 4-22
Paseo de las Garzas
Puerto Vallarta, Jalisco, Mexico

Vacation Village at Bonaventure Phase II

16750 Blatt Boulevard
Fort Lauderdale, FL 33326

Vacation Villas at FantasyWorld

5000 Hart Avenue
Kissimmee, FL 34746

Vacation Villas at Fantasyworld Two

4999 Kyngs Heath Boulevard
Kissimmee, FL 34746

Vail Run Resort

1000 Lionsridge Loop
Vail, CO 81657

Vallarta Torre

Apartado Postal 4-22
Paseo de las Garzas
Puerto Vallarta, Jalisco 00060, Mexico

Varsity Clubs of America – South Bend Chapter and Premiere Vacation Collection at Varsity Clubs of America – South Bend Chapter

3800 North Main Street
Mishawaka, IN 46545-3110

Varsity Clubs of America – Tucson Chapter and Premiere Vacation Collection at Varsity Clubs of America – Tucson Chapter

3855 East Speedway Boulevard
Tucson, AZ 85716

Vilar do Golf Resort Club

Quinta do Lago
8135 Almancil
Loule, Algarve, Portugal

Villa del Arco

Km. 05 Camino Viejo a San José
Cabo San Lucas 23450-23410
Mexico

Villa del Palmar

Km. 3, Francisco Medina Ascencio
Puerto Vallarta, Jalisco, Mexico

Villa del Palmar-Cabo

Km. 0.5, Camino Viejo a San José
Cabo San Lucas, B.C.S. 23410
Mexico

Villa del Palmar Cancún Mujeres Beach Resort

Carretera Punta Sam, Km. 5.2
Cancún, Quintana Roo 77400, Mexico

Villa del Palmar Flamingos

Paseo Costero Playa Lote E
Flamingos Nayarta
Nuevo Vallarta, Nayarit 63732, Mexico

Villa del Palmar Loreto

Carretera Transpeninsular Km. 83
Ensenada Blanca
Loreto, B.C.S. 23680, Mexico

Villa Pacífico

Ave. La Marina S/A
Apartado Postal # 263-D
Puerto Vallarta, Jalisco, Mexico

Villa Roma Resort Lodges

340 Villa Roma Road
Callicoon, NY 12723

Villa Sofia Resort and Spa

Ave Pioneros 200
Bariloche, Río Negro R8400RD6
Argentina

Village at Carefree Conference Resort, The

36601 N. Muletrain Road
Carefree, AZ 85377

Village Coconut Island, The

51/7 Moo 6
Coconut Island, Koh Kaew, Muang
Phuket 83000, Thailand

Village at Loon Mountain

Route 112, Kancamagus Highway
Lincoln, NH 03251

Village at Palmetto Dunes

10 Trent Jones Lane
Hilton Head Island, SC 29928

Villaggio Cala La Luna

c/da Badia
Favignana 91023, Italy

Villaggio Cala Mancina

Via Cala Mancina
San Vito Lo Capo
Trapani, Sicily 91010, Italy

Villaggio Olimpico

Area Duchi
Sestriere, Torino 10058, Italy

Villaggio Torre Macauda

Torre Macauda, SS115, Km. 131
Località Macauda
Sciaccia (AG), Sicily 92119, Italy

Villas at Fairway, The

Route 209
Bushkill, PA 18324-0221

Villas at Polo Towers, The

3745 Las Vegas Boulevard South
Las Vegas, NV 89109

Villas at Simpson Bay Resort & Marina

Billy Folly Road N#37
St. Maarten, Dutch Caribbean

Villas at the Boardwalk

1601 Atlantic Avenue
Virginia Beach, VA 23451

Villas at Tree Tops, The

Route 209
Bushkill, PA 18324

Villas de Santa Fe

400 Griffin Street
Santa Fe, NM 87501

Villas on the Green at Welk Resorts

8860 Lawrence Welk Drive
Escondido, CA 92026

Vista Mirage

400 South Hermosa
Palm Springs, CA 92262

Vistana's Beach Club

10740 S. Ocean Drive
Jensen Beach, FL 34957

Vitality Assurance Vacations at Collingwood

15 Harbour Street E.
Collingwood, Ontario
Canada L9Y 4T9

Voyager Resort

Cnr. Old Burleigh Road &
Elizabeth Avenue
Broadbeach, Queensland
Australia

Walton Hall

Walton, Wellesbourne
Warwickshire CV35 9HU
United Kingdom

Wapato Point

1 Wapato Way
P.O. Box 426
Manson, WA 98831

Water's Edge Resort

1525 Boston Post Road
Westbrook, CT 06498

Waterford Estates Lodge

52890 SR 933 North
South Bend, IN 46637

Waterman Holiday Club

Put Vela Luke 4
Supetar, Brac 21400, Croatia

Waterside Vacation Resort

45 Waterside Drive
Hilton Head Island, SC 29928

Welk Resorts Mountain Villas

8860 Lawrence Welk Drive
Escondido, CA 92026

Welk Resorts Palm Springs

34567 Cathedral Canyon Drive
Cathedral City, CA 92234

Wellington, The

551 Thames Street
Newport, RI 02840

Westgate Blue Tree

12007 Cypress Run Road
Orlando, FL 32836

Westgate Branson Lakes at Emerald Pointe Resort

750 Emerald Pointe Drive
Hollister, MO 65672

Westgate Branson Woods

2005 Roark Valley Road
Branson, MO 65616

Westgate Flamingo Bay Club

5625 West Flamingo Road
Las Vegas, NV 89103

Westgate Historic Williamsburg

1324 Richmond Road
Williamsburg, VA 23185

Westgate Lakes Resort

10000 Turkey Lake Road
Orlando, FL 32819

Westgate Miami Beach

16701 Collins Avenue
Miami, FL 33160

Westgate Myrtle Beach

415 South Ocean Boulevard
Myrtle Beach, SC 29577

**Westgate Painted Mountain
Country Club**

6302 E. McKellips Road
Mesa, AZ 85215

Westgate Palace

6145 Carrier Drive
Orlando, FL 32821

**Westgate Park City Resort
and Spa**

4000 Canyons Resort Drive
Park City, UT 84098

Westgate RVS at Orlando

6950 Villa de Costa Drive
Orlando, FL 32821

**Westgate Smoky Mountain
Resort at Gatlinburg**

915 Garden Road
Gatlinburg, TN 37738

Westgate Towers

7600 West Irlow Bronson Memorial
Highway
Kissimmee, FL 34747

Westgate Town Center

2770 Old Lake Wilson Road
Kissimmee, FL 34747

Westgate Vacation Villas

2770 Old Lake Wilson Road
Kissimmee, FL 34747

**Westin Ka'anapali Ocean
Resort North**

170 Kai Ala Drive
Lahaina, Maui, HI 96761

**Westin Ka'anapali Ocean Resort
Villas**

6 Kai Ala Drive
Lahaina, Maui, HI 96761

Westin Kierland Villas

15620 N. Clubgate Drive
Scottsdale, AZ 85254

**Westin Lagunamar Ocean
Resort**

Km. 12.5 Blvd. Kukulcán
Zona Hotelera, Cancún
Quintana Roo 77500
Mexico

**Westin Mission Hills Resort
Villas**

71-333 Dinah Shore Drive
Rancho Mirage, CA 92270

Westin Princeville Ocean Resort

3838 Wylie Road
Princeville, Kauai, HI 96722

**Westin Riverfront Mountain
Villas**

218 Riverfront Lane
Avon, CO 81620

**Westin St. John Resort and
Villas**

Great Cruz Bay
P.O. Box 8339
St. John, U.S. Virgin Islands

Westwind II Club

West Bay Street, Cable Beach
Nassau, New Providence Island

Westwood at Split Rock

1 Lake Drive
Lake Harmony, PA 18624

White Sands Beach Club

Arenal d'en Castell
Menorca, Balearic Islands 07730
Spain

White Sands Waikiki

431 Nohonani Street
Honolulu, HI 96815

Wild Wing Golf Village

525 Wild Wing Boulevard
Conway, SC 29526

Williamsburg Plantation

4870 Longhill Road
Williamsburg, VA 23188

Willow Valley Resort

Highway 105
South Bairds Creek Road
Boone, NC 28607

Willowbrook at Lake Harmony

One Lake Drive
Lake Harmony, PA 18624

**Windjammer Landing Villa
Beach Resort**

Labrelotte Bay
P.O. Box 1504
Castries, St. Lucia

Windward Passage Resort

418 Estero Boulevard
Fort Myers Beach, FL 33931

**Winners Circle Beach and
Tennis Resort**

550 Via de la Valle
Solana Beach, CA 92075

Woodford Bridge Country Club

Milton Damereel Nr. Holsworthy
Devon EX22 7LL, United Kingdom

**World International Vacation
Club – Coral Mar**

Pok-ta-pok Avenue
Cancún, Quintana Roo, Mexico

WorldMark Angels Camp

123 Selkirk Ranch Road
Angels Camp, CA 95222

WorldMark Bass Lake

53134 Road #432
Bass Lake, CA 93604

WorldMark Big Bear

240 Starvation Flats Road
Big Bear, CA 92315

WorldMark Birch Bay

4810 Beachcomber Way
Blaine, WA 98230

WorldMark Branson

2794 Fall Creek Road
Branson, MO 65616

WorldMark Canmore-Banff

91 Three Sisters Drive
Canmore, Alberta, T1W 3A1, Canada

WorldMark Clear Lake

3927 East Highway 20
Nice, CA 95464

WorldMark Coral Baja

Km. 29.5, Carretera Transpeninsular
San José del Cabo, B.C.S. 23400
Mexico

WorldMark Depoe Bay

141 Orcas Drive
Depoe Bay, OR 97341

WorldMark Eagle Crest

1522 Cline Falls Highway
Redmond, OR 97756

WorldMark Flynn's

14 Flynn Street
Port Macquarie 2444, Australia

WorldMark Galena

5129 Long Hollow Point
Galena, IL 61036

WorldMark Gleneden

6593 Gleneden Beach Loop
Gleneden Beach, OR 97388

WorldMark Golden Beach

75 the Esplanade, Caloundra
Queensland 4100, Australia

WorldMark Grand Lake

57020 E. Highway 125
Afton, OK 74331

WorldMark Kihei

2295 South Kihei Road
Kihei, Maui, HI 96753

WorldMark Kirra Beach

Cnr. Coyle and Winston Street
Queensland, Australia

WorldMark Kona

75-5949 Alii Drive
Kona, Hawaii, HI 96740

WorldMark Lake of the Ozarks

4900 Bella Point
Osage Beach, MO 65065

WorldMark Las Vegas

8601 Las Vegas Blvd.
Las Vegas NV 89123

WorldMark Leavenworth

100 Enchantment Park Way
Leavenworth, WA 98826

WorldMark Oceanside Harbor

1301 Carmelo Drive
Oceanside, CA 92054

WorldMark Palm Springs

1177 North Palm Canyon Drive
Palm Springs, CA 92262

WorldMark Pinetop

2000 South WorldMark Drive
Pinetop, AZ 85935

WorldMark Rancho Vistoso

13355 N. Hidden Springs Drive
Oro Valley, AZ 85737

WorldMark Reno

250 N. Arlington
Reno, NV 89505

WorldMark Running Y

5409 Running Y Road
Klamath Falls, OR 97601

WorldMark Seaside

Avenue A and Columbia
Seaside, OR 97138

WorldMark St. George

1157 S. Plantation Drive
St. George, UT 84770

WorldMark Victoria

120 Kingston Street
Victoria, British Columbia V8V 1V4
Canada

WorldMark Windsor

1251 Shilo Road
Windsor, CA 95492

WorldMark Wolf Creek

3618 N. Wolf Creek Drive
Eden, UT 84310

**Wyndham Long Wharf Resort,
The**

115 Long Wharf
Newport, RI 02840

Wyndham Royal Vista

1110 South Ocean Boulevard
Pompano Beach, FL 33062

**Wyndham Governor's Green
Williamsburg**

4600 Mooretown Road
Williamsburg, VA 23185

Yachtsman Resort, The
1304 North Ocean Boulevard
Myrtle Beach, SC 29577

Ylläs 2
Äkäslompolo 95970
Finland

Yucca Park
Urb. Playa Fañabe s/n
Adeje, Tenerife
Canary Islands, Spain

**Zorgvliet Private Residence
Club at Protea Hotel King
George**
King George Drive
King George Park
George 6529, South Africa

Zuana Beach Resort
Barrio Bello Horizonte
Santa Marta, Magdalena, Colombia

RESORTS WITH 21 – 50 UNITS PARTICIPATING AND AVAILABLE FOR OCCUPANCY

A Place at the Beach
4525 South Ocean Boulevard
North Myrtle Beach, SC 28582

Acadia Village Resort
50 Resort Way
Ellsworth, ME 04605

**Acanto Boutique Hotel &
Residences**
Calle 16 Mza 27 Norte, Lote 18
Playa del Carmen
Mexico

**Accor Vacation Club at
Grand Mercure Heritage
Park Bowral**
Heritage Park
9 Kangaloon Road
Bowral, Australia

**Accor Vacation Club at
Freshwater Point Resort
Gold Coast**
33 T.E. Peters Drive
Broadbeach Waters
Queensland 4218, Australia

**Accor Vacation Club at
Grand Mercure Melbourne**
321 Flinders Lane
Melbourne, Victoria 3000, Australia

**Accor Vacation Club at Grand
Mercure Puka Park Resort**
Mount Avenue, Coromandel Peninsula
Pauanui Beach, New Zealand

**Accor Vacation Club at
Novotel Nusa Dua Apartments**
Jalan Pantai Mengiat
Nusa Dua, Bali

**Accor Vacation Club at
Pinnacle Valley Resort**
1 Mimosa Drive
Pinnacle Valley, Victoria 3732, Australia

**Accor Vacation Club at
Grand Mercure Apartments
The Vines**
Verdelho Drive
Swan Valley, The Vines
West Australia 6069, Australia

Águilas Marina Beach Resort
Hotel Don Juan, Avda. Puerto
Deportivo
Urb. Casica Verde
Águilas, Murcia 30880, Spain

Aldea Valle Encantado
Carretera Panamericana, Km. 9
Mérida, Venezuela

Alexandra Resort
Princess Drive
P.O. Box 622
Grace Bay, Turks & Caicos

All Seasons Vacation Resort
13070 Gulf Boulevard
Madeira Beach, FL 33708

Aloha Gardens
Avenida del Golf, Urb. Aloha Golf
Nueva Andalucía
Marbella, Málaga 29660, Spain

Amara Lifetime Resort
165 Tanjong Pagar Road
Singapore 0208, Singapore

Anchorage Resort & Yacht Club
107800 Overseas Highway
Key Largo, FL 33037

**Apartment Holidays –
Swiss Holiday Park**
Morschach 6443
Switzerland

Apartur Buenos Aires
Pte. Juan D. Perón 940
Buenos Aires, Argentina

Apartur en El Valle de Las Leñas
Las Leñas
Mendoza 5613, Argentina

Apartur Mountain Club
Villa Catedral
San Carlos de Bariloche, Río Negro
Argentina

Apollo Park at Vail
442 South Frontage Road East
Vail, CO 81658

Apple Valley Resort
428 Club House Drive
Howard, OH 43028

Aspens and Aspen Village, The[∞]
1607 North Davis Avenue, Suite 149
McCall, ID 83638

**Atlantic Club Campanario de
Calahonda**
Avda. de Espana, 22
Sitio de Calahonda
Mijas-Costa, Málaga 29650, Spain

Atlantic Garden
Avda. Gran Canaria No. 4
Corralejo, La Oliva
Fuerteventura
Canary Islands 35660, Spain

Atlantic Terrace
3629 South Atlantic Avenue
Daytona Shores, FL 32127

Atlantic View
c/Las Salinas 8, Los Mojones
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Atlantica Princess
lalyssos Beach
Rhodes 85101, Greece

Avalon Grand Panama
Via Transistmica, Milla 10
Las Cumbres Panama
Panama City, Panama

Bagolino – Catturani
Campo Carlo Magno
Madonna di Campiglio (TN) 38084
Italy

Bagolino – Des Alpes 2
Via Campanil Basso
Madonna di Campiglio (TN) 38084
Italy

Bagolino – Hotel La Posta
Hotel La Posta & Sport Campiglio
Via Cimatosa 10
Madonna di Campiglio (TN) 38084
Italy

Bahia Turquesa Residences
Playas del Coco, Guanacaste
Costa Rica

Balboa Club
Avenida Camarón Sábalo S/N
Mazatlán, Sinaloa, 82110, Mexico

Bali Gardenia Resort
Taman Mumbul, Nusa Dua
Bali, Indonesia

**Banana Palms Marina
and Resort**
Av. Reforma 1-50, Zona 9
Edificio El Reformador
1er. Nivel Oficina 106
Río Dulce, Izabal
Guatemala

Bantry Bay
44A Victoria Road
Bantry Bay, Cape Town 8060
South Africa

Banyan Resort, The
323 Whitehead Street
Key West, FL 33040

Barnsdale Country Club
Exton, Nr. Oakham
Rutland, Leicestershire LE15 8AB
United Kingdom

**Barrancas del Este –
Estacion Bosque**
Rincon del Indio, Ruta Interbalneari
Punta del Este, Maldonado
Uruguay

Bay & Beach Club
19508 & 19509 Gulf Boulevard
Indian Shores, FL 33785

Bay Club, The
302 32nd Street
Ocean City, MD 21842

Bay Club of Sandestin ◇
120 Sandestin Boulevard
Destin, FL 32541-4533

**Beach Club at Montego Inn,
The**
1307 South Ocean Boulevard
Myrtle Beach, SC 29577

Beach Club at St. Augustine
2 Ocean Trace Road
St. Augustine, FL 32080

Beach Condominiums, The
8459 Gulf Boulevard
Navarre Beach, FL 32566

Beachside Village
50 Surf Drive
Falmouth, MA 02540

Bear Lake Timeshare ◇
757 Bear Lake Boulevard
Garden City, UT 84028

Berkshire by the Sea ◇
126 North Ocean Drive
Delray Beach, FL 33483

Berkshire on the Ocean, The ◇
1775 South Ocean Drive
Delray Beach, FL 33483

**Bliss Jungle Riviera Maya IV,
The**
Km 48 Carretera Federal Cancún
Playa del Carmen
Riviera Maya, QR 77710, Mexico

Blue Bay Village
P. O. Box 162
Watamu, Kenya

Blue Water Resorts at Guanahani Village

West Bay Street
Nassau, Bahamas

Bluebeard's Castle Resort – Pirate's Pension

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Bluebeard's Castle Resort – Villas I

1331 Estate Taarneberg
St. Thomas, VI 00802
U.S. Virgin Islands

Boardwalk One

First & Boardwalk
Ocean City, MD 21842

Bonita Resort and Club 

26101 Hickory Boulevard
Bonita Springs, FL 33923

Borgo de Colleoli

Colleoli, Tuscany
Palaia, Italy

Bosques de Monterreal

Bulevar Antonio L. Rodríguez 840
Pte. Col. San Jerónimo
Monterrey, Coahuila
Nuevo León 64640, Mexico

Boyne Highlands Resort

600 Highlands Drive
Harbor Springs, MI 49740

Boyne Vacation Club at Alpine Village

600 Highlands Drive
Harbor Springs, MI 49740

Boyne Vacation Club at Big Horn

1 Lone Mountain Trail
P. O. Box 160001
Big Sky, MT 59716

Boyne Vacation Club at Mountain Cabins

1 Boyne Mountain Road
P. O. Box 19
Boyne Falls, MI 49713

Boyne Vacation Club at Ross Cottages

600 Highlands Drive
Harbor Springs, MI 49740

Boyne Vacation Club at The Summit at Big Sky

1 Lone Mountain Trail
P.O. Box 160001
Big Sky, MT 59716

Breakers Resort

61 Chase Avenue
Dennisport, MA 02639

Broome Park Golf and Country Club

The Broome Park Estate
Barham, Nr. Canterbury
Kent CT4 6QX, United Kingdom

Burn Park Country Club

Stratton
Bude, Cornwall EX23 8SF
United Kingdom

Burnside Country Club

Kendal Road
Bowness-on-Windermere LA23 3EP
United Kingdom

Cabanas Villa Huinid

Bustillo KM 2.6
Bariloche, Río Negro 8400
Argentina

Cala Blanca

Urb. Costa Taurito
Ctra. De Mogan. KM 81.5
Morgan, Gran Canaria 35138
Canary Islands
Spain

Cala Corvino Club II

Viale Aldo Moro 4
Monopoli
Bari 70043, Italy

Cala de Mar

Calle Voltor s/n
Cala Egos, Cala d'Or
Mallorca, Balearic Islands 07660
Spain

Calabogie Peaks Resort

Highway 508, Barret Chute Road
Calabogie, Ontario K0J 1H0
Canada

California Vacation Club – Gaslamp Plaza Suites

520 "E" Street
San Diego, CA 92101

Calini Beach Club

1030 Seaside Drive
Sarasota, FL 34242

Camelot By The Sea

1801 Gulf Way
Pass-A-Grille Beach
St. Pete Beach, FL 33706

Canadian Resorts – Villas del Palmar

Km. 75.5 Carretera Federal 180
Congregación La Vigueta –
Tecolutla, Veracruz
Costa Esmeralda del Golfo 93620
Mexico

Canyon Woods Vacation Club at Canyon de Boracay

Station 2, Alice in Wonderland St.
Boracay Island
Aklan, Philippines

Canyon Woods Vacation Club at Cove Hotel & Spa

Diokno Highway
Brgy. San Gregorio
Laurel, Batangas 4221
Philippines

Cap Maison

Smugglers Cove Drive
Cap Estate, St. Lucia

Cape Cod Holiday Estates 

97 Four Seasons Drive
Mashpee, MA 02649

Cape Winds Resort 

657 West Main Street
Hyannis, MA 02601

Capistrano Surfside Inn 

34680 Pacific Coast Highway
Capistrano Beach, CA 92624

Capitaine Cook

55 Rue Louis Bougo
Etel 56410, France

Capri Waters Country Club

Melbourne Street
Mulwala, New South Wales 3647
Australia

Captain's Quarters at Surfside 

241 Grand Avenue
Falmouth, MA 02540

Caribbean Beach Club 

7600 Estero Boulevard
Fort Myers Beach, FL 33931

Caribe Beach Resort

2669 West Gulf Drive
Sanibel Island, FL 33957

Carolina Club, The

Southwind Drive
Hilton Head, SC 29928

Casa del Lago

Ruta 258, Km. 18
200 Lago Gutiérrez
San Carlos de Bariloche
Río Negro, Argentina

Casa Dorada Cabo Real

KM 18.5 Carretera Transpeninsular
Los Cabos, Baja California 23400
Mexico

Casa Dorado San Lucas Bay

Hotel Melia San Lucas
El Medano
Cabo San Lucas, B.C.S., Mexico

Casa Metz

Via Iman 5
Santa Christina in Val Gardena
BZ 39047, Italy

Casablanca

Av. Ezequiel Bustillo Km. 23.5
8409 Llao Llao
San Carlos de Bariloche, Río Negro
Argentina

CasaBlanca Vacation Club

950 West Mesquite Boulevard
Mesquite, NV 89027

Cathedral Ledge

Junction Routes 16/302 and 16A
Intervale, NH 03845

Cerritos Resort

Av. Sábalo Cerritos Entronque
con Carr. Al Habal
Mazatlán, Sinaloa, Mexico

Channel Island Shores

1311 Mandalay Beach Road
Oxnard, CA 93035

Charter Club Resort on Naples Bay

1000 10th Avenue South
Naples, FL 33940

Chateau Dale Resort

322/2 Moo 12, Thuppraya Road
Pattaya City, Chonburi 20260
Thailand

Chateau Orleans

240 Burgundy Street
New Orleans, LA 70112

Chetola Lodge and Conference Center

North Main Street
Blowing Rock, NC 28605

China Worldbest Crown Spa Resort Hainan

1Qiongshan Avenue
Haihou, Hainan 57100, China

Church Street Inn, The

177 Church Street
Charleston, SC 29401

Cispatá Marina Hotel

Bahía Cispatá y Playa Blanca
San Antero, Colombia

Clermont

Paraguay 930
Buenos Aires 1057, Argentina

Clermont Pinamar

Del Cornalito 1271
Pinamar, Buenos Aires, Argentina

Cliffs Club Resort, The

3811 Edward Road
Princeville, Kauai, HI 96722

Clover Ridge 

5071 Clover Ridge Road
Panora, IA 50216

Club Ambassador

Calle Granados
Urb. Durazno, La Paz
Puerto de la Cruz, Tenerife
Canary Islands, Spain

**Club Asia International –
Damai Rainforest Resort**

Pantai Damai, Santubong
Kuching, Sarawak 93860, Malaysia

**Club Asia International –
Royal Mulu Resort**

Sungai Melinau, Baram
Miri, Sarawak 98000, Malaysia

Club Azúr

Erkel Ferenc U. 2/c
Siofok, Somogy 8600, Hungary

Club at Cape Cod, The

177 Lower County Road
Dennisport, MA 02639

Club Biodorf Bad Waltersdorf

Bad Waltersdorf
Bad Waltersdorf 8271, Austria

Club Campestre El Carrizal

Carr. Panamericana Km. 19
Panama City, Panama

Club Dolmen By The Sea

Islets Promenade
Qawra, Malta

Club Donatello

501 Post Street
San Francisco, CA 94102-1277

**Club Elite Vacation at La Fenice
Resort**

Localita Osseddu
Olbia, Sardinia 07026, Italy

Club El Moro

Carretera Pichilingue
Esq. Monterrey, P.O. Box 357
La Paz, B.C.S. 23000, Mexico

Club El Velero

c/Centurion y Córdoba, 3
Torremolinos, Málaga 29620, Spain

**Club Estela Dorada at
Gruphotel Club Aldea del Mar**

Avda. Roentgen s/n
Torrevieja, Alicante 03180, Spain

**Club Estela Dorada at
Gruphotel Club Novelty**

Calle Berlin, 5
Salou, Tarragona, 43840, Spain

**Club Estela Dorada at
Gruphotel Club Riviera**

Autovia Salou-Reus, 4
Salou (Tarragona) 43840, Spain

**Club Estela Dorada at
Gruphotel Club Tarter**

Apartamento I32
Ransol, Canillo, Andorra

**Club Estela Dorada at
Ogisaka Garden**

Calle Aquari, 3
Alicante, Denia 03700, Spain

**Club Estela Dorada at
Ona Cala de Mar**

Calle Voltor s/n Cala Egos, Cala d'Or
Mallorca, Balearics 07660, Spain

Club Flamingo

c/o Flamingo Beach Hotel
Bonaire, Dutch Caribbean

Club Imperial Park

c/Tossal de la Cometa, s/n
Calpe, Alicante, 03710, Spain

Club Intrawest – Panorama

2000 Panorama Drive
Panorama, British Columbia V0A1T0

Club Intrawest – Tremblant

200 Chemin des Saisons
Mont Tremblant, Québec J0T 1Z0
Canada

Club Intrawest – Vancouver

1001 Hornby Street
Vancouver, British Columbia V6Z2R9
Canada

Club La Costa Alpine Centre

Harham Nr. 46
Saalfelden 5760, Austria

Club La Costa Benal Beach

Avda. del Parque n.1
Edif. Benal Beach
Benalmadena-Costa, Málaga 29630
Spain

Club La Costa Castillo del Rey

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Marina del Rey

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Costa Marina Dorada

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

**Club La Costa Mercure Gold
Coast Resort**

Palm Meadows Drive
Carrara, Queensland 4211
Australia

Club La Costa Monterey Royale

Calle Finlandia 8-10
San Eugenio Alto, Adeje
Playa de las Americas, Tenerife 38660
Spain

Club La Costa Sierra Marina

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649
Spain

Club La Paz

Urb. Jardines de la Paz
Av. Marqués Villaneve del Prado
Puerto de la Cruz, Tenerife
Canary Islands, Spain

Club Louka

Hotel Louka
Oukaimeden, Morocco

Club No. 1 Nice Côte d'Azur

56 Rue St. Philippe
Nice 06000, France

Club Noosa

Noosa Drive
Noosa Heads
Queensland 4567, Australia

Club Orlando

5305 San Antonio Street
Orlando, FL 32809

Club Paso del Rio

Calle Paso do Rio. 16
Montrove (Oleiros)
A Coruña, Galicia 15179, Spain

Club Playa Blanca

Ruta Panamericana Norte
Km. 430, IV Region
Tongoy, Chile

**Club Premier Four Seasons –
Soleil La Antigua**

9 Calle Poniente
La Antigua Guatemala 03001
Guatemala

**Club Premier Four Seasons –
Soleil Pacífico**

Chulamar, Puerto de San José
Escuintla, Guatemala

Club Puerto Atlántico

Carretera General del Sur
Arguineguín, Gran Canaria 35120
Canary Islands, Spain

Club QM at The Ridge Sierra

265 Quaking Aspen
Stateline, NV 89449-2157

**Club Regency in Regency
Towers**

2511 South Ocean Boulevard
Myrtle Beach, SC 29587-4246

**Club Royal –
King Solomon's Palace Hotel**

Eilat 88000, Israel

Club Royale at Torre Oceano

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Sea Oats

2539 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Club Sol Mar del Plata

Bolivar 1002 – Esq. Mendoza
Mar del Plata, Buenos Aires
Argentina

**Club Système Vacances at
Club Callao Garden**

Callao Salvaje
Adeje, Tenerife, Canary Islands
Spain

Club Wandlitzsee-Berlin

Stolzenhagener Chaussee 22-24
Wandlitzsee 16348
Germany

Clube do Mónaco

Rua Gileanes
Cerro Da Lagoa, 8200 Albufeira
Algarve, Portugal

Clubhotel am Kreischberg

Kreischberg Str. 5
St. Georgen ob Murau, 8861, Austria

**Colonial Crossings of
Williamsburg**

200 English Garden Way
Williamsburg, VA 23188

Colonial Acres Resort

114 Standish Way
West Yarmouth, MA 02673

Colonial Village

Los Cardones
Av. Litoral, Playa de las Américas
Arona, Tenerife, Canary Islands
Spain

Commodore Beach Club

13536 Gulf Boulevard
Madeira Beach, FL 33708

**Condominio Porto Bello Marina
Villas**

Bahia de Xcacel Lote 9 MZ 023.
Plano 01
Puerto Aventuras, Quintana Roo
Mexico

Corail Royal Marina

Porto Corailto
Tabarka, Tunisia

Coral Costa Resort, Juan Dolio

Juan Dolio Beach
San Pedro de Macoris 066-B
Dominican Republic

Cordial-Hotel Going

Marchstr. 27
Going, Tyrol 6353, Austria

**Costa Bonita Condominium &
Beach Resort**

Calz. Sabalo Cerritos No. 7500
Mazatlán, Sinaloa, Mexico

Costa del Sol Resort

4220 El Mar Drive
Lauderdale-By-The-Sea, FL 33308

Costa Maya Reef Resort

Ambergris Caye
P.O. Box 69
San Pedro Town, Belize

Costa Sal

c/Agonal, 6, Urb. Matagorda
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Costa Sul Beach Resort

Rua Gal Neto, 383 sala 905-Passo
Camboriu, Brazil

Country Club Villas 

1550 Fawn Vista Drive
Surfside, SC 29575

**Country Vacation Villas
(Amador)**

Avenida Amador y Avenida Pelicano
Apto Postal 8001
Panama City, 7, Panama

Crescent, The

1420 Ocean Drive
Miami Beach, FL 33139

Cristal Palace Hotel

Ciudad de la Paz 2550
Buenos Aires, Argentina

**Crown Regency Vacation at
Crown Regency Residence**

J.P. Cabaguio Avenue
Agdao, Davao City 8000, Philippines

Dames de la Mer

Netsel Marina
231/232 Gunnucek Way
Marmaris 48700, Turkey

Daytona Resort and Club

1200 Ruger Place
Daytona Beach, FL 32118

Dawn Beach Club

144 Oyster Pond Road
Philipsburg, St. Maarten
Dutch Caribbean

Delta Grand Okanagan Resort

1310 Water Street
Kelowna, British Columbia V1Y 9P3
Canada

Desert Vacation Villas 

250 West Vista Chino
Palm Springs, CA 92262

DeVere at Belton Woods

Belton, Near Grantham
Lincolnshire, NG32 2LN
United Kingdom

**DeVere Resort Ownership The
Carrick**

The Carrick at Cameron House
Lock Lomond, Dunbartonshire
United Kingdom

**DeVere Resort Ownership
Slaley**

Hexham, Northumberland NE47 0BY
United Kingdom

Devoncourt

Douglas Avenue
Exmouth, Devon EX8 2EX
United Kingdom

Dive Inn Resort

34/H, Cliff Om el Seed
Sharm el Sheikh, Egypt

Divi Heritage Beach Resort

Vauxhall, St. James Parish
Barbados, West Indies

Doha Hills

P.O. Box 55398
Sin-EI-Etl
Doaht El-Hoss, Beirut, Lebanon

Dolphin Beach Club

3355 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Don Pancho Beach Resort

58-62 Miller Street
Kelly's Beach, Bundaberg
Queensland 4670, Australia

**Dreams La Romana Resort &
Spa**

Playa de Bayahibe
La Romana
Dominican Republic

Eastwood at Provincetown

324 Bradford Street
Provincetown, MA 02657

Eden Bay Resort

St. George's Bay
St. Julian's STJ 07, Malta

Edinburgh Residence

7 Rothebay Terrace
Edinburgh EH3 7RY
United Kingdom

Eduard's Hotel Suites & Resort

Urbanizacion Alamo
Macuto, Venezuela

Egret Point Vacation Resort

4700 Egret Point Way
Hilton Head Island, SC 29928

Egrets Pointe at Edisto

547 Hwy 174
Edisto Island, SC 29438

Elani Bay

Siviri
Kassandra, Halkidiki, Greece

**Emirates Vacation Club at
Emirates Grand Hotel**

Sheikh Zayed Road
Dubai, United Arab Emirates

**Englewood Beach and Yacht
Club**

1815 Gulf Boulevard
Englewood, FL 34223

Equivest Riverside Suites

218 College Street
San Antonio, TX 78205

Es Pueto

C/Es Canar s/n
A lado Hotel Tres Torres
Santa Eulalia, Ibiza E-07840
Balearic Islands, Spain

Essque Zalu Zanzibar

P.O. Box 3151
Zanzibar, Tanzania

Estancia Apartur Mar del Plata

Frente a la nueva cancha de Mar del
Plata Golf Club
Mar del Plata, Buenos Aires, Argentina

Estates of King's Creek, The

191 Cottage Cove Lane
Williamsburg, VA 23185

Fairmont Estates Condominiums

101 High Country Drive
Anaconda, MT 59711

**Fairmont Vacation Villas at
Riverview**

5240 Riverside Drive
Fairmont Hot Springs
British Columbia V0B 1L0, Canada

**Family Clubhotel and
Apartments**

Daruzug 5/a
Hajduszoboszlo 4200, Hungary

Fantasy Island Resort

3205 South Atlantic Avenue
Daytona Beach Shores, FL 32118

Fantasy Island Resort II

3175 South Atlantic Avenue
Daytona Beach, FL 32118

Farallón

Caviahue Base
Norguin-NE
Neuquén, Argentina

Ferienwelt-Hotel Wikings-Inn

Schwimmbadallee 6
Wingst 21789, Germany

First Cabin Club

1000 McCulloch Boulevard
Lake Havasu City, AZ 86403

**Fishermen's Village Resort
Club** 

1200 West Retta Esplanade, Q-58
Punta Gorda, FL 33950-5339

4 Seasons at Beech Mountain

608 Beech Mountain Parkway
Beech Mountain, NC 28604-8014

4 Seasons at Desert Breezes 

77-955 Calle Las Brisas South
Palm Desert, CA 92211

**Four Seasons Racquet and
Country Club**

301-10 Carol Road
Lake of the Ozarks, MO 65049

**Four Seasons Residence Club
Scottsdale**

10650 East Crescent Moon Drive
Scottsdale, AZ 85255

Four Winds Beach Resort

2605 Gulf of Mexico Drive
Longboat Key, FL 34228

Freeport Resort & Club

Rum Cay Drive
Freeport, Grand Bahama Island
Bahamas

**Freshwater Point Resort
Broadbeach**

33 T.E. Peters Drive
Broadbeach Waters
Queensland 4218, Australia

**Fun and Adventure Club at
Erlebnishotel Liebnitzmühle**

Liebnitz 38
Raabs an der Thaya 3820, Austria

**Fun and Adventure Club at
Erlebnishotel Nová Amerika**

Zalonov 45
Jaromer 55101, Czech Republic

Gålå Fjellgrend

Gålå Høgfjellshotell Og Hytter
Gålå 2646, Norway

Galaxy Holiday Club

Depiro Street
Sliema SLM 05, Malta

Garden Valley Golf Resort

220 FM Road 1995
Garden Valley, TX 75771

Gardens at West Maui, The

5500 Old Honoapiilani Highway
Kapalua, Maui, 96761
Hawaii

**Generations Maroma by
Karisma**

Km 55.3, Carretera Cancún Tulum
Playa del Carmen, Quintana Roo
Mexico

Gold Point Condominiums

1000 County Road 520
Breckenridge, CO 80424

Golden Palms Hotel and Spa

31/32 Golden Palms Avenue
Off Tumkur Road
Bangalore, Kamataka 562 123
India

Grand Beach Vacation Resort

8309 Lake Bryan Beach Boulevard
Orlando, FL 32821

Grand Bliss III

Km 48 Carretera Federal Cancún
Riviera Maya, Quintana Roo 77710
Mexico

Grand Caymanian Resort

SafeHaven
P.O. Box 30610
Crystal Harbor, Grand Cayman
Cayman Islands

Grand Holiday Club at Atlantic Garden

Avenida Gran Canaria 7
Corralejo, La Oliva
Fuerteventura, Canary Islands 35640
Spain

Grand Hotel Misurina

Via Monte Piana 21
Misurina (BL), Italy

Grand Oasis Marien

Calle Duarte #6
Puerto Plata
Dominican Republic

Grand Oasis Punta Cana Vacation Club

Cabeza de Toro
Punta Cana, Dominican Republic

Grand Regency Resort at Thousand Hills

175 Golf View Drive
Branson, MO 65616

Grande Bay Resort & Residence Club

Bay Street, Cruz Bay Quarter
P.O. Box 690
Cruz Bay, St. John 00831, USVI

Greenhouse – Villas, The

Route 209
Bushkill, PA 18324

Gruphotel Club Aldea del Mar

Av. Roentgen S/N
Torrevieja, Alicante 03180, Spain

Gruphotel Club Riviera

Av. Salou-Reus, 4
Salou, Tarragona E-43840, Spain

Gruphotel Club Tarter

Apartamento I32
Ransol, Canillo, Andorra

Gulf Tides of Longboat Key

3008 Gulf of Mexico Drive
Longboat Key, FL 34228

Hammocks, The

60 Earl of Craven
Bald Head Island, NC 28461

Harbor Landing Condominiums

4 Beach Road Extension
Vineyard Haven, MA 02568

Harbor Ridge

Freeman Ridge Road
Southwest Harbor, ME 04679

Harbour Beach Resort

701 South Atlantic Boulevard
Daytona Beach, FL 32118

Harbour Town Yacht Club

149 Lighthouse Road
Hilton Head Island, SC 29938

Hawaiian Princess at Makaha Beach

84-1021 Lahilahi Street
Makaha, Oahu, HI 96792

Hawks Nest, The

One Kyle Way South
Marathon, FL 33050

Heidelberg Inn

85 Boulder Drive – Lakeview
June Lake, CA 93529

Heraclea Hotel Residence

Via Lido snc
Pollicoro, Matera 75025, Italy

Hever Golf and Country Club Hotel

Hever Road
Hever, Kent TN8 7NP
United Kingdom

Hideaway Sands Resort

3804 Gulf Boulevard
St. Petersburg, FL 33706

Hokkaido Tracks Vacation Club – Yama Shizen

185 – 8 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Hokkaido Tracks Vacation Club – Youtei Tracks

190-50 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Holiday Club Fured

Tancsics M. u 18
Balatonfured 8230, Hungary

Holiday Club Pyhä

Pyhäntunturi 98530, Finland

Holiday Club Ruka

689 Pulkajarvi
Kuusamo 93999, Finland

Holiday Owners Club at Devoncourt

Douglas Avenue
Exmouth, Devon EX8 2EX
United Kingdom

Holiday Owners Club at Hever Golf & C.C. Hotel

Hever Road
Hever, Kent TN8 7NP
United Kingdom

Holiday Owners Club at Long Beach Resort and Club

P.O. Box 86, Famagusta Kibris
Mersin 10, North Cyprus

Holiday Park Resort

S1, 415 Commonwealth Road
Winfield, British Columbia V4V 1P4
Canada

Hollywood Beach Hotel

101 North Ocean Drive
Hollywood, FL 33019

Hollywood Sands Resort

2404 N Surf Road
Hollywood, FL 33019

Hono Koa Vacation Club

3801 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Horizon Touristic Resort

Red Sea
Hurghada, Egypt

Horse Country Resort Congress and Spa

Strada a Mare 24, No. 27
Arborea, Sardinia 09092, Italy

Hostería del Cerro

Villa Cerro Catedral
San Carlos de Bariloche
Río Negro 8400, Argentina

Hostería del Lago

Ave. Ezequiel Bustillo Km. 7.8
Box 8.400
San Carlos de Bariloche
Río Negro 8400, Argentina

Hotel Aguamarina

Lote No. 5
Higuerote, Miranda, Venezuela

Hotel Apart Spa & Resort Costa Carilo

Albatros 20 Esquina Jacaranda
Carilo
Buenos Aires 7167, Argentina

Hotel bh El Retiro

Calle 80 No 10-11
Bogata, Colombia

Hotel bh La Quinta

Cra. 5a, No. 74-52
Bogata, Colombia

Hotel Breckenridge at Marriott's Mountain Valley Lodge

655 Columbine Road
Breckenridge, CO 80424

Hotel de Aventura Centro Convenciones Madaura

Km. 59 Via Melgar
Chinauta, Cundinamarca, Colombia

Hotel De L'Eau Vive

315 Tchoupitoulas Street
New Orleans, LA 70130

Hotel El Castellano

Calle 57 #513X 63 and 64
Mérida, Yucatán 97000, Mexico

Hotel La Pedregosa

Final Av. Panamericana
Urb. La Pedregosa
Mérida, Venezuela

Hotel Las Naciones Suites & Tower

Av. Corrientes 818
Buenos Aires, Argentina

Hotel Mansión Tarahumara

Domicilio Conocido Areponapuchic
Barrancas del Cobre, Chihuahua
Mexico

Hotel Puerta del Mar

Paseo de las Gaviotas
Esq. Agua de Correa
Ixtapa, Zihuatanejo
Guerrero 40880, Mexico

Hotel Internacional Quirinale

Av. H. Quiros y Noailles
Colón, Entre Ríos, Argentina

Hotel Serena Beach Club

Punici Street
Xlendi, Island of Gozo VCT 115, Malta

Hotel Tamarindo Costa Real

Playa Tamarindo
Santa Cruz, Guanacaste, Costa Rica

Hôtel Vacances Tremblant

330 Route 117
St. Jovite, Québec
Canada J0T 2H0

Hotelcal – Hotel Apartamentos Calypso I

Malecon Balneario de Salinas
Salinas, Ecuador

Huka Village Estate

Huka Falls Road
Taupo, New Zealand

Hyatt Ka'anapali Beach

200 Nohea Kai Drive
Lahaina, HI 96761

Hyatt Sunset Harbor Resort

Front Street at Truman Annex
Key West, FL 33040

Iletas Club Playa – Bougainvilla

Paseo Iletas 62
Iletas, Mallorca
Balearic Islands E-07015, Spain

Indian Peaks

817 Cramner Avenue
Fraser, CO 80482

Indian Wells Condoshare

78335 Highway 111
La Quinta, CA 92253

Inn at the Opera

333 Fulton Street
San Francisco, CA 94102

Inn at Silver Lakes, The

14818 Clubhouse Drive
Helendale, CA 92342

InnSeason Captain's Quarters

241 Grand Avenue
Falmouth, MA 02540

InnSeason Resorts – South Mountain

Route 112 – Main Street
Lincoln, NH 03251

Inlet Sports Lodge

4600 Hwy. 17 Business
Murrells Inlet, SC 29576

Inverness at Walden – Phase II

13151 A Walden Road, #243
Montgomery, TX 77356

Jackson Hole Racquet Club Resort

Star Route #363-B
Jackson Hole, WY 83001

Jackson Hole Towncenter

320 West Broadway
Jackson Hole, WY 83001

Jamaican on the Gulf

11660 Gulf Boulevard
Treasure Island, FL 33706

Jambo Vacation Club at Club Residence Capopiccolo

Localita Capopiccolo, Crotona
Isola di Capo Rizzuto 88076
Italy

Jungle Bay Resort and Spa

Pointe Mulatre
Dominica

Ka'anapali Beach Club

104 Kaanapali Shores Place
Lahaina, Maui, HI 96761

Kahana Villa Vacation Club

4242 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Kahlua Beach Club

4950 Estero Boulevard
Fort Myers Beach, FL 33931

Kala Point Village and Resorts West Vacation Club at Kala Point

20 Village Drive
Port Townsend, WA 98368

Kamaole Beach Club

2381 South Kihei Road
Kihei, Maui, HI 96753

Kenmore Club, The

Kenmore, Perthshire PH15 2HH
United Kingdom

Kimball, The

150 North Main Street
Salt Lake City, UT 84103

Kingfisher Club

Benal Beach
Ctra. de Cádiz, Km. 221
Benalmadena-Costa, Málaga 29630
Spain

Kingfisher Inn

100 N. Waccamaw Drive
Garden City Beach, SC 29223

Kololi Beach Club

Ker Serign Kombo North
P.M.B. 241
Serrekunda, Gambia

Kona Reef

75-5888 Alii Drive
Kailua-Kona, Hawaii, HI 96740

Kuleana Club, The

3959 L. Honoapiilani
P.O. Box 45
Lahaina, Maui, HI 96767

Kulta-Katti

Suojarventie 2
Vuokatti 88610, Finland

La Orquidea Heights

c/d Jose Orbaneja s/n
Sitio de Calahonda
Mijas-Costa, Málaga 29650, Spain

La Quinta at La Manga

La Manga Club, Los Belones
Cartagena, Murcia 30385, Spain

La Renaissance

190 Kentucky Avenue
Atlantic City, NJ 08404

La Tranquila® Breath Taking Resort

Condominio Maestro Litibú Lote 12
Bahia de Banderas, Nayarit, Mexico

La Vista Resort

Billy Folly Road 53
Pelican Key, P.O. Box 2086
St. Maarten, Dutch Caribbean

Lagamar Resort

Av. Das Palmeiras, 444
Varginha, Minas Gerais, Brazil

Lago Vista at Buenaventura Lakes

180 Royal Palm Drive
Kissimmee, FL 34743

Lagonita Lodge

183 Lagonita Lane
Big Bear Lake, CA 92315

Laguna Shores

419 North Coast Highway
Laguna Beach, CA 92651

Laguna Suites Golf and Spa

Paseo Pok Ta Pok num 3
Zona Hotelera
Cancún, Quintana Roo, Mexico

Laguna Surf

611 South Coast Highway
Laguna Beach, CA 92651

Lahaina Inn Resort

5580 Estero Boulevard
Fort Myers Beach, FL 33931

Lake Arrowhead Chalets

199 Rockledge Lane
Kuffel Canyon and Highway 173
Lake Arrowhead, CA 92352

Lake Forest Resort and Club

1531 Golf View Drive
Eagle River, WI 54521

Lake Placid Club Lodges

30 Lake Placid Club Way
Lake Placid, NY 12946

Lake Tahoe Vacation Resort

901 Ski Run Boulevard
South Lake Tahoe, CA 96150

Lake Towers Condo Hotel Sustentable

Lisandro de la Torre esquina
Jose Hernandez
Villa Carlos Paz, Cordoba, Argentina

Lakeland Village, The

Newby Bridge, Ulverston
Cumbria LA12 8PX, United Kingdom

Lakeside Terrace in the Vail Valley

340 Benchmark Road
Avon, CO 81620

Lakeside Villas

9600 Regent Parkway
Fort Mill, SC 29715

Lakeside Villas, The

96 Lake Terrace
Taupo, New Zealand

Lapinniemi

Lapinniemenranta 12
Tampere 33180, Finland

Las Torres Gemelas

Costera Miguel Aleman #1230
Acapulco, Mexico

Laurel Point Condominiums

805 Ski Mountain Road
Gatlinburg, TN 37738

Lawai Beach Resort – Coral Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Le Manoir des Deux Amants

Dep. 19, 40 Route d'Amfreville
Connelles, Sous Les Monts 27430
France

Le Mirage

San Francisco de Asís s/n
Villa Carlos Paz, Córdoba, Argentina

Le Nautille

Port Camargue
Le Grau du Roi 30240, France

Le Relais du Plessis

2 Rue Clement Ader
Plessis-Trevisé, France

Le Ville del Lido

Via Lungomare Marconi
Lido di Venezia (VE) 30126, Italy

Le Ville del Magara

Croce di Magara
Spezzano Piccolo (CS) 87052, Italy

Legend Hotel –**Kuala Lumpur, The**

100, Jalan Putra
Kuala Lumpur 50350, Malaysia

Legend Resort – Cherating, The

Lot 1290 Mukim Sungai
Karang, Cherating
Kuantan, Pahang, 20680, Malaysia

Les Sables Noirs

Residenza Turistico Alberghiera Les
Sables Noir
Porto di Ponente
Vulcano – Isole Eolie, Sicily 98050, Italy

Les Terrasses de Saint Honorat

Miramar – RN 98
Theoule Sur Mer 06590, France

Lifetime in Hawaii

2240 Kuhio Avenue, #2214
Honolulu, Oahu, HI 96815

Lifetime Vacation Club at Miraflores

Urb. Miraflores
Apt. de Correo 85 La Cala de Mijas
Mijas-Costa, Málaga 29647, Spain

Lighthouse Resort and Club

210 Periwinkle Way
Sanibel Island, FL 33957

Lindo Mar Adventure Club and World Wide Vacations Club at Lindo Mar

Km. 2.5, Ctra. Barra de Navidad
Puerto Vallarta, Jalisco, Mexico

Lion's Gate Pines Lodge

55 North Lion's Gate Drive
Winter Park, CO 80482

Little Sweden

8984 Highway 42
Fish Creek, WI 54212

Lloyd's Club

Av. de los Holandeses, s/n
La Mata – Torreveja
Alicante 03180, Spain

Lodge at Lake Tahoe, The 

3840 Pioneer Trail
South Lake Tahoe, CA 96150

Lodges at Cresthaven

3210 Lake Shore Drive
Lake George, NY 12845

Lodges at Timber Ridge Welk Resorts Branson, The

1984 Highway 165
Branson, MO 65616

Loma Bonita

Paseo de los Yaquis y
Avenida de los Series S/N
Country Club San Carlos
Sonora, Mexico

LomaSirmakka

Tuulentie 5
Nurmes 75500, Finland

Lomas del Real by Mantra

Dr. Carlos Moreno s/n
Colonia del Sacramento
Uruguay

Los Pájaros

Calle del Tuyu 919
Pinamar, Buenos Aires, Argentina

Los Tajibos Vacation Club

Av. San Martin No. 455
Santa Cruz 2966, Bolivia

Macdonald Elmers Court Resort and Country Club II

South Baddesley Road
Lymington, Hampshire SO41 5ZB
United Kingdom

Manhattan Club Penthouse Suites, The

200 West 56th Street
New York City, NY 10019

Marbella Suites

Carretera Transpeninsular, Km. 3
Fracc El Tezal, Lote 20
Cabo San Lucas, B.C.S. 23450
Mexico

Marina Club

North Beach
Eilat 88141, Israel

Marina Village at Snug Harbor

645 San Carlos Boulevard
Fort Myers Beach, FL 33932-2430

Marine Terrace

1018 North Atlantic Avenue
Daytona Beach, FL 32118

Mariner Beach Club

4220 Gulf Blvd.
St. Pete Beach, FL 33706

Mariner's Boathouse & Beach Resort 

7630 Estero Boulevard
Fort Myers Beach, FL 33931

Mariner's Point Beach Club

425 Grand Avenue
Falmouth, MA 02540

Marriott's Harbour Club at Harbour Town

144 Lighthouse Road
Hilton Head Island, SC 29938

Marriott's Heritage Club

18 Lighthouse Lane
Hilton Head Island, SC 29938

Marriott's Imperial Palms Villas

8404 Vacation Way
Orlando, FL 32821

Marriott's Sunset Pointe at Shelter Cove

4 Shelter Cove Lane
Hilton Head Island, SC 29928

Matecumbe Resort

76261 Overseas Highway
Islamorada, FL 33036

Maui Beach Vacation Club

515 South Kihei Road
Kihei, Maui, HI 96753

Maui Sunset Timeshare

1032 S Kihei Road
Kihei, Maui, HI 96753

Métropole Opéra

2 Rue de Gramont
Paris 75002, France

Mia Reef Isla Mujeres

Islote El Yunque
Isla Mujeres 77500
Mexico

Miraflores Beach and Country Club

Miraflores Club Reception
Ctra. de Cádiz, Km. 199
Mijas-Costa, Málaga 29649, Spain

Misiones del Cabo Vacation Club

Km. 5.5 Ctra. Transpeninsular
Cabo San Lucas, B.C.S.
Mexico

Mittersill Alpine Resort

193 Mittersill Road
Franconia, NH 03580

Moon Palace Golf & Spa Resort Villas

Carretera Federal Km 307
Chetumal-Cancún
Cancún, QR 77500, Mexico

Morro Mar Vacation Club

c/Mato, Matagordo No. 7
Puerto del Carmen, Lanzarote 35510
Canary Islands, Spain

Mountain Club at Kirkwood, The

Kirkwood Meadows Drive
Kirkwood, CA 95646

Mountain Meadows Resort

2813 Rolling Hills Drive
Pigeon Forge, TN 37863

Mountainside Lodge

4417 Sundial Place
Whistler
British Columbia V0N 1B4
Canada

Multigestion – Domaine de Garlande

Quartier des Canissons
Cavalaire 83240, France

Multigestion – Les Terrasses de Théoule

19, Boulevard de l'Estérel
Théoule 06590, France

Native Sun, The

1950 South Ocean Boulevard
Pompano Beach, FL 33062

Nautical Mile Resort & Condominiums, The

1072 Post Road
Wells, ME 04090

Nautical Watch Beach Resort

3420 Gulf Boulevard
Belleair Beach, FL 33786

Nautilus Residences White Sands Golf and Beach Resort

Bavaro, La Altagracia
Dominican Republic

Neptune Vacation Club

Connecticut Avenue
Block Island, RI 02807

Newport Bay Club & Hotel

337 Americas Cup Avenue at
Thames Street
Newport, RI 02840

Nob Hill Inn 

1000 Pine Street
San Francisco, CA 94109

Nordvind Resort

12700 Gulf Boulevard
Treasure Island, FL 33706

NorthBay at Lake Arrowhead

27400 Sugar Pine Drive
Lake Arrowhead, CA 92352

Northslope at Shawnee Mountain

River and Hollow Roads
P.O. Box 93
Shawnee-On-Delaware, PA 18356

Northstar Mountain Village 

1351 Gerry Sorenson Way
Kimberley, British Columbia, V1A 2Y9
Canada

Northwoods Club of Lake Placid

122 Main Street
Lake Placid, NY 12946

NYX Hotel Cancún

Km. 11.5 Kukulcán Boulevard
Lote 17.A
Cancún, Quintana Roo
Mexico

Oasis Hamaca

Calle Duarte, Boca Chica
Santo Domingo, Dominican Republic

Ocean Club at Atlantic Inn, The

8 Crandall Avenue
Misquamicut, RI 02891

Ocean Club at Ramla Bay

Ramla Bay Resort
Ramla TAL-BIR
Marfa MLH 02, Malta

Ocean East Resort Club

867 S. Atlantic Avenue
Ormond Beach, FL 32176

Ocean Gate Resort

4730 A1A South
St. Augustine, FL 32084

Ocean High

503 32nd Street
Ocean City, MD 21842

Ocean Park Vacation Club

Rua Simplicio dos Passos Gouveia
29 Ocean Park Promenade
Funchal, Madeira 9000-100
Portugal

Ocean View at Island Club

85 Folly Field Road
Hilton Head, SC 29928

Ocean Villas 

7509 North Ocean Boulevard
Myrtle Beach, SC 29577

Oceancliff I & II 

Ridge Road
Newport, RI 02840

Oceanique

2105 Highway A1A
Indian Harbour Beach, FL 32937

Oceanside 99 Condominium

99 S. Atlantic Ave.
Ormond Beach, FL 32176

Old Bahama Bay Resort and Yacht Harbour

Bayshore Drive
West End, Grand Bahama Island
Bahamas

Omni Cancún Hotel and Villas

Bldv. Kukulcán L48, Hotel Zone
Cancún, Quintana Roo 77500, Mexico

Open Sud Aparthotel

Golf de la Côte d'Argent
Moliets 40660, France

**Options by Macdonald at
Dalfaber Resort Chalets**

Dalfaber Estate
Aviemore
Inverness, Scotland PH22 1ST
United Kingdom

**Options by MacDonald at
Elmers Court Country Club
& Resort**

South Baddesley Road
Lymington, SO41 5ZB
United Kingdom

**Options by Macdonald at
Elmers Court Country Club II**

South Baddesley Road
Lymington, Hampshire SO41 5ZB
United Kingdom

**Options by Macdonald at Loch
Rannoch Hotel and Resort**

Loch Rannoch Estate
Kinloch Rannoch
Perthshire, Scotland PH 16 5PS
United Kingdom

**Options by Macdonald at
Lochanhully Resort**

Carrbridge
Inverness-shire, Scotland PH23 3NA
United Kingdom

Orient Touristic Development

El Hadaba El Ganoubeya
Hurghada 4342, Egypt

Orlando Breezes Resort Club

12727 U.S. Highway 27 North
Davenport, FL 33897

Orofino by Straight Creek

390 Straight Creek Drive
Dillon, CO 80435

Outrigger Beach Club

215 South Atlantic Avenue
Ormond Beach, FL 32176

OWN Montevideo

Jose Zorrilla de San Martin 177
Montevideo, Uruguay

Owners Club at Hilton Head, The

22 Aberdeen Court
Hilton Head Island, SC 29926

**Owners Resorts & Exchange
at St. George – Villas at
Southgate**

280 West 2025 South Circle
St. George, UT 84770

Pacific Palms

2 Lakeside Crescent
New South Wales 2428, Australia

Palace View South

700 Blue Meadows Drive
Branson, MO 65616

Palm Beach

22984 Perdido Beach Boulevard
Orange Beach, AL 36561

**Palm Beach Resort and Beach
Club**

3031 South Ocean Boulevard
Palm Beach, FL 33480

Palm Springs Marquis Villas

140 S. Calle Encilla
Palm Springs, CA 92262

Palma Real Hotel and Villas

Marina de Juluapan
Manzanillo, Colima, Mexico

Panama City Resort and Club

16709 Front Beach Road
Panama City, FL 32413

Papakea

3543 Lower Honoapiilani
Lahaina, Maui, HI 96761

Paradise Holiday Resort

Rua dos Pardais 250 H
Bombinhas, Santa Caterina, Brazil

Paradise Island Beach Club

Ocean Ridge Drive
Nassau, Bahamas

Park Plaza at Beaver Creek

46 Avondale Lane
Beaver Creek, CO 81620

Pavillon du Golf

Circuit de Palmeraie
Marrakech 40 000
Morocco

Pend Oreille Shores Resort

1250 Highway 200
Hope, ID 83836

**Peninsular Club at La Manga
Club**

Los Belones, Cartagena
Murcia 30385, Spain

Peppertree – Fontana Village

Highway NC 28
Fontana Dam, NC 28733

Peppertree – Maggie Valley

265 Moody Farm Road
Maggie Valley, NC 28751

Peppertree at Thousand Hills

2800 Green Mountain Drive
Branson, MO 65616

**Peregrine Townhomes at
San Luis Pass**

10202 Bluewater Highway
Freeport, TX 77541

**Perennial Vacation Club –
Bandera**

1775 River Ranch Road
Bandera, TX 78003

Petit Crest Villas

90 Steve Tate Highway
Marble Hill, GA 30148

**Peterson's Waterfront
Timeshare Condominium**

103 North Park Street
Chelan, WA 98816

Pinares del Mar

Calle Mar del Plata
Entre Calles 42 y 43
Mar Azul, Villa Gesell
Buenos Aires 7165, Argentina

Pirayú

Av. Tres Fronteras 550
Puerto Iguazú, Misiones, Argentina

**Plantation Beach Club at Indian
River Plantation**

329 Northeast Tradewind Lane
Stuart, FL 34996

Plantation Village Beach Resort

West Bay Road
Grand Cayman, Cayman Islands

**Playa del Sol Costa Sur
(North Tower)**

Km. 4-456 Carretera, Barra Navidad
Puerto Vallarta, Jalisco, Mexico

Plaza Resort at Palmas del Mar

235 Harbour Drive
Palmas del Mar
Humacao 00791, Puerto Rico

Pointe on the Bay, The

23rd Street and Coastal Way
Ocean City, MD 21842

**Polus Palace Thermal Golf Club
Hotel**

Kadar u. 49
Goed 2132, Hungary

Ponds at Foxhollow, The

Route 7
Lenox, MA 02140

Pop Villa Crespo

J. Ramirez de Velazco 793
Buenos Aires, Argentina

Port Chambly l'Hotel & l'Village

Terre Rouge
Mauritius

Port d'Albret Le Boucanier

Rue du Belvedere
Vieux Boucau 40480, France

Poste Montane at Beaver Creek

76 Avondale Lake
Beaver Creek, CO 81620

Pousada do Portal de Paraty

Av. Beira Rio, 100
Paraty, Rio de Janeiro 23970-000
Brazil

Powder Ridge Village Resort

6172 North Powder Ridge Road
Eden, UT 84310

Powell Place

730 Powell Street
San Francisco, CA 94108

**Premiere Vacation Collection –
Carriage House, The**

105 East Harmon Avenue
Las Vegas, NV 89109

**Premiere Vacation Collection at
Golden Eagle Resort**

300 Riverside Drive
Estes Park, CO 80517

**Premiere Vacation Collection –
Sea of Cortez Beach Club**

Paseo Mar Bermejo 4, Los Algodones
San Carlos, Nuevo Guaymas
Sonora, Mexico

**Prospect Reef Resort Vacation
Club**

Staney Hill
Road Town, Tortola
British Virgin Islands

**Pueblo Caribe International
Beach Resort**

Playa El Tirano1
El Tirano, Isla Margarita
Venezuela

Pueblo Laguna Vera

Apartado de correos 164
Las Marinas
Vera, Almería 04620, Spain

Pueblo Vista Alegre

Urb. Vista Alegre – Es Cubells
San José, Ibiza 07830
Balearic Islands, Spain

Puerto Bunge Apart Hotel

Av. Bunge y Marco Polo
Pinamar, Buenos Aires, Argentina

Puerto Encantado

Av. 2 y esquina Paseo 147
Villa Gesell, Buenos Aires
Argentina

Quadna Mountain Resort

100 Quadna Road
Hill City, MN 55748

Quarters at Lake George

3014 Lake Shore Drive
Lake George, NY 12845

Radisson Resort Palm Meadows

Palm Meadows Drive, Carrara
P.O. Box 728, Robina
Gold Coast, Queensland 4226
Australia

Ramada Resort Mazatlán

Avenida Playa Gaviotas 100
Zona Dorada
Mazatlán, Sinaloa 82110, Mexico

Rangeley Lake Resort

Cottage Avenue
Rangeley, ME 04970

Red Carpet Hotel and Resort

36 Km. Suez – Al Sokhna Road
Al Sokhna, Egypt

Red Wolf Lodge at Squaw Valley

2000 Squaw Loop Road
Olympic Valley, CA 96146

Redington Ambassador

16900 Gulf Boulevard
North Redington Beach, FL 33708

Reef at Marathon, The

6800 Overseas Highway
Marathon, FL 33050

Reef Resort, The

Queen's Highway, Collier's Bay
East End, Grand Cayman
Cayman Islands

Regency Palms

Monte Paraiso
Urbanización Calahonda
Mijas-Costa, Málaga, Spain

Regency Villas at Broome Park

The Broome Park Estate
Barham, Canterbury, Kent CT4 6QX
United Kingdom

Residence Club at Segovia, The

Carretera a Ocotol del 2do Puente
Playas del Coco
Costa Rica

Residence Club Seaside

100 South Promenade
Seaside, OR 97138

Résidence des Pins Bleus

Avenue de Cannes
Juan Les Pins 06600, France

Résidence le Diamant

Villard de Lans 38250, France

Residence Liscia di Vacca

Liscia di Vacca
Porto Cervo, Sassari
Sardinia 07020, Italy

Residence Narjess

Avenue Moncef Bey
Hammamet 8050, Tunisia

Résidence Yasmine Plaza

Yasmine Hammamet
Hammamet, 8050, Tunisia

Residence Waterfront

Rua Hilda de Melo Accioly
Ipioca, Alogoaas 57039700, Brazil

Residencial Itapema Vacation Club

Av. Governador Celso Ramos, 700
Itapema, Brazil

Residencial Sajo

Rua Claudio Manoel da Costa s/n
São Paulo, Brazil

Residencial Vale Dourado

Rua dos Carvalhos, 100 – Planalto
Gramado 95670, Brazil

Resort Sixty-Six

6600 Gulf Drive
Holmes Beach, FL 34217

Ridge Crest, The

415 Tramway Drive
Stateline, NV 89449

Ridge Pointe Resort, The

455 Tramway Drive
Stateline, NV 89449

Ridge Sierra, The

265 Quaking Aspen
Stateline, NV 89449-2157

Ridge View, The

311 Tramway Drive
Stateline, NV 89449

River Club, The

550 West Depot Avenue
Telluride, CO 81435

Riverview Resort

37 Neptune Lane
South Yarmouth, MA 02664

Riviera Beach and Spa Resort I & II

34630 Pacific Coast Highway
Capistrano Beach, CA 92624

Riviera Shores Resort

34642 Pacific Coast Highway
Capistrano Beach, CA 92624

Royal Aloha Vacation Club at Lake Tahoe

317 Quaking Aspen Lane
Stateline, NV 89449

Royal Club at the Palm-Jumeirah

Palm Beach Island
P.O. Box 1777
Dubai, United Arab Emirates

Royal Club at Bonnington Tower

Jumeirah Lakes Towers
Dubai, United Arab Emirates

Royal Club Hotel

Fö utca 92
Visegrad 2025, Hungary

Royal Palm Club at the Aruba Grand

J.E. Yrausquin Boulevard #79
Oranjestad, Aruba, Dutch Caribbean

Royal Palms

Simpson Bay
Simpson Bay, St. Maarten
Dutch Caribbean

Royal Regency

69 Rue de France
Vincennes 94300, France

Royal Sea Aquarium Resort, The

Bapor Kibra S/N
P.O. Box 3102
Willemstad, Curaçao
Dutch Caribbean

Rushes, The

3014 Rushes Road
Baileys Harbor, WI 54202

San Clemente Cove Resort

104 South Alameda Lane
San Clemente, CA 92672

San Luis Bay

3254 Avila Beach Boulevard
Avila Beach, CA 93424

Sand Pebble Resort

12300 Gulf Boulevard
Treasure Island, FL 33706

Sandcastle Cove

1141 Broad Creek Road
New Bern, NC 28560

Sandcastle Village II

Lakeview Drive
1141 Broad Creek Road
New Bern, NC 28560

Sandpiper Beach Club

6414 Midnight Pass Road
Sarasota, FL 34242

Sands Vacation Resort

2040 Mesquite Avenue
Lake Havasu City, AZ 86403

Sandy Point Beach Resort

41 Labrador Street
Labrador, Queensland 4215, Australia

Sanibel Beach Club I

626 Nerita Street
Sanibel Island, FL 33957

Sanibel Beach Club II

205 Periwinkle Way
Sanibel Island, FL 33957

Sanibel Cottages

2341 West Gulf Drive
Sanibel Island, FL 33957

Sea Club V Beach Resort

6744 Sarasea Circle
Sarasota, FL 34242

Sea Mountain

95-789 Ninole Loop Road
Punalu'u, Hawaii, HI 96777

Sea Oats Beach Club

1720 Gulf Boulevard
Englewood, FL 34223

Sea Shells

Diamond Beach Road
Hallidays Point
Via Taree, New South Wales 2430
Australia

Seagull Beach Club Resort

4440 Ocean Beach Boulevard
Cocoa Beach, FL 32931

Seaside Beach Club

501 Briny Avenue
Pompano Beach, FL 33062

Seasons at Alto Club

Quinta do Alto do Poco
Alvor
Portimao, Algarve 8500-906
Portugal

Seasons at Brunston Castle

Brunston Avenue
Dailly, Ayrshire KA26 9RH
United Kingdom

Seasons at Burn Park Country Club

Stratton
Bude, Cornwall EX23 8SF
United Kingdom

Seasons at Forest Hills

Urb. Forest Hills (Los Altos)
Ctra. De Cádiz. Km. 159
Estepona, Málaga 29680, Spain

Seasons at Whitbarrow Village

Berrier, Penrith
Cumbria CA11 OXB, United Kingdom

Seasons Resort, The

5736 S. Texas Avenue
Orlando, FL 32839

Seawatch Inn at the Landing

215 Atlantic Avenue
Garden City Beach, SC 29576

Seawatch On-The-Beach

6550 Estero Boulevard
Fort Myers Beach, FL 33931

Sedona Springs Resort

55 Northview Road
Sedona, AZ 86336

Select Holiday Mountain Club

Cavaler Ioan de Puscariu no. 113
Brans, Brasov, Romania

Seven Seas Resort

2433 S Atlantic Ave
Daytona Beach Shores, FL 32118

7 Mile Beach Resort

West Bay Road
Georgetown, Grand Cayman
Cayman Islands

Shadow Ridge

50 Shadow Ridge Drive
Park City, UT 84060

Shearwater Resort

Port Sorell (via Devonport)
Tasmania 7307, Australia

Shell Island Beach Club

255 Periwinkle Way
Sanibel Island, FL 33957

**Shell Vacations Club at
Crotched Mountain Resort**

740 Second NH Turnpike North
Francestown, NH 03043

**Shell Vacations Club at Salado
Creek Villas**

2383 NE Loop 410
San Antonio, TX 78217

**Shell Vacations Club at Sunset
Plaza Beach Resort and Spa**

Diego Rivera 121
Zona Hotelera Norte
Puerto Vallarta, Jalisco, Mexico

**Shell Vacations Club at
Whispering Woods II**

67800 East Nicklaus Way
Welches, OR 97067

Sheraton PGA Vacation Resort

8702 Champions Way
Port St. Lucie, FL 34986

Shoreline Towers

1155 West Beach Boulevard
Gulf Shores, AL 36543

Shores at Lake Travis, The

1917 American Drive
Lago Vista, TX 78645

Skiers Edge Lodge ◇

4192 S. Highway 9
Breckenridge, CO 80424

Smoketree Lodge ◇

11914 Highway 105 South
Banner Elk, NC 28604

Snow Lake Lodge

41579 Big Bear Boulevard
Big Bear Lake, CA 92315

Snowater ◇ **and Resorts West
Vacation Club at Snowater**

10500 Mount Baker Highway
Glacier, WA 98244

**Snowdance Vacation Club at
Ascuntney Mountain**

Route 44
Brownsville, VT 05037

**Snowdance Vacation Club at
Windsor Condo, The**

Route 44
Brownsville, VT 05037

Solaz de Los Andes Hotel

Brasil 308
P. O. Box 5500
Mendoza
Argentina

South Seas Club

5400 South Seas Plantation Road
Captiva Island, FL 33924

South Shore Lake Resort

201 Hamilton Oaks Drive
Hot Springs, AR 71913

Southern California Beach Club

121 South Pacific
Oceanside, CA 92054

**Southwinds Villas Vacation
Resort**

35 Deallyon Avenue
Hilton Head Island, SC 29928

Spicebush at Sea Pines

124 North Sea Pines Drive
Hilton Head Island, SC 29928

Spinnaker at Lake Dillon

317 West La Bonte
Dillon, CO 80435

St. James Place

210 Offerson Road
Beaver Creek, CO 81620

St. Maarten Sea Palace

121 Front Street
Philipsburg, St. Maarten
Dutch Caribbean

St. Martin Boutique Hotel, The

Calle 15 Norte Manzana 148,
Lote 23 y 24
Playa del Carmen, QR 77710
Mexico

Starr Pass Golf Suites

3645 West Starr Pass Boulevard
Tucson, AZ 85745

**Steele Hill East/Steele Hill
Resort**

516 Steele Hill Road
Sanbornton, NH 03269

Steele Hill West

516 Steele Hill Road
Sanbornton, NH 03269

Stormy Point Village Resort ∞

132 Cape Cod Road
Branson, MO 65616

**Stormy Point Village –
Summerwinds Resort**

3940 Green Mountain Drive
Branson, MO 65616

Streamside at Vail – Aspen ◇

2284 South Frontage Road West
Vail, CO 81657

Streamside at Vail – Cedar ◇

2284 South Frontage Road West
Vail, CO 81657

**Sugarwood at Ruttger's Sugar
Lake Lodge**

37584 Otis Lane
Cohasset, MN 55721

Suite Hotel Klass

Bezje, 14
Kranska Gord 4280
Slovenia

**Sundream Vacation Club at
Island Village**

Avenida Austria, Urb. San Eugenio
Playa de las Americas
Adeje, Tenerife 38660
Canary Islands, Spain

**Sunstream Vacation Club at
DiamondHead**

2000 Estero Boulevard
Ft. Myers Beach, FL 33931

**Suites at Fisherman's Wharf,
The**

2655 Hyde Street
San Francisco, CA 94109

Summerfield Condo Resort

2425 Summerfield Way
Kissimmee, FL 34741

Summit Resort, The

974 White Oaks Road
Laconia, NH 03246

Sunquest Gardens

Douriou Ippou Street
Potamos Yermasoyias
Limassol, Cyprus

Sunrise Beach Club

1212 North Atlantic Avenue
Daytona Beach, FL 32118

**Sunset Point at StillWaters
Resort**

1816 Stillwaters Drive
Dadeville, AL 36853

Sunset Resorts – Canmore

1151 Sidney Street
Canmore AB T1W 3G1, Canada

Sunset Shores Resort

1246 Sonnyside Drive
Cadillac, MI 49601

Suites at Hershey, PA

176 East Hersheypark Drive
Hershey, PA 17033

Surf Club

540 South Collier Boulevard
Marco Island, FL 34145

Surfers Royale

Corner Markwell Avenue & Northcliffe
Terrace
Surfer's Paradise
Queensland 4217, Australia

Surfrider Beach Club

555 East Gulf Drive
Sanibel Island, FL 33957

Surfside Inn ◇ **and Resorts West
Vacation Club at Surfside Inn**

31512 "J" Place
Ocean Park, WA 98640

Surrey Vacation Resort, The ∞

430C State Highway 165 South
Branson, MO 65616

Swallowtail at Sea Pines

124 Lighthouse Road
Hilton Head Island, SC 29938

Swan Mountain Resort

59 Soda Ridge Road
Dillon, CO 80435

Sweetwater at Lake Conroe ◇

1000 April Sound Boulevard
Montgomery, TX 77356

**Swiss-Garden International
Vacation Club at Swiss
Garden Residences**

2A Jalan Galloway
Kuala Lumpur 50150, Malaysia

Swiss Mountain Village

2324 Flat Top Road
Blowing Rock, NC 28605

Taba Paradise

Taba
Sharm Road
Taba, Egypt

Tahoe Chaparral

400 Fairview Boulevard
Incline Village, NV 89451

Tahoe Seasons Resorts

3901 Saddle Road
South Lake Tahoe, CA 96150

Tahoe Summit Village

750 Wells Fargo Lane
Stateline, NV 89449

Tanglewood Vacation Villas

290 Tanglewood Circle
Pottsboro, TX 75076

Tenerife Sun Club

Parque Don José Urbanización
Costa del Silencio, Tenerife
Canary Islands, Spain

Tennis Ranch Pinamar Resort

Fragata La Victoria
Pinamar, Buenos Aires, Argentina

Thurnham Vacation Club at Thurnham Hall
Thurnham Nr. Lancaster LA2 0DT
United Kingdom

Torrenza Boutique Resorts
Av. Sábalo Cerritos s/n
Mazatlán, Sinaloa
Mexico

Traders Inn Beach Club
1355 Ocean Shore Boulevard
Ormond Beach, FL 32176

Tranquility Bay Antigua
Jolly Harbour
P. O. Box JH94
Bolans, Antigua

Treetop Condominiums at Four Seasons, U.S.A.
594 State Highway HH
Lake Ozark, MO 65049

Treetop Village at Four Seasons, U.S.A.
594 State Highway HH
Lake Ozark, MO 65049

Tropical Sands Resort
7785 Estero Boulevard
Fort Myers Beach, FL 33931

Turangi Leisure Lodge
Ngawaka Place
Turangi
New Zealand

Twin Rivers Condominiums
300 Sterling Way Road
Fraser, CO 80442

Vacances Apart Hotel San Martin de los Andes
El Oasis 450
San Martin de los Andes 8370
Argentina

Vacation Club Villas
One Holiday Inn Drive
Asheville, NC 28806

Vacationland Estates
Golf Club Road
Island Falls, ME 04747

Vacation Internationale – Embarcadero Resort and Resorts West Vacation Club at Embarcadero
1000 S. East Bay Boulevard
Newport, OR 97365

Vacation Internationale – Papakea
3543 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Vacation Internationale – Point Brown Resort
1413 Ocean Shores Boulevard S.W.
Ocean Shores, WA 98569

Vacation Internationale – Pono Kai
4-1250 Kuhio Highway
Kapaa, Kauai, HI 96746

Vacation Internationale – Royal Kuhio
2240 Kuhio Avenue
Honolulu, Oahu, HI 96815

Vacation Internationale – Sea Mountain
95-789 Ninole Loop Road
Punalu'u, Hawaii, HI 96777

Vacation Internationale – Valley Isle
4327 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Vacation Internationale – Village at Steamboat, The
2400 Pine Grove Circle
Steamboat Springs, CO 80477

Vacation Internationale – Villas de Santa Fe
400 Griffin Street
Santa Fe, NM 87501

Vacation Village at Bonaventure
401 Racquet Club Road
Weston, FL 33326

Valentine's Residences Resort & Marina
Box One, Bay Street
Harbour Island, Eleuthera
Bahamas

Valley Isle
4327 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Vanderbilt Beach and Harbour Club
9301 Gulf Shore Drive
Naples, FL 33963

Variety Cruisers
Windsor Marina
Maidenhead Road
Windsor, Berkshire SL4 5TZ
United Kingdom

Ventura
2301 South Ocean Boulevard
Boca Raton, FL 33432

Veranda Beach Club
2509 Gulf of Mexico Drive
Longboat Key, FL 34228

Verandah Resort & Spa, The
St. Phillips North
P.O. Box 63
St. John's, Antigua

Via Roma Beach Resort
2408 Gulf Drive
Bradenton Beach, FL 34217

Victoria Court I & II
Los Cristianos
Tenerife, Canary Islands, Spain

VIK Hotel Arena Blanca
Carretera Arena Gorda
White Sands
Bávaro, Punta Cana
Dominican Republic

VIK Hotel Cayena Beach
Carretera Arena Gorda
Bávaro, Punta Cana
Dominican Republic

Villa del Sol
Costanera 4000
Costa Azul, San Bernardo
Buenos Aires, Argentina

Villa La Paloma
Lazaro Cardenas Esq. Bordo
Cabo San Lucas, B.C.S., Mexico

Village at Izatys, The
40005 85th Avenue
Onamia, MN 56359

Village at St. James's Club, The
St. James's Club
Marmora Bay
Antigua

Village Maritalia
Località Valle Clavia
Peschici (FG) 71010, Italy

Village Resort, The
Cnr. Lake Terrace and Tui Street
Taupo
New Zealand

Villaggio Aurora
Contrada Bruscate Grande – Sibari
Cassano allo Ionio 87070, Italy

Villaggio Piccolo Mondo
Via Litoranea per S. Cesarea
Castro Marina 73030
Italy

Villas at Flying L
566 Flying L Drive
P. O. Box 1959
Bandera, TX 78003

Villas at Lantern Bay
100 Lantern Bay Road
Branson, MO 65616

Villas at Poco Diablo
1752 Highway 179
P.O. Box 2252
Sedona, AZ 86336

Villas at Regal Palms
2700 Sand Mine Road
Davenport, FL 3897

Villas El Rancho Exclusive Vacation Club
Av. Sábalo Cerritos #3000
Mazatlán, Sinaloa 82100, Mexico

Villas Loma Linda
Calle Las Hortensias 37
Puerto Vallarta, Jalisco, Mexico

Villas Mar-Bel
Fracc. Lomas de Taxco
Taxco de Alarcon
Taxco, Guerrero, Mexico

Villas Playa Sámara
Playa Sámara
Costa Pacifica Norte
Nicoya, Guanacaste, Costa Rica

Villas of Cave Creek
38001 North Schoolhouse Road
Cave Creek, AZ 85331

Villas of Sedona
120 Kallof Place
Sedona, AZ 86336

Voyager Beach Club
11860 Gulf Boulevard
Treasure Island, FL 33706

Waikiki Banyan, The
201 Ohua Avenue, Suite 403
Tower 1, Waikiki, Oahu, HI 96815

Waterman Holiday Club
Put Vela Luke 4
Supetar, Brac 21400, Croatia

Waterwood Townhouses
1141 Broad Creek Road
New Bern, NC 28560

Wave Crest Resort
1400 Ocean Avenue
Del Mar, CA 92014

West Sands Phuket Beach Club
65 Moo 4
Mai Khao, Thalang
Phuket 83110, Thailand

Westgate South Beach
3611 Collins Avenue
Miami Beach, FL 33140

Westgate Tunica Resort Mississippi
1724 Casino Center Drive
Robinsonville, MS 38664

Whaler, The
2481 Kaanapali Parkway
Lahaina, Maui, HI 96761

Whaler Inn Beach Club
323 Salter Path
Pine Knoll Shores
Atlantic Beach, NC 28512

Wharf, The
408 Long Island Drive
Hot Springs, AR 71913

Whitbarrow Country Club
Whitbarrow Hall
Berrier
Penrith, Cumbria CA11 0XB
United Kingdom

Whispering Pines Villas

30 Country Club Boulevard
Whispering Pines, NC 28327

White Sands of Longboat

5114 Gulf of Mexico Drive
Longboat Key, FL 34228

Windjammer at Nags Head, The

5619 Virginia Dare Trail
Nags Head, NC 27959

Windjammer Resort and Beach Club

4244 El Mar Drive
Lauderdale-By-The-Sea, FL 33308

Windsurf Resort at Cabarete Beach

Km. 16, Cabarete
Puerto Plata, Dominican Republic

Woodbourne Estates Resort

Lunar Boulevard
Freeport
Grand Bahama Island
Bahamas

Woods and Legends at Copper Creek, The

209 Ten Mile Circle
Copper Mountain, CO 80443

World International Vacation Club – La Paloma

Playas de Rosarito
South Rosarito Beach, B.C.N., Mexico

World International Vacation Club – Mar Azul

Gonzalo de Sandoval
Acapulco, Guerrero, Mexico

World Tennis Center & Resort

4800 Airport-Pulling Road
Naples, FL 34105

WorldMark Arrow Point

4502 South Arrow Point Drive
Harrison, ID 83833

WorldMark Bear Lake

365 Raspberry Patch Road
Garden City, UT 84028

WorldMark Bison Ranch

2269 Highway 260
Overgaard, AZ 85933

WorldMark Cairns

49/72 Kowinka Street
Cairns, Queensland 4868
Australia

WorldMark Cascade Lodge

4315 Northlands Boulevard
Whistler
British Columbia V0N 1B0, Canada

WorldMark Denarau Island

10721 Nadi Airport
Nadi, Fiji

WorldMark Discovery Bay

141 Orcas Drive
Port Townsend, WA 98368

WorldMark Kapaa Shore

4-0900 Kuhio Highway
Kapaa, Kauai, HI 96746

WorldMark La Paloma

Km. 28.2 Carretera Libre a Ensenada
Rosarito, B.C.N. 22710
Mexico

WorldMark Lake Tahoe – I and II

202 Tramay Drive
Stateline, NV 89449

WorldMark Lake Tahoe III

202 Tramway Drive
Stateline, NV 89449

WorldMark Las Vegas on Spencer Street

4225 Spencer Street
Las Vegas, NV 89121

WorldMark Marina Dunes

3295 Dunes Drive
Marina, CA 93933

WorldMark Mariner Village

1331 Ocean Shores Boulevard S.W.
Ocean Shores, WA 98569

WorldMark Orlando

12000 International Drive
Orlando, FL 32821

WorldMark Steamboat Springs

2400 Pine Grove Circle
Steamboat Springs, CO 80477

WorldMark Sundance

2221 Gondola Way
Whistler, British Columbia V0N 1B2
Canada

WorldMark Surfside Inn

31512 "J" Place
Ocean Park, WA 98640

WorldMark The Canadian

1080 Hornby Street
Vancouver
British Columbia V6Z 2R9, Canada

Worldwide Vacation Club at Branson Yacht Club at Rock Lane Resort

611 Rock Lane Road
Branson, MO 65616

Worldwide Vacation Club at Embarcadero at Newport

1000 SE Bay Boulevard
Newport, OR 97365

Wychnor Park Country Club

Wychnor Park
Nr. Barton-under-Neadwood
Staffordshire DE13 8BU
United Kingdom

Wyndham Bay Voyage Inn

150 Conanicus Avenue
Jamestown, RI 02840

Wyndham Vacation Resorts Shawnee Village – Depuy

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – Depuy Village – Phase II

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – Fairway Village

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – Ridge Top Summit

River Road
Shawnee-On-Delaware, PA 18356

Wyndham Vacation Resorts Shawnee Village – River Village I

River Road
Shawnee-On-Delaware, PA 18356

Yiläs 1

Äkäslompola 95970
Finland

RESORTS WITH 11 – 20 UNITS PARTICIPATING AND AVAILABLE FOR OCCUPANCY

Absolute Private Residence Club at Q Signature Spa and Resort

24/78 Moo 5. Bo Phut
Koh Samui, Suratthani, 84320
Thailand

Absolute Private Residence Club at the Village Coconut Island

51/7 Moo 6
Coconut Island, Koh Kaew, Muang
Phuket 83000, Thailand

Absolute Twin Sands Beach Resort & Spa

Tri Trang Beach
Patong
Phuket 83150
Thailand

Accor Vacation Club Basildene Manor

Wallcliffe Road
Margaret River 6285, Australia

Accor Vacation Club Busselton

553 Bussell Highway
Geographe Bay
Busselton, Western Australia 6280

Accor Vacation Club Forest Resort

Medcand Highway
Creswick, Victoria, Australia

Accor Vacation Club Grand Mercure Oakridge Resort

Cnr. Cardona Valley and
Studholme Road
Lake Wanaka, Wanaka, New Zealand

Accor Vacation Club Grand Mercure The Links

St. Andrews Boulevard
Lady Bay, Normanville
South Australia, Australia

Accor Vacation Club Novotel Pacific Bay Resort

Cnr Pacific Highway and Bay Drive
Coffs Harbour
New South Wales 2450, Australia

Accor Vacation Club Novotel Twin Waters

Ocean Drive – Twin Waters
Sunshine Coast, Queensland 4564
Australia

Accor Vacation Club Pinnacle Apartments

104 Pymont Street
Sydney, New South Wales, Australia

Accor Vacation Club Vintage Apartments

Vintage Drive
Rothbury, Hunter Valley
New South Wales, Australia

AlpeAdria Club at Novi Vinodolski

TRG Krava Tomislava 4
Novi Vinodolski 51250, Croatia

Alpenresidenz Bad Gastein

Karl-Heinrich-Waggener-Str.2
Bad Gastein, 5640, Austria

Alpine Village Resort

40 National Forest Drive
Burnsville, NC 28714

Amapola Vacation Club

Jaco de Garabito
Puntarenas, Costa Rica

Amarras

Menton No. 934
Santa Clara del Mar
Mar Chiquita 7609, Argentina

Amarras Sea Village

Menton No. 934
Santa Clara del Mar, Mar Chiquita
Buenos Aires 7609, Argentina

Anantara Vacation Club Bophut Koh Samui

99/9 Bophut Bay
Samui Island
Koh Samui 84320
Thailand

Anantara Vacation Club Seminyak Bali

In. Drupadi No. 28 Seminyak
Bali 80361
Indonesia

Aquamarina Suites

Barrier Reef Drive
San Pedro Town, Belize

Arcobaleno

Ramon Guerra Esquina Parada 18
Punta del Este, Maldonado, Uruguay

Arminel Hogsback Village Hotel

Main Road
Hogsback 5211
South Africa

Aspen Ridge

100 Aspen Ridge
Telluride, CO 81435

The Aspens[∞]

4800 Spearhead Drive
Whistler, British Columbia V0N 1B4
Canada

Atalaya Towers

912 North Waccamaw Drive
Garden City, SC 29576

Atlantic Club Hotel Tierra Mar Golf

Matalascañas
Huelva 21760, Spain

Bagaglino – Villa Laguna

Via Sandro Gallo 6
Lido di Venezia 30126, Italy

Bali Palms Resort

Jalan Raya Candi Dasa
Nyuh Tebel
Manggis Amlapura, Bali 80581
Indonesia

Barceló Punta Cana

Bavaro
Higüey, Dominican Republic

Barra Palace

Av. Sernambetiba, 2916
Rio de Janeiro 22620-172, Brazil

Barracas del Este – Estacion Mar

Parada 26 ½
Maldonado, Punta del Este, Uruguay

Barringtons Royal Golf & Fitness Club

Vale do Lobo
Almancil 8135, Portugal

Beach Club I

326 Estero Boulevard
Fort Myers Beach, FL 33931

Beach Republic

Royal Nirvana Private Residences
176/34 M. 4 Tambon Maret
Koh Samui, Suratthani 84310
Thailand

Beachcomber Resort Club

999 Lakeview Avenue
South Lake Tahoe, CA 96150

Beaches Sandy Bay

Norman Manley Boulevard
Negril, Jamaica

Bel Air Collection Resort & Spa Los Cabos

KM 29-28 Carretera Transpeninsular
San José del Cabo, B.C.S. 23400
Mexico

Belize Legacy Beach Resort

7.2 Miles North
P. O. Box 42
Ambergris Caye, San Pedro, Belize

Berkshire Beach Club of Deerfield

500 North Federal Highway
Deerfield Beach, FL 33441

Bishop Selwyn, The

26 Selwyn Road
Paihia, New Zealand

Bliss Nuevo Vallarta, The

Paseo de las Moras S/N
Fraccionamiento Náutico Turístico
Nuevo Vallarta 63732, Mexico

Blue Water Acres

1052 Rat Bay Road
Huntsville, Ontario P1H 2J6, Canada

Boyne Vacation at Deer Lake Villas

1 Boyne Mountain Road
P. O. Box 19
Boyne Falls, MI 49713

Brahma Blue Holistic Vacation Club

12 Coconut Drive
San Pedro, Ambergris Caye, Belize

Brant Point Courtyard

Swain Street
Nantucket, MA 02554

Cabana Club and Resorts West Vacation Club at Cabana Club

7530 Birch Bay Drive
Blaine, WA 98230

Cabañas del Golf

J.L. Cabrera y J. Hernández
La Cumbre, Córdoba
Buenos Aires 5178, Argentina

Calypso Plaza on Coolangatta

Corner Griffith Street & McDonald Street
Coolangatta, Queensland 4225
Australia

Canadian Resorts – La Querencia Resort

Closter #5-C Km. 145
Ctra. Federal 200, Tepic
Puerto Vallarta, Jalisco, Mexico

Capri by the Sea

4767 Ocean Boulevard
San Diego, CA 92109

Captain Morgan's Vacation Beach Club

Ambergris Caye
P. O. Box 38
San Pedro, Belize

Carlton Alvor Hotel

Praia Dos Três Irmãos
Portimão, Algarve 8500
Portugal

Carlton Court

120 Maida Vale
London W9 1QA, United Kingdom

Casitas del Monte

2700 South Palm Canyon Drive
Palm Springs, CA 92264

Cedar Village

220 Charter Hills
Beech Mountain, NC 28604

Christie Village

100 Horn Beam Road
Beech Mountain
Banner Elk, NC 28604

Cinta Sayang Golf & Country Resort

Persiaran Cinta Sayang
Sungai Petani
Kedah, Malaysia 08000

Club Asia International – Bukit Saban Resort

Km. 290, Kuching/Sarikei Road off
Jalam Ulu Paku
Betong, Kuching, Sarawak 93400
Malaysia

Club Cala Vadella

Cala Andraitx s/n, Apartado 17
San José, Ibiza 07830
Balearic Islands, Spain

Club Es Talalay

Avenida es Forti 20
Cala d'Or, Mallorca E-07660
Balearic Islands, Spain

Club Estela Dorado at Gruphotel Club Marina Arpon

Cala del Pino
La Manga del Mar Menor
Murcia 30370, Spain

Club Estela Dorado at Onagrup Aucanada Club

Calle D'es Mirador 5
Puerto Alcudia
Mallorca 07410
Balearic Islands, Spain

Club Estela Dorado at Salou Aquamarina

Emili Vendrell 17
La Pineda, Vilasera, Tarragona 43480
Spain

Club La Costa Encantada

3070 Secret Lake Drive
Kissimmee, FL 34747

Club La Costa Marina del Mar

Ctra de Cadiz KM 206
Mijas-Costa, Málaga 29649

Club Playa Vista at Club Sierra Blanca

c/o Aztec Country Club
c/Libra Urb. Riviera Del Sol
Mijas-Costa, Málaga 29647, Spain

Club Punta Playa Hotel & Spa Resort

Calle Campo Elias, Sector el Pueblito
Valle de Pedro Gonzalez
Isla Margarita, NE, Venezuela

Club QM at Northlake Lodges & Villas

987 Tahoe Boulevard
Incline Village, NV 89451

Club Royale at Pueblo Don Miguel

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647
Spain

Club Royal Regency

69 Rue de France
Vincennes 94300, France

Club Système Vacances at Club Marítimo at La Ronda III

Playa de los Boliches
Fuengirola, Málaga 29640, Spain

Club Tiara

State Bay
Cayman Brac, Cayman Islands

Club Tropicana

Urbanización Tropicana
Nerja, Málaga 29780
Spain

Club Valle Termal Resort

Calle 27 Esquina 42
Federacion, Entre Rios 3206
Argentina

Clube Hotel Do Algarve

Quinta do Romão
Quarteira, Algarve 8125
Portugal

Coconut Mallory Marina and Resort

1445 South Roosevelt Boulevard
Key West, FL 33040

Colibri Beach Club – Porlamar

Av. Santiago Marino
Porlamar, Isla Margarita
Venezuela

Condominio “Week Inn”

Estrada da Usina do Fojo, S/No.
Campos do Jordao (SP), Brazil

Coral Costa Caribe

Juan Dolio Beach 066-B
Dominican Republic

Costa Blanca del Pacífico

Golfo de Papagayo
Guanacaste, Costa Rica

Cottages at Cape Kiwanda

3000 Cape Kiwanda Drive
Pacific City, OR 97135

Cottages at Port Stanton, The

1500 Port Stanton Parkway, RR 1
Severn Bridge, Ontario POE 1N0
Canada

Cottages at South Seas Plantation

Sanibel Captiva Road
Captiva Island, FL 33924

Country Heights Villas

Resort Services, Jalan Cinta Air
Kajang, Selangor
Malaysia

Croyde Bay Holiday Club

Moor Lane
Croyde, Nr. Braunton EX33 1NZ
United Kingdom

Cuxland Ferienparks Nordseebad Wremen

Lili-Marleen 1
Wremen 27632, Germany

Deerhurst Resort

1235 DeerHurst Drive
Huntsville, Ontario P1H 2E8, Canada

Desert Isle of Palm Springs

2555 East Palm Canyon Drive
Palm Springs, CA 92264

Divi Carina Bay Beach Resort

25 Estate Turner Hole
Christiansted, St. Croix 00820
U.S. Virgin Islands

Dorisol Ancorar Suite and Beach Resort

PE 09 KM06
Portode Galinhas-Ipojuca
Pernambuco 55590, Brazil

Dover Watch at Mount Snow

Route 100
West Dover, VT 05356

Dunes Village Resort

5200 N. Ocean Boulevard
Myrtle Beach, SC 29577

Eagles at Sugarbush

Route 100, P.O. Box 180
Waitsfield, VT 05673

Edificio Palm Beach

Calle Miami S/N
La Carihuela
Torremolinos, Málaga 29620, Spain

Equivest Ocean Gate

4780 A1A South
St. Augustine, FL 32080

Equivest Sands

300 South Ocean Boulevard
North Myrtle Beach, SC 29582

Erie Islands Resort & Marina

4495 West Darr-Hopfinger Road
Port Clinton, OH 43452

Es Pueto at Aldea Bonsai

Urb. Siesta, Calle Ficus, 14
Santa Eulalia, Ibiza 07840
Balearic Islands, Spain

Exclusive Club at Hotel Kennedy Nova

116 The Strand
Gzira, Malta

Fairfield Pagosa Resort

42 Pinon Causeway
Pagosa Springs, CO 81157

Fairmont Hot Springs Resort

1500 Fairmont Road
Anaconda, MT 59711

Fairway Lodge

54 Golf Road
Mount Maunganui, Tauranga
New Zealand

Fairway Villas

14401 Commodore Drive
Corpus Christi, TX 78418

Fairways and Bluewater Resort Golf & Country Club

New Coast, Boracay
Malay, Aklan, Philippines

Fairways of the Mountain

180 Herman Wilson Road
Lake Lure, NC 28746

Falls Golf Village, The

1750 N. Falls Drive
New Ulm, TX 78950

Flagship Club at Sapphire Beach Resort and Marina

6720 Estate Smith Bay
St. Thomas 00801, U.S. Virgin Islands

Flamingo Marina Resort Hotel & Club

Punta Plata S/N
Santa Cruz, Guanacaste, Costa Rica

Flanesford Priory

Goodrich, Ross-on-Wye
Herefordshire HR9 6HX
United Kingdom

Fountain Vacation Ownership at Fountain Resort

Xichong Bay
Kuichong, Longang District
Shenzhen, Guangdong 518119, China

Four Views Oasis

Canicao de Baixo
Canicao, Madeira 9125-024, Portugal

Foxfire Resort and Golf

9 Foxfire Boulevard
Pinehurst, NC 28374

Golden Shores Holiday Club

206-210 Marine Parade
Labrador 4215, Queensland, Australia

Gran Oasis Marien, Puerta Plata

Calle Duarte #6
Puerto Plata, Dominican Republic

Grand Canadian Resort Vacation Club

830 8th Street
Canmore, Alberta T1W 2B7, Canada

Grand Holiday Club at Oasis Lanz Club

Avda. Punta Jablillo 7
Costa Teguisse, Lanzarote 35509
Canary Islands, Spain

Grandvista's Vacation Suites at Tunica

1724 Casino Center Drive
Robinsonville, MS 38664

Green Village

Quartier du Golf
La Grande Motte 34280, France

Greens at Copper Creek, The

209 Ten Mile Circle
Copper Mountain, CO 80443

Gruphotel Club Marina Arpón

Cala del Pino
La Manga del Mar Menor
Murcia 30370, Spain

Gulf Pointe Intervals

9439 Gulfshore Drive
Naples, FL 33963

Habitat 2000

601 Leadville South
Ketchum, ID 83340

Hacienda El Edén Resort

Via Hacienda el Paraíso
Km. 6 Santa Elena
El Cerrito, Colombia

Hamilton Harbor Resort

203 Sterns Point Road
Hot Springs, AR 71913

Highland Estates Resort

555 Highland Drive
Mesquite, NV 89027

Holiday Club Calahonda

El Mirador, Apartamento 114
Sitio de Calahonda
Mijas-Costa, Málaga 29647, Spain

Holiday Owners Club at Devoncourt

Douglas Avenue
Exmouth, Devon EX8 2EX
United Kingdom

Hostería Bellavista Vacation Club

Ruta 10, Km. 87.5
Balneario Bellavista, Uruguay

Hostería Las Acacias

Los Robles 251, Apt. 8407
Villa La Angostura, Neuquen, Argentina

Hot Piz

Zaunhof 121
bei St. Leonhard 6481, Austria

Hotel Ahlen Moghane

Route de Meknes – Rabat
Rabat, Moghane, Morocco

Hotel Apartamento Clube Oceano

Rua Colombano Bordalo Pinheiro
Forte S. Joao
Albufeira, Algarve, Portugal

Hotel Belensate

Urb. La Hacienda, Av. PPAL
Mérida, Venezuela

Hotel Boutique Las Escaleras

Isauro Rossete No. 4 Barrio de la
Merced
Chiapas
San Cristobal de las Casas 29240
Mexico

Hotel Bristol

Marina Grande
Capri 80073, Italy

Hotel Calinda Cabo Baja Quality Inn

4.5 Transpeninsular Highway to
La Paz
Cabo San Lucas, B.C.S. 23400
Mexico

Hotel Cristal Palace

Hlavni 61
Marianske Lazne 35301
Czech Republic

Hotel Eigerblick

Grindelwald, Switzerland

Hotel Residencia Atenea Suites

Calle Los Almendros
Urb. Costa Azul
Porlamar, Isla Margarita, Venezuela

Hotel Spanberger

Steiermark
Gröbming 8962, Austria

Hurricane House

2939 West Gulf Drive
Sanibel Island, FL 33957

Ikaalinen Spa Holiday Village

Ullanrinne
Ikaalinen 39500, Finland

**InnSeason Resorts –
Harborwalk**

46 Robbins Road
Falmouth, MA 02540

InnSeasons –**Mountainview Resort**

263 Main Street
Jackman, ME 04945

Inns of Waterville Valley

Snows Brook Road
Waterville Valley, NH 03215

Irotama XXI

Km. 14 Via Cienaga
Santa Marta, Magdalena
Colombia

Isla Dorado

Sierra No. 30, Club Santiago
Manzanillo, Colima 28860
Mexico

Island Gulf Resort

13912 Gulf Boulevard
Madeira Beach, FL 33708

Jean Lafitte House

613 Esplanade Avenue
New Orleans, LA 70116

Jolly Harbour Beach Resort

Box 121, Jolly Harbour
Antigua

Jupiter Beach Resort

5 North A1A
Jupiter, FL 33477

Kalajoki

Keskuskariintie 1
Kalajoki 85100, Finland

Keswick Bridge

Brundholme Road
Keswick, Cumbria CA12 4NL
United Kingdom

Kingswear Park

Kingswear
Dartmouth, Devon TQ6 0DA
United Kingdom

Kokanee Springs Resort Club

16082 Woolgar Road
Crawford Bay, BC VOB 1EQ
Canada

Korora Bay Village Resort

64 James Small Drive
Coffs Harbour Plaza
Korora 2450, Australia

La Boca Casa

365 North Ocean Boulevard
Boca Raton, FL 33432

La Ermita

Partida del Durrillo
Mijas Pueblo (Village)
Málaga 29650, Spain

La Piana

Localita Piana di Vocogno
Craveggia (NO), Italy

La Vista Beach Resort

Billy Folly Road 74
Pelican Key, P.O. Box 286
St. Maarten, Dutch Caribbean

Laguna Golf & Country Club

Club House
Amarilla Golf & Country Club
San Miguel de Abona
Tenerife 38620, Canary Islands, Spain

Laguna Holiday Villas

La Quinta, Amarilla Golf & Country
Club
San Miguel de Abona
Tenerife 38620, Canary Islands
Spain

Lakelands, The

Lower Gale
Ambleside, Cumbria LA22 0BD
United Kingdom

Lakewood Resort

Route 219, P.O. Box 660
McHenry, MD 21541

Le Relais de Noisy

19, Boulevard du Maréchal Foch
Noisy le Grand 93160, France

Legacy Vacation Club

Brigantine Beach – The Villas
1500 Ocean Avenue
Brigantine, NJ 08203

Little Gull on Longboat Key

5330 Gulf of Mexico Drive
Longboat Key, FL 34228

Lodge Resort, The

Junction of State Highways 4 & 47
National Park, New Zealand

Logos Land Resort

R.R. #1
Cobden, Ontario K0J 1K0, Canada

**Long Bay Beach Resort
and Villas**

Long Bay
West End, Tortola
British West Indies

Longboat Bay Club

3200 Gulf of Mexico Drive
Longboat Key, FL 34228

Los Indios

#1 Towne Center, Highway 175
Cherokee Village, AR 72525

Los Sabalos Royal Club

Rodolfo T. Loaiza No. 100
Mazatlán, Sinaloa, Mexico

Mahagiri Vacation Club

Mahagiri Villas Sanur
Jl. Pungutan No. 31 Sanur
Denpasar, Bali
Indonesia

Maison Pierre Lafitte

108 University Place
New Orleans, LA 70112

Malolo Lailai Lagoon Resort

Malololailai Island, Fiji

Marathon Key Beach Club

4560 Overseas Highway
Marathon, FL 33050

Marinagolf

Urb. Hacienda Torrequebrada
c/Ronda Golf Estel, 62
Benalmadena-Costa
Málaga 29630, Spain

**Marti Vacation Club at
Marmaris**

İçmeler, Marmaris
Muğla 48700, Turkey

Mary's Boon Beach Plantation

117 Simpson Bay Road
Simpson Bay, St. Maarten
Dutch Caribbean

**Masters at Paradise Canyon
Resort, The**

287 Palmer Avenue
Mesquite, NV 89024

Maui Banyan Vacation Club

2575 South Kihei Road
Kihei, Maui, HI 96753

Meadow Ridge

7573 Highway 42
Egg Harbor, WI 54209

Moosehead Cottage Resort

Route 15, Main Street
Greenville, ME 04441

**Mount Cinnamon Resort &
Beach Club**

Lucas Street, Morne Rouge
Grand Anse, Grenada

Multigestion –**Les Coteaux de la Nartelle**

RN 98, La Nartelle
Ste. Maxime 83120, France

Multigestion –**Les Marines de Grimaud**

Beauvallon
Ste. Maxime 83120, France

Naema Heights

Land Plot # 219
Rabwat Naema – Naema Bay
Sharm el Sheikh, Egypt

Navigator Beach Club

405 Old Wharf Road
Dennisport, MA 02639

Newport Beachside Resort

16701 Collins Avenue
Miami, FL 33160

Northeast Vacations at the Spa

Route 94
Vernon, NJ 07462

Northlake Lodges & Villas

987 Tahoe Boulevard
Incline Village, NV 89451

Oasis Canoa

Bayahibe
La Romana, Dominican Republic

Ocean Beach Club

351 Ocean Drive East
Key Colony Beach, FL 33051

Ocean Towers Beach Club

4311 S. Ocean Boulevard
North Myrtle Beach, SC 29582

One Napili Way

5355 Lower Honoapiilani Road
Lahaina, Maui, HI 96761

Orsa Maggiore

Via Pietragrande, 2
Madonna Di Campiglio (TN) 38084
Italy

Own Palermo Hollywood

Jose A. Cabrera 5556
Buenos Aires 1114, Argentina

Pacific Grove Plaza

620 Lighthouse Avenue
Pacific Grove, CA 93950

Pailahue

Km. 4, 6 Avenida Ezequiel Bustillo
E.P.N. 3 Mellipal
San Carlos de Bariloche, Río Negro
Argentina

Palazzo Catalani

Via Montecavallo 26
Soriano Nel Cimino (Viterbo), Italy

Palm Beach Holiday Club

Edificio Palm Beach
Calle Miami s/n, La Carihuela
Torremolinos, Málaga 29260
Spain

Paraíso Country Club

Praia do Carvoeiro
Lagoa, Algarve 8400, Portugal

Park Hotel Condominiums ∞

605 Main Street
Park City, UT 84060

Park Royal Buenos Aires

Suipacha 1092
Buenos Aires 1008, Argentina

Park Station II

950 Park Avenue
Park City, UT 84060

Parrot Tree Plantation

First Bight, Bay Islands
Roatan, 34101, Honduras

Pearl of the Dead Sea, The

Kibbutz Almog
D.N. Kikar Hayarden 90665, Israel

Pebble Beach Village

Urb. Amarilla Golf and Country Club
San Miguel de Abona
Tenerife 38620, Canary Islands, Spain

Penina Golf Apartments

Administração de Propriedades Lda.
Portimão, Algarve 8500, Portugal

Peninsula Bay Resort

Jalan Telaga Waja
Nusa Dua, Denpasar
Bali 80363, Indonesia

**Perennial Vacation Club –
Fun Tropicale**

Village Caraibe
Playa Dorada, Puerto Plata
Dominican Republic

Pestana Alvor Hotel

Praia Dos Tres Irmaos
Portimão, Algarve 8500, Portugal

Phoenix Timeshare Resort

212 Lake Terrace
Taupo, New Zealand

**Pinares del Cerro Club
Vacacional**

Roque S. Peña y Paraná
Carlos Paz, Córdoba
Argentina

Pine Acres Lodge

1150 Jewell Avenue
Pacific Grove, CA 93950

Pines at Island Park, The ◇

3907 Phillips Loop Road
Island Park, ID 83429

Pire-Hue

Villa Cerro Catedral
San Carlos de Bariloche
Río Negro, Argentina

Plantation House

South Seas Plantation Road
Captiva Island, FL 33924

Point at Poipu, The

1613 Pe'e Road
Koloa, Kauai, HI 96756

Points North Resort

2211 U.S. 31 North
Traverse City, MI 49686

**Polus Palace Thermal Golf Club
Hotel**

Kadar u. 49
Goed, Hungary 2132

**Pono Kai Pacific Fantasy
Timesharing**

1250 Kuhio Highway
Kapaa, Kauai, HI 96746

Ponta Grande Carvoeiro

Sesmarias, Praia do Carvoeiro
Lagoa, Algarve 8400, Portugal

Posada del Bosque

Aromo y Beneveto
Carilo, Buenos Aires 7167, Argentina

Port Largo Villas Resort

417 Bahia Drive, Mile Marker 100
Key Largo, FL 33037

Posada del Sol

Avellano y Playa Cariló, Pinamar
Buenos Aires 7167, Argentina

Potrero de los Funes

Las Chacras Km. 14, 5-Ruta 18
San Luis, Argentina

Praia das Caravelas

Estrada Cabo Frio/Buzios 12.300
Armação Dos Buzios
Buzios Cabo Frio, RJ 28900, Brazil

**Predator Ridge Resort –
Falcon Point Cottages**

272 Chicopee Road
Vernon, British Columbia
British Columbia V1H 1T2, Canada

**Premiere Vacation Club –
Roundhouse Resort ◇**

5829 Buck Springs Road
Pinetop, AZ 85935

Puerto Horizonte Apart Hotel

Av. del Mar y Tobias
Pinamar, Buenos Aires, Argentina

**Puerto Mogán la Venezia de
Canarias**

Local 328, Urb. Puerto Mogán
Gran Canaria 35138
Canary Islands, Spain

Quality Hill Resort Villas

Branding Iron Loop Road PTLCL
Pinetop, AZ 85935

Regency at Paradise Court

Paradise Court, Nr. 5 Calle Irlanda
Playa de las Americas
San Eugenio Alto
Adeje, Tenerife 38660
Canary Islands, Spain

Résidence Antigone Montpellier

Le Relais Bleus
890 Avenue Jean Mermoz
Montpellier 3400, France

Residence Baiazzurra

Località Vulcanello
Baia di Ponente
Vulcano, Isole Eolie
Lipari 98050, Italy

Residence Club at Ocotal, The

Carretera a Ocotal del 2ndo Puente
Playas del Coco, Costa Rica

Résidence de la Tour

43 Avenue Pierre La Rousse
Malakoff 92240, France

Residenza Torre Rinalda

Litoranea Salentina, CP 152
Loc. Torre Rinalda, Lecce 73100, Italy

Resort at Diamante, The

Boulevard Diamante s/n Col. Los
Cangrejos
Cabo San Lucas, BS 23473
Mexico

Resort at Great Gorge, The

Route 94
Vernon, NJ 07462

**Resort Club at Minerals Resort
& Spa, The**

Route 94
Vernon, NJ 07462

Rhinefield House

Rhinefield Road, Brockenhurst
Hampshire SO42 7QB
United Kingdom

Ridge Resort, The

Goldfields Heights
Queenstown, New Zealand

**Royal Aloha Vacation Club –
Butterfield Park Condominium**

886 West Galveston
Chandler, AZ 85224

**Royal Aloha Vacation Club –
Keauhou Kona Surf and
Racquet Club**

78-6800 Alii Drive
Kailua-Kona, Hawaii, HI 96740

**Royal Aloha Vacation Club –
Nueva Andalucía**

Calle 138 No. 45-B
Nueva Andalucía Garden Club
Nueva Andalucía, Marbella
Málaga, Spain

**Royal Aloha Vacation Club –
Village By The Sea**

938 South Kihei Road
Kihei, Maui, HI 96753

Royal Golf Park

Golf del Sur, Parcela 12
Arona, Tenerife 38620
Canary Islands, Spain

**Royal Siam Vacation Village at
Burapha**

281/1 Moo 4
Tumbon Baan Bueng
Sraracha 20110
Thailand

Rukan Lomakylä 1

273 A Kemijärvi
Rukatunturi 93825
Finland

Saariselkä

Künsteistö Oy Siulaselkä
Saariselkä 99830
Finland

Saint Tropez Condominium

81 Street and Ocean Coastal Highway
Ocean City, MD 21842

Salou Aquamarina

Emili Vendrell 17
43480 La Pineda-Vilaseca
Tarragona, Spain

**San Francisco Suites and
Shell Vacations Club at
San Francisco Suites**

710 Powell Street
San Francisco, CA 94108

San Marcos Apartamentos

Avenida de San Marc, 9
Playas de Albir
Alicante 03580
Spain

Sanctuary Resort & Spa, The

Playa Azul, 4 Km. Sur de Marbella
Guanacaste, Costa Rica

Sandcastle South Resort ∞

2207 South Ocean Boulevard
Myrtle Beach, SC 29577

Sandpebble Beach Club

215 Atlantic Avenue
Garden City, SC 29576

Sandy Shores III

1425 Waccamaw Drive
Garden City, SC 29576

**Sauce Alto Resort and Country
Club**

Km. 25.5 Carretera Cienegu
Lima, Cieneguilla, Peru

Sea Mystique

215 Atlantic Avenue
Garden City, SC 29576

Seasons at Knocktopher Abbey

Knocktopher
County Kilkenny
Ireland

Seasons Resort, The

5736 S. Texas Avenue
Orlando, FL 32839

Secret Garden

Circuit de la Palmeraie, BP 1488
Marrakech 40 000, Morocco

**Shengteng Vacation Club –
Jinfeng Yinhu Holiday Hotel**

Guailiu Lane Shuhe Ancient Town
Lijiang, Yunnan 674100, China

Signum Las Palmas

600 East Canfield Street
Avon Park, FL 33825

Skier's Lodge∞

1235 Norfolk Avenue
Park City, UT 84060

**Sosúa By The Sea Boutique
Beach Resort**

Calle Bruno Phillips
Sosúa, Puerto Plata
Dominican Republic

South Shore Club

1625 South Ocean Boulevard
Delray Beach, FL 33483

**StaySky Vacation Club at
Enclave Suites**

6165 Carrier Drive
Orlando, FL 32819

Steamboat Landing

161 Brooks Street, S.E.
Fort Walton Beach, FL 32548

Sun Pond Holiday Club

Korpilammentie
Espoo 02970, Finland

**Sun Village Resort and Spa –
Cofresi**

Cofresi Beach, Puerto Plata
Dominican Republic

Sunburst Condominiums◇

3325 Meadow Lane
Steamboat Springs, CO 80477

Sunrise Bay Resort and Club

10 Tampa Place
Marco Island, FL 34145

Surfsider

1443 South Ocean Boulevard
Pompano Beach, FL 33062

**Sweetwater at the Waikiki
Banyan**◇

201 Ohua Avenue
Honolulu, HI 96815

**Swiss Garden International
Vacation Club at Golf Resort
& Spa Damai Laut**

Persiaran Swiss-Garden
Jalan Damai Laut, Off Jalan
Teluk Senangin
Lumut, Perak Darul Ridzuan 32200
Malaysia

**Taksu Holiday Club at Taksu
Resort**

Br. Dinas Surabelta
Lalang Selemadeg, Tabanan Bali
Bali, Indonesia

**Thunder Mountain
Condominium**◇

2030 Walton Creek Road
Steamboat Springs, CO 80477

**Thurnham Vacation Club at
Club Britannia**

28-29 Marine Parade
Eastbourne, East Sussex BN22 7AY
United Kingdom

Tilcara Sierras

Vivaldi 100 – Villa del Lago
Carlos Paz, Córdoba 5152
Argentina

Timber Ridge

91400 Ryan Gulch Road
Silverthorne, CO 80498

Topsider I Resort

U.S. Route 1, Mile Marker 75.5
Islamorada, FL 33036

Treasure Shores Beach Club

10360 Gulf Boulevard
Treasure Island, FL 33706

Triton Suites and Beach

c/o Principal De Playa Norte
Chichiriviche, Venezuela

Tyndall Stone Lodge

4338 Main Street
Whistler, British Columbia, Canada

Ute Hotel

Via Gorizia 41
Jesolo Lido, Venice, Italy

**Vacation Internationale –
Beachcomber Resort**

813 Ocean Shores Blvd. NW
Ocean Shores, WA 98569

**Vacation Internationale –
Clock Tower at Whistler, The**◇

4341 Village Lane
P.O. Box 172, Whistler
British Columbia V0N 1B0
Canada

**Vacation Internationale –
Elkhorn Resort at Sun Valley**◇

100 Elkhorn Road
Sun Valley, ID 83354

**Vacation Internationale –
Fairway Villa**◇

2345 Ala Wai Boulevard
Honolulu, Oahu, HI 96815

**Vacation Internationale –
Kapaa Shore**◇

4-0900 Kuhio Highway
Kapaa, Kauai, HI 96746

**Vacation Internationale –
Kingsbury of Tahoe**◇

335 Tramway
Stateline, NV 89449

**Vacation Internationale –
Pinnacle Lodge**

Sun Peaks, BC
Canada

**Vacation Internationale –
Rosewood Inn**

595 Michigan St.
Victoria, BC V8V 1S7, Canada

Vadella Pueblo

c/Vistamar, 53; P. O. Box 17
Cala Vadella, San José
Ibiza 07830, Balearic Islands, Spain

Valley Inn Resort, The

Tecumseh Road
Waterville Valley, NH 03215

Villa L'Auberge

1570 Camino Del Mar
Del Mar, CA 92014

Villa Rubinacci

Via Correale 25
Sorrento, Naples 80065, Italy

Village by the Gulf

1148 West Beach Boulevard
Gulf Shores, AL 36542

Villas at Nakoma

348 Bear Run Road
Clio, CA 96101

Villas Bavaro Club

Bavaro Beach, Bavaro
Higüey, Dominican Republic

Villas of Gold Canyon, the

6100 South Kinas Ranch Road
Gold Canyon, AZ 85218

**Villas on the Glen & Lodges
on the Glen**

971 Tahoe Boulevard
Incline Village, NV 89451

Westerwälder Hof

Am Steinhohn 6
Windhagen-Kohlershohn 53578
Germany

Whitecliffs Beach Resort

2511 Nepean Highway
Rye, Victoria 3941
Australia

Windy Shores II

3217 South Ocean Boulevard
North Myrtle Beach, SC 29582

Woodrun Lodge∞

4910 Spearhead Drive
Whistler, British Columbia V0N 1B4
Canada

Wolf Creek Village II◇

3618 North Wolf Creek Drive
Eden, UT 84310

**World International Vacation
Club – Conchas Chinas**◇

Rinconada de las Ostras s/n
Puerto Vallarta, Jalisco
Mexico

WorldMark at Cairns

49/72 Kowinka Street
Cairns, Queensland, 4868
Australia

WorldMark Cape Schanck

41 Trent Jones Drive
Cape Schanck, Australia

WorldMark Coffs Harbour

All Seasons Pacific Bay Resort
Pacific Highway & Bay Street
Coffs Harbour New South Wales
Australia

WorldMark Lake Chelan

235 W. Manson Highway
Chelan, WA 98816

WorldMark McCall

815 Sorrel Court
McCall, ID 83638

WorldMark Pismo Beach

140 Ocean View Avenue
Pismo Beach, CA 93449

WorldMark Pokolbin Hills

Corner McDonalds & Broke Road
Pokolbin, New South Wales, Australia

WorldMark Port Macquarie

2 Murray Street
Port Macquarie
New South Wales, Australia

WorldMark Port Stephens

5 Horizons Drive
Salamander Bay
New South Wales 231, Australia

WorldMark Schooner Landing

201 N.W. 66th Drive
Newport, OR 97365

WorldMark Valley Isle

4327 Lower Honoapiilani
Lahaina, Maui, HI 96761

Xurupita Holiday Resort

Rua B 27-28 Vila Xurupita
Porto Seguro, Bahia, Brazil

**Zorgvliet Private Residence
Club at Ka'ingo Private
Reserve & Spa**

Bulgerivier
P. O. Box 580
Vaalwater 0530, South Africa

**RESORTS WITH
6 – 10 UNITS
PARTICIPATING
AND AVAILABLE
FOR OCCUPANCY**

**Accor Vacation Club at
Novotel Palm Cove Resort**

Coral Coast Drive
Cairns, Queensland 4879, Australia

Alf Leila Wa Leila

South of Agawish
South Hurghada
Hurghada, Egypt

Alia Club, The

Limani Hersonisou
Crete, Greece

Alii Kai II

3830 Edwards Road
Princeville, Kauai, HI 96714

Apartamentos Amarilis

Avenida V-3
Praila de Rocha
Portimao, Algarve, 8500, Portugal

Atlantic Beach Casino Resort

319 Atlantic Avenue
Westerly, RI 02891

Aurum Vacation Club

Matyas Kiraly Setany 3
Hajduszoboszló 4200, Hungary

Balboa Club

Avenida Camaron Sabalo s/n
Mazatlán, Sinaloa 82110, Mexico

Belize Vacation Club

Coconut Drive, Ambergris Caye
P. O. Box 62
San Pedro, Belize

Blue Pelican Club

Billy Folly Road
Pelican Key
St. Maarten, Dutch Caribbean

Bóvedas de Santa Clara

Carretera 8 No. 39-114
San Diego, Cartagena DC, Colombia

**Brandermill Resort & Marina
Timeshare**

13550 Harbour Pointe Parkway
Midlothian, VA 23112

Branson Thousand Hills

2800 Green Mountain Drive
Branson, MO 65616

Bungalows Los Robles

c/Tomas Morales
9 Urb. Sonnenland
San Bartolomé de Tirajana
Maspalomas, Gran Canaria 35100
Canary Islands, Spain

**Calabogie Highlands Vacation
Villas**

1234 Barryvale Road
Calabogie, Ontario K0J 1H0, Canada

Canyon River Ranch

14700 Canyon Road
P. O. Box 786
Ellensburg, WA 98926

CeBlue Villas and Beach Resort

Crocus Bay Road
Crocus Bay, Anguilla

Chapel Stile at Langdale Estate

Langdale Estate
Great Langdale, Nr. Ambleside
Cumbria LA22 9JD
United Kingdom

Cascade Lodge∞

4315 Northlands Blvd.
Whistler, British Columbia V0N 1B4
Canada

Christmas Mountain Resort

Christmas Mountain Road
Glen, NH 03838

Club Casablanca

Parroquia Tonchigue
Resinto Same
Esmeraldas, Ecuador

Club del Bosque

42 entre Av. Mar del Plata y Mar Azul
Villa Gesell, Buenos Aires, Argentina

Club Delta at Club Mykonos II

Ornos
Mykonos 84600, Greece

**Club Estela Dorada at
Gruphotel Club Novelty**

Calle Berlin, 5
Salou, Tarragona 43840
Spain

Club Intrawest – Ucluelet

1971 Harbour Crescent
Ucluelet, BC, Canada

**Club La Costa Las Farolas
Royale**

Ctra de Cadiz KM 203
Mijas-Costa, Málaga 29649
Spain

Club La Costa Oliva Beach Club

Urb. Oliva Nova
Valencia 46780
Spain

**Club Mondial International at
Residence Van Gogh**

Parmentierlaan 209-211
Knokke 83000, Belgium

Club Mykonos II

Ornos
Mykonos 84600, Greece

Club Pacific Queenstown

14 Yewlett Crescent, Frankton
Queenstown, New Zealand

Club Pacific Westharbour

327 Hobsonville Road
Hobsonville, Auckland, New Zealand

Club Playa Vista at Copacabana

c/o Aztec Country Club
c/Libra Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Residencial Avandaro

Calle Vega del Valle
Avandaro, Valle de Bravo 51200
Mexico

Club Royale at Copacabana

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

Club Royale at Sierra Blanca

c/o Aztec Country Club
Calle Libra, Urb. Riviera del Sol
Mijas-Costa, Málaga 29647, Spain

**Club Sol y Vista at Hotel Puerto
Azul**

Av. de la Cornisa
Puerto Rico, Gran Canaria 35139
Canary Islands, Spain

Club Suites on Malta

Eden Bay Resort
St. George's Bay
St. Julian's STJ 07
Malta

Condorama International

#1 Beau Soleil
Beaupré, Québec G0A 1E0, Canada

Coral Sands Beach

3611 Collins Avenue
Miami Beach, FL 33140

Corfu Resort

Apraos, Kalamaki
Corfu, Greece

**Cottages at Windermere House,
The**

2508 Windermere Road
Windermere, Ontario P0B 1P0
Canada

**Eaglewood at Ruttger's Sugar
Lake Lodge**

1000 Otis Lane
Cohasset, MN 55721

El Bergantín Menorca Club

Urb. Playas de Fornells
Fornells, Menorca 07748
Balearic Islands, Spain

**Elterwater Hall at Langdale
Estate**

Langdale Estate, Great Langdale
Nr. Ambleside, Cumbria LA22 9JD
United Kingdom

**Exclusivacations at Miami
Beach**

6525 Collins Avenue
Miami Beach, FL 33141

F.D.R. Vacation Club

Runaway Bay
St. Ann, Jamaica

**Fitzpatrick Castle Holiday
Homes**

Hill Park
Killiney, County Dublin
Ireland

Fox Run Resort

1923 Walker Trail
Pigeon Forge, TN 37876

**Glacier Ridge Condos at Devil's
Head**

S6330 Bluff Road
Merrimac, WI 53561

Grand Cascades Lodge

3 Wild Turkey Way
Hamburg, NJ 07419

**Grande View Residences at
Grande Bay**

Bay Street, Cruz Bay Quarter
Cruz Bay, St. John 00831
U.S. Virgin Islands

Harbor at Depoe Bay, The

34 Sunset Street
Depoe Bay, OR 97341

Harbor Vacations Club

1880 Harbor Island G. Dock
San Diego, CA 92101

Harbourside II

1141 Broad Creek Road
New Bern, NC 28560

**Harbourview Villas at South
Seas Resort**

950 Plantation Road
Captiva, FL 33924

Heffley Boutique Inn

3185 Creekside Way
Sun Peaks, British Columbia V0E 1Z1
Canada

HHoliday Vacation Club

Boulevard Morazan
1era Calle 11 Avenue
San Pedro Sula, Honduras

Hipocampus Resort

Brown 240, Villa Carlos Paz
Córdoba 5152, Argentina

Hokkaido Tracks Vacation Club – Kira Kira

189 – 16 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Hokkaido Tracks Vacation Club – Kisetsukan

155 – 149 Aza Yamada
Kutchan, Hokkaido 044 0081, Japan

Hotel and Club de Playa el Parador

Punta Quepos, Aguirre, Puntarenas
Quepos, Costa Rica

Hotel Calinda Cabo Baja Quality Inn

4.5 Transpeninsular Highway to La Paz
Cabo San Lucas, B.C.S. 23400
Mexico

Hotel Cola de Caballo

Ctra. a Cola de Caballo Km. 6
Santiago, Nuevo León, Mexico

Hotel Jalim

Av Cel Cirilo S/N Centro
Caldas Novas, Brazil

Hotel São Sebastião da Praia

Avenida Campeche, 1373
Florianópolis, Brazil

Hotel Terraza del Pacífico

Playa Hermosa Jaco CR, 168 Jaco
Puntarenas, Costa Rica

Huerta Grande Village Resort

Av. Buenos Aires S.
Huerta Grande, Córdoba, Argentina

Inn at Los Abrigados, The, and Premiere Vacation Collection at The Inn at Los Abrigados

170 Portal Lane
Sedona, AZ 86336

Inn at St. Ives, The

9940 St. Ives Drive
Stanwood, MI 49346

Isle of Palms Resort and Beach Club

1300 Ocean Boulevard
Isle of Palms, SC 29451

Itacare Village

Rodovia Ilheus Itacare, Km. 64
Bahia 45530-000, Brazil

Kaanapali Keys at Papakea Beach Resort

3543 Honoapiilani Highway
Lahaina, Maui, HI 96761

Kaimanawa Lodge

Taupahi Road
Turangi, New Zealand

Ke Nani Kai

Kepuhi Place
Kalua Koi, Molokai, HI 96770

Ketch Court

6 Lighthouse Road
Hilton Head Island, SC 29938

Kildare Landing at Bell Bay Golf Club

Bell Bay Way
P.O. Box 190
Baddeck, Nova Scotia B0E 1B0
Canada

Kona Islander Vacation Club

75-5778 Kuakini Highway
Kailua-Kona, Hawaii, HI 96740

Kultakivi

Putikko 58550
Finland

Kyriad Torcy

3, Avenue Jean Moulin
Torcy 77200, France

La Sammana

1400 West Brigantine Boulevard
Brigantine Beach, NJ 08203

La Victoria Casa de Campo

Ruta 42, Km. 9, Tomas Jofre
Mercedes, Buenos Aires, Argentina

Lady Luck Resort Casino

206 N. 3rd Street
Las Vegas, NV 89101

Laguna Vacation Club at Angsana Resort & Spa

Site A4 Lagoi
Bintan Island, Bintan, Indonesia

Lake Marion Resort and Marina

510 Ragtime Trail
Route 2, Box 945
Santee, SC 29142

Lantern Bay Resort

100 Lantern Bay Road
Branson, MO 65616

Las Brusquitas

Ruta Provincial 77
Paraje Las Brusquitas
Miramar 7607, Argentina

Lepokatti

Vuokatinrinne
Vuokatti 88610, Finland

Lifetime Vacation Club at Miraflores II

Carretera de Cádiz Km. 199
Mijas-Costa, Málaga 29647, Spain

Lion Resorts – Club Alias Aliathon Holiday Village

Poseidonos Avenue
Kato Paphos, 8063, Cyprus

LM Hotel Boutique

Punta Matzoma No. 23 & 33
Mza 24 Plano 3
Puerto Aventuras
Quintana Roo 77750
Mexico

Lodges at Fox Hollow Lake, The

50 StoneBridge Parkway
StoneBridge Village
Branson West, MO 65737

Luna Runtún Resort and Spa

Caserio Runtún Km. 6
Baños, Tungurahua, Ecuador

Mandalay Shores Resort

5226 Neptune Square
Oxnard, CA 93035

Mansión del Río

Bahia Paraiso
Aldea San Felipe de Lara
Río Dulce, Livingston, Izabal
Guatemala

Manteo Beach Club

3766 Lakeshore Road
Kelowna, British Columbia V1W 3L4
Canada

Marti Vacation Club at Tekirova

Tekirova
Kemer, Antalya 07980, Turkey

Menam Riverside Hotel

2074 Charoenkrung Road
Bangkorlaem, Bangkok 10120
Thailand

Mercure Grand San Moritz

10-18 Brunswick Street
Queenstown 9197, New Zealand

MIA at Riviera Maya

Lote 16-D-01, Manzana 40,
Supermanzana 12
Rancho Maria Irene, Riviera Maya
Quintana Roo 77580, Mexico

Mount Malarayat Golf & Country Club

Barrangay Dagatan
Lipa City, Batangas Province
Philippines

Mountainview Resort

263 Main Street
Jackman, ME 04945

Night Heron Loft

8 Lighthouse Road
Hilton Head Island, SC 29928

North Star Condominium

2955 Columbine Drive
Steamboat Springs, CO 80487

Northstar Lodge, a Hyatt Residence, The

970 Northstar Drive
Truckee, CA 96161

Ocean Club at Jamaica Inn, The

Main Street
P. O. Box 1
Ocho Rios, Jamaica

Ocean Watch Beach Club

Cayuga Street Ocean Bay Park
Ocean Watch Beach, NY 11770

Ocho Cascadas

Villas Ocho Cascadas
Apartado 495
Puerto Vallarta, Jalisco, Mexico

Ona Gemelos XV

Av. Montecarlo s/n, Rincón de Loix
Benidorm, Alicante 03500, Spain

Options by MacDonald at Dalfaber Resort Chalets

Dalfaber Estate
Aviemore, Inverness
Scotland PH22 1ST, United Kingdom

Options by MacDonald at Forest Hills Hotel and Resort II

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling, FK8 3TL
United Kingdom

Oreti Village

Mission Bay Drive
Pukawa Bay, Lake Taupo Road
Pukawa, New Zealand

Palace View Resort

700 Blue Meadows Drive
Branson, MO 65616

Paradise Point Resort

250 Lakewood Drive
Hollister, MO 65672

Paraíso del Sol

Cabarete Road
Cabarete, Puerto Plata
Dominican Republic

Peaceful Bay Resort and Club

137 Peaceful Lane
Lakeside, MT 59922-0556

Pebble Beach Village

Urb. Amarilla Golf
San Miguel de Abona, Tenerife
Canary Islands, Spain

Pinares de Punta del Este Vacation Club

Camino de la Laguna, Parada 34
Punta del Este, Uruguay

Pirates Cove Resort

3501 South Atlantic Avenue
Daytona Beach Shores, FL 32127

Pivko Village

Kibbutz Kabri
D.N. Oshrat 25120, Israel

Plantation Club Villas

18 Lighthouse Road
Hilton Head Island, SC 29928

Pousada Villa Camboa

Estrada do Cambury, 1, 113
Bairro de Cambury
Praia de Cambury, Sao Sebastiao
Brazil

Powder's Edge ∞

4050 Whistler Way
Whistler, British Columbia V0N 1B4
Canada

Racquet Club Villas

108 Lighthouse Road
Hilton Head Island, SC 29938

Résidence Acropolis

58 Boulevard Risso
Nice 06300, France

Residence Berghof

Am Predigtstuhl 4
St. Englmar 94379, Germany

Residence Club at Hotel McCall

1101 North 3rd Street
McCall, ID 83638

Residence Club South Shore

180 Elks Point Road
Zephyr Cove, NV 89448

Résidence le Christiania

Alpe D'Huez 38750, France

Residence Van Gogh

Parmentierlaan 209-211
Knokke 83000
Belgium

Résidôtel Le Stanley

Rue de la Riviera
Noumea 98845, New Caledonia

Resorts West at Surfside Inn

31512 "J" Place
Ocean Park, WA 98640

Rockridge Townhomes

1000 Atlantic Lode Drive
Breckenridge, CO 80424

**Royal Aloha Vacation Club at
Lantern Bay Condominium**

200 Lantern Bay Road
Branson, MO 65616

Royal Dunes Resort

8 Wimbledon Court
Hilton Head, SC 29928

Sea Horse Inn

Km. 25 Via a San Luis
San Andres Isla, Colombia

Sea Scape Quarters

441 South Sea Scape Drive
Kitty Hawk, NC 27949

Seasons at Whistler, The

4368 Main Street, Suite 106
Whistler, British Columbia V0N 1B4
Canada

Seaview Condominiums

115 North Miller Street
Rockaway Beach, OR 97136

Seawinds II Resort ◇

128 Olde Wharf Road
Dennisport, MA 02639

**Sedes Vacation Club at Parque
Albatros**

Golf del Sur
San Miguel de Abona
Tenerife, Canary Islands, Spain

Shawnee Inn

River Road
Shawnee-On-Delaware, PA 18356

Shengteng Vacation Club

Howard Johnson Resort Sanya Bay
Haipo Development Zone
Sanyawan Road
Sanya, Hainan 572000, China

Siam Thani

391/51 Mooloo Tapaya Road
Pattaya City 20260, Thailand

Snowbird ∞

4865 Painted Cliff Road
Whistler, British Columbia V0N 1B4
Canada

Somni Aranes

Residencia Los Abetos
c/Monteorbison, No. 17
Edificio A, Local 2
Vielha, Lleida 25530, Spain

Spirit Ridge Residence Club

1200 Rancher Creek Road
Osoyoos, BC V0H 1V6, Canada

St. Christopher Club

P.O. Box 570
Frigate Bay, St. Kitts
St. Kitts & Nevis

Stella del Sud

Via Nazionale 4
Caprioli di Pisciotta (SA) 84040, Italy

Steele Hill Resort

516 Steele Hill Road
Sanbornton, NH 03269

**Swiss Garden International
Vacation Club at Kuantan**

2656-2657 Mikim Sungai Karang
Balok Beach, Pahang, Darul Makmur
Beserah, Kuantan 26100, Malaysia

**The Resort Group Vacation Club
at Tortuga Beach Resort
& Spa**

Ponta Preta Beach
Santa Maria, Sal Island, Cape Verde

Tivoli Vacation Club

Rua Semplicio dos Passos Gouveia, 29
Ocean Park Promenade
Funchal, Madeira, 9000-100, Portugal

**Treehouse Village at Lake
Forest**

3801 Eagle Waters Road
Eagle River, WI 54521

Trillium Resort and Spa Limited

848 Clearwater Lake Road
Port Sydney, Ontario P0B 1L0
Canada

**Vacation Internationale –
Hololani** ◇

4401 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

**Vacation Internationale –
Kihei Kai Nani** ◇

2495 South Kihei Road
Kihei, Maui, HI 96753

**Vacation Internationale –
Oceanside Marina Inn** ◇

2008 Harbor Drive North
P.O. Box 3543
Oceanside, CA 92054

**Vacation Internationale –
Royal Victoria Suites**

1413 Government St.
Victoria, BC V8V 1S7
Canada

Victorian Villas, The

124 Queen Street
Niagara-on-the-Lake
Ontario L0S 1J0
Canada

View Talay Villas Holiday Resort

404/5 Moo 12 Thapraya Road
Jomtien Beach, Chonburi 20260
Thailand

Vila Baia

Rua Alfredo do Nascimento Baptista
Lote 35, R/C
Luz, Portugal 8600-152

Village La Corte

Rua Dos Lirios, 3 Village I
Porto Seguro, Bahia 45810-000
Brazil

Villas of Gold Mountain

348 Bear Run Road
Clio, CA 96101

Villas Mediterráneas

Hortencias Sur s/n L. 49
Puerto Vallarta, Jalisco 48390
Mexico

Watermark

Carretera Duarte, Kite Beach
Cabarete, Puerto Plata
Dominican Republic

Westgate River Ranch

3600 River Ranch Boulevard
River Ranch, FL 33867

Wildwood Shores

1 Pine Boulevard
Huntsville, TX 77340

Windemere

523 South Ocean Boulevard
North Myrtle Beach, SC 29598

Wintergreen at Midway ◇

800 Lime Canyon Road
Midway, UT 84049

WorldMark at Golden Beach

75 The Esplanade
Caloundra, Queensland 4100
Australia

**Zorgvliet Private Residence
Club at Alluvia Specialist
Winery**

Glen Arum Road
P.O. Box 6365, Stellenbosch
South Africa

**Zorgvliet Private Residence
Club at Zorgvliet Vineyard
Lodge and Spa**

Bonhoek Valley
Helshoogate Pass
Stellenbosch 7599
South Africa

**RESORTS WITH
1 – 5 UNITS
PARTICIPATING
AND AVAILABLE
FOR OCCUPANCY****1492 Suites at La Pinta Beach
Club**

Avda de Espana No. 5
Playa de las Americas, Costa Adeje
Tenerife, Canary Islands 38660
Spain

**Absolute Private Residence
Club at Jinqiao**

No. 55 Guangqumen Beili
Beijing (Chong Wen District)
China

**Accor Vacation Club at Mercure
Grand San Moritz**

10-18 Brunswick Street
Queenstown 9197
New Zealand

**Accor Vacation Club at Novotel
Lake Crackenback**

Alpine way via Jindabyne
Snowy Mountains
New South Wales
Australia

Ähtäri Loma-Club

Moksunsalontie
Ahtari 63700, Finland

Anantara Vacation Club at Oaks Shores

327-343 Frankton Road
(State Highway 6)
Queenstown
New Zealand

Anantara Vacation Club Bangkok Sathorn

36 Narathiwat-Ratchanakarin Road
Bangkok 10120
Thailand

Anantara Vacation Club Sanya

No. 15 Xiaodonghai Road
Hedong District
China

Andorra II

Playa de las Américas
Tenerife, Canary Islands, Spain

Batam View Beach Resort

Jalan Hang Lekir
Nongsa, Batam Island, Indonesia

Beach Republic Royal Nirvana Private Residences

176/34 M. 4 Tambon Maret
Koh Samui, Suratthani 84310
Thailand

Beaver Village Condominiums

50 Village Drive
Winter Park, CO 80482

Beech Manor

101 Charter Hills Road
Banner Elk, NC 28604

Birdland Home and Holidays

Golf út. 2
Bükfürdő, Hungary

Blackbird Lodge Timeshare Program

305 8th Street
Leavenworth, WA 98826

Bogmallo Beach Resort

Bogmallo Beach
Goa, India

Branson Thousand Hills

2800 Green Mountain Drive
Branson, MO 65616

Canyon Woods Grande International Vacation

Canyon Woods Residential Resort
Laural 4221, Philippines

Classic Cruisers at Bray Marina

Bray Marina
Monkey Island Lane
Bray, Berkshire SL6 2EB, Great Britain

Club Flamingo

Calle Princesa Ico, N° 15
Apartamento Timanfaya
Puerto del Carmen, Lanzarote
Canary Islands, Spain

Club Marina Tenerife Sur

Avenida Tavio
Costa del Silencio, Tenerife 38360
Canary Islands, Spain

Club Vacacional Coomeva at Club de Los Andes

Km. 35 Via Cali
Popayan 31581, Colombia

Cofresi Palm Beach and Spa

Cofresi Beach
Puerto Plata, Dominican Republic

Colinas del Faro

Urb. El Faro, Colinas del Faro
Mijas-Costa, Málaga
Spain

Deckshare Club at Anderton Marina Canalboats

Anderton, Nr. Manchester
United Kingdom

Donato House Hotel, The

1080 Mosley Street
Wasaga Beach, Ontario L0L 2P0
Canada

El Ocotal

Playa Ocotal, Carrillo
Playa del Coco, Guanacaste
Costa Rica

Executive Timbers Resort and Golf Club

190 Devil's Pool Road
Ridgedale, MO 65739

Fisherman's Village at Jot's Resort

93460 Wedderburn Loop
Gold Beach, OR 97444

47 Park Street by Marriott Grand Residence Club

47 Park Street
Mayfair, London W1K 7EB
United Kingdom

Four Seasons Pacifica

2600 Avenida del Presidente
San Clemente, CA 92672

Frontenac Shores

R.R. #2
Cloyne, Ontario K0H 1K0
Canada

Grand Lodges

89000 Government Camp Loop Road
Government Camp, OR 97028

Great Bay Beach Hotel & Casino

Great Bay
St. Maarten, Dutch Caribbean

Gulf Stream Beach Resort

1501 Gulf Drive North
Bradenton Beach, FL 34217

Holiday Club Åre

Tegefjäll, Åre 83013
Sweden

Holiday Club – Pattaya Hill Resort

329 Pratumnug Road
Pattaya City, Chonburi 20260, Thailand

Hotel Eigerblick

Grindelwald
Switzerland

Hotel Galileo Compass Club

Donovaly 976 39
Slovakia

Il Tramonto

Avenida Esteban Dufaur S/N
P.O. Box 8153
Monte Hermoso, Buenos Aires
Argentina

Jambo Vacation Club at I Giardini di Atena

SP Lecce – Vernole Km. 4
Merine di Lizzanello (Lecce) 73020
Italy

Kermikkä

Kermikkäte
Saariselkä 99830, Finland

Killarney Country Club

L.S. Faha, Killarney
County Kerry, Ireland

La Orquidea Heights

C/D Jose Orbaneja s/n
Sitio de Calahonda
Mijas-Costa, Málaga 29650
Spain

Laguna Holiday Club at Sheraton Grande Island Villas

10 Moo 4, Srisoonthorn Road
Tambol Cherng Talay, Talang
Phuket 83110, Thailand

Laguna Holiday Club at Sheraton Private Pool Villas

10 Moo 4, Srisoonthorn Road
Tambol Cherng Talay, Talang
Phuket 83110, Thailand

Lakes of the North

8548 Pineview
Mancelona, MI 49659

Lawai Beach Resort – Lika Lani Building

5017 Lawai Road
Koloa, Kauai, HI 96756

Le Soleil Vacation Ownership Club

567 Hornby Street
Vancouver, British Columbia V6C 2E8
Canada

Lion Resorts – Club Akamas

Akamanthea Holiday Village
Polis, Pafos 66301
Cyprus

Llethr House Vacation Club

Llethr House
Pendine
Carmarthenshire SA33 4PE
United Kingdom

Mar y Sol

Trasera Victoria Court
Los Cristianos, Tenerife E-38650
Canary Islands, Spain

Marina Palace

Av. Delfim Moreira, 630
Rio de Janeiro 22441, Brazil

Mercure Grand Hotel Internacional Foz

Rua Almirante Barroso, 2006
Parana, Brazil

Na Pali Kauai Club Alii Kai II

3830 Edwards Road
Princeville, Kauai, HI 96714

Nihi Kai Villas

1870 Hoone Road
Koloa, Kauai HI 96756

Ocean Isle Beach Club

18-3 Causeway Drive, S.W.
Ocean Isle Beach, NC 28469

Oceana Private Club

13 Ingleside Road
Stellenbosch, Camps Bay 7599
South Africa

Old Killarney Village

Aghadoe
Killarney, County Kerry
Ireland

Options by Macdonald at Elmers Court Country Club & Resort

South Baddesley Road
Lymington, Hampshire SO41 5ZB
United Kingdom

Options by Macdonald at Forest Hills Hotel and Resort II

Forest Hills Hotel
Kinlochard
Aberfoyle by Stirling FK8 3TL
United Kingdom

Pafiana Heights

Pafiana Road
Yeroskipou-Konia
Paphos 8102, Greece

Paki Maui Beach Villas

3615 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Papakea Beach Resort

Hawaii Properties Ltd.
3543 Honoapiilani Highway
Lahaina, Maui, HI 96761

Pattaya Hill Resort

329 Kao-Praratamnak Hill
Pattaya City, Banglamung District
Chonburi 20260, Thailand

Penhaven Cottages

Rectory Lane
Parkham, Nr. Bideford
Devon EX39 5PL, Great Britain

Phoenix, The

2315 Après Ski Way
Steamboat Springs, CO 80487

Pine Ridge Inn Vacation Club

1200 S.W. Century Drive
Bend, OR 97702

Pinnacle, The

2507 South Ocean Boulevard
North Myrtle Beach, SC 29582

Plantation Bay Villas

South Seas Plantation
Captive Island, FL 33924

**Point-to-Point Destinations –
Glacier's Reach**

323-4388 Northlands Boulevard
Whistler, British Columbia V0N 1B4
Canada

Points North Inn

101 Michigan Avenue
Charlevoix, MI 49720

Port Villas

226 South Seas Drive
Hilton Head Island, SC 29938

Rachaburi Country Club

93 Moo 10 Tumbon Pakchong
Jombung District
Rachaburi 70150, Thailand

Renvyle Strand

c/o Renvyle House Connemara
County Galway, Ireland

Résidence le Silveralp

73440 Val Thorens
France

Résidence Les Bergers

Rocher Soleil Zac des Bergers
38 Alpe d'Huez
L'Alpe d'Huez 38750, France

**Résidence les Hameaux du
Mont d'Arbois**

411 Route du Mont d'Arbois
Zac du Colet, P.O. Box 74120
Megeve 74120, France

Residencial Diana

Camino de Cortes
Ctra. de Cádiz, Km. 168
Estepona, Málaga 29688, Spain

**Resorts West Vacation Club at
Cabana Club Condominium**

7530 Birch Bay Drive
Blaine, WA 98230

**Resorts West Vacation Club at
Kala Point Village**

20 Village Drive
Port Townsend, WA 98368

Rodd Mill River Resort

Highway #136, O'Leary
Prince Edward Island C0B 1V0
Canada

Royal Club

6, Avenue Pierre Loti
La Baule 44500, France

Sandy Square

11901 119th Street
Ocean City, MD 21842

Scottsdale Resort Club

8235 East Indian Bend Road
Scottsdale, AZ 85250

Sea Mountain

95-789 Ninole Loop Road
Punalu'u, Hawaii, HI 96777

Sea Village

75-6002 Alii Drive, Suite 10-A
Kailua-Kona, Hawaii, HI 96740

Seaside Resort∞

2301 S Ocean Boulevard
North Myrtle Beach, SC 29582

See the Sea◇

4465 Ocean Boulevard
San Diego, CA 92109

**The Sentinels at Kirkwood
Private**

1050 Kirkwood Meadows Drive
Kirkwood, CA 95646

Snowater

10500 Mount Baker Highway
Glacier, WA 98244

Somni Aragonés

Ed. Monteski
Prov. Huesca
Formigal-Sallent de Gallego 22640
Spain

Spinnaker Penthouse 901

3513 South Ocean Boulevard
Suite 901
North Myrtle Beach, SC 29598

**StaySky Vacation Club at
I Drive Orlando**

7601 Canada Avenue
Orlando, FL 32819

**StaySky Vacation Club at
Hawthorn Suites Lake
Buena Vista**

8303 Palm Parkway
Orlando, FL 32836

Summerfield Condo Resort

2425 Summerfield Way
Kissimmee, FL 34741

Sunborn Vacation Club

Matkailijantie 2
Naatali, Finland

**Sunchase Beachfront
Condominiums**◇

1010 Padre Boulevard
South Padre Island, TX 78597

Tahoe Vacation Condominiums

261 Quaking Aspen
Stateline, NV 89449

Tamarack Lodge

2035 US 31 North
Traverse City, MI 49686

Tattershall Park Country Club

Sleaford Road
Tattershall, Lincolnshire, LN4 4LR
United Kingdom

Tranquility Bay

2600 Overseas Highway
Mile Marker 48.5
Marathon, FL 33050

Trophy Run Resort

117 Trophy Run Road
Branson, MO 65616

**Tropical Suites at Hacienda
Resort**

Hacienda Resort
Cofresi
Puerto Plata, Dominican Republic

Tropical Trades at Paki Maui

3615 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Twin Oaks Villas

70 Plantation Drive
Hilton Head Island, SC 29938

**Vacation Club at Le Meridien
Kathmandu**

Gokarna Forest Golf Resort & Spa
Rajnikunja, Gokarna, Kathmandu, Nepal

**Vacation Internationale –
Kittyhawk Resort**

The Pines at Summer Meadow Road
Sunriver, OR 97707

**Vacation Internationale –
Pacific Shores Resort**

1600 Stroulger Rd.
Nanoose Bay, BC V9P 9B7
Canada

**Vacation Internationale –
Panorama Resort**

Panorama Mountain Village, Bag 7000
Panorama, BC V0A 1T0
Canada

**Vacation Internationale –
Tahoe Beach & Ski Club**◇

3601 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Valle del Lago

Km 4.3 Carretera Tapalpa-Chiquilistlan
Condominio Valle del Lago
Tapalpa, JA 49340
Mexico

Valhalla∞

4373 Northlands Boulevard
Whistler, British Columbia V0N 1B4
Canada

Valley Isle

4327 Lower Honoapiilani Highway
Lahaina, Maui, HI 96761

Villaggio Italia

Av. Dr. Claudio Jose Gueiros Leite
10.161, Maria Farinha, PE
Recife
Brazil

Villas de Menorca

Club Santiago
Manzanillo, Colima 28860
Mexico

Whaler, The

2481 Kaanapali Parkway
Lahaina, Maui, HI 96761

**World International Vacation
Club – Villacana**

Km. 165 Carretera de Cádiz
Estepona, Málaga
Spain

**Zorgvliet Private Residence
Club at Dinkweng Safari
Camp**

New Ellisras Road
P.O. Box 580
Vaalwater 0530, South Africa

**Zorgvliet Private Residence
Club at Riviera on Vaal**

Mario Milani Drive
Vereeniging 1939, South Africa

PROGRAMS WITH 1,000 OR MORE MEMBERS

- Absolute Private Residence Club at
– Jinqiao
– Q Signature Spa and Resort
- Acadia Village Resort
- Accor Vacation Club
– Coral Coast Palm Cove
– Freshwater Point Resort
– Grand Mercure Basilidene Manor
– Grand Mercure Bowral
– Grand Mercure Bussleton
– Grand Mercure Forest Resort
– Grand Mercure Hotel Lofty House
– Grand Mercure Melbourne
– Grand Mercure Oakridge Resort
– Grand Mercure Pinnacle
– Grand Mercure Pinnacle Valley Resort
– Grand Mercure Puka Park Resort
– Grand Mercure The Links
– Grand Mercure The Vines
– Grand Mercure The Vintage
– Hotel St. Moritz Queenstown
– Legends Hotel Surfers Paradise
– Mermaid Beach Apartments
– Novotel Lake Crackenback Resort
– Novotel Nusa Dua Apartments
– Novotel Pacific Bay Resort
– Turtle Beach Resort Mermaid Beach
– Twin Waters Sunshine Coast
- Alpenland Sporthotel – St. Johann Im Pongau
- American Resorts International Holiday Network
– Alpenland Sporthotel
– Maria Alm
– St. Johann Im Pongau
- Americano Beach Resort, The
- Anantara Vacation Club
– Anantara Vacation Club Bangkok Sathorn
– Anantara Vacation Club Bophut Koh Samui
– Anantara Vacation Club at Oaks Shores
– Anantara Vacation Club Phuket Mai Khao
– Anantara Vacation Club Sanya
– Anantara Vacation Club Seminyak Bali
- Avenue Plaza Resort
- Azul Fives Hotel and Private Residences
- Azul Sensatori Hotel by Karisma
- Be Live Hamaca
- Beach Quarters
- Bel Air Collection Resort and Spa Vallarta
- Blue Tree Resort at Lake Buena Vista
- BlueBay Beach Club
- Bluewater Resort and Marina
- Boardwalk Resort Hotel and Villas
- Cabo Villas Beach Resort
- California Vacation Club
– Indian Palms Vacation Club
– Lodge at Kingsbury Crossing
– RiverPointe Napa Valley
- Calypso Cay Vacation Villas
- Caribbean Palm Village
- Carriage House at Pocono Manor
- Casa Dorada at Medano Beach
- Casa Dorada Spa & Golf Resort
- Castillo Beach Club
- Cibola Vista Resort & Spa
- Cliff Club at Snowbird, The
- Club Destin Resort
- Club Intrawest
– Blackcomb
– Blue Mountain
– Kauai
– Palm Desert
– Panorama
– Sandestin
– Tremblant
– Ucluelet
– Vancouver
– Whistler
– Zihuatanejo
- Club La Costa
– CLC World Alpine Center
– CLC World Benal Beach
– CLC World Castillo del Rey
– CLC World Encantada
– CLC World Las Farolas Royale
– CLC World Marina del Mar
– CLC World Marina del Rey
– CLC World Marina del Sol
– CLC World Marina Dorada
– CLC World Marina Park
– CLC World Mercure Gold Coast Resort
– CLC World Monterey
– CLC World Monterey Royale
– CLC World Oliva Beach Club
– CLC World Paradise
– CLC World Pueblo Marina
– CLC World Regal Oaks
– CLC World San Diego Suites at California
– CLC World Sierra Marina
– CLC World Sunningdale Village
- Club Navigo
– Charter Club Resort on Naples Bay
– Cove at Ormond Beach, The
– Crescent, The
– Grand Seas Resort
– Liki Tiki Village
– Parkway International Resort
- Club Prestige
- Club QM
– Club QM at Kingsbury Crossing
– Club QM at Ridge Sierra, The
– Club QM at Thunderbird Resort Club
– Club QM at Northlake Lodges and Villas
- Club Vacacional Coomeva
– Club de Los Andes
– Mendiuaaca Caribbean Resort
- Clubhotel am Kreischberg
- Coconut Mallory Marina and Resort
- Coconut Palms Beach Resort
- Colonial Crossings of Williamsburg
- Colonies at Williamsburg, The
- Corail Royal Marina
- Corail Royal Plage
- Cove at Yarmouth, The
- Cranberry Waterfront Suites and Country Club
- Corwn Spa Resort Hainan, China Worldbest
- David Walley's Hot Springs and Spa Dawn Beach Club
- Diamond Resorts International – THE Club
– Alpine Club, The
– Alpine Club Schliersee Resort
– Balkan Jewel Resort
– Bent Creek Golf Village
– Broome Park Golf and Country Club
– Burnside Park Owners Club
- Cabo Azul Resort
– Cala Blanca
– Cala de Mar
– Cancún Resort
– Cedar Breaks Lodge
– Club Blanca
– Carlton Court
– Club de Carmen
– Club Mougins
– Cromer Country Club
– Cypress Pointe Resort
– Daytona Beach Regency
– Desert Isle
– Desert Paradise Resort
– Flamingo Beach Resort
– Flanesford Priory
– Gala Fjellgrend
– Garden Lago
– Grand Beach
– Grand Beach Vacation Resort
– Grande Villas
– Greensprings Vacation Resort
– Historic Powhatan Resort, The
– Island Links Resort
– Jardines del Sol
– Kaanapali Beach Vacation Resort
– Kenmore Club, The
– Lake Tahoe Vacation Resort
– Las Vegas Cancún Resort
– Le Manoir des Deaux Amants Resort
– London Bridge Resort II
– Los Amigos Beach Club
– Marquis Villas Resort
– Mystic Dunes Resort and Club
– Ocean Beach Club
– Palazzo Catalini Resort
– Palm Canyon Resort
– Pine Lake Resort
– Point at Poipu, The
– Polynesian Isles
– Ridge on Sedona Golf Resort, The
– Ridge Pointe, The
– Riviera Beach & Spa Resort I
– Riviera Beach & Spa Resort II
– Riviera Oaks
– Royal Dunes
– Royal Dunes at Port Royal
– Royal Oasis Benal Beach, The
– Royal Oasis Club at Pueblo Quinta
– Royal Palm Beach Resort
– Royal Regency
– Royal Sunset Beach Club
– Royal Tenerife Country Club
– Sahara Sunset Resort
– San Luis Bay Inn
– Santa Barbara Golf & Ocean Club
– Scottsdale Links Resort
– Scottsdale Villa Mirage
– Sedona Springs Resort
– Sedona Summit
– Suites at Fall Creek, The
– Suites at Polo Towers, The
– Suites on Malta
– Sunset Bay Club
– Sunset Harbor Club
– Sunset View Club
– Tahoe Seasons Heavenly Valley
– Varsity Clubs of America – South Bend Chapter
– Varsity Clubs of America – Tucson Chapter
– Vilar do Golf Resort Club
– Villas at Poco Diablo Resort
– Villas at Polo Towers, The
– Villas of Sedona
– Villas de Santa Fe Resort
– Westgate South Beach
- White Sands Beach Club
– White Sands Country Club
– Woodford Bridge Country Club
– Wychnor Park Country Club
- Dive Inn Resort
- Driftwood Resort, The
- Eagle Point
- El Cid Vacation Club
– El Cid Marina Beach
– El Cid El Moro Beach
- El San Juan Towers
- Elara, a Hilton Grand Vacation Club
- Emirates Vacation Club
- Escapes Travel Choices Club
- Fairfield Fairshare Plus Club
– Star Island Resort
– Wyndham Royal Vista
– Wyndham Governor's Green
- Fairmont Vacation Villas at Mountainside
- Falcon Point
- Fantasea Resort – Flagship
- Fantasy Island Resort
- Festiva's Adventure Club
– Atlantic Beach Villas
– Blue Ridge Village
– Cabins at Green Mountain
– Church Street Inn
– Ellington at Wachesaw
– Equivest Sands
– Mirror Lake/Tammarack
– Ocean Club
– Peppertree at Thousand Hills
– Peppertree by the Sea
– Rangeley Lake Resort
– Sandpebble Beach Club
– Sea Mystique
– The Yachtsman Resort
– Wild Wing Golf Village
- Flamingo Club
- Four Seasons Residence Club Aviará
- Galleria at Split Rock
- Galveston on the Gulf Resort
- Gardenia Plaza Resort
- Gatlinburg Town Square
- GlobeQuest by Casa Dorada
- Grand Caymanian Resort
- Grand Lodge on Peak 7
- Grand Luxxe Residence Club
- Grand Seas Resort
- Grand Solmar at Land's End Resort & Spa
- Grand Timber Lodge
- Hacienda Encantada Resort and Spa
- Hanalei Bay Resort
- Harbor Ridge
- Harborside at Atlantis
- Holiday Inn Club
- Holiday Park Resort
- Holly Tree Resort Hotel, The
- Hyatt Vacation Club
– Highlands Inn
– Hyatt Beach House Resort
– Hyatt Coconut Plantation
– Hyatt Escala Lodge at Park City
– Hyatt Grand Aspen
– Hyatt Hacienda del Mar
– Hyatt High Sierra Lodge
– Hyatt Ka'anapali Beach
– Hyatt Main Street Station
– Hyatt Mountain Lodge
– Hyatt Piñon Pointe
– Hyatt Siesta Key Beach
– Hyatt Sunset Harbor Resort
– Hyatt Wild Oak
– Hyatt Windward Pointe
– Northstar Lodge, a Hyatt Residence

- Residences at Park Hyatt Beaver Creek
- Imperial Fiesta Club at Casa Maya
- InnSeason Resorts – Falls at Ogunquit, The
- InnSeason Resorts – Pollard Brook
- InnSeason Resorts Vacation Club
 - InnSeason Resorts Captain's Quarters
 - InnSeason Resorts Cove at Yarmouth, The
 - InnSeason Resorts Falls at Ogunquit, The
 - InnSeason Resorts HarborWalk
 - InnSeason Resorts Mountainview
 - InnSeason Resorts Pollard Brook
 - InnSeason Resorts Sea Mist Resort
 - InnSeason Resorts South Mountain
 - InnSeason Resorts Surfside
- Island Residence Club at Golden Sands
- Island Seas Resort
- Jockey Club, The
- Kahana Beach Vacation Club
- Kahana Villa Vacation Club
- King's Creek Plantation
- Kona Coast Resort Interval Ownership, The
- Kona Coast Resort II
- La Cabana Beach and Racquet Club
- Lagos de Fañabe II
- Legacy Vacation Club Orlando
- Liki Tiki Village
- London Bridge Resort
- Los Cabos Golf Resort
- Magic Tree Resort
- Margarita International Resort
- Marriott's Aruba Ocean Club
- Marriott's Aruba Surf Club
- Marriott's Asia Pacific Club
- Marriott's Barony Beach Club
- Marriott's Canyon Villas at Desert Ridge
- Marriott's Club Son Antem
- Marriott's Custom House
- Marriott's Cypress Harbour
- Marriott's Desert Springs Villas
- Marriott's Desert Springs Villas II
- Marriott's Fairway Villas
- Marriott's Florida Club
- Marriott's Frenchman's Cove
- Marriott's Grande Chateau
- Marriott's Grande Ocean Resort
- Marriott's Grande Vista
- Marriott's Harbour Lake
- Marriott's Harbour Point at Shelter Cove
- Marriott's Kauai Beach Club
- Marriott's Ko Olina
- Marriott's Manor Club at Ford's Colony
- Marriott's Manor Club Sequel
- Marriott's Marbella Beach Resort
- Marriott's Maui Ocean Club
- Marriott's Monarch at Sea Pines
- Marriott's Mountain Valley Lodge at Breckenridge
- Marriott's MountainSide at Park City
- Marriott's Newport Coast Villas
- Marriott's OceanWatch Villas @ Grand Dunes
- Marriott's Phuket Beach Resort
- Marriott's Playa Andaluza
- Marriott's Royal Palms Resort
- Marriott's Shadow Ridge
- Marriott's Shadow Ridge Enclave
- Marriott's Summit Watch
- Marriott's SurfWatch
- Marriott's Timber Lodge
- Marriott's Village d'Île de France
- Marriott's Waiohai Beach Club
- Marriott's Willow Ridge Lodge
- Maui Beach Vacation Club
- Monarch Grand Vacation Club
 - Cabo Azul Resort
- Cancún Caribe Las Vegas
- Cedar Breaks Lodge & Spa
- Palm Canyon Resort
- Riviera Beach and Spa Resort
- Riviera Beach and Spa Resort Phase II
- Riviera Oaks Resort & Racquet Club
- Riviera Shores Resort
- Tahoe Seasons Resort
- Morritt's Tortuga Club
- Mountain Laurel Resort and Spa
- MountainLoft Resort
- Mystic Dunes Resort and Golf Club
- Newport Miami Beach
- NYX Hotel Cancún
- Oak N' Spruce Resort
- Oak Plantation
- Oasis Resorts
 - Grand Oasis Cancún Resort & Spa
 - Grand Oasis Palm Resort & Spa
 - Grand Oasis Sens
 - Grand Oasis Tulum
 - Oasis Cancún Resort
- Ocean Beach Club
- Ocean Club at Atlantic Beach
- Ocean Landings Resort and Racquet Club
- Omni Cancún Hotel & Villas
- Onagrup Club
 - Alanda Club Marbella
 - Onagrup Club Aldea del Mar
 - Onagrup Club Campanariode Calahonda
 - Onagrup Club Gemelos XV
 - Onagrup Club La Dorada El Tarter
 - Onagrup Club Marina Arpón
 - Onagrup Club Riviera
 - Onagrup Club Salou Aquamarina
- Orange Tree Interval Ownership Resort, The
- Oyster Bay Beach Resort
- Palace Elite Vacation Club
 - Beach Palace
 - Cozumel Palace
 - Isla Mujeres Palace
 - Le Blanc Spa resort
 - Moon Palace Golf & Spa Resort – Nizuc
 - Moon Palace Golf & Spa Resort – Villas
 - Moon Palace Grand
 - Moon Palace Jamaica Grande
 - Moon Palace Sunrise
 - Playacar Palace
 - Sun Palace
- Palace View South
- Palm Canyon Resort
- Palm Oasis
- Paradise Village Beach Resort & Spa
- Parkway International Resort
- Peninsula Beach Resort
- Peppertree Vacation and Travel Club
 - Atlantic Beach Villas
 - Blue Ridge Village
 - Branson Thousand Hills
 - Equivest Sands
 - Laurel Point Condominiums
 - Mirror Lake/Tamarack
 - Ocean Club
 - Outer Banks Beach Club I
 - Outer Banks Beach Club II
 - Peppertree By the Sea
 - Sandpebble Beach Club
 - Sea Mystique
 - Wild Wing Golf Village
- Premiere Vacation Collection
 - Bell Rock, Sedona
 - Carriage House, The
 - Golden Eagle at Crags Lodge
 - Inn at Los Abrigados, The
 - Kohl's Ranch Lodge
- Roundhouse Resort
- Sea of Cortez Beach Club
- Sedona Vacation Club at Los Abrigados Resort and Spa
- Scottsdale Camelback
- Varsity Clubs of America – South Bend Chapter
- Varsity Clubs of America – Tucson Chapter
- Quarter House, The
- Renaissance Aruba Beach Resort & Hotel
- Residence Narjess
- Ridge Tahoe, The
- Ridge Top Village at Shawnee
- Rincon de los Andes
- Riviera Oaks Resort
- Royal Cancún, The
- Royal Caribbean, The
- Royal Club at Bonnington Tower
- Royal Club at the Palm – Jumeirah
- Royal Haciendas, The
- Royal Islander, The
- Royal Mayan, The
- Royal Sands, The
- Royal Savoy Resort
- Sands of Kahana Vacation Club
- Seasons
 - Alto Club
 - Brunston Castle
 - Burn Park Country Club
 - Clowance Estate and Country Club
 - Club Tahiti
 - Forest Hills
 - Knocktopher Abbey
 - Laugharne Park
 - Whitbarrow Village
- Seven Seas Resort
- Shell Vacations Club
 - Cliff Club, The
 - Carriage Hills Resort
 - Carriage Ridge Resort
 - Crotched Mountain Resort
 - Desert Rose Resort
 - Donatello, The
 - Foxhunt at Sapphire Valley
 - Holua Resort at Mauna Loa Village
 - Inn at the Opera
 - Kauai Coast Resort at the Beachboy
 - Kona Coast Resort Interval Ownership
 - Kona Coast Resort Phase II
 - Legacy Golf Resort, The
 - Little Sweden
 - Mountainside Lodge
 - Orange Tree Interval Ownership
 - Paniolo Greens
 - Peacock Suites
 - Plaza Pelicanos Grand Beach Resort
 - Salado Creek Villas
 - Suites at Fisherman's Wharf
 - Starr Pass Golf Suites
 - Sunset Plaza Beach Resort and Spa
 - Vino Bello Resort
 - Waikiki Marina Resort at the Ilikai
 - Whispering Woods Resort I and II
- Shengteng Vacation Club
- Simpson Bay Resort and Marina
- St. George's Club
- Star Island Resort
- Star Island Resort and Club
- Starwood Vacation Network
 - Harborside Resort at Atlantis
 - Lakeside Terrace
 - Sheraton Broadway Plantation
 - Sheraton Desert Oasis
 - Sheraton Mountain Vista
 - Sheraton PGA Vacation Resort
 - Sheraton Steamboat Resort Villas
- Sheraton Vistana Orlando
- Sheraton Vistana Villages
- Westin Desert Willow Villas
- Westin Ka'anapali Ocean Resort
- Westin Ka'anapali Ocean Resort North
- Westin Kierland Villas
- Westin Lagunamar Ocean Resort
- Westin Los Cabos Ocean Villas
- Westin Mission Hills Resort Villas
- Westin Princeville Ocean Resort
- Westin Riverfront Mountain Villas
- Westin St. John Resort and Villas, The
- Stormy Point Village – Summerwinds Resort
- Suites at Polo Towers, The
- Sun Hills Suites
- Sunchaser Vacation Villas at Hillside
- Sunchaser Vacation Villas at Riverside
- Sunswop
 - Beacon Island
 - Cabana Beach
 - Drakensberg Sun Apartments
 - Drakensberg Sun Chalets
 - Pine Lake
 - Sabi River Sun
 - Umhlanga Sands
 - Whitbarrow Village
- Swiss-Garden International Vacation Club
 - Golf Resort and Spa Damai Laut
 - Hotel Kuala Lumpur
 - Resort and Spa Kuatan
 - Swiss Garden Residences
- Surrey Grand Crowne Resort, The
- Tahiti
- Tahiti Village
- Townes at King's Creek Plantation, The
- Trapp Family Guest Houses
- Turtle Cay
- Vacation Club I and II
- Vacation Internationale
 - Beachcomber Resort
 - Blackbird Lodge Timeshare Program
 - Carriage House, The
 - Clock Tower at Whistler, The
 - Cypress Pointe Resort
 - Elkhorn Resort at Sun Valley
 - Embarcadero Resort
 - Fairway Villa
 - Hololani
 - Kapaa Shore
 - Kihei Kai Nani
 - Kingsbury of Tahoe
 - Kittyhawk Resort
 - Lodge at Lake Tahoe, The
 - Oasis Villa Resort
 - Oceanside Marina Inn
 - Pacific Shores Resort
 - Panorama Resort
 - Papakea
 - Pines at Sunriver, The
 - Pinnacle Lodge
 - Point Brown Resort
 - Pono Kai
 - Red Wolfe Lakeside Lodge, The
 - Rosedale on Robson
 - Rosewood Inn
 - Royal Kuhio
 - Royal Victoria Suites
 - Sea Mountain
 - Sea Village
 - Sedona Springs Resort
 - St. Ives on Shuswap
 - Stoneridge Condominium
 - Tahoe Beach and Ski Club
 - Torres Mazatlán
 - Vallarta Torre
 - Valley Isle Resort
 - Village at Steamboat, The

- Villas at Poco Diablo
- Villas de Santa Fe
- Vacation Villas at FantasyWorld
- Vacation Villas at FantasyWorld Two
- Villa del Palmar
- Villa del Palmar – Cabo San Lucas
- Villa del Palmar – Cancún Beach Resort and Spa
- Villa Roma Resort Lodges
- Villas at Polo Towers, The
- Villas on the Green at The Welk Resort Waterside
- Welk Resort Villas
- Waterman Holiday Club
- Westgate Blue Tree
- Westgate Branson Woods
- Westgate Flamingo Bay Club
- Westgate Lakes Resort
- Westgate Las Vegas Resort and Casino
- Westgate Miami Beach
- Westgate Myrtle Beach
- Westgate Palace
- Westgate Park City Resort and Spa
- Westgate Smoky Mountain Resort at Gatlinburg
- Westgate Towers
- Westgate Town Center
- Westgate Vacation Villas
- Westwood at Split Rock
- Williamsburg Plantation
- Willowbrook at Lake Harmony
- World International Vacation Club
 - Casa de la Playa
 - Conchas Chinas
 - Coral Mar
 - La Paloma
 - Mar Azul
 - Villacana
- WorldMark South Pacific Club
 - Ballerat
 - Cairns
 - Cape Schank
 - Coffs Harbour
 - Coolangatta
 - Denarau Island
 - Flynn Beach
 - Golden Beach
 - Kirra Beach
 - Pokolbin
 - Port Macquarie
 - Port Stephens
- WorldMark, the Club
 - Angels Camp
 - Arrow Point
 - Bass Lake
 - Bear Lake
 - Big Bear
 - Birch Bay
 - Bison Ranch
 - Branson
 - Cairns
 - Canadian, the
 - Cascade Lodge
 - Clear Lake
 - Coolangatta
 - Coffs Harbour
 - Coral Baja
 - Denarau Island
 - Depoe Bay
 - Discovery Bay
 - Dolphin Cove
 - Eagle Crest
 - Galena
 - Gleneden
 - Golden Beach
 - Grand Lake
 - Kapaa Shore
 - Kihei
 - Kirra Beach
 - Kona
 - La Paloma
 - Lake Chelan Shores

- Lake of the Ozarks
- Lake Tahoe
- Las Vegas
- Leavenworth
- Marina Dunes
- Mariner Village
- McCall
- Port MacQuarie
- Oceanside Harbor
- Orlando
- Palm Springs
- Pinetop
- Pismo Beach
- Port Stephens
- Rancho Vistoso
- Reno
- Running Y
- Schooner Landing
- Seaside
- South Shore
- Spencer Street
- St. George
- Steamboat Springs
- Sundance
- Surfside Inn
- Valley Isle
- Victoria
- Windsor
- Wolf Creek

Zuana Beach Resort

PROGRAMS WITH 500 – 999 MEMBERS

Alanda Club Marbella
 Aldea Valle Encantado
 Aquarius Vacation Club at Dorado del Mar
 Atlantic View
 Azul Beach Hotel
 Banff Rocky Mountain Resort
 Be Live Canoa
 Blue Seas Resort and Spa
 Bluebeard's Beach Club
 Bluegreen Vacation Club

- Beach Club I
- Dolphin Beach Club
- Estero Island Beach Club
- Falls Village, The
- Four Winds Beach Resort
- Harbour Lights
- Laurel Crest Resort
- Lodge Alley Inn, The
- Mariner's Boathouse & Beach Resort
- MountainLoft Resort
- Sanibel Beach Club I
- Sanibel Beach Club II
- Shenandoah Crossing Resort
- Shore Crest Vacation Villas
- South Shore Club
- Surfriider Beach Club
- Windward Passage Resort

 Breakers Resort
 Cabins at Green Mountain
 Calabogie Peaks Resort
 Canadian Resorts

- La Querencia Resort
- Marparaiso Queen
- Villas del Palmar

 Captain Morgan's Vacation Beach Club
 Captain's Quarters at Surfside
 Caribbean & Dream Buildings at Ocean Landing
 Carolina Club, The
 Casa Dorada San Lucas Bay
 Casa Dorada Spa & Golf Resort
 CasaBlanca Vacation Club
 Chalet High/Chalet High North
 Christie Lodge, The
 Cliffs Club, The

Club Cala de Palmas
 Club Elite Vacation at La Fenice Resort
 Club In
 Club Real

- Gran Caribe Real by Real Club
- Real Club at Real Resorts

 Condohotel Villa del Mar
 Coral Costa Caribe
 Costa Sur Resort & Spa (North Tower)
 Creekside Village
 Crown Regency Vacation
 Crystal Beach Suites and Health Club
 Divi Village Golf and Beach Resort
 Edgewater Beach Resort
 Egret Point vacation Club
 Ellington at Wachesaw Plantation East
 Estates of King's Creek, The
 Gardens at West Maui, The
 Fairmont Rancho Banderas Vacation Villas
 Fort Lauderdale Beach Resort
 Gardenia Resort
 Gatlinburg Town Square
 Gold Point Condominiums
 Golden Sands Island Residence Club
 Grand Crowne Club

- Carriage Place at Surrey Vacation Resort
- Crowne View Heights
- Lodges at Crowne View
- Ocean View Vacation Villas
- Surrey Grand Crowne Resort, The
- Surrey Vacation Resort, The

 Grand Regency Resort at Thousand Hills
 Hippocampus Beach International Resort
 Hippocampus Vina del Mar Resort & Club
 Holiday Park Resort
 Hotel Santa Clara
 Imperial Hawaii Resort Club
 Imperial Hawaii Resort Club II
 Kololi Beach Club
 Kona Coast Resort Interval Ownership, The
 Legacy Vacation Club Lake Buena Vista
 Legacy Vacation Club Orlando
 Legacy Vacation Club Orlando – Oaks
 Legend Worldwide Holidays

- Legend Hotel and Apartment Kuala Lumpur
- Legend Resort Cherating

 Los Cabos Golf Resort
 Magic Tree Resort
 Marriott's Harbour Club at Harbour Town
 Marriott's Imperial Palms Villas
 Marriott's Lakeshore Reserve
 Marriott's Maui Lhaina and Napili Villas
 Marriott's Sabal Palms Resort
 Marriott's Shadow Ridge Enclaves
 Marriott's St. Kitt's Beach Club
 Marriott's Streamside at Vail – Evergreen
 Maui Banyan Vacation Club
 Maui Schooner Resort
 Mendihuaca Caribbean Resort
 Mia Reef Isla Mujeres
 Mountain Loft Resort
 Oasis Club
 Oasis Lanz Club
 Ocean Spa Hotel
 Oceanaire at Ocean Beach Club
 Oceanside 99 Condominium
 Palace View by Spinnaker
 Panareti's Royal Coral Bay Resort
 Paradise Beach Villas
 Peninsula Bay Resort
 Perennial Vacation Club

- Bandera
- Daytona

- Tahoe Village/Eagles Nest
- Playa Linda Beach Resort
- Ponds at Foxhollow, The
- Pono Kai, The
- Ramada Grand Caymanian Resort
- Rangeley Lake Resort
- Reef Playacar Resort & Spa, The
- Reef Resort, The
- Resorts West Vacation Club
 - Ridge Crest, The
 - Ridge Pointe Resort, The
 - Ridge Tahoe, The
 - Ridge View, The
- Resort at Diamante, The
- Rincón del Este
- Riviera Beach and Spa Resort
- Riviera Beach and Spa Resort
 - Phase II
- Royal Aloha Vacation Club
 - Butterfield Park Condominiums
 - Keauhou Kona Surf & Racquet Club
 - Lake Tahoe
 - Eagles Nest Resort at Indian Point
 - Nueva Andalucia
 - Torre Blanca, The
 - Village By The Sea
 - Waikiki
- Sandpiper Beach Club
- Sauce Alto Resort and Country Club
- Sea Mist Resort
- Seasons 2
- Shanghai SunIsland International Club
- Shawnee Ridge Top Summit
- Snowdance Vacation Club at Ascutney Mountain Resort
- St. Augustine Beach & Tennis Resort
- Steele Hill West
- Stormy Point Village Resort
- Summit Resort, The
- Sunchaser Vacation Villas at Riverview
- Sundream Vacation Club at Island Village
- Surfside Resort
- Tahoe Seasons Resort at Heavenly Valley
- Tanglewood Vacation Villas
- Tau Resorts Nahui
- Thunderbird Resort Club
- Treetops Village at Four Seasons, U.S.A.
- Turangi Leisure Lodge
- Vacation Village at Bonaventure
- Vacation Village at Bonaventure Phase II
- Vacationland Estates
- Varsity Clubs of America – South Bend Chapter
- Vik Hotel Cayena Beach
- Villas at Regal Palms
- Villas Nacazcol
- Waterman Holiday Club
- Welk Resorts Desert Oasis
- Westgate Branson Lakes at Emerald Pointe
- Westgate Historic Williamsburg
- Woodbourne Estates Resort

PROGRAMS WITH 250 – 499 MEMBERS

All Seasons Vacation Resort
 Alpenresidenz Bad Gastein
 Apollo Park at Vail
 Aquarius Vacation Club at Boquerón Beach
 Atlantic Club Reserva de Marbella
 Atrium Resort
 Bay & Beach Club
 Banyan Resort, The
 Be Live Grand Marien

- Beach Palace
 Beachside Village
 Bighorn Meadows Resort
 Bluegreen's Club La Pension
 Canyon Woods Vacation Club
 – Canyon Cove Hotel & Spa
 – Canyon de Boracay
 – Peak at Canyon Woods, The
 Casa del Mar Beach Resort
 Casablanca Vacation Club
 Chateau Orleans
 Church Street Inn, The
 Club Asia International
 – Bukit Saban Resort
 – Damai Rainforest
 – Royal Mulu Resort
 Club Azúr
 Club Cascadas de Baja
 Club Chalet of Gattinburg
 Club Dolmen by the Sea
 Club Hotel Tiberias
 Club Monte Anfi
 Club Orlando
 Club Premiere Four Seasons
 – Soleil Pacifico
 – Soleil La Antigua
 Clube Praia da Oura
 Coco Sunset
 Coconut Beach Resort
 Coconut Palms Beach Resort I
 Colonial Acres Resort
 Condominios Solamar Inn
 Corail Royal Marina
 Coral Hills Marsa Alam
 Costa Sal
 Daytona Beach Regency
 Daytona Resort and Club
 Delta Grand Okanagan Resort
 De Vere Resorts – Belton Woods
 De Vere Resorts – Staley Hall
 Dive Blue Beach Resort
 Divi Dutch Village Resort
 Dreamsuites by Lifestyles at Be Live
 Punta Cana
 Dunes Hotel and Beach Resort
 Eilat Club Hotel
 Ellington II at Wachasaw Plantation East
 Es Pueto
 Escapes! To the Gulf at Orange Beach
 Esmeralda Beach Club
 Exclusive Club
 Fairmont Estates
 First Cabin Club
 Fisherman's Village Resort Club
 Four Seasons Fairway
 Four Seasons Residence Club
 Scottsdale
 Foxrun
 French Lick Springs Villas
 Gala Fjellgrend
 Generations Riviera Maya by Karisma
 Grand Canadian Resort Vacation Club
 Grand Holidays Points
 Grand Sharm Resort
 Harbortown Point Marina Resort & Club
 Havasu Dunes
 Hawaiian Sun Holidays at Waikiki
 Banyan
 High Point World Resort
 Holiday Club Fured
 Hono Koa Vacation Club
 Hotel de L'Eau Vive
 Hotel de la Monnaie
 Hotel El Castellano
 Hotel Puertodel Mar
 Iron Blossam Lodge
 Island Village
 Ka'anapali Beach Club
 La Quinta Beach Resort
 La Renaissance
 Lago Vista at Buenaventura Lakes
 Lagos de Fañabe
 Lakeland Village, The
 Lakeside Terrace in the Vail Valley
 Lakeview Resort Club
 Las Olas Resort
 Laurel Crest Resort
 Lifetime Vacation Club at Miraflores
 Lion's Gate Pines Lodge
 Loyd's Club
 Marine Terrace
 Marriott's Heritage Club
 Marriott's Streamside at Vail – Douglas
 Marriott's Sunset Pointe at Shelter Cove
 Masters Villas at Paradise Canyon, The
 Miraflores Vacation Club
 Misiones del Cabo Vacation Club
 Moosehead Cottage Resort
 Mountainside Lodge
 Mountainside Villas at Massanutten
 Nautical Mile Resort & Condominiums,
 The
 NorthBay at Lake Arrowhead
 Northeast Vacations at Minerals Resort
 Oceanique Resort
 Options by Macdonald
 – Dalfaber Resort
 – Dalfaber Resort Chalets
 – Doña Lola Resort
 – Elmers Court Country Club II
 – Elmers Court Country Club and
 Resort
 – Forest Hills Hotel and Resort
 – Forest Hills Hotel and Resort II
 – Loch Rannock Hotel and Resort
 – Lochanully Resort
 – Leila Playa Resort
 – Plas Talgarth Resort
 – Villacanna Resort
 Palace View Heights
 Paradise Island Beach Club
 Park Regency, The
 Parque del Sol
 Peninsula Island Resort and Spa
 Plantation Village Beach Resort
 Point at Poipu, The
 Red Wolf at Squaw Valley
 Redington Ambassador
 Regency at Paradise Court
 Résidence Paris XV
 Resort Club at Minerals Resort & Spa,
 The
 Ridge Crest, The
 Ridge Point Resort, The
 Ridge Sierra, The
 Ridge View, The
 Riverside Suites
 Riviera Shores Resort
 Royal Club Hotel
 Royal Floridian Resort
 Royal Floridian South
 Royal Islander Club La Plage, The
 Royal Sea Aquarium Resort, The
 Royal Vacation Suites
 Royale Beach and Tennis Club
 Sand Dune Shores Resort
 Savoy Hotel
 Sedona Vacation Club at Los Abrigados
 Seven Mile Beach Resort
 Shawnee River Village One
 Shore Crest Vacation Villas
 Starr Pass Golf Suites
 StaySky Vacation Club
 – StaySky Vacation Club at
 Enclave Suites
 – StaySky Vacation Club at
 Hawthorn Suites Lake Buena Vista
 – StaySky Vacation Club at Lake
 Buena Vista Resort Village & Spa
 – StaySky Vacation Club at
 StaySky Suites – I Drive Orlando
 Steele Hill East
 Stoneridge Condominiums
 Sun Hills Suites
 Sunset Resorts – Canmore
 Sunstream Vacation Club @
 DiamondHead
 Surfsider
 Swallowtail at Sea Pines
 Swiss Mountain Village
 Topaz Beach Club
 Treetop Condominiums at Four
 Seasons USA
 Villa Sofia Resort and Spa
 Village Resort, The
 Villaggio Olimpico
 Villas at Fairway, The
 Villas at Flying L, The
 Villas of Cave Creek
 Villas of Gold Canyon
 Voyager Beach Club
 Water's Edge Resort
 Westgate Painted Mountain Country
 Club
 Westgate RVS at Orlando
 Westgate RVA at Orlando II
 Windjammer Landing Villa Beach
 Resort and Spa
 Windsurf Resort I
- Jordan Grand
 – Lakeside Cottages
 – Log Cabins
 – Mountain Grand Lodge
 – Powder Ridge
 – Ross Cottages
 – Shoshone
 – Stillwater
 – Sugarloaf
 – Sunday River Resort
 – Village Center
 Brewster Green
 Briarwood
 Cala Corvino Club II
 Calampiso
 Calypso Plaza on Coolangatta
 Cape Winds Resort
 Capistrano Surfside Inn
 Carriage House, The
 Casa del Lago
 Casa Metz
 Casablanca
 Casablanca Golf Beach
 Cathedral Ledge Condominium Resort
 Causeway on the Gull
 Cerritos Resort
 Chateau Dale Vacation Club
 Chayofa Country Club
 Cispata Marina Hotel
 Club Cordial
 – Cordial-Hotel Achenkirch
 – Cordial-Hotel Goings
 – Cordial-Hotel Reith bei Kitzbühel
 – Cordial Residence "Il Pelagone"
 Toscana
 – Cordial Sanotel Badgastein
 – Cordial Theaterhotel Wien
 Club del Carmen
 Club 52
 Club La Paz
 Club MenDan
 Club Pacific Queenstown
 Club Sea Oats
 Club Sevilla
 Club Tesoro
 Club Tropicana
 Club Valle Termal Resort
 Cofresi Palm Beach and Spa Resort
 Cold Spring Resort
 Colibri Beach Club – Portlamar
 Colonial Village
 Coral Reef Resort
 Cottages at Port Stanton, The
 Costa Linda
 Costa Maya Reef Resort
 Costa Patagonia
 Costa Sur Resort & Spa
 Cottages at Cape Kiwanda
 Cottages at Port Stanton, The
 Cove on Ormond Beach, The
 Cypress Pointe Resort
 Dana Beach
 Desert Breezes Resort Timeshare
 Devere Resort Ownership –
 Cameron House on Loch Lomond
 Devere Resort Ownership –
 Carrick on Loch Lomond, The
 Discovery Beach Resort
 Divi Southwinds Beach Resort
 Doubletree by Hilton Puntarenas
 Dover Watch at Mount Snow
 Dreamsuites by Lifestyle @ BeLive
 Marien
 Dubai Lagoon Vacation Club
 Eagle Crest
 Eagles at Sugarbush
 Eagle's Nest
 Eastwood at Provincetown
 Edificio Palm Beach
 Embarcadero Pacifico
 Emerald Grande at Harborwalk Village
 Englewood Beach and Yacht Club

PROGRAMS WITH 101 – 249 MEMBERS

- 1492 Suites at La Pinta Beach Club
 A Place at the Beach
 Acorn – Royal Holiday Club
 Akiris
 Alessidamo Club
 Alexandra Resort
 Amara Lifetime Resort
 Amatique Bay Resort & Marina
 Apart Holidays AG
 Apartur Buenos Aires
 Apartur Mountain Club
 Arco del Saracino
 Aruba Beach Club
 Aspens and Aspen Village, The
 Atlantic Beach Casino Resort
 Atlantic Club Hotel Tierra Mar Golf
 Atlantic Garden
 Avalon Excalibur
 Bagaglino Resort Group
 – Bagaglino – Catturani
 – Bagaglino – Des Alpes 2
 – Bagaglino – Hotel La Posta
 – Bagaglino – I Giardini di Porto
 Cervo
 – Baggaglio – Le Ville del Lido
 – Bagaglino – Villa Laguna
 Bahia Manzano
 Barcelo Los Cabos Palace Deluxe
 Barcelo Punta Cana
 Bay Club of Sandestin
 Be Live Grand Punta Cana
 Beach Club at Montego Inn, The
 Beach House Golf & Racquet Club
 Beach House Seaside Resort
 Beachcomber Inn, The
 Beacons of Minoqua, The
 Bishop Selwyn, The
 Blue Water Acres
 Bosques de Monterreal
 Bovedas de Santa Clara
 Boyne Vacation Club
 – Alpenglow
 – Arthur Hills Townhouses
 – Big Horn
 – Big Sky Resort
 – Cottages at Crooked Tree
 – Deer Lake Villas
 – Disciples Ridge
 – Grand Summit
 – Highlands Resort
 – Hemlock
 – Inn on Bay Harbor

- Erie Islands Resort & Marina
Es Pueto at Aldea Bonsai
Fairway Forest
Fairways and Bluewater Resort Golf and Country Club
Falls Golf Village, The
Falls Village Resort, The
Farallón
Ferienclub Privilège
– Privilège Resort Hotel Sunstar Arosa
– Privilège Resort Hotel Sunstar Davos
– Privilège Resort Hotel Sunstar Grindewald
– Privilège Resort Hotel Sunstar Flims
– Privilège Resort Hotel Sunstar Lenzerheide
– Privilège Resort Hotel Sunstar Wengen
4 Seasons at Beech Mountain
Four Seasons Country Club
Foxhunt Town Villas
Freeport Resort & Club
Grand Colorado on Peak 8
Hacienda El Eden Resort
Hammocks, The
Harbor Landing Condominiums
Harborside Inn
Harbour Lights
Hawaiian Princess at Makaha Beach
Herods Residence Club
Highland Estates Resort
Highlands at Sugar, The
Hollywood Beach Tower
Hostería del Cerro
Hotel Aguamarina
Hotel Cola de Caballo
Hotel Mansion Tarahumara
Indian Palms Interval
Indian Peaks
Inn at the Opera
Inn at St. Ives, The
Inns of Waterville Valley, The
Island Park Village Resort
Jolly Beach Vacations
Jupiter Beach Resort
Killarney Country Club
Kingfisher Club
Kingsbury Crossing
Kona Islander Vacation Club
La Cabana Beach and Racquet Club
Lagonita Lodge
Lagonita Lodge – Phase II
Laguna Golf and Country Club
Laguna Holiday Club at Angsana Resort & Spa Bintan
Lake Forest Resort & Club
Lake Tahoe Vacation Resort
Las Residencias Golf & Beach Club
Le Jardin Vacation Club
Legends Resort and Country Club
Limetree Beach Resort
Links Golf and Racquet Club
Lion Resorts – Club Alias
Little Bay Beach & Racquet Club
Little Bay Beach & Racquet Club – Phase 2
Loch Rannoch Highland Club
Lodge at Lake Tahoe, The
Logos Land Resort
Longboat Bay Club
Loreley
Los Tinajeros Resort
Macdonald Dalfaber Resort
Macdonald Doña Lola Resort
Macdonald Villacana Resort
Manhattan Club Penthouse Suites, The
Manteo Beach Club
Marathon Key Beach Club
Marinagolf
Mariner's Point Beach Club
Marriott's Crystal Shores on Marco Island
Marriott's Grand Residence, Tahoe
Marriott's Oceana Palms
Marriott's Streamside at Vail – Birch Meadow Ridge
Milli Resort and Suites Vacation, The
Miejane Game Reserve
Mountainview Resort
Multi Resort Ownership Plan
Neptune House
Northstar Mountain Village Resort
Oakmont Resort Limited
Ocean High
Ocean Reef Resort and Club
Ocean Towers Beach Club
Olympic Village Inn, The
Palace Vacation Club
Paradise Point Resort
Park Plaza at Beaver Creek
Peninsular Club at La Manga Club
Peterson's Waterfront Timeshare Condominium
Pirayu
Plantation Beach Club at South Seas Resort
Plaza Resort and Spa, The
Plaza Vacation Club
– Bahia Plaza Hotel
– Plaza Blumenau Hotel
– Plaza Caldas Imperatriz Resort & Spa
– Plaza Florianopolis Hotel
– Plaza Itapema Resort & Spa
– Plaza Porto Alegre Hotel
– Plaza Sao Rafael
Pointe on the Bay, The
Polynesian Isles Resort
Port Largo Villas
Poste Montane Lodge
Pueblo Caribe International Beach Resort
Puerto Encantado
Quadna Mountain Resort
Quijote Inn
Red Carpet Hotel & Resort
Reef Ocean Resort, The
Reef Village Vacation Club
Regency Palms
Residence Berghof
Residences at Park Hyatt Beaver Creek
Residências Pierre et Vacances
– Avoriaz
– Belle Plagne
– Cannes Villafrancia
– Cap d'Ail
– Cap Esterel
– Le Port du Bourgenay
– Le Port du Croestuy
– Les Coches
– Les Parcs de Grimaud
– Méribel
– Moliets
– Village Cap Coudalère
Residenza Valle Fiorita
Resort on Cocoa Beach, The
Royal Palm Beach Club
Royal Palm Club at the RIU Palace Aruba
Saint Tropez Condominium
San Clemente Cove Resort
San Clemente Inn
San Luis Bay Inn
Sandstone Creek Club
Seascape Beach and Golf Villas
Seagull Beach Club
Seasons Resort, The
Shawnee Depuy Village
Shawnee Depuy Village II
Shawnee Fairway
Sheraton Steamboat Resort Villas
Snowater
Southcape Resort and Club
Spicebush Resort
Spinnaker at Lake Dillon
Spirit Ridge Vineyard Resort & Spa
St. James's Place
St. Maarten Sea Palace
Steele Hill Resort
Streamside at Vail – Aspen
Streamside at Vail – Cedar
Suites at Fisherman's Wharf, The
Sun Hotel
Sun Pond Holiday Club
Sunningdale Village
Sunset Boutique Club
– Laguna Suites Golf and Spa
– Ocean Spa Hotel
Sunset Point at StillWaters Resort
Tahoe Sands Resort
Tamarack Beach Resort
Tangalooma Island Resort
Tanglewood Resort
Terrazas al Mar
Thurnham Vacation Club
– Club Britannia
– Cromer Country Club
– Thurnam Hall
Topsider I Resort
Tortuga Beach Club
Tranquility Bay Antigua
Tropical Breeze Resort
Twin Rivers Condominiums
Variety Cruisers
Velence Resort
Veranda Beach Club
View Talay Villas Holiday Resort
Villa del Palmar Flamingos
Villa del Palmar Loreto
Village at Palmetto Dunes, The
Village at St. James Club, The
Villas at Simpson Bay Resort and Marina, The
Villas El Rancho Exclusive Vacation Club
Villas Loma Linda
Viva Wyndham Playa Dorada
Wapato Point
Westgate River Ranch
Westgate South Beach
Westin Mission Hills Resort Villas
Whaler Inn Beach Club
Wharf, The
White Sands Beach Club
White Sands of Longboat
Windward Passage Resort
Wintergreen at Midway
- PROGRAMS WITH
1 – 100 MEMBERS**
- A Place at the Beach
Āhtāri Loma-Club
Alanda Points Club
Alf Leila Wa Leila
Alia Club
Alii Kai II
Aloha Gardens Marbella
Aloha Villas Owners Club, Marbella
AlpeAdria Club
Amapolla Vacation Club
Amarras
Amarras Sea Village
Amathus Vacation Club at Aphrodite Hills
Apartamentos Amarillis
Apartur Bariloche
Apartur en el Valle de las Leñas
Apartur Mountain Club
Apple Valley Resort
Arcobaleno
Aspen Ridge
Astana Lifestyle Club
Atalaya Towers
Atlantica Princess
Auramar Beach Club
Avalon Grand Panama
Azul Fives Hotel and Private Residences
Azul Sensori Jamaica by Karisma
Baia da Luz
Balboa Club
Bali Grand Sunsets Resort & Spa
Bali Palms Resort
Banana Palms Marina and Resort
Bantry Bay International Vacation Resort
Barcelo Club Puerto Castillo
Barnsdale Country Club
Barra Palace
Barrancas del Este – Estacion Bosque
Barrancas del Este – Estacion Mar
Barringtons Hotel Golf & Spa
Batam View Beach Resort
Bay Gardens Beach Resort
Beach Club at St. Augustine Beach Club I
Beach Republic
Beaches Sandy Bay
Beach Condominiums, The
Bear Lake Timeshare
Beaver Village Condominiums
Bel Air Collection Resort & Spa Los Cabos
Belize Yacht Club Resort
Bellasera Tuscan Villas and Piazza
Berkshire on the Ocean, The
Berkshire by the Sea
Bilmar Beach Resort Condominium
Bintan Lagoon Resort
Birdland Home and Holidays
Blackstone Mountain Lodge
Blue Bay Village
Blue Ridge Village
Blue Waters Resorts at Guanahani Village
Bluebeard's Castle Resort – Hilltop Villas
Bluebeard's Castle Resort – Pirate's Pension
Bluebeard's Castle Resort – Villas III
Boambee Bay Resort
Boardwalk One
Bogmallo Beach Resort
Bonita Resort and Club
Borgata Lodge at Quail Ridge Resort, The
Brandermill Resort & Marina Timeshare
Brant Point Courtyard
Briarwood
Briggs Ranch Grand Vacation Club
Brockway Springs Lakefront Condominiums
Bungalows Los Robles
Burn Park
Cabana Club Condominium
Cabo Villas Beach Resort & Spa I
Calla Rossa
Calabogie Highlands Vacation Villas
Calini Beach Club
Camelot by the Sea
Canada House Beach Club
Cancún Clipper Club
Canyon River Ranch
Cap Maison Resort and Spa
Cape Cod Holiday Estates
Capri by the Sea
Caribbean Beach Club
Caribe Beach Resort
Carriage Place at Surrey Vacation Resort
Casa Blanca Golf & Villas
Casa Blanca Hotel
Casa Dorada Cabo Real
Casa Velas Hotel Boutique
Casa Ybel Beach and Racquet Club

- Casitas @ Rancho Manana
 Condominiums
 Casitas del Monte
 Castaways Cove
 Castle View
 Castles and Condos
 Cedar Lake Country Club
 Cedar Village
 Chalet High South
 Channel Island Shores
 Chanteneige – Les Menuires
 Chapare Tropical Resort
 Chapel Stile at Langdale Estate
 Charleston Cruise Club
 Charm and More Club
 Charter Club Resort on Naples Bay
 Chateau Le Grand
 Chetola Resort
 Christie Village
 Christmas Mountain Village
 Chula Vista Resort
 Ciel et Logis Invest I
 Clermont
 Clermont Pinamar
 Cliffs Resort, The
 Clover Ridge
 Clowance, Clowance House
 Club Akamas
 Club Ambassador
 Club Armonia
 Club at Cape Cod
 Club Baccara
 Club Biodorf Bad Waltersdorf
 Club Buena Vista
 Club Cala Vadella
 Club Calypso
 Club De Mar
 Club del Bosque
 Club Delta
 Club Donatello
 Club El Moro
 Club El Veleo
 Club Flamingo
 Club Flipper
 Club Greece at Villea Village
 Club Internacional de Cancún
 Club Imperial Park
 Club Karos Spa
 Club La Costa Alpine Centre
 Club Mangosteen
 Club Marina Tenerife Sur
 Club Mykonos II
 Club No. 1 Nice Cote d'Azur
 Club Noosa Timeshare Resort
 Club Ocean Villas II
 Club Pacific Westharbour
 Club Pahia
 Club Patara
 Club Playa Blanca
 Club Prestige
 Club Puerto Atlantico
 Club Regency at Regency Towers
 Club Residence Capopiccolo
 Club Residencial Avandaro
 Club Resort La Boheme
 Club Royal Regency
 Club Ruyakent
 Club Sol del Este
 Club Sol Mar Del Plata
 Club Sol y Vista
 Club Sultán de Marbella
 Club Système Vacances
 – Club Calypso
 – Club La Mar
 – Club Marítimo at La Ronda III
 – Oasis Club
 – Parque Albatros
 – Pueblo Canario
 – Quality Suites Airport Bangkok
 – Vera Beach Club
 Club Tahiti II
 Club Tahoe Resort
- Club Unicum
 Club Vacacional en la Torre Azúl Fontan
 Clube Cabo Verde
 Clube do Mónaco
 Coconut Bay Resort Condominium
 Colibri Beach Club – Porlamar
 Colinas del Faro
 Commodore Beach Club
 Compart VIP Gesell
 Condominio Gran Hotel Pucon
 Condominio Porto Bello Marina & Villas
 Condominio Week Inn
 Condorama International at Monte Ste. Anne
 Corfu Resort
 Costa del Sol Resort
 Costa Sul Beach Resort
 Costamar
 Cottages II at Port Stanton, The
 Cottages at South Seas
 Cottages at Windermere House, The
 Country Vacation Villas (Amador)
 Cranberry Private Residence Club
 Crescent Shores, The
 Crestwood Resort
 Cristalmar Resort and Beach Club
 Croyde Bay Holiday Club
 Cypress Pointe Resort II
 Dana Inn Resort Pousada Tabatinga
 Days Suite Jumbo
 Deerhurst Residences
 Deerhurst Resort
 Desert Isle of Palm Springs
 Desert Vacation Villas
 Destinations Asia Pacific
 Devoncourt
 Diar Lemdina
 Divi Carina Bay Beach Resort
 Divi Heritage Beach Resort
 Doha Hills
 Dolphin Beach Club
 Domaine Mont Sainte-Anne
 Domina Ca'Zusto
 Domina Golf & Ski Travisio
 Donato House Hotel, The
 Don Pancho Beach Resort
 Dorisol Vacation Club International
 Double JJ Resort
 Dover Watch at Mt. Snow
 Dream Plaza Vacation Club
 Dumez Group
 Dunes Village Resort
 Durango Riverside Resort
 Eaglewood at Ruttger's Sugar Lake Lodge
 Eden Bay Resort
 Edgewater Resort
 Edificio Rambla
 Edinburgh Residence
 Eduard's Hotel Suites & Resort
 El Bergantin Menorca Club
 El Pueblito Beach Resort
 Elani Bay
 Elterwater Hall at Langdale Estate
 Enchantment, The
 Encontro das Aguas Thermas Resort
 Elphistone Resort
 Enotel Lido Madeira
 Equinox
 Escapes! to Greens at Bella Vista
 Escapes! to the Shores
 Estancia Apartur Mar del Plata
 Esterp Island Beach Club
 Exclusive Resorts International
 ExclusVacations at Miami Beach
 Executive Timbers Resort and Golf Club
 Fairfield Pagosa Resort
 Fairmont Heritage Franz Klammer Lodge
 Fairmont Hot Springs Resorts
 Fairway Lodge
 Fairway Villas
- Fairways of the Mountain
 Family Clubhotel & Apartments
 Fantasy Island Resort II
 FantasyWorld Club Villas
 Farallon
 Fishermen's Village at Jot's Resort
 Flamingo Marina Resort
 Floreal del sol Manra Hotel & Spa
 Florida's Orlando Resort
 4 Seasons at Desert Breezes Resort
 47 Park Street
 Four Seasons Pacifica
 Four Seasons Racquet and Country Club
 Four Views Oasis
 Four Winds Beach Resort
 Fox Run Resort
 Foxfire Resort and Golf
 Foxhills Resort
 Foxhunt Town Villas
 Franklyn D. Resort and Spa
 Frontenac Shores
 Fuente Real Resort
 Fun & Adventure Club
 Fun Club Mauritius
 Galleon Resort, The
 Galveston on the Gulf Resort
 Garland Resort
 Gaslamp Plaza Suites
 Generations Maroma by Karisma
 Georgian Inn Beach Club
 Glacier Ridge Condos at Devil's Head
 Gokarna Forest Resort
 Gold Coast Aruba
 Golden Palms Hotel & Spa
 Golden Shores Holiday Club
 Golden Strand Ocean Villa Resort
 Goldstar Resort
 Golf Hotel Punta Ala
 Gold Porto Marina Vacation Club
 Gomera Palms Beach Club
 Gran Hotel Huatulco
 Gran Solare Lencois Resort
 Grand Azur Horizon
 Grand Hotel Misurina
 Grand Lodges
 Grand Miramar Resort and Spa
 Grand Summit Hotel at Mt Snow
 Grande Bay Resort & Residence Club
 Grande Rockies Resort
 Great Bay Beach Hotel & Casino
 Greens at Copper Creek, The
 Greenhills Skiing & Wellness Club
 Gulf Pointe Intervals, Inc.
 Gulf Stream Beach Resort
 Gulf Tides of Longboat Key
 HHoliday Vacation Club
 Habitat 2000
 Hainan Resort
 Halland International Resort Club
 Hamilton Harbor Resort
 Harbor at Depoe Bay, The
 Harbor Vacations Club
 Harbour Town Yacht Club
 Harbourside II
 Harbourview Villas at South Seas Resort
 Heffley Boutique Inn
 Heidleberg Inn
 Heraclea Hotel Residence
 Hideaway Sands Resort
 Hilton Craigendarroch Resort
 Hipocampus Resort
 Hokkaido Tracks Vacation Club
 Holiday Beach Resort
 Holiday Club Airisto
 Holiday Club Calahonda
 Holiday Club Pyhä
 Holiday Club Ruka
 Holiday Club Tegefjäll
 Holiday Owners Club
 – Devoncourt
- Hever Golf and Country Club Hotel
 – Long Beach Club
 Hollywood Beach Resort – Wyndham Worldwide
 Hollywood Sands Resort
 Horse Country Resort Congress & Spa
 Hosteria Bellavista Vacation Club
 Hosteria del Lago
 Hotel & Club Aladinos
 Hotel Acapulco Malibu
 Hotel Ahlen Moghane
 Hotel Apartamento Clube Ocean
 Hotel Belensate
 Hotel bh Parque 93
 Hotel Breckenridge
 Hotel Bristol
 Hotel Cristal Palace
 Hotel Eigerblick
 Hotel Galileo Compass Club
 Hotel La Pedregosa
 Hotel Las Naciones Suites & Tower
 Hotel Punta Centinela Inn
 Hotel Residence Fontanelle
 Hotel Residencia Atenea Suites
 Hotel Serena Beach Club
 Hotel Spanberger
 Hotel Terraza del Pacifico
 Hôtel Vacances Tremblant
 Hotel Villas la Audiencia
 Hotel Viva Clarion Suites
 Hotelcal-Hotel Apartamentos Calypso I
 Huka Village Estate
 Hurricane House
 Hyatt Siesta Key Beach
 I Giardini di Porto Cervo
 I Lodge de la Maree
 Iguassu Resort
 Ikaalinen Spa Holiday Village
 Ile des Pêcheurs
 Illetas Club Playa
 Illetas Club Playa – Bougainville
 Indian Peaks
 Indian Wells Condoshare
 Ingonish By the Sea
 Inlet Sports Lodge
 Inn at Los Abrigados, The
 Inn at Pelican Bay
 Inn at Silver Lakes, The
 Inn at SilverCreek, The
 Inlet Sports Lodge
 InnSeason Resons Resorts – South Mountain
 Inverness at Walden – Phase II
 IRC – Heavenly Collection
 Irotama XXI
 Isla Dorado
 Island Gulf Resort
 Island Links Resort
 Island Manor Resort
 Island Towers Condo
 Island Village Villas
 Isle of Palms Resort and Beach Club
 Itacare Village
 Jackson Hole Racquet Club Resort
 Jackson Hole Towncenter
 Jambo Vacation Club
 Jan Theil Resort
 Jardim Atlantico Beach Resort
 Jean Lafitte House
 Jerusalem Gold Hotel
 Kaanapali Keys at Papakea Beach
 Kahana Falls
 Kahlua Beach Club
 Kala Point Village
 Kamaole Beach Club
 KD West Resorts at the Dawn
 Ke Nani Kai
 Kermikkä
 Keswick Bridge
 Ketch Court Resort
 Kimball, The

Kilconquhar Castle Estate and Country Club	Lindo Mar Adventure Club	Nautical Watch Beach Resort	Paseo del Sol
Kildare Landing at Bell Bay Golf Club	Liscia di Vaca, Residence	Navigator Beach Club	Pearl of the Dead Sea, The
Killington Grand Hotel	Little Gull Cottages	Nepean Country Club	Passporto at Porto Golf
Kingfisher Inn	Little Sweden	Neptune, The	Passporto at Porto Sokhna
Kingswear Park	Lodge Alley Inn, The	Newport Bay Club & Hotel	Peaceful Bay Resort and Club
Kittitian Hill	Lodge Kura Hurlanda and Beach Club	Night Heron Loft	Peacock Suites
KohPafiana Heights	Lodge Alley Inn, The	Nihi Kai Villas	Pebble Beach Village
Kona Reef	Lodge at Lake Tahoe, The	Nirvana	Pebbles Vacation Club
Korora Bay Village Resort	Lodges at Cresthaven	Nob Hill Inn	Penhaven Cottages
Kulta-Katti	Lodges at Fox Hollow Lake, The	Nordvind Resort	Penina Golf Apartments
Kuleana Club, The	Loma Bonita	Northlake Lodges and Villas	Peppertree Atlantic Beach Villas
Kultakivi	LomaSirmakka	Northslope at Shawnee Mountain	Peppertree By the Sea
Kyriad Torcy	Long Bay Beach Resort and Villas	Northstar Lodge, Hyatt Residence Club	Peppertree Maggie Valley
L'Eyssina	Los Indios	Northwoods Club of Lake Placid	Peregrine Townhomes at San Luis Pass
La Boca Casa	Los Pájaros	Norwood Resorts Fractional Ownership	Petit Crest Villas
La Casa Cottage Resort	Los Tajibos Vacation Club	Nostos Village	Phoenix, The
La Costa Beach Club	Macdonald Elmers Court Country Club & Resort	Oasis Club	Phoenix Timeshare Resort
La Mision Loreto	Macdonald Elmers Court Country Club II	Ocean Beach Club	PierGiorgio VIP Vacation Club
La Orquidea	Macdonald Forest Hills Hotel and Spa	Ocean Club	Pinamar Family Resort
La Piana	Macdonald La Ermita	Ocean Club, The	Pinares de Punta del Este Vacation Club
La Quinta at La Manga Club	Macdonald Leila Playa Resort	Ocean Club at Jamaica Inn, The	Pinares del Cerro Club Vacacional
La Reserva Vacation Club	Macdonald Plas Talgarth resort	Ocean Club at Ramla Bay	Pinares del Mar
La Rosa dei Venti	Lawai Beach Resort – Alii Building	Ocean Club on Smuggler's Beach, The	Pine Acres Lodge
La Sammana	Lawai Beach Resort – Lika Lani Building	Ocean East Resort Club	Pine Ridge Inn Vacation Club
La Victoria Casa de Campo	Macdonald Spey Valley Golf and Country Club	Ocean Gate Resort	Pines at Island Park, The
La Vista Resort	Macdonald Spey Valley Golf and Country Club Chalets	Ocean Isle Beach Club	Pinnacle, The
Laguna Holiday Villas	Maison Pierre Lafitte	Ocean Two Resort & Residences	Pire Hue
Laguna Shores	Malolo Lai Lai Lagoon Resort Club	Ocean Towers Beach Club	Plantation Bay Villas
Laguna Suites Golf and Spa	Mandalay Shores Resort	Ocean View at Island Club	Plantation Beach Club at South Seas Resort
Laguna Surf	Mansión del Río	Ocean Villas	Plantation Club Villas
Lahaina Inn Resort	Marbella Suites	Ocean Watch Beach Club	Plantation House
Lake Arrowhead Chalets	Marbella Suites en la Playa	Oceancliff I & II	Players Club of Hilton Head Island
Lake Marion Resort Community	Marblewood Village	Ocho Cascadas	Plaza Resort at Palmas del Mar
Lake Marion Resort and Marina	Mares Marmaris	Old Bahama Bay Resort and Yacht Harbour	Point to Point Destinations
Lake Placid Club Lodges	Marina Club	Old Killarney Village	Points North Inn
Lake Towers Condo Hotel Sustentable	Marina Palace	Onagrup Club Campanario de Calahonda	Pono Kai – Pacific Fantasy Timeshare
Lakelands, The	Marina Village at Snug Harbor	Onagrup Club Gemelos XV	Ponta Grande Carvoeiro
Lakeside Villas, The	Mariner Shores Resort & Beach Club	Onagrup Club La Dorada El Tarter	Port Pacific
Lakes of the North	Marlin Quay	Onagrup Salou Aquamarina	Port Trinitie
Lakeside Villas	Marriott Residence Inn at Muskoka Wharf	One Napili Way	Port Villas
Lakewood Resort	Marriott's Grand Residence Club Lake Tahoe	Orient Touristic Development	Porto Bello Gran Marina
Landing at Seven Coves, The	Marriott's Kauai Lagoons	Orlando Breeze Resort Club	Porto Vacation Club
Landmark Holiday Beach Resort	Marti Vacation Club at Marmaris	Orofino by Straight Creek	Potrero de los Funes
Landmark Resort	Mary's Boon Beach Plantation	Orsa Maggiore	Posada do Portal de Paraty
Langdale Lodges	Matecumbe Resort	Outer Banks Beach Club I	Powder Ridge Village Resort
Lanzarote Beach Club	Maui Sunset Timeshare Association	Outer Banks Beach Club II	Powell Place
Lapinniemi	Mayhills Resort	Outrigger Beach Club	Praia das Caravelas
Larsmont Cottages on Lake Superior	Mecure Grand Hotel Internacional Foz de Iguazu	Owners Club at Hilton Head, The	Predator Ridge – Falcon Point Cottages
Las Hojas Resort & Beach Club	MIA at Riviera Maya	Owners Resorts & Exchange at St. George – Villas at Southgate	Puerto Bunge Apart Hotel
Las Lomas Resort	Minerals Resort and Spa	Pacific Grove Plaza	Puerto Horizonte Apart Hotel
Las Olas Resort & Spa	Miraflores Beach & Country Club	Pacific Palms	Puerto Mogan La venezia de Canarias
Las Torres Gemelas	Mirror Lake/Tammarack	Pahio at Ka Eo Kai	Pyhaniemi
Laugharne Park	Mission Bay Resort	Pailahue	Pyramid Resort Vacation Club
Laurel Point Condominiums	Mittersill Resort	Paki Maui Beach Villas	Quality Hill Resort Villas
Lawai Beach Resort – Alii Building	Montana Vista	Palace Ponte Di Legno	Quarters at Lake George, The
Lawai Beach Resort – Banyan Building	Monte Cairo	Palace View Resort	Rachaburi Country Club
Lawai Beach Resort – Coral Building	Morro Mar Vacation Club	Palladium Vacation Club	Racquet Club Villas
Lawai Beach Resort – Lika Lani Building	Mount Malarayat Golf & Country Club	– Royal Suites Punta de Mita, The	Ramada Plaza Menam Reverside Hotel
Le Mirage	Mountain Club at Kirkwood, The	– Royal Suites Turquesa, The	Ramada Resort Mazatlán
Le Relais de Noisy	Mountain Club on Loon, The	– Royal Suites Yucatan, The	Red Wolf Lakeside Lodge, The
Le Soleil Vacation Ownership Club	Mountain Meadows Resort	Palm Bay Resort	Reef at Marathon, The
Le Ville del Lido	Mountainside Resort at Stowe\)	Palm Beach Holiday Club	Reemyvera Resort & Marina
Le Ville del Magara	Multigestion	Palm Beach Resort & Beach Club	Regency Villas at Broome Park
Leader Club San Cipriano	– Domaine de Garlande	Palm Springs Villas	Renvyle Strand
Legacy Vacation Club Brigantine Beach	– Les Coteaux de la Nartelle	Palma Real Hotel and Villas	Résidence Acropolis
Legacy Vacation Club Indian Shores	– Les Marines de Grimaud	Pan Holiday Village	Résidence Antigone Montpellier
Legacy Vacation Club Palm Coast	– Les Terrasses de Théoule	Panama City Resort and Club	Résidence Baiazurra
Legacy Vacation Club Steamboat Springs	– Multivacances Avoriaz	Paniolo Greens	Résidence Club at Hotel McCall
Lehigh Resort Club	– Reberty Les Menuires	Papakea Beach Resort-Hawaii Properties	Résidence Club at Ocotol, The
Lepokatti	– Résidence de Rochebrune	Paradise Holiday Resort	Résidence Club at Segovia, The
Les Chalets	– Résidence Emeraude	Paradise Resort Club	Résidence de la Tour
Le Jardines de Zyriab	Multi-Residence de L'Elysee	Paraiso del Sol	Résidence des Pins Bleus
LHC @ Angsana Laguna Phuket	Na Pali Kauai Club Alii Kai II	Park Hotel Condominiums	Résidence le Christiania
LHC Private Pool Villas	Naema Heights	Park Plaza at Beaver Creek	Résidence le Diamant
Lifetime in Hawaii	Native Sun, The	Park Station II	Résidence le Silveralp
Lifetime Vacation Club at Miraflores II		Parque da Floresta Golf & Leisure Resort	Résidence le Trianon
Lighthouse Cove		Parrot Tree Plantation	Résidence les Cottages Du Golf
Lighthouse Key Resort and Spa			Résidence Maeva le Ruitor
Lighthouse Resort and Club			Résidence Maeva les Marines de Gassin

- Résidence Maeva les Félibriges
 Résidence Marsa Sicla
 Résidence Mer et Golf
 Résidence Mer et Golf Le Boucanier
 Residence Multivacances Avoriaz 2
 Résidence Pamplemousse-Chatelailion
 Résidence Sokoburu
 Résidence Van Gogh
 Résidences El Faro
 Residencial Diana
 Residencial Itapema Vacation Club
 Residencial Pousada do Serrano
 Residencial Sajo
 Residencial Vale Dourado
 Residenza Castelcervo
 Residenza Nevesole Folgarida
 Residenza Torre Rinalda
 Resort at Seaside, The
 Resort at South Shore, The
 Resort Group Vacation Club, The
 Resort Sixty-Six
 Resorts West Vacation Club
 Rhinefield House
 Ridge on Sedona Golf, The
 Ridge Resort, The
 Rimondi Grand Hotel and Spa Resort
 River Club, The
 Riverview Resort
 Rockaway Beach Resort
 Rockridge Townhomes
 Roundhouse Resort
 Royal Beach Club
 Royal Club at Downtown Dubai
 Royal Dunes Resort at Port Royal
 Royal Golf Park
 Royal Oasis Club at Benal Beach
 Royal Savoy Resort II
 Royal Sunset Heights
 Royal Vacation Suites
 Rukan Lomakylä 1
 Rushes, The
 Saariselkä
 Samoset Resort
 San Diego Country Estates
 San Francisco Suites
 San Juan Mountain & Golf Resort – Links
 San Marcos Apartamentos
 Sanctuary Resort & Spa, The
 Sand Pebble Resort
 Sandcastle Cove
 Sandcastle South Resort
 Sandcastle Village II
 Sandpebble Beach Club
 Sands Vacation Resort
 Sandy Point Beach Resort
 Sandy Shores III
 Sandy Square
 Sanibel Beach Club I
 Sanibel Beach Club II
 Sanibel Cottages
 Sapphire Beach Club
 Sapphire Beach Resort and Marina
 Schooner Beach and Racquet Club
 Schooner II Beach and Racquet Club
- Scottsdale Camelback Resort
 Scottsdale Resort Club
 Scottsdale Villa Mirage
 Sea Club V of Marco Island
 Sea Gardens Beach & Tennis Resort
 Sea Horse Inn
 Sea Mystique
 Sea Oats Beach Club
 Sea Pearl Beach Resort and Spa
 Seashells Beachfront Resort
 Seaside Beach Club
 Seaside Resort
 Seasons – Green for Go
 Seasons at Whistler, The
 Seaview Condominiums
 Seawatch
 Seawatch Inn at the Landing
 Seawinds II Condominium
 Sedes Vacation Club
 Sedona Springs Resort
 Sedona Summit Resort
 Sentinels at Kirkwood Private, The
 See the Sea
 Shawnee Inn and Golf Resort, The
 Shearwater Resort
 Shell Island Beach Club
 Shenandoah Crossing Resort
 Sheraton Broadway Plantation
 Sheraton Desert Oasis
 Sheraton Mountain Vista
 Sheraton PGA Vacation Resort
 Sheraton Vistana Resort
 Sheraton Vistana Villages
 Shore Crest Vacation Villas
 Shoreline Towers
 Shores at Lake Travis, The
 Simola Golf & Country Estate
 Sinai Stars Resort
 Skier's Edge Lodge
 Smoketree Lodge
 Snow Lake Lodge
 Snowwater Association
 Solara Resort & Spa
 Somni Aragones
 Somni Aranes
 Sorrento Hotel & Suites
 Sosua By the Sea Boutique Beach Resort
 South Shore Club
 South Shore Lake Resort
 Southern California Beach Club
 Southwind Villas Vacation Resort
 St. Christopher Club
 Stonebridge Village
 Strand Lakeside Resort
 Sugarwood at Ruttger's Sugar Lake Lodge
 Summerfield Condo Resort
 Sun Bay Beach Club
 SunBay Lodge
 Sunborn Vacation Club
 Sunbreeze Suites
 Sunburst Condominiums
 Sunchase Beachfront Condominiums
 Sunquest Gardens
- Sunrise Bay Resort and Club
 Sunrise Beach Club
 Sunrise Ridge Resort
 Sunset Resorts – Canmore
 Sunset Shores Resort
 Suntide Island Beach Club
 Sunwat International Vacation Club
 Surf Club of Marco Island, The
 Surfers Royale
 Sutherland Crossing Resort
 Surrey Vacation Resort, The
 Swan Mountain Resort
 Sweetwater at Lake Conroe
 Sweetwater at The Waikiki Banyan
 Sweetwater at Park City Lift Lodge
 Szalajka Liget Hotel & Apartment Houses
 Taba Paradise
 Tahoe Beach & Ski Club
 Tahoe Chaparral
 Thunder Mountain Condominium
 Tierra Verde Island Resort
 Tiki Village International Resort
 Tilcara Sierras
 Timber Ridge
 Timberline Lodges (Juniper)
 Toccacielo Resort
 Torch, The
 Torre-Verde – Tres Castelos
 Torrenza Boutique Resorts
 Torrenza Private Residence Club Resorts
 Traders Inn Beach Club
 Tranquility Bay
 Treasure Shores Beach Club
 Tree Tops Resort of Gatlinburg
 Treehouse Village at Lake Forest
 Triton Suites and Beach
 Trophy Run Resort
 Tropic Shores Resort
 Tropical Sands Resort
 Tropical Trades at Paki Maui
 Twin Oaks Villas
 Ute Hotel
 Vail Run
 Vale d'Oliveiras Quinta Resort & Spa
 Valentine's Residences Resort & Marina
 Valle del Lago
 Valley Inn, The
 Vanderbilt Beach & Harbour Club
 Varsity Clubs of America – Tucson Chapter
 Ventura
 Veranda Vacation Club, The
 Via Roma Beach Resort
 Victoria Court I & II
 Victorian Villas, The
 VIK Hotel Cayena Beach
 Villa del Arco
 Villa del Sol
 Villa La Paloma
 Villa Laguna
 Villa L'Auberge
 Villa Pacifico
 Village at Carefree Conference Resort, The
- Village at Palmetto Dunes, The
 Village Coconut Island, the
 Village by the Gulf
 Village La Corte
 Village of Loon Mountain Lodges
 Villaggio Aurora
 Villaggio Cala La Luna
 Villaggio Cala Mancina
 Villaggio Piccolo Mondo
 Villaggio Torre Macaуда
 Villas at Lantern Bay
 Villas at Poco Diablo
 Villas at Trapp Family Lodge, The
 Villas Bavaro Club
 Villas D'Agua
 Villas de Menorca
 Villas Mar-Bel
 Villas Mediterraneas
 Villas of Cave Creek
 Villas of Sedona
 Villas Playa Samara
 Vista Mirage
 Vistana's Beach Club
 Voyager Resort
 Watermark
 Waterwood Townhouses
 Wave Crest
 Wellington, The
 West Sands Phuket Beach Club
 Westerwalder Hof – CSC Feriencub
 Westgate Maingate
 Westgate Park City Resort and Spa
 Westgate Tunica Resort Mississippi
 Westin Ka'anapali Ocean Resort Villas
 Westin Lagunamar Ocean Resort
 Westin Princeville Ocean Resort
 Westin St. John Resort and Villas
 Westwind II Club
 Whaler, The
 Whispering Pines Villas
 Whitbarrow Owners Club
 White Cliffs Beach Resort
 White Sands Country Club
 Wildwood Shores
 Willow Valley Resort
 Windemere, The
 Windjammer at Nags Head, The
 Windjammer Landing Villa Beach Resort
 Windjammer Resort and Beach Club
 Windsurf II
 Windy Shores II
 Winners Circle Resort
 Wolf Creek Village II
 Woods and Legends at Copper Creek, The
 Worldwide Vacation Club
 Wyndham Bay Voyage Inn
 Wyndham Inn on the Harbor
 Wyndham Long Wharf Resort, The
 Xurupita Holiday Resort
 Ylläs 1
 Ylläs 2
 Zorgvliet Private Residence Club

TELEPHONE AND MAIL DIRECTORY

LOCATION	CONTACT INFORMATION	LANGUAGES SPOKEN
U.S. WORLD HEADQUARTERS 6262 Sunset Drive Miami, Florida 33143-4843 Post Office Box 431920 Miami, Florida 33243-1920 IntervalWorld.com	("800," "888," AND "877" NUMBERS ARE TOLL-FREE FROM THE U.S., CANADA, P.R., AND U.S.V.I.)	
EXCHANGE SERVICES Post Office Box 432170 Miami, Florida 33243-2170	DEPOSITS AND REQUESTS IntervalWorld.com English: 800.INTERVAL • 305-666-1884 French: 855-269-6127 • 305-925-3013 Spanish: 305-665-1918 Fax: 305-668-3423	English French Spanish
	CHECK-IN ASSISTANCE 877-700-1154 • 305-668-3411	English Spanish
	TELECOMMUNICATIONS DEVICE FOR THE DEAF 800-822-6522	
MEMBERSHIP SERVICES Post Office Box 430960 Miami, Florida 33243-0960	INFORMATION 800.INTERVAL • 305-666-1884 • Fax: 305-668-3423	English French Spanish
MEMBERSHIP PROCESSING Post Office Box 432170 Miami, Florida 33243-2170	MEMBERSHIP RENEWAL/ADDRESS CHANGE IntervalWorld.com 800.INTERVAL • 305-666-1884 • Fax: 305-668-3423	
INTERNET SUPPORT FOR INTERVALWORLD.COM	888-784-3447 • 305-668-3414 • Fax: 305-668-3423 CustomerService@intervalintl.com	English Spanish
CUSTOMER RELATIONS/MEMBER CORRESPONDENCE Post Office Box 430960 Miami, Florida 33243-0960	CustomerService@intervalintl.com	
INTERVAL TRAVEL Post Office Box 431920 Miami, Florida 33243-1920	CRUISES IntervalWorld.com 800-622-1540 • 305-668-3496 • Fax: 305-598-4093	English Spanish
	AIRLINE, HOTEL, CAR RENTAL IntervalWorld.com	
	GETAWAYS RESERVATIONS IntervalWorld.com 800.INTERVAL • 305-668-3462	
	CRUISE EXCHANGE IntervalWorld.com 888-801-0104 • 305-668-3489	
	INTERVAL TRAVEL CUSTOMER SERVICE 888-801-0096 TravelCustomerService2@intervalintl.com	
	TELECOMMUNICATIONS DEVICE FOR THE DEAF 800-822-6522	

THE HOURS OF OPERATION FOR THE MEMBER SERVICES LISTED ABOVE ARE:

Monday through Friday: 9:00 a.m. to 11:00 p.m. • Saturday: 10:00 a.m. to 8:00 p.m. • Sunday and holidays: 10:00 a.m. to 6:00 p.m.

The following are exceptions: Telecommunications Device for the Deaf: Monday through Friday: 9:00 a.m. to 5:00 p.m.
 Interval Travel Customer Service: Monday through Friday: 9:00 a.m. to 9:00 p.m.

All hours indicated are in U.S. Eastern time.

U.K. INTERVAL INTERNATIONAL LIMITED Coombe Hill House Beverley Way London SW20 0AR IntervalWorld.com MEMBER SERVICES 44 844 701 4444 (Hours are indicated in local time.) Monday through Friday 9:00 a.m. to 8:00 p.m. Saturday 9:00 a.m. to 5:00 p.m. CUSTOMER RELATIONS DEPARTMENT 44 844 701 7123 Monday through Friday 9:00 a.m. to 5:30 p.m. LANGUAGES SPOKEN English, Dutch, French, Greek, Hebrew, Spanish	SINGAPORE INTERVAL INTERNATIONAL SINGAPORE (PTE) LTD. 1 Finlayson Green #19-00 Singapore 049246 IntervalWorld.com MEMBER SERVICES 65 6318 2500 • Fax: 65 6318 2511 (Hours are indicated in local time.) Monday through Friday 9:00 a.m. to 6:00 p.m. LANGUAGES SPOKEN English, Bahasa Indonesia, Bahasa Melayu, Cantonese, Japanese, Mandarin, Tagalog, Thai	MEXICO INTERCAMBIOS INTERNACIONALES DE VACACIONES, S.A. DE C.V. Edificio Torre Summa Hamburgo N° 213, Piso 12 Colonia Juárez, Delegación Cuauhtémoc México, D.F. 06600, México MEMBER SERVICES 52 55 5627 7300 • Fax: 52 55 5627 7310 (Hours are indicated in local time.) Monday through Friday 9:00 a.m. to 7:00 p.m. LANGUAGES SPOKEN English, Spanish
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Report of Independent Certified Public Accountants

The Board of Directors
Interval International, Inc.

We have examined the accompanying Report of Key Operating Exchange Statistics (the Report) of Interval International, Inc., and its subsidiary companies (the Company), as of and for the year ended December 31, 2014. The Company's management is responsible for the Report. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence supporting the Report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Report referred to above presents, in all material respects, the information set forth therein as of and for the year ended December 31, 2014, in conformity with Sections 721.18(1)(q) and (r) of the Florida Vacation Plan and Timesharing Act.

Ernst & Young LLP

April 28, 2015

INTERVAL INTERNATIONAL, INC. REPORT OF KEY OPERATING EXCHANGE STATISTICS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Number of accommodations and facilities or properties that have current affiliation agreements and are eligible to participate with Interval International as of December 31, 2014	2,199
Number of accommodations and facilities or properties which are no longer under a formal affiliation agreement with Interval International, but Interval International is currently providing exchange services directly to active individual purchasers or owners as of December 31, 2014	339
Number of accommodations and facilities or properties which are available, pursuant to a written contract, to Interval International members for exchanges as of December 31, 2014	143
Number of accommodations and facilities or properties that have current affiliation agreements but are not eligible to participate with Interval International as of December 31, 2014	259
	2,940
Number of purchasers or owners, for which a fee has been paid, currently enrolled and eligible to participate as members in the Interval International exchange system as of December 31, 2014	1,796,630
Number of weeks for which Interval International has an obligation to provide an exchange opportunity in subsequent years to an owner who relinquished a week during the current year	489,014
	489,014
	Exchanges
	Number
	Percent
Regular exchanges properly applied for and subsequently confirmed in 2014 by Interval International	767,833
Special exchanges properly applied for and subsequently confirmed in 2014 by Interval International	<u>116,178</u>
Total exchanges properly applied for and subsequently confirmed in 2014 by Interval International	<u>884,011</u> 97.0%

THE ABOVE LISTED PERCENTAGE OF CONFIRMED EXCHANGES IN 2014 IS A SUMMARY OF THE EXCHANGE REQUESTS ENTERED WITH THE EXCHANGE PROGRAM AND DOES NOT INDICATE A PURCHASER'S PROBABILITY OF BEING CONFIRMED TO ANY SPECIFIC CHOICE OR RANGE OF CHOICES, SINCE AVAILABILITY AT INDIVIDUAL LOCATIONS MAY VARY.

See notes to Report of Key Operating Exchange Statistics.

INTERVAL INTERNATIONAL, INC. NOTES TO REPORT OF KEY OPERATING EXCHANGE STATISTICS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

1. Basis of Presentation

The accompanying Report of Key Operating Exchange Statistics includes the combined exchange statistics of Interval International, Inc., including operations performed by subsidiary companies (collectively, Interval International or II) after eliminating intercompany activities for the year ended December 31, 2014. The statistics reflected in the Report of Key Operating Exchange Statistics were computed and are disclosed in conformity with Sections 721.18(1)(q) and (r) of the Florida Vacation Plan and Timesharing Act.

2. Description of Company

Interval International is a service company offering an exchange service for owners of resort timeshare or other vacation ownership interests. Resorts affiliated with II are located throughout the world. II's world headquarters are located in South Miami, Florida.

3. Resort Affiliations

Resorts have contracted with II to provide exchange services for purchasers of their timeshare or vacation ownership interests. Included in the current number of resorts in the category of "accommodations and facilities or properties that have current affiliation agreements but are not eligible to participate with Interval International as of December 31, 2014" are those resorts which were conditionally accepted as member resorts of the Interval International exchange program or were in a suspended status as of December 31, 2014.

4. Individual Memberships

An owner's individual membership and participation in II's exchange program are dependent upon his or her resort remaining in good standing with II. An individual's exchange privileges may be suspended during periods when the resort is not in good standing with II. Upon the payment of an annual membership fee, individual members generally receive various publications and the opportunity to exchange the use and occupancy of their vacation interest for another, as well as other benefits offered by II. Individual members are considered as members for 120 days after their scheduled expiration date, although II may discontinue providing services to individuals who own vacation interests at resorts participating in a corporate membership program where the resort's developer fails to timely remit the applicable corporate membership fee. Also, where an individual owns a vacation interest, both at a resort participating in a corporate membership program and a resort at which owners participate as individual members, generally, such individual must maintain separate and distinct memberships and, for the purpose of determining the number of owners participating as members, will be counted as two members.

5. Deposits

Generally, members may choose to deposit weeks available for occupancy into the II exchange program up to two years in advance of the occupancy date. When a week is deposited into the II exchange program, the right to use said week is immediately relinquished by the member. Members depositing a vacation week may submit an exchange request and travel at any time after II's receipt of the deposit up until 24 months after the commencement date of the deposited week, unless the member has extended the redemption window applicable to a particular deposit through the payment of a fee designated by II.

During the year ended December 31, 2014, 489,014 weeks were deposited with the II exchange program by members (or on their behalf) for which the members have the right to an exchange opportunity. II's obligation to accept exchange requests against the deposited weeks ends on varying dates through 2020. II has no obligation to provide a member depositing a vacation week with exchange accommodations in a subsequent year if: (a) the member fails to submit a valid exchange request and travel within his or her available redemption window or a permitted extension thereof; (b) the requested accommodations are not available and any alternative accommodations offered by II are not accepted by the member; (c) the member cancels an issued Confirmation less than seven days prior to occupancy of the Host Accommodations or otherwise fails to comply with the requirements of II's Exchange Cancellation Policy; or (d) the use of either the deposited week or confirmed accommodations is lost or impaired due to circumstances beyond II's control.

6. Exchange Requests and Confirmations

Exchange requests must be properly submitted in accordance with II's Terms and Conditions of Individual Membership and Exchange in order to be included in this report.

Exchanges are arranged on a space available basis. II does not guarantee fulfillment of a specific request.

In order for an exchange request to be considered properly applied for, and, therefore, included in the key operating exchange statistics, the member must either fully complete a written or electronic exchange request in accordance with the instructions furnished by II and in accordance with the Terms and Conditions of Individual Membership and Exchange, or the member must provide the same information that is requested to the II vacation advisor at the time he or she places a request by telephone. An exchange request may be confirmed instantly if the accommodations requested by the member are available. Otherwise, if the request is for accommodations more than 59 days in advance of the date requested, it will be entered into the proprietary exchange system as a properly applied for exchange request. The key operating exchange statistics made available in this report also include requests made and confirmations issued pursuant to the Special Exchange Services outlined in II's Terms and Conditions of Individual Membership and Exchange (i.e., II's Getaway and Interval Options Programs), as well as requests made and confirmations issued pursuant to exchange incentives periodically made available to select individual members. Confirmations reported also include properly submitted exchange requests against which exchange alternatives were offered and accepted by members.

If the member fails to complete all the required information at the time of placing a request (such as, fails to request the minimum number of resorts or time periods), or otherwise fails to adhere to II's prescribed exchange procedures, such request is not included in the key operating exchange statistics. Also excluded from the statistics are any exchange requests made by a member, whom, based on information provided to II by the home resort, is either no longer an owner at such resort or is not currently in good standing with such resort due to nonpayment of maintenance fee assessments or similar charges.

THIS PAGE IS TO BE COMPLETED BY PURCHASER

Name

Address

City

State

Zip

Name of resort

I hereby acknowledge receipt of this publication containing required disclosure information about Interval International's Exchange Program.

Signature

Date

Signature

Date

interval
INTERNATIONAL®

INTERVALWORLD.COM



LR0231-0615

**MANAGEMENT AGREEMENT
FOR
OCEAN RESORT VILLAS VACATION OWNERSHIP PLAN**

THIS MANAGEMENT AGREEMENT ("Agreement") is made and entered into as of this 1st day of July, 2002, by and between OCEAN RESORT VILLAS VACATION OWNERS ASSOCIATION, a Hawaii non-profit corporation, whose address is Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761, and whose fax number is (407) 239-3131 ("Association"), and SVO HAWAII MANAGEMENT, INC., a Hawaii corporation, whose address is 10 Hoohui Street, Suite 307, Lahaina, Maui, Hawaii 96761, and whose fax number is (407) 239-3131 ("Manager").

RECITALS

A. SVO Pacific, Inc., a Florida corporation (the "Developer") is the developer of the Ocean Resort Villas condominium (the "Condominium") located at Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761. The Condominium was established as a condominium property regime by that certain (i) Declaration of Condominium Property Regime of Ocean Resort Villas, dated August 24, 2001, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on August 31, 2001, as Document No. 2734238 (the "Condominium Declaration"), (ii) Bylaws of the Ocean Resort Villas Apartment Owners Association dated August 24, 2001, and recorded as aforesaid on August 31, 2001, as Land Court Document No. 2734239 (the "Condominium Bylaws"), and (iii) Condominium Map No. 1431 filed in said Office of the Assistant Registrar of the Land Court (the "Condominium Map").

B. The Developer has submitted certain Apartments in the Condominium to that certain Ocean Resort Villas Vacation Ownership Plan Declaration of Covenants, Conditions, Easements and Restrictions, dated September 14, 2001, and recorded as aforesaid on September 18, 2001, as Land Court Document No. 2737947 (the "Declaration"). Capitalized terms not expressly defined in this Agreement shall have the meaning given to them in the Declaration.

C. The Declaration establishes the Ocean Resort Villas Vacation Ownership Plan (the "Plan"). The Developer intends to offer for sale and sell "Vacation Ownership Interests" in the Plan as that term is defined in the Declaration.

D. As required by Chapter 514E, Hawaii Revised Statutes (the "Act"), the Developer established the Association to act as the association of Owners of Vacation Ownership Interests.

E. Under the Vacation Plan Documents, the Association has the authority and the obligation to engage and maintain a managing agent or "Plan Manager" for the Plan and to delegate to the Plan Manager the duties and obligations of the Association.

F. The Association desires to engage the Manager to be the Plan Manager of the Plan, and the Manager desires to accept such engagement, all on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENTS

1. Engagement of Manager. Association, on its own behalf and on behalf of all Owners of Vacation Ownership Interests, hereby engages Manager as an independent contractor to perform the services described herein, and Manager hereby accepts such engagement and agrees to perform such services on the terms and conditions herein set forth. Manager agrees at all times during the term hereof to act in good faith and to exercise business judgment in the

performance of its duties and responsibilities. Association, on its own behalf and on behalf of all of the Owners, enters into and agrees to be bound by this Agreement and delegates to Manager, to the exclusion of all persons and entities, all the powers and duties of Association (except those that, by law or under the Vacation Plan Documents, cannot be delegated). This delegation in no way relieves Association of any fiduciary obligations owed by it to the Owners under applicable law. Manager accepts such delegation and agrees to manage and operate the Vacation Ownership Plan and manage, operate, maintain and repair the Vacation Property in accordance with the provisions of the Vacation Plan Documents and such other documents pertaining to the creation, operation, or management of the Vacation Property, the Vacation Ownership Plan or the Association (collectively the "Documents").

2. Term.

a. Initial Term. The initial term of this Agreement shall be for a period of five (5) years commencing on the Starting Date ("Initial Term").

b. Renewal Terms. This Agreement automatically shall be renewed for successive three (3) year periods (a "Renewal Term") upon the expiration of the Initial Term and each successive Renewal Term unless a written notice canceling this Agreement is sent by either party at least ninety (90) days before the next renewal date. The Association cannot give this notice unless a Majority of the Owners vote to do so at an Annual or Special Meeting of the Association held within one year before the renewal date. The Developer must abstain from the vote and the Developer's votes will not be considered when determining whether a Majority of the Owners have voted to give the notice. The Board cannot make a decision to cancel or not renew this Agreement pursuant to this Subparagraph 2.b. It has no power or authority to do so in its own right or on behalf of the Association. Neither the Board nor any officer, director, employee or agent of the Association can send a written notice canceling this Agreement unless and until after a Majority of Owners vote to cancel this Agreement at an Annual or Special Meeting of the Association. Any notice sent before such time will be void. The Initial Term as extended by one or more renewal terms is hereinafter referred to as the "Term".

c. Termination. Notwithstanding anything to the contrary herein:

(1) Association may terminate this Agreement upon ninety (90) days' advance written notice if termination is permitted under Paragraph 25 hereof.

(2) Manager may terminate this Agreement upon ninety (90) days' advance written notice if: (i) the Manager is no longer affiliated with the Brand Owner; (ii) termination is permitted under Paragraph 24 herein; or (iii) a court declares any portion of this Agreement invalid or unenforceable, which in the sole discretion of Manager makes the performance of the balance of this Agreement impractical.

(3) This Agreement shall automatically terminate upon: (i) termination of the Vacation Ownership Plan as provided in the Documents; or (ii) subject to the provisions of Paragraph 3.e., termination of the Licensing Arrangement.

3. Manager's Responsibilities. Manager shall be responsible for the efficient and satisfactory management, operation, maintenance and repair of the Vacation Property and operation of the Vacation Ownership Plan. Association acknowledges and agrees that pursuant to this Agreement and in consideration of the Management Fee described in Paragraph 10, Manager, in its sole discretion, shall perform itself, hire personnel to perform, or procure providers to perform all services necessary for the management, operation, and repair of the Vacation Property and operation of the Vacation Ownership Plan in a reasonable and professional manner, and shall supervise the performance of all services provided to, or on behalf of, Association pursuant to this Agreement. Notwithstanding any provision in this Agreement to the contrary, Manager shall perform all services required of it under this Agreement at no cost whatsoever to Manager, but solely at the cost and expense of the Association. Manager does not undertake to pay Plan Expenses, taxes, or any Association obligation(s) from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as, payment received from Assessments or other revenue, if any, of the Association are sufficient to pay the costs and expenses of such services and the amounts of such disbursements.

a. Employees. Manager shall hire, pay, and supervise such employees as the Manager, in its sole discretion, deems necessary to properly, adequately, safely, and economically perform the duties and responsibilities of Manager set forth in this Agreement; and Manager shall hire, pay, and supervise employees to provide for services not obtained by a separate provider pursuant to Paragraph 3.b. Any persons actually hired by Manager shall be the employees of Manager rather than of Association, unless Manager specifically hires the employees to be employees of Association. Manager, in its absolute discretion, may determine to discharge and cause to be discharged any employee so hired. All matters pertaining to the employment, interviewing, and screening process, supervision, compensation, promotion, and discharge of employees of Manager and Association are the responsibility of Manager. Manager hereby acknowledges that Manager is responsible for the payment of any and all wages, payroll taxes, “fringe benefits” or other compensation with respect to all such persons employed with respect to the duties of Manager hereunder, except to the extent such employee has been specifically hired by Association. Association, however, shall reimburse Manager for all such amounts as provided in Section 7 hereof. As used herein, the term “fringe benefits” shall, without limitation, include the cost of pension or profit sharing plans, workers’ compensation benefits, group life and accident and health insurance or equivalent benefits and similar benefits available to employees by virtue of their employment by Manager.

(1) Protection of Manager's Employees. The Association covenants and agrees that during the term of this Agreement and for twelve (12) months thereafter, it shall not, directly or indirectly, for its own account or either as an agent, servant or employee, or as a shareholder, director or officer of any corporation, or member of any firm, engage, hire, employ or solicit the employment of any employees of the Manager unless the Manager consents thereto in writing. The Association agrees that the time limitations contained in this paragraph are reasonable and the Association’s promises in this Subparagraph 3.a.(1) are necessary to protect the business and good will of the Manager. It is further agreed, between the parties hereto, that a breach of any of the covenants contained in this Subparagraph will result in irreparable and continuing damage to the Manager for which money damages cannot provide adequate relief. Accordingly, in the event of a violation of this Subparagraph 3.a.(1), Manager will, in addition to any other right or remedy available at law or in equity, be entitled to a temporary, preliminary and/or permanent injunction in order to enforce this paragraph.

b. Procurement of Separate Providers of Services.

(1) Manager may procure necessary services for the Plan from third parties or may provide such services itself. All services procured by Manager, regardless of source, shall be provided on a fee per service basis; provided, however, those services that cannot practicably be provided on a fee per service basis, as determined by Manager in its sole discretion, will be provided on a cost basis.

In procuring providers of specific services from any source pursuant to its authority under this Agreement, Manager shall enter into service agreements on behalf of Association based on the following factors:

- (a) the quality and timeliness of the work obtainable for the desired level of service, and
- (b) a reasonable practicable price for the service obtainable in the local market.

Manager shall use its best judgment in evaluating these factors with respect to each proposed service; provided, however, nothing in this Agreement shall require Manager to obtain the lowest price available as to any service, material, or purchase, or in instances in which bids are obtained, to accept the lowest bid.

Manager has the authority to enter into and cancel any service agreements contemplated pursuant to this Subparagraph, in either Association’s or Manager’s name, as determined by Manager in its sole discretion. Furthermore, Association shall execute on its own behalf such service agreements as are deemed necessary by Manager from time to time to effectuate the obligations set forth in this Agreement. The fees or costs arising out of any agreements entered into by Manager pursuant to this Subparagraph shall be a Plan Expense. Association agrees to

assume and be responsible for all obligations under any service agreements entered into by Manager pursuant to the terms of this Agreement.

(2) Notwithstanding the powers of Manager as set forth in Subparagraph (1) of this Paragraph 3.b., the Manager shall not enter into a contract with a third person or entity whereby such person or entity will furnish goods or services to the Association or for the Vacation Property for a term longer than one (1) year without the vote or written consent of a Majority of the Owners (not counting the Developer's votes and Vacation Ownership Interests), except for:

(a) A contract with a public utility company at the regulated rates charged for the materials or services under the jurisdiction of the Public Utilities Commission of the State of Hawaii; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(b) Prepaid casualty and/or liability insurance policies not to exceed three (3) year's duration; provided, however, that the policy permits short rate cancellation by the insured; and

(c) The following types of contracts provided that the contract does not have a term of more than five years and provided that the lessor or provider is not an entity in which the Developer or the Manager has a direct or indirect interest of ten percent (10%) or more:

- (i) A lease of furnishings for the Vacation Units;
- (ii) A lease of laundry room fixtures and equipment not to exceed five (5) years duration;
- (iii) Agreements for cable television services and equipment or satellite television services and equipment; and
- (iv) Agreements for the sale or lease of burglar alarm and fire alarm installation, services and equipment.

(3) The Association has entered into or will enter into a separate agreement (the "Club Affiliation Agreement") with SVO Hawaii Management, Inc. pursuant to which Owners in the Plan will participate in the Starwood Pacific Vacation Club (the "Club"). It is possible that Manager will perform certain services required of Manager hereunder in its capacity as the Club Operator instead of in its capacity as the Manager. The activities of SVO Hawaii Management, Inc. as Club Operator under the terms of the Club Affiliation Agreement are separate and distinct from any that the Manager may have as the Manager under this Agreement. Accordingly, the parties recognize, acknowledge and agree that SVO Hawaii Management, Inc. has the responsibility and obligation under the terms of the Club Affiliation Agreement to provide reservation and exchange services to the Owners, which duties are separate and apart from any duties that it may have as Manager hereunder, and that any compensation due SVO Hawaii Management, Inc. as a Sub-manager is separate and distinct from the compensation due SVO Hawaii Management, Inc. as the Club Operator under the terms of the Club Affiliation Agreement. The services of Manager hereunder do not include any of the services provided by Club Operator under the Club Affiliation Agreement.

(4) The Association has entered into or will enter into an Affiliation Agreement with Starwood Vacation Exchange Company, a Delaware corporation ("SVEC") pursuant to which Owners in the Plan will participate in the Starwood Vacation Network (the "Network"). It is possible that Manager will enter into an agreement with SVEC to perform certain services required of Manager hereunder. The activities of SVEC under the terms of the Affiliation Agreement are separate and distinct from any that SVEC may have as a permitted Sub-manager under this Agreement. Accordingly, the parties recognize, acknowledge and agree that SVEC has the responsibility and obligation under the terms of the Affiliation Agreement to provide reservation and exchange services to the Owners, which duties are separate and apart from any duties SVEC may have as a Sub-manager of

Manager hereunder, and the compensation due SVEC as a Sub-manager under any separate agreement with Manager is separate and distinct from the compensation due SVEC under the terms of the Affiliation Agreement. The services of Manager hereunder do not include any of the services provided by SVEC under the Affiliation Agreement.

c. Standard of Operation and Licensing Arrangement. Association acknowledges that Manager, as an affiliate of The Westin Corporation (“Brand Owner”), has the right to use the “Westin” name (the “Brand” or “Brand Name”) and all service marks and trademarks (“Marks”) associated therewith. Pursuant to such right and in accordance with the terms and conditions of this Management Agreement, Manager and Association agree that, during the term of this Agreement, Manager will manage and operate the Vacation Property and the Vacation Ownership Plan in accordance with the “License Standards” as a “Westin”, “Westin Vacation Ownership Resort” or under such other comparable brand names and marks as may be used to identify the Vacation Property or the Vacation Ownership Plan as part of the vacation ownership resort system operated, managed, or owned by Starwood Hotels & Resorts Worldwide, Inc., its successors and assigns or any of its affiliates (including the Manager, the Seller, and Brand Owner) or licensees (“Comparable Brand”). As used in this Agreement, the “License Standards” refer generally to any standards of construction, maintenance, and operation of vacation ownership resort properties owned or operated by Starwood Hotels & Resorts Worldwide, Inc., its successors or assigns, or any of its affiliates or licensees and designated as “Westins”, “Westin Vacation Ownership Resorts”, or by any other name associated with a Comparable Brand. The License Standards may be published from time to time as “License Standards” or “Brand Standards”.

The availability and use of the Brand and Marks, and any brands or marks associated with any Comparable Brands shall be subject to the terms, conditions, and requirements set forth in this Management Agreement and the agreements between Manager and the owner or owners of any such brands or marks (“Licensing Arrangement”) and the costs and expenses incurred by the Association or by Manager to comply with such terms, conditions, and requirements with respect to the Vacation Property or the Vacation Ownership Plan shall be part of the Vacation Ownership Plan’s Plan Expenses. For purposes hereof, unless the context evidences a contrary intent, the use of the terms “Brand”, “Brand Name” or “Marks” shall be deemed to include any brands or marks associated with a Comparable Brand; the term “Licensing Arrangement” shall be deemed to include the Manager’s rights to use any Comparable Brand and the brands and marks associated therewith; the term “Brand Owner” shall be deemed to include the owner of any Comparable Brand being used in connection with the Vacation Property; and the term “Licensing Standard” shall be deemed to include any standards promulgated by the owner of any Comparable Brand being used in connection with the Vacation Property

Association acknowledges that the Brand Name, Marks, and Licensing Arrangement are not part of the Vacation Property or the Vacation Ownership Plan, and agrees that neither the Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title, or interest in the Marks or the Brand Name or in the Licensing Arrangement. Association also acknowledges that the Developer has certain rights to use the Brand and Marks with respect to the operation, sale, and marketing of certain property, which has not been declared as part of the Vacation Ownership Plan, and agrees that neither Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title or interest in the Marks, Brand Name or Licensing Arrangement.

d. Assessments to Support Maintenance of the “License Standards.” Association acknowledges and agrees that Manager’s ability to operate the Vacation Property in accordance with the License Standards and requirements of the Licensing Arrangement is in large part dependent on the annual approval by Association of an Estimated Budget (defined below) that is adequate both in terms of operating and reserve assessments to support such efforts by Manager. In this regard, Manager and Association agree to use their best efforts, consistent with their duties and obligations as set forth herein and in the Documents, to prepare and approve annual Estimated Budgets sufficient to cover the costs of maintaining the Vacation Property in accordance with the Licensing Standards. Association acknowledges that, if requested by Manager, on occasion it may have to approve a Special Assessment against the Owners with respect to an item of operating expense mandated by the Licensing Arrangement in order for the Vacation Property to continue to conform with the “License Standards” and requirements of the Licensing Arrangement, which item of operating expense is so immediate in nature that a delay in assessment of same until the next Association fiscal year is not practicable. If the amount of the Special

Assessment is such that, under the Vacation Plan Documents, a vote of the Owners shall be required to approve the same, the Association shall use its best efforts to obtain such approval.

e. Term of Licensing Arrangement. Association acknowledges that, pursuant to an arrangement between Manager and Brand Owner, the Licensing Arrangement shall continue for the term of this Management Agreement; provided, however, that Brand Owner may immediately terminate the Licensing Arrangement if (i) Brand Owner determines that the Vacation Property is not being operated, managed and maintained in accordance with the License Standards, or (ii) if the management agreement between the Condominium Association and Manager is terminated or cancelled for any reason, or if it expires and is not renewed. Additionally, Association acknowledges that the Brand Owner may, pursuant to its arrangement with Manager, terminate the Licensing Arrangement in the event of the: Association's bankruptcy or insolvency; Association's liability for a large adverse court judgment; or Association's dissolution or liquidation. Additionally, Brand Owner may also terminate the Licensing Arrangement in the event Manager is no longer affiliated with the owner of the Brand or the Marks; provided however that if Brand Owner terminates the Licensing Arrangement because the Manager is no longer an affiliate of Brand Owner, then Manager shall have the right, but not the obligation, to enter into another Licensing Arrangement for a comparable hospitality brand including that brand's service marks and trademarks, in which event such replacement brand and mark shall for all purposes hereunder be deemed a "Comparable Brand".

f. Use of "Ka'anapali". Association acknowledges that the term and the word "Kaanapali" is a federally registered service mark of Amfac/JMB Hawaii, L.L.C. ("A/JMB"), a Hawaii limited liability company and/or Amfac Property Investment Corp., a Hawaii corporation ("APIC"). Pursuant to an agreement between A/JMB, APIC, and an affiliate of Manager, Manager has the right to use the names "Kaanapali Ocean Resort", "Ka'anapali Ocean Resort", "Kaanapali North Beach" and "Ka'anapali North Beach" with respect to the development, marketing and sale of the Condominium and the Plan (the "Ka'anapali Agreement"). Pursuant to such right and subject to the terms and conditions of the Ka'anapali Agreement, Manager and the Association agree that during the term of this Agreement, the Plan will be designated as the "Ka'anapali Ocean Resort Villas Vacation Ownership Plan" or under such other comparable names as may be used to identify the Vacation Property or the Vacation Ownership Plan as being located in Ka'anapali North Beach. The availability and use of the Ka'anapali name shall be subject to the terms, conditions, and requirements set forth in this Management Agreement and the Ka'anapali Agreement, and the costs and expenses incurred by the Association or by Manager to comply with such terms, conditions, and requirements with respect to the Vacation Property or the Vacation Ownership Plan shall be part of the Vacation Ownership Plan's Plan Expenses. Association acknowledges that the Ka'anapali name is not part of the Vacation Property or the Vacation Ownership Plan, and agrees that neither the Association nor Owners have, nor shall it claim on its own behalf or on behalf of the Owners, any right, title, or interest in the Ka'anapali name. Association acknowledges that use of the Ka'anapali name shall continue for the term of this Management Agreement; provided, however, that Manager may immediately terminate the use of the Ka'anapali name (i) if Manager does not have or if Manager loses the right to use the Ka'anapali name, or (ii) if the management agreement between the Condominium Association and Manager is terminated or cancelled for any reason, or if it expires and is not renewed, or (iii) in the event of the Association's bankruptcy or insolvency, the Association's liability for an adverse court judgment exceeding \$100,000, or Association's dissolution or liquidation.

In the event that the Manager terminates the use of the Ka'anapali name, Association will take whatever action is necessary to assure that the Vacation Property and the Vacation Ownership Plan are no longer associated with or identified with the Ka'anapali name (other than being located in the Ka'anapali North Beach community), and that the Ka'anapali name is not being used by the Association, the Owners or any of their agents, in connection with the Vacation Property and/or the Vacation Ownership Plan. Further, Association shall take whatever action is necessary to assure that any materials related to the Ka'anapali name in the possession of or under the control of the Association are immediately returned to Manager and the Association shall, or shall cause Manager to, remove all materials utilizing the Ka'anapali name, including but not limited to signage, and take all other actions (collectively, "Name Removal Actions") required to preclude any possibility of confusion on the part of the public that the Vacation Ownership Plan, the Vacation Property or any part thereof are still associated or in any way identified with the Ka'anapali name (other than being located in the Ka'anapali North Beach community). If, within 30 days after Manager terminates the use of the Ka'anapali name, the Association fails to comply with this Paragraph, Manager or its agents, at Association's

expense and on Association's behalf, shall have the right and license to enter onto the Vacation Property and perform any and all Name Removal Actions.

4. Power and Duties. By way of illustration and not of limitation, Manager's powers, duties and responsibilities under this Agreement include the following:

a. Management and Operations. Manager is responsible for: (i) the general operation of the physical properties that constitute the Vacation Property, including but not limited to Vacation Units and the Common Furnishings; (ii) front desk check-in and check-out services; (iii) cleaning and linen services for Vacation Units, as necessary; and (iv) any other operational matters. Manager shall perform management and operational services as required or as Manager deems prudent in its judgment.

b. Maintenance and Repair. Manager is responsible for the management, maintenance and repair of the Vacation Property, including all real and personal property comprising all or portions of the Vacation Units, their Limited Common Elements, and the Common Furnishings to the extent that the Association or Manager is required to maintain and repair same, as provided in the Documents, the Condominium Documents, or this Agreement. Manager shall perform maintenance and repair services as required or as Manager deems prudent in its judgment.

c. Accounting and Financial Reporting. Manager has the following powers and shall be responsible for the following duties concerning accounting and financial reporting services:

(1) Establishment and Administration of Association Bank Accounts. Manager shall deposit all funds collected from the assessment of Owners or funds otherwise accruing to Association in accounts with a bank or other institution as permitted by law and by the Vacation Plan Documents. Such accounts shall be held in the name of Association with suitable designations indicating the source of the funds. In the alternative, Manager is authorized to invest collected funds on behalf of the Association in accordance with the Documents; provided, however, that such investments are styled so as to indicate the custodial nature thereof. Manager shall maintain all funds collected separately, and shall not commingle them with similar funds collected on behalf of other condominium or owners' associations. Manager shall not commingle the reserve and operating funds of Association, except to the extent permitted under the Documents. Manager shall not be liable for any loss resulting from the insolvency of any depository or the loss from any investment authorized or permitted by law or by the Documents.

Manager is authorized to draw on Association accounts for any payments to be made by Manager or Association to discharge any liabilities or obligations incurred pursuant to this Agreement, for the payment of the Management Fee (as set forth in Paragraph 10), or any other disbursements properly incurred on Association's behalf. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

(2) Maintenance of Books and Records. Manager is responsible for maintaining Association's financial records, books, accounts, and other official records as provided by applicable law and under the Documents. Such records shall include, among other things, detailed and accurate records, in chronological order, of the receipts and expenditures of the Association. Manager shall issue the Statements of Unpaid Amounts required by the Declaration to Owners, Lenders, potential Owners and potential Lenders. Manager shall do so on request and after payment of a reasonable fee in an amount approved by the Board, and without liability for errors unless made as a result of gross negligence. Subject to the limitations imposed in the Vacation Plan Documents including but not limited to any limitations intended to protect the list of Owners, on reasonable notice: (i) Manager shall produce copies of any such records in accordance with applicable law at the expense of the party requesting them, and (ii) all books and financial records of Association shall be made available by Manager for inspection by Association members at convenient hours on working days at a place designated by the Association and for inspection in the State of Hawaii by any applicable governmental agency on request and at Association's expense. Services to be performed pursuant to this Subparagraph shall be performed monthly, or more often if necessary, with the exceptions of the issuance of Statements of Unpaid Amounts and the provision of books and records which shall be performed as required.

(3) Annual Financial Report. Manager shall prepare, or cause to be prepared and disseminated to the Owners, the Annual Report required by the Declaration at the time required by the Declaration. Manager shall also provide to the Owners a statement of receipts and expenditures which shall include but not be limited to: (a) management fees paid; (b) total compensation paid to the Board, if any; and (c) amount of reserves set aside or, if no reserves have been set aside, the reason therefor. Services to be performed pursuant to this Subparagraph shall be performed annually or as otherwise required by the Documents.

(4) Taxes. Manager shall engage competent, professional assistance as necessary for the preparation of any tax returns, forms, or other filings required by any local, state, or federal agency, and Manager will provide any assistance necessary in the compilation of financial data from the books and records of Association required for the completion of these documents. Without limiting the foregoing, Manager shall maintain records of any general excise tax due and owing with respect to the Vacation Units as required by Section 514E-3(b), HRS. Services to be performed pursuant to this Subparagraph shall be performed annually or as required or as Manager deems prudent in its judgment.

(5) Maintenance of Owners List. Manager shall maintain among its records a complete list of the names and addresses of all Owners, including all vendees under agreements of sale. This Owners list shall not be published and may not be provided to any Owners or to any third party other than as may be specifically required by law and the Vacation Plan Documents; provided, however, that Manager shall furnish the Owners list to the Developer, the Club Operator, or the Network Operator if requested by them from time to time. Association acknowledges and agrees that Manager, the Developer, the Club Operator, and the Network Operator shall have the right, from time to time, to use the list of Owners for the purpose of sending to the Owners promotional information about them or their affiliates, or about the goods, services, and/or benefits offered by them or their affiliates. Without limiting the foregoing, Manager, the Developer, the Club Operator, and/or the Network Operator may include with any mailing (including but not limited to any email transmission) sent to the Owners such materials as they may choose; provided, however, that Manager, the Developer, the Club Operator, or the Network Operator must pay the cost of printing such additional materials and any increase in the cost of postage caused by the inclusion of the additional materials. Manager, the Developer, the Club Operator, and the Network Operator may also send mailings (including but not limited to any email transmission) of their own to the Owners and may use the list of Owners for such purpose; provided, however, that they must pay all costs and expenses of any such mailing.

d. Estimated Budget. Annual budget services shall include the preparation of a recommended budget for management and operation of the Vacation Ownership Plan and the operation, repair, maintenance and replacement of the Vacation Property (the "Estimated Budget") for review by the Board, which shall in turn adopt a final budget (the "Budget"). The Budget shall include all items required by law or by the Documents. Manager will distribute a copy of the Budget to each Owner at the times stated in the Documents. Should a Special Assessment be required during the year, it shall be recommended and presented to the Board or Association for adoption in compliance with the Documents, and the Members of Association shall be advised thereof and each of the Members shall pay their Fair Share of such Special Assessment pursuant to the Documents. Manager shall use reasonable efforts to collect Regular and Special Assessments from the Members based on the foregoing. Services to be performed pursuant to this Subparagraph shall be performed annually or as needed.

e. Replacement of Common Furnishings. Manager has the sole authority and responsibility to maintain or replace the Common Furnishings, and in such capacity:

(1) Manager has the sole discretion while this Agreement remains in effect for making determinations as to replacements of the Common Furnishings, decor, and all other judgments relating to Vacation Units. Notwithstanding the foregoing and subject to the provisions of Sections 3.c and 3.d above, all replacements shall at least maintain the standard of quality of the furniture, other personal property, and decor as originally contained in the Vacation Units at the time such units are included in the Vacation Ownership Plan.

(2) The assessment for reserves for replacements will be set aside as reserves for replacement and repair as required by the Documents.

Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

f. Compliance with Terms of This Agreement and Applicable Laws. Manager is authorized to and shall be responsible for taking action as may be necessary to comply with the terms of this Agreement and all laws, statutes, ordinances, and rules of all appropriate governmental authorities and with the rules and regulations of the National Board of Fire Underwriters (or in the event it shall terminate its present functions, those of any other body exercising similar functions). Services to be performed pursuant to this Subparagraph shall be performed as required.

g. Coordination of Annual and Special Meetings of Owners.

(1) Manager shall provide a representative to attend all meetings of the Owners and shall be responsible for delivery of notices of all such meetings in accordance with the Documents.

(2) Manager shall provide assistance to the Board in preparing an agenda for all such meetings and in preparing any reports, charts, or other material for presentation at such meetings that are reasonably requested by the Board. Manager shall also prepare a draft of the minutes of all such meetings for review and approval by Association's secretary.

(3) Manager shall make copies of the Association minutes available for inspection by Association members at convenient hours on working days at a place designated by the Association, and shall mail copies to Owners at the times required by the Documents. Manager may charge a reasonable fee to defray any administrative or duplicating cost of mailing copies of the minutes to an Owner.

(4) Services to be performed pursuant to this Subparagraph g. shall be performed as required.

h. Coordination of All Board Meetings.

(1) Manager shall provide a representative to attend all meetings of the Board and shall be responsible for delivery of notice of all such meetings in accordance with the Documents.

(2) Manager shall provide assistance to the Board in preparing an agenda for all such meetings and any reports, charts, or other material for presentation at such meetings that are reasonably requested by the Board. Manager shall prepare a draft of the minutes of all such meetings for review and approval by Association's secretary.

(3) Manager shall make copies of the Board minutes available for inspection by Association members at convenient hours on working days at a place designated by the Association, and shall mail copies to Owners at the times required by the Documents. Manager may charge a reasonable fee to defray any administrative or duplicating cost of mailing copies of the minutes to an Owner.

(4) Services to be performed pursuant to this Subparagraph h. shall be performed as required.

i. Rules and Regulations. Manager is responsible for the promulgation, adoption, and amendment of all Rules and Regulations as it deems advisable for the use and occupancy of the Vacation Property, and is responsible for enforcing same, all subject to the approval of the Board, not to be unreasonably withheld. Manager shall be responsible to provide to all Owners and Occupants copies of the house rules of the Condominium, if any. In addition, Manager shall supervise the enforcement of the house rules and take such reasonable actions as are necessary to enforce the Declaration and any other Documents. Manager shall determine, in its sole discretion, all activities and programs to be carried on as to the Vacation Property and shall employ the personnel or contract for the service required therefor as it determines in its sole discretion. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

j. Alterations and Additions. Manager shall replace or make alterations or additions to the Vacation Property as authorized, pursuant to and in accordance with the Documents and the Condominium Documents. Manager shall make any and all alterations or additions to the Vacation Property that (i) would be capital improvements, (ii) relate to the structural integrity of the Vacation Units or their Limited Common Elements, or (iii) relate to defects in design, materials or workmanship in the construction of the Vacation Property. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

k. Employment of Professionals. Manager shall retain and employ such professionals and such other experts whose services may be reasonably required to allow Manager to effectively perform its duties and exercise its powers under this Agreement and as it deems most beneficial. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

l. Damage to Vacation Property. The Condominium Documents govern all matters covered in them relating to damage or destruction to a Vacation Unit or the Common Elements. In all other cases, if all or any part of the Vacation Property is damaged or destroyed, other than by ordinary wear and tear, Manager shall repair or restore the Vacation Property as set forth under Subparagraph 4.j. hereof. Manager may use any available insurance or condemnation proceeds to pay for the repair or replacement. Manager also may use any money set aside in a Reserve Account to repair or replace the damaged property. If the event that the damage is not be covered by insurance, or the available proceeds or applicable Reserve Accounts are insufficient to pay the total cost of repairing or replacing the damaged property, then the Manager shall determine the amount of the shortfall. The Association shall thereupon levy a Special Assessment among the Owners to cover the amount thereof and the Manager is authorized and empowered to collect the same. Services to be performed pursuant to this Subparagraph shall be performed as required.

m. Maintenance of Relationship with Exchange Company. Manager may be requested to act on behalf of Association regarding any exchange company or companies associated with the Vacation Ownership Plan. If so requested, Manager shall use reasonable efforts to maintain relationships with such exchange company or companies in such a manner as to maximize the benefits available to the Owners. In addition, if so requested, Manager also will be responsible for working with such exchange company or companies to stay abreast of relevant exchange procedures and for informing Association, the Board, and the Owners of any significant changes in these procedures. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

n. Insurance. Manager shall obtain and maintain all insurance policies required to be obtained and maintained by Association pursuant to applicable law and the Documents. This includes but is not limited to property insurance, liability insurance, a fidelity bond or fidelity insurance covering the Manager, and errors and omissions insurance covering the Manager. Manager is authorized to act as agent for Association, each Owner, and for each owner of any other insured interest and, further, to adjust all claims arising under the insurance policies subject to the provisions of the Documents. Manager is also authorized to file lawsuits and deliver releases on payments of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties, and to receive on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Documents. Whenever possible, insurance policies shall name the Manager and any party retained by Manager pursuant to any sub-management agreement to perform all or a portion of Manager's obligations under this Agreement (each such party being herein referred to as a "Sub-manager") as additional insureds or co-insureds. The cost of all insurance obtained under this Agreement shall be a Plan Expense. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment. The Association acknowledges that the Manager or its affiliates manage various other associations and projects. Whenever it is prudent in the determination of the Manager to do so, Manager may obtain blanket insurance policies and/or bonds covering the Association and other homeowners associations. In such event, Manager shall allocate the costs of such policies and/or bonds equitably among the various associations and projects as discussed in Paragraph 5, below.

o. Lockout and Liens. Manager shall be responsible for the collection, on behalf of Association, of all Assessments for Plan Expenses, Personal Charges, and other payments from the Owners including the Regular Assessment and all other monies and debts that may become due to Association. In accordance with Section

15.3 F. of Declaration, the Board hereby delegates to the Manager the power to carry out any disciplinary actions imposed by the Board, and the right to suspend, without a hearing, an Owner's right to reserve or occupy a Vacation Unit when the Owner has not paid all Assessments or Personal Charges on time. In addition, Manager is authorized, in accordance with the Documents, to reserve a Vacation Period on behalf of a delinquent Owner and to rent out that Vacation Period. The proceeds of such rental will be applied first to the cost of arranging any such rental, including any rental commissions, cleaning charges, travel agent commissions, or any other commercially reasonable charges reasonably and usually incurred by the Manager in securing rentals, then to the delinquent Owner's unpaid Assessments and Personal Charges (including penalties, late fees, and so on). The balance will be used to pay any Plan Expenses and will not be credited to the Owner's account. (The intent here is to be sure that the Owner does not profit by his or her wrongdoing and to avoid violating any securities laws.) If the Owner has already rented his or her Vacation Period, the Manager may collect any unpaid rental from the renter until all amounts due are paid in full.

Further, Manager is authorized to file a Notice of Lien on behalf of the Association against the Vacation Ownership Interest of any Owner who fails to pay his or her Assessments, Personal Charges, and all other sums due from the Owner as required by and provided for in the Documents. Manager has the right to enforce any lien for unpaid Assessments, Personal Charges, and all other sums due from an Owner to the same extent as Association has this right by virtue of the Documents and/or by law. Association also authorizes Manager to assign any such liens to a third party as it deems advisable in Association's best interest. Manager may compromise liens for interest, late charges, or any fines imposed in such amounts as it deems advisable, in its sole discretion, and may record a Release of Lien and render statements as to the current status of an Owner's Assessments. Manager is further authorized to use the services of a collection agency for collection of delinquent accounts and to charge the delinquent Owner for such costs in accordance with applicable law. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

p. Vacation Ownership Plan. At any time when the Plan is not part of the Club, Manager shall be responsible for the promulgation, adoption, and amendment of such reservation rules as it deems advisable and is responsible for enforcing same, all in accordance with the Declaration. At any time when the Plan is not part of the Club, Manager shall also be responsible for operating the reservation system. Manager shall supervise and monitor occupancy scheduling so that the Owners or Occupants will be provided with the promised use of the Vacation Units. Manager shall cause the design and implementation of a guest satisfaction survey system, and shall report the results of such surveys to the Board. Manager shall employ the personnel or contract for the service required therefor as it determines in its sole discretion. Services to be performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

q. Authority to Lease, Rent, or Purchase Materials and Supplies. Subject to the limitations of Subparagraph 3.b.(2), Manager may lease, rent, or purchase equipment, tools, vehicles, appliances, goods, supplies, and materials as reasonably necessary to perform its duties and responsibilities pursuant to this Agreement. Association acknowledges that Manager may enter into any such leases or rentals with or make such purchases from affiliates of Manager, provided, the terms of any such leases, rentals or purchases shall comply with the provisions of Paragraph 5 hereof. Purchases shall be in the name of Association at Manager's discretion and the costs for the purchases shall be Plan Expenses. All purchases made pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment. Notwithstanding anything in this Agreement to the contrary, all personal property of Manager, including property acquired by Manager with its own funds during the term of this Agreement shall remain the property of Manager regardless of the use of such property in carrying out Manager's duties and obligations under this Agreement.

r. Authority to Lease, Rent, or Negotiate the Purchase of Real Property. Subject to the limitations of Subparagraph 3.b.(2), Manager may lease or rent real property as agent for and on behalf of Association in compliance with the Documents. At the request of the Association, Manager may act as Association's agent in conjunction with the negotiation for the purchase of real property in compliance with the Documents. Services performed pursuant to this Subparagraph shall be performed as required or as Manager deems prudent in its judgment.

s. Concessions, Licenses, and Coin-operated Vending Machines. Manager may contract, on such terms and conditions and for such purpose as Manager deems necessary, and may grant concessions and licenses,

subject to the approval of the Board, for the providing of facilities and services as to and within the Vacation Property, and may purchase, rent, or cause to be installed coin vending machines and coin operated equipment and pay telephones on the Vacation Property.

t. Payment of Taxes. Subject to Paragraph 9, below, Manager shall be responsible to pay real property taxes and transient accommodations taxes on the Vacation Units to the extent that the same are not collected as part of the Common Expenses of the Condominium Association or separately charged to the Owners.

u. Right of Entry. Manager shall have and may exercise any or all the Association's rights to enter the Vacation Units and their Limited Common Elements:

(1) As may be necessary or appropriate for the performance of its duties hereunder, including entry for the purpose of cleaning, housekeeping, maintenance and repairs (including emergency repairs), and

(2) For the purpose of abating any activity or condition, or removing any thing, that (i) violates the law, the Governing Documents, or (ii) is unauthorized, prohibited, harmful, offensive, or potentially dangerous to others or their property, or (iii) threatens the property, rights, or welfare of others.

v. Licensing. Manager shall have the right to obtain any and all licenses required or appropriate to the operation of the Vacation Property. It may do so in its own name and/or in the name of the Association. To the extent required by any liquor licensing law, Manager shall have exclusive control of the Vacation Property with respect to all matters governed by such law.

w. Other Services. Manager shall perform such other acts, and shall perform such other responsibilities as may be reasonably delegated by the Board from time to time, which are necessary for the satisfactory management, operation and maintenance of the Vacation Property or the Vacation Ownership Plan, provided such other responsibilities shall be consistent with the nature and scope of the duties and responsibilities of Manager herein.

5. Manager's Duty. Manager shall act in a fiduciary capacity with respect to the proper protection of and the accounting for the Association's funds. In this capacity, Manager shall deal at arm's length with all third parties, and Manager shall also use reasonable efforts to serve Association's interests at all times. This Agreement shall not be construed as prohibiting Manager, or any firm or corporation, or any affiliate of Manager, from conducting or possessing an interest in any other business or activity, including but not limited to the ownership, financing, leasing, operation, development, management, or brokerage of real or personal property. Manager is expressly authorized to sub-contract with one or more of its affiliates in carrying out its obligations under this Agreement and/or, in addition to the Licensing Arrangement, contract with or engage affiliated entities for the provision of any services or goods provided by Manager hereunder; provided such contract or engagement is commercially reasonable and disclosed to the Board.

Manager or its affiliates, or their respective officers, directors, employees, shareholders, and agents, may be performing services similar to the services performed under this Agreement for other associations and entities. In this connection, Manager is authorized to provide or cause to be provided such services as appropriate on a consolidated basis whereby such services are provided to more than one association. To require the Manager to cost account with regard to each association and between Association and other persons in interest as to other properties managed by Manager, would substantially increase the costs of administration under this Agreement borne by Association. Accordingly, the Manager may allocate to Association its appropriate and fair share of such costs and expenses as are general, and as to those which are not general, to charge the same to the appropriate party(s) on such basis (weighted or not) as Manager deems fair and equitable. In the case of personnel, costs shall be fully-loaded costs, which will be comprised of salary and benefit costs, payroll taxes, and employee-related insurance for staff, as well as facilities and equipment rent, costs of utilities and supplies, and similar expenses. Travel expenses and *per diem* for travel to and from the various projects, and charges for communications, shall also be allocated equitably.

6. Independent Contractor. Manager is an independent contractor of Association. Association releases any right of control over the method, manner, or means by which Manager performs its duties and responsibilities under this Agreement.

7. Plan Expenses. All expenses incurred by Manager on behalf of Association pursuant to this Agreement, including Manager's fee, overhead, and expenses, shall be Plan Expenses, except for any expenses that may be incurred by individual Owners and may not be treated as Plan Expenses, which shall be charged to such individual Owners. Plan Expenses shall also include any costs associated with Manager's employees as set forth under Paragraph 3.a hereof, as well as any and all costs incurred by Manager in connection with the licensing arrangement with Brand Owner which costs may include, but are not limited to, the license fee

8. Aid and Assistance. Association shall aid and assist Manager, in any reasonable manner requested by Manager, in collecting assessments and effectuating the purposes of this Agreement.

9. Deficits. Manager shall not be required to undertake to pay any costs or expenses for the benefit of Association or its Members from its own funds, and shall only be required to perform its services and make disbursements to the extent that, and as long as, the payment of Assessments or other revenue, if any, received from Association or its Members are sufficient to pay, in full, the costs and expenses of such services and the amounts of such disbursements. If at any time the funds in the bank accounts of the Association are not sufficient to pay the charges incident to this Agreement, Manager, although not obligated to do so, may advance such sums as it deems necessary, and in such event, Manager shall be entitled to reimburse itself from Association funds for the amount of such advances, together with interest at the rate of one and one-half percent (1.5%) per month, pro-rated daily, commencing from and after the date of the advance by Manager. Manager's duties and responsibilities under this Agreement and the performance thereof shall be subject to and limited by the availability of funds for the payment of the expenses associated therewith and the payment of the other amounts required in this Agreement. In that regard, Manager does not represent, guarantee, or promise any specific standard of services and performance of such obligations and duties under this Agreement, but agrees only to use reasonable efforts, with available funds. If it appears to Manager that the Assessments and other revenue are insufficient to pay the same and to adequately provide full reserves, Manager promptly shall determine the amount of additional Assessments required and advise the Board accordingly.

10. Management Fee.

a. Basic Fee. Manager shall provide the services required of it under this Agreement, for which services Association shall pay to Manager an annual management fee (the "Management Fee") equal to ten percent (10%) of all Regular Assessments and Special Assessments levied against any Owners, for such period. The Association shall pay the fee to Manager on a monthly basis with adjustments made in the next monthly payment of the fee as necessary to reflect changes in the level of money required to be collected. Payment of the fee shall be in addition to any other costs and expenses paid to Manager by Association pursuant to this Agreement, including but not limited to those described in Paragraph 3.

Notwithstanding the foregoing, the parties understand and agree that the provisions of this Paragraph which, subject to its terms, fix the fees under this Agreement for a specified time, are made in recognition of the fact that all of the active functions of Association have been delegated to Manager under this Agreement. However, if Association undertakes any action or incurs any expense in addition to those actions or expenses incurred by Manager, or as set forth in the Budget prepared by Manager, the same shall be paid by Association.

b. Additional Fees. In addition to the Management Fee, Manager may also charge the following Additional Fees.

(1) Manager may charge a reasonable fee to the Owner, any prospective purchaser of a Vacation Ownership Interest, or any Lender or prospective Lender for a Statement of Unpaid Assessments, to furnish documents in connection with the sale of any Vacation Ownership Interest, and/or to register the change of ownership on the records of the Association. The amount of each such fee shall not exceed \$150, subject to increase

by an amount equal to the percentage change between (i) the C.P.I. Index published for December, 2001, and (ii) the most recent C.P.I. Index, as "C.P.I. Index" is defined in Vacation Plan Documents.

(2) All unpaid fees and costs due Manager hereunder shall bear interest, from the date such fee or cost becomes due until fully paid, at the lesser of one and one-half percent (1.5%) per month, prorated daily, or the maximum rate permitted by law.

(3) In addition to the Management Fee, the Association shall pay to the Manager as an additional fee, together with each payment of the Management Fee or any other payment hereunder (for example, any interest on unpaid Management Fees) that is subject to the State of Hawaii general excise tax on gross income, as such taxing statute may be amended, and all other similar taxes imposed on the Manager on said Management Fee or other payment in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding federal or state net income taxes) whether imposed by the United States of America, the State of Hawaii, or the County of Maui, an amount which, when added to such Management Fee or other such payments, will result in the Manager's realization of a net amount equal to that which the Manager would have realized from such payments had no such tax been imposed.

11. Special Services. Manager may assess a Personal Charge against an Owner to recover the cost of providing special services on behalf of and at the request of the Owner in a reasonable amount determined by Manager.

12. Non-Interference. For so long as this Agreement remains in effect and is not properly terminated by the Owners as provided in this Agreement, Association shall not permit, allow, or cause any of its Officers, Directors, or Members to interfere with Manager in the performance of its duties and responsibilities or the exercise of any of its powers under this Agreement.

13. Indemnification of Manager. Manager and its affiliates and Sub-managers, and each of their respective representatives, shareholders, employees, officers, directors, and agents (collectively, the "Manager Indemnitees") shall not be liable to Association or Owners for any loss or damage not caused by the gross negligence or willful misconduct of Manager Indemnitees. Association will and does hereby indemnify and save harmless the Manager Indemnitees from and against any such liability for damages, costs, and expenses, including but not limited to reasonable attorneys' fees and costs, whether suit is brought or not, and other professionals' fees, in connection with the performance of Manager's duties under this Agreement and/or from injury to any person or property in and about, or in connection with the Vacation Property or the Vacation Ownership Plan from any cause whatsoever, unless such loss or injury shall be solely caused by the gross negligence or willful misconduct of any of the Manager Indemnitees. Manager and any Sub-managers each shall be designated as an additional insured in the comprehensive public liability policy obtained by or for the benefit of Association, and any additional premium therefor shall be the responsibility of Association. Association's indemnity obligations under this Paragraph arising prior to the termination or assignment of this Agreement shall survive termination or assignment.

14. Assignment. Manager may assign all or any part of its obligations under this Agreement. Thirty (30) days advance written notice of the assignment shall be delivered to Association. Nothing contained herein shall prevent the delegation by Manager to SVEC of any or all of Manager's duties hereunder, provided that Manager shall remain primarily responsible hereunder.

15. Amendments of Documents. The Board shall not propose that any amendments be made to the Documents that impair or prejudice the rights of Manager without the prior written consent of Manager.

16. Limitation of Liabilities. Association acknowledges that the Developer is an affiliate of Manager and Brand Owner. Association further acknowledges that nothing in this Agreement or in the relationship of the parties shall be construed as obligating the Developer, Brand Owner, or any shareholder, partner, or other subsidiary or affiliate of Developer or Brand Owner to assume, guarantee, or otherwise be responsible for any of the obligations, acts, or omissions of Manager in connection with this Agreement. Manager shall not be responsible for the acts, omissions to act or conduct of any of the Developer, Brand Owner, the Board, the Association, any Owner or any Occupant of the Vacation Property, or for the breach of any of the obligations of any of the Developer, Brand

Manager, the Board, the Association, any Owner or any Occupant of the Vacation Property. Manager shall not be liable to third parties for any debts, liabilities or obligations of the Association. The Manager shall have no responsibility for compliance of the Vacation Property with the requirements of any ordinances, laws, rules, or regulations (including those relating to the disposal of solid, liquid and gaseous wastes) of the City, County, State, or Federal Government, or any public authority or official thereof having jurisdiction over it, except the obligation to notify the Board promptly, or forward to the Board promptly, any complaint, warning, notice, or summons received by the Manager relating to such matters. The Association authorizes the Manager to disclose, if Manager so chooses, the ownership of the Vacation Property to any officials of the City, County, State or Federal Government or any public authority having jurisdiction over the Vacation Property, and agrees to indemnify and hold harmless the Manager Indemnitees from and against all loss, cost, expense and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules and regulations, unless such loss or injury shall be solely caused by the gross negligence or willful misconduct of any of the Manager Indemnitees.

17. Vehicular Parking and Storage. Manager may regulate all vehicular parking by Owners and Occupants of the Vacation Units. Manager may regulate the use of storage areas, if any, of the Vacation Property.

18. Governing Law; Waiver of Jury Trial; Venue of Actions. This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Hawaii. **THE PARTIES WAIVE ANY RIGHT THEY MAY HAVE UNDER ANY APPLICABLE LAW TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT OR LEGAL ACTION WHICH MAY BE COMMENCED BY OR AGAINST THE OTHER CONCERNING THE INTERPRETATION, CONSTRUCTION, VALIDITY, ENFORCEMENT, OR PERFORMANCE OF THIS AGREEMENT OR ANY OTHER AGREEMENT OR INSTRUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT.** In the event any such suit or legal action is commenced by either party, the other party agrees, consents, and submits to the personal jurisdiction of the First Circuit Court in Honolulu, Hawaii with respect to such suit or legal action, and each party also consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

19. Waiver. No waiver of a breach of any of the covenants in this Agreement shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

20. Modification. No modification, release, discharge, or waiver of any provision of this Agreement shall be of any force, effect, or value unless in writing and signed by the parties.

21. Entire Agreement. This Agreement and the Documents constitute the entire agreement between the parties, and neither party has been induced by the other by representations, promises, or understandings not expressed in this Agreement or the Documents. There are no collateral agreements, stipulations, promises, or understandings whatsoever between Association and Manager, in any way relating to the subject matter of this instrument, or the instruments referred to in this Agreement that are not expressly contained in this Agreement or in the Documents.

22. Partial Invalidation. The invalidity in whole or in part of any covenant, promise, or undertaking, or any paragraph, subparagraph, sentence, clause, phrase, or words, or of any provision of this Agreement shall not affect the validity of the remaining portions of this Agreement.

23. Notices. Except as may be otherwise provided in this Agreement, any notice, demand, request, consent, approval, or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) three days after being deposited, postage prepaid, in the U.S. mail, certified or registered mail with a return receipt requested, addressed to the party at the address shown above; (ii) when delivered personally to the party at the address specified above; (iii) when delivered by a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above; or (iv) when delivered by facsimile transmission with confirmed receipt of transmission. A party may designate a different address for receiving notices under this Agreement by giving notice to the other party in accordance with this Paragraph.

24. Default by Association. Association shall be deemed in default hereunder if: Association or its Members interfere with Manager in the performance of its duties and responsibilities or the exercise of its powers under this Agreement; Association fails to promptly do any of the things required of it under this Agreement; Association declares or is placed into bankruptcy or becomes insolvent; Association becomes liable for an adverse court judgment in excess of \$100,000; or Association dissolves or liquidates. In the event of a default by Association, Manager, at its election, shall give Association notice specifying the alleged default. If Association fails to cure the default within thirty (30) days after receipt of written notice from Manager, or if the default is not curable within thirty (30) days and Association fails to commence to cure and thereafter diligently proceed to cure, Manager shall have the right: (i) to exercise such rights or any other remedies given it by agreement or in law or equity, (ii) to terminate this Agreement, in which event it may also bring an action against the Association and/or the Owners for damages; or (iii) to bring an action against Association and/or the Owners for damages or injunctive relief. In connection with each default by Association, the Association shall be liable for Manager's reasonable attorneys' fees and costs, whether suit is brought or not and including any fees and costs incurred in all bankruptcy and probate proceedings, and other professionals' fees and costs incurred thereby. All rights of Manager, on default, shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other additional remedy. Notwithstanding anything herein to the contrary, in no event shall Association or the Owners or their respective affiliates, or its or their employees, officers, directors, agents, or assigns be liable to Manager for punitive damages or for incidental or consequential damages (specifically including, but not limited to, loss of anticipated income or intangible benefits or loss due to business interruption) resulting from any default hereunder.

25. Default by Manager. Manager shall be deemed in default hereunder if Manager fails to perform as required under this Agreement. In the event of a default by Manager hereunder, Association, at its election, shall give Manager notice specifying the alleged default. If Manager fails to cure the default within thirty (30) days after it receives written notice from Association, or if the default is not curable within said thirty (30) days and Manager fails to commence to cure and thereafter diligently proceed to cure, the Association shall have the rights: (i) to terminate this Agreement, in which event Association may also bring an action against the Manager for damages; or (ii) to bring an action against Manager for damages or injunctive relief. Notwithstanding anything herein to the contrary: (i) the termination of the Licensing Arrangement for any reason, shall not be deemed a failure to perform or default by Manager under this Agreement; and (ii) in no event shall Manager or its respective affiliates, or its or their employees, officers, directors, agents, or assigns be liable to Association or Owners for punitive damages or for incidental or consequential damages (specifically including, but not limited to, loss of anticipated income or intangible benefits or loss due to business interruption) resulting from any default hereunder. Upon termination of this Agreement by the Association, Manager shall turn over to the Association all books and records of the Association relating to the management and operation of the Vacation Property and the Vacation Ownership Plan but this shall not extend to internal or confidential or other records of the Manager.

26. Use of Marks, Brand Name and Other Proprietary Material. Association agrees that the Marks and Brand Name are and always shall be the personal property of Brand Owner, subject to the rights of Manager pursuant to the Licensing Arrangement. Accordingly, Association and all Owners shall have no right to use the Marks and Brand Name at any time during or after the term of the Licensing Arrangement. Association agrees that it shall take no actions that are inconsistent herewith or that may result in a termination of the Licensing Arrangement.

Association further acknowledges that Manager and its Sub-managers (if any) may use certain personal and intellectual property owned by Manager, a Sub-manager or Developer as may be necessary to manage, operate and market the Vacation Property (collectively, the "Manager Materials"). Association hereby agrees that the Manager Materials are and always shall be the personal property of Manager, such Sub-managers or Developer as the case may be. Accordingly, Association shall have no right to use any of the Manager Materials at any time during the Term.

Upon termination of the License Arrangement, Manager or Association, if this Management Agreement is no longer in effect, will take whatever action is necessary to assure that the Vacation Property and the Vacation Ownership Plan are no longer associated with or identified with the Brand or Marks, and that no such Brand or Mark is being used by the Association, the Owners or any of their agents, in connection with the Vacation Property and/or the Vacation Ownership Plan. Further, Association shall take whatever action is necessary to assure that any materials related to the

Brand or Mark in the possession of or under the control of the Association are immediately returned to Brand Owner and the Association shall, or shall cause Manager to, remove all distinctive Brand features, including but not limited to signage and take all other actions (collectively, "De-identification Actions") required to preclude any possibility of confusion on the part of the public that the Vacation Ownership Plan, the Vacation Property or any part thereof are still associated or in any way identified with the Brand or Marks. If within 30 days after termination of the Licensing Arrangement Manager or Association fails to comply with this Paragraph, Brand Owner or its agents, at Association's expense and on Association's behalf, shall have the right and license to enter onto the Vacation Property and perform any and all De-identification Actions. The preceding sentence shall not in any way limit Brand Owner's rights or remedies with regard to any unauthorized use of the Brand or Marks.

26. Excusable Delays. In the event that Manager is delayed in, hindered in, or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, act of God, or any other reason beyond Manager's control, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

28. Reasonableness Standard for Consents. Under any circumstance in which this Agreement requires one party to consent to the actions of the other party, the party whose consent is required shall not withhold such consent unreasonably.

29. Plural and Include. Where the context so indicates, a word in the singular form shall include the plural. The term "include" and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

30. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and date first above written.

OCEAN RESORT VILLAS VACATION OWNERS ASSOCIATION, a Hawaii non-profit corporation

By:



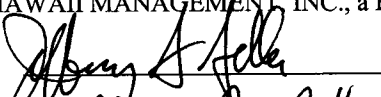
Thorp S. Thomas
(Print Name)

As its:

President and Treasurer

SVO HAWAII MANAGEMENT, INC., a Hawaii corporation

By:



Jeffrey A. Adler
(Print Name)

As its:

President

Westin Ka'anapali Ocean Resort Villas

Escrow Agreement

By this contract, Hawaii Resort Escrow, Inc. (the *Escrow Agent*) agrees with SVO Pacific, Inc. (the *Seller*) to provide escrow services to the Seller and the Buyers of "Vacation Ownership Interests" in the Ocean Resort Villas Vacation Ownership Plan (the *Plan*). This Escrow Agreement is part of each Westin Ka'anapali Ocean Resort Villas Purchase Agreement (the *Sales Contract*), so that, in addition to the Seller and the Escrow Agent, each Buyer is bound by it. It will also be binding on the Seller's sales agents when they sign a "Joinder of Sales Agent in Escrow Agreement" substantially in the form of Exhibit "A" which is attached to and part of this document.

PART 1. DEFINITIONS

This Part 1 defines certain words or phrases having special meanings in the Sales Contract or this Escrow Agreement. Other key words or phrases are defined elsewhere in this Escrow Agreement to put them in context. The Sales Contract also contains certain definitions. Words defined in this Escrow Agreement have the same meaning in the Sales Contract, and vice versa. In case of a conflict, this Escrow Agreement controls.

The Vacation Plan Documents define some of the same key words and phrases. They are repeated or paraphrased here or in the Sales Contract to make these documents easier to read and understand. Where terms defined in the Sales Contract or Escrow Agreement differ from the definitions contained in the Vacation Plan Documents, the definitions in the Vacation Plan Documents control unless the context clearly requires otherwise. Terms not defined in the Contract Documents have the meaning given to them in the Vacation Plan Documents.

- 1.1 "**Act**" means the Hawaii Time Share Act (Chapter 514E, HRS) or any law that replaces that law.
- 1.2 "**Apartment**" means an Apartment in the Condominium, including its undivided interest in the Common Elements of the Condominium.
- 1.3 "**Association**" means the Ocean Resort Villas Vacation Owners Association.
- 1.4 "**Blanket Lien**" means "blanket lien" as defined in the Act. Generally, a "lien" is a claim against property as collateral for the payment of money. A "blanket lien" is a lien on more than one Vacation Ownership Interest.
- 1.5 "**Buyer**" means each person shown as a Buyer in a Sales Contract.
- 1.6 "**Buyer's Unit**" means the Apartment identified in the Buyer's Sales Contract as "Your Unit". If the Buyer's Sales Contract does not list a specific Apartment, then *Buyer's Unit* means an Apartment chosen by Seller that is the same Unit Type as identified in the Buyer's Sales Contract.
- 1.7 "**Buyer's Funds, Notes and Loan Documents**" means all Funds, Notes, and Loan Documents received before Closing from or on behalf of a Buyer in connection with a Sales Contract.
- 1.8 "**Club**" means the Starwood Pacific Vacation Club. *Starwood Pacific Vacation Club* is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered to Owners of Vacation Ownership Interests by the Club Operator from time to time. The benefits and services include: (i) a reservation system that lets Owner reserve a Vacation Unit in the Plan, (ii) an exchange program that lets Owners reserve units in other Club Resorts; and (iii) any other vacation, travel, entertainment, or other benefits that the Club Operator may offer to the Owners or other Club Members from time to time. The Club is not a legal entity or Association of any kind. It is a business owned and operated by the Club Operator, and it is subject to change from time to time as the Club Operator determines in its sole discretion, subject to any limitations contained in the Club Documents.

1.9 “**Club Documents**” means any documents governing the Club, and any changes and additions properly made to any of them from time to time, including but not limited to these documents:

A. “**Club Affiliation Agreement**” means an agreement between the Club Operator and the Association. The Developer may also be a party to the agreement. The Club Affiliation Agreement provides, among other things, that all Owners of Vacation Ownership Interests in the Plan automatically will be enrolled in and will continue to be members of the Club.

B. “**Club Rules**” means any rules adopted by the Club Operator from time to time. Among other things, the Club Rules describe how to reserve property in this Plan or in other Club Resorts.

C. “**Club Policies**” means any policies and procedures adopted by the Club Operator from time to time.

1.10 “**Club Operator**” means SVO Hawaii Management, Inc., a Hawaii corporation.

1.11 “**Close**” and “**Closing**” refer to completing the sale of a Vacation Ownership Interest to a Buyer.

1.12 “**Closing Costs**” means all costs and expenses of Closing a sale. It includes, for example: (i) the Escrow Agent’s fee, (ii) conveyance taxes, (iii) notary fees, (iv) recording costs, (v) charges for credit reports on the Buyer obtained by the Seller, (vi) costs of preparing the Buyer’s Vacation Ownership Deed and any loan or financing documents, (vii) costs of title insurance, (viii) all loan fees and costs, and (ix) postage and handling fees.

1.13 “**Closing Date**” means the date when a sale is supposed to Close (according to the Buyer’s contract). The Closing actually may occur later, but the Closing Date is the day when the Closing is scheduled to occur.

1.14 “**Common Elements**” means all parts of the Condominium other than the Apartments.

A. “**Limited Common Elements**” means Common Elements designated as Limited Common Elements in the Condominium Documents. Generally, Limited Common Elements are set aside for use by the owners of certain Apartments.

1.15 “**Condominium**” means the Ocean Resort Villas Condominium located at Six Kai Ala Drive, Lahaina, Maui, Hawaii 96761.

1.16 “**Condominium Association**” means the Association of Apartment Owners of Ocean Resort Villas. It is an association of all of the owners of Apartments in the Condominium. The Condominium Association manages the Condominium.

1.17 “**Condominium Documents**” means the following documents and any changes and additions properly made to any of them from time to time:

A. “**Condominium Declaration**” means the “Declaration of Condominium Property Regime of Ocean Resort Villas”. It established and governs the Condominium. It was recorded as Document No. 2,734,238.

B. “**Condominium Bylaws**” means the “Bylaws of the Association of Apartment Owners of Ocean Resort Villas”. It was recorded as Document No. 2,734,239.

C. “**Condominium Rules**” means any rules and regulations adopted by the Condominium Association from time to time.

D. “**Condominium Map**” means the recorded drawings designated in the Condominium Declaration as the Condominium Map. The Condominium Map shows, among other things, the floor plans and elevations of the buildings in the Condominium.

E. “**Declaration of Merger**” means the “Declaration of Merger of Condominium Phases of Ocean Resort Villas”. It provides for an administrative merger of the Condominium with one or more other condominium projects on adjacent parcels of land. This means that the condominium projects would be managed and used as if they were one.

1.18 “**Condominium Property Act**” means the Hawaii Condominium Property Act (Chapter 514A, HRS) or any law that replaces that law.

1.19 “**Condominium Regulations**” means the rules and regulations adopted by the State of Hawaii and authorized by the Condominium Property Act. They are contained in Chapter 107 of Title 16 of the regulations of the Department of Commerce and Consumer Affairs of the State of Hawaii.

1.20 “**Contract Documents**” means, for each Buyer, (i) this Escrow Agreement, (ii) the Buyer’s Sales Contract, (iii) the Buyer’s Certification, and (iv) any written changes to any of those documents. Changes must be in writing and signed by the person whose duties change.

1.21 “**Director**” means the Director of the Department of Commerce and Consumer Affairs of the State of Hawaii.

1.22 “**Disclosure Statement**” means the Disclosure Statement about the Plan required by the Act.

1.23 “**Escrow Agent**” means Hawaii Resort Escrow, Inc. It is a Hawaii corporation. Its address is 116 South Hotel Street, Suite 207, Honolulu, Hawaii, .

1.24 “**Funds**” means money.

1.25 “**HRS**” means Hawaii Revised Statutes.

1.26 “**Ka’anapali North Beach**” means all of the property subject to the Ka’anapali North Beach Declaration.

1.27 “**Ka’anapali North Beach Association**” means the Ka’anapali North Beach Master Association, Inc., a Hawaii nonprofit corporation. The Ka’anapali North Beach Association serves as the association of all of the owners of real property in Ka’anapali North Beach.

1.28 “**Ka’anapali North Beach Amenities**” means any amenities or other common areas in Ka’anapali North Beach that are available for use by Owners and occupants during their Vacation Periods.

1.29 “**Ka’anapali North Beach Documents**” means the following documents and any changes and additions properly made to any of them from time to time:

A. “**Ka’anapali North Beach Declaration**” means the “Declaration Of Covenants, Conditions and Restrictions for Ka’anapali North Beach”. It established and governs the Ka’anapali North Beach community. It was recorded as Document No. 2,668,967.

B. “**Articles of Incorporation of Ka’anapali North Beach Master Association, Inc.**” means the document filed with the Department of Commerce and Consumer Affairs of the State of Hawaii to establish the Ka’anapali North Beach Association as a corporation.

C. “**Bylaws of Ka’anapali North Beach Master Association, Inc.**” means the bylaws adopted by the Ka’anapali North Beach Association.

D. “**Other Ka’anapali North Beach Documents**” means any documents that are “Governing Documents” as that term is defined in the Ka’anapali North Beach Declaration.

1.30 “**Loan Documents**” means any “purchase money contract” as defined in the Act. This includes, for example, any Note, Mortgage, Agreement of Sale, or other contract in which the Buyer agrees to repay a loan made to finance the Buyer’s purchase of a Vacation Ownership Interest and made to the Buyer by the Seller or by a lender that is (i) affiliated with the Seller or (ii) to whom the Seller referred the Buyer. The Contract Documents and the Buyer’s Vacation Ownership Deed are not Loan Documents.

1.31 “**Master Association**” means the Ocean Resort Master Association. It is a non-profit Hawaii corporation.

1.32 “**Master Association Documents**” means the following documents and any changes and additions properly made to any of them from time to time:

A. “**Master Declaration**” means the “Declaration Of Covenants, Conditions, Easements and Restrictions for the Ocean Resort Master Association”. It dedicates certain property for use by the Master Association. It was recorded as Document No. 2,737,946.

B. "**Master Articles**" means the Articles of Incorporation of Ocean Resort Master Association filed with the Department of Commerce and Consumer Affairs of the State of Hawaii. They established and govern the Master Association as a corporation.

C. "**Master Bylaws**" means the bylaws adopted by the Master Association.

D. "**Master Rules and Regulations**" means any rules and regulations adopted by the Master Association.

E. "**Master Association Amenities**" means the amenities available through the Master Association from time to time.

1.33 "**Note**" means any "negotiable instrument" as defined in the Act. A check is an example of a negotiable instrument. Generally, if a negotiable instrument is transferred to someone else, that person can force the Buyer to keep his or her promise to pay money. The Buyer must pay it even if the Buyer has a claim or defense against the Seller.

1.34 "**Public Report**" means a Condominium Public Report on the Condominium for which the Hawaii Real Estate Commission has issued an effective date. There are two kinds of Condominium Public Reports of interest: (i) Contingent Final Public Reports, and (ii) Final Public Reports.

1.35 "**Record**", "**Recording**" and similar terms refer to and mean filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. But if Hawaii law is changed to require that the deeds, mortgages, amendments to the Vacation Plan Documents, or other documents be recorded in the Bureau of Conveyances of the State of Hawaii, then *Record*, *Recording*, and similar terms will mean and refer to recording in the Bureau of Conveyances to the extent provided by the change in the law.

1.36 "**Reservation Rules**" means the reservation rules adopted by the Club Operator. If the Plan is not part of the Club, then "Reservation Rules" means the Association Rules. Note: At any time when the Plan is part of SVN, the Club Operator may adopt some or all of the SVN Rules as the Reservation Rules.

1.37 "**Receipt for Disclosure Statement**" means a Receipt for Time Share Disclosure Statement in the form approved by the Department of Commerce and Consumer Affairs of the State of Hawaii.

1.38 "**Rules**" means the Rules Relating to Time Sharing, Chapter 16-106, Hawaii Administrative Rules, and any other rules adopted under the Act.

1.39 "**Sales Contract**" means a Westin Ka'anapali Ocean Resort Villas Purchase Agreement. The Seller will not change the form of the Sales Contract without first giving the Escrow Agent a copy of the new form.

1.40 "**Seller**" means SVO Pacific, Inc., a Florida corporation. Its address is 10 Hoohui Street, Suite 307, Lahaina, Maui, Hawaii 96761.

1.41 "**SVN**" means the Starwood Vacation Network. *Starwood Vacation Network* is the name (in legal terms, the "servicemark") used to refer to the program of benefits and services offered to Owners of Vacation Ownership Interests by the SVN Operator from time to time. The benefits and services include: (i) an exchange program that lets Owners reserve units in other SVN Resorts; and (ii) any other vacation, travel, entertainment, or other benefits that the SVN Operator may offer to the Owners or other SVN Members from time to time. SVN is not a legal entity or Association of any kind. It is a business owned and operated by the SVN Operator, and it is subject to change from time to time as the SVN Operator determines in its sole discretion, subject to any limitations contained in the SVN Documents.

1.42 "**SVN Documents**" means any documents governing SVN, and any changes and additions properly made to any of them from time to time, including but not limited to these documents:

A. "**SVN Affiliation Agreement**" means an agreement between the Club Operator and the SVN Operator. The Association and/or the Developer may also be a party to the agreement. The Affiliation Agreement provides, among other things, that all Owners of Vacation Ownership Interests in the Plan automatically will be enrolled in and will continue to be members of SVN.

B. "**SVN Rules**" means any rules adopted by the SVN Operator from time to time. Among other things, the SVN Rules describe how to reserve property in other SVN Resorts.

C. "**SVN Policies**" means any policies and procedures adopted by the SVN Operator from time to time.

1.43 “**SVN Operator**” means Starwood Vacation Exchange Company, a Delaware corporation.

1.44 “**Use Period**” means a Use Week, a Split Week, or a Use Night. Under the Vacation Plan Documents, each year is divided into fifty-two or fifty-three “Use Weeks,” each about one week long. Each Use Week may be further divided into seven “Use Nights.” A “Split Week” is a period of less than seven consecutive Use Nights. The Reservation Rules may further define “Split Week”.

1.45 “**Vacation Ownership Interest**” means an Every-Year Vacation Ownership Interest or an Every-Other-Year Vacation Ownership Interest. *Every-Other-Year Vacation Ownership Interest* means an Even-Year Vacation Ownership Interest or an Odd-Year Vacation Ownership Interest. A Vacation Ownership Interest consists of:

A. A membership in the Association.

B. An undivided interest in a Vacation Unit. The term “undivided interest” refers to the idea that the person will be one of the co-Owners of that Vacation Unit. The other co-Owners will be the Owners of other Vacation Ownership Interests in that Vacation Unit. The undivided interest will be one-fifty-second (1/52nd) for an Every-Year Vacation Ownership Interest and one-one-hundred and fourth (1/104th) for an Every-Other-Year Vacation Ownership Interest.

C. The right to reserve the use of a Vacation Unit. The Owner of an Every-Year Vacation Ownership Interest may reserve a Vacation Unit for one Use Week in every Use Year. The Owner of an Even-Year Vacation Ownership Interest may reserve the use of a Vacation Unit for one Use Week in every Use Year that ends in an even number (for example, 2004, 2006, and so on). The Owner of an Odd-Year Vacation Ownership Interest may reserve the use of a Vacation Unit for one Use Week in every Use Year that ends in an odd number (for example, 2005, 2007, and so on).

The reservation rights differ depending on whether a Vacation Ownership Interest has a *Floating Vacation Period*, a *Fixed Vacation Period*, an *Event Vacation Period*, or an *Ultra Premium Vacation Period*. The Unit that an Owner uses depends on whether the Owner’s Vacation Ownership Interest has a *Fixed Unit Use Right* or a *Floating Unit Use Right*. These terms are defined in the Vacation Plan Documents.

D. During the reserved Use Period, the right to use (i) a Vacation Unit and the Common Furnishings in it, (ii) the Common Elements of the Condominium and any Limited Common Elements available to the Vacation Unit, (iii) the Master Association Amenities to the extent permitted under the Master Association Documents, and (iv) any Ka’anapali North Beach Amenities to the extent permitted under the Ka’anapali North Beach Documents.

1.46 “**Vacation Ownership Deed**” means a deed in which the Seller transfers the Buyer’s Vacation Ownership Interest(s) to the Buyer.

1.47 “**Vacation Period**” means a Use Period reserved by an Owner or someone else who has the right to do so under the Vacation Plan Documents.

1.48 “**Vacation Plan Documents**” means the following documents and any changes and additions properly made to any of them from time to time:

A. “**Vacation Plan Declaration**” means the Ocean Resort Villas Declaration of Covenants, Conditions, Easements and Restrictions for Vacation Ownership. It created the Vacation Ownership Plan. It was recorded as Document No. 2,737,947

B. “**Articles**” means the Articles of Incorporation of the Ocean Resort Villas Vacation Owners Association filed with the Department of Commerce and Consumer Affairs of the State of Hawaii. The Articles established and govern the Association as a corporation.

C. “**Bylaws**” means the Bylaws of the Association.

D. “**Association Rules**” means the rules adopted by the Seller and any changes made to them from time to time by the Plan Manager with the approval of the Association’s Board of Directors.

1.49 “**Vacation Unit**” means an Apartment included in the Plan.

PART 2.
PURPOSE OF THIS ESCROW AGREEMENT

This Escrow Agreement is intended to protect the Buyer, the Seller and the Escrow Agent in Closing the sale of Vacation Ownership Interests in the Vacation Ownership Plan. It is also intended to set up and maintain escrow accounts complying with the provisions of the Act and the Rules and the Condominium Property Act and the Condominium Regulations. This Escrow Agreement and the other Contract Documents also are intended:

- ❖ To protect the Buyer from any Blanket Liens. The Seller has chosen to protect Buyers from Blanket Liens in the manner provided by Section 514E-19(a)(1) of the Act. But if there are any mechanics' or materialmen's liens, then the Seller has chosen to protect Buyers in the manner provided by Section 514E-19(a)(4);
- ❖ To protect the Seller in case the Buyer defaults; and
- ❖ To be the escrow instructions of the Buyer and the Seller for the sale of each Vacation Ownership Interest.

PART 3.
RECEIPT OF BUYERS' FUNDS
AND CLOSING PAPERS

3.1 Deposit of Closing Documents. Each time the Seller accepts a Sales Contract, it will send to the Escrow Agent:

- A. A copy of the Sales Contract; and
- B. If the offer and sale was made entirely or partly in Hawaii, a copy of a Receipt for Disclosure Statement signed by the Buyer.

The Escrow Agent will also accept and hold any closing statement or settlement statement prepared pursuant to the Real Estate Settlement Procedures Act ("RESPA"), and all other papers from the Seller or any lender supplying money to or for the Buyer.

The Escrow Agent will handle and deliver all of these documents as instructed by the person who provided them and these escrow instructions.

3.2 Buyer's Funds, Notes and Loan Documents. The Seller and each sales agent will send each Buyer's Funds, Notes and Loan Documents to the Escrow Agent promptly after receiving them. There are two exceptions:

A. Cancellation Period. The Seller or a sales agent may hold any Notes and Loan Documents (i) made payable to the Escrow Agent, or (ii) that are not negotiable instruments (see Section 1.33), until the later of:

1) The end of the Seven-Day Cancellation Period under Section 514E-8 of the Act (if the Seven-Day Cancellation Period applies), or

2) The end of any other cancellation period provided to the Buyer in the Sales Contract.

B. Sales Outside of Hawaii. If the law of another state, country, or other government (national or local) requires it, an out-of-state escrow account may be set up in that state or country to handle sales made there. In that case, all Buyer's Funds, Notes and Loan Documents received in connection with sales made in that state or country will be deposited in the out-of-state escrow account there and will be handled according to this Escrow Agreement and any additional instructions required by the law of that state or country. A copy of any such added instructions will become a part of this Escrow Agreement after the Seller and the Escrow Agent sign it. The added instructions will apply only to sales made in that particular state or country.

3.3 The Escrow Agent Will Handle The Buyer's Funds, Notes and Loan Documents. The Escrow Agent will accept, hold, deposit, and pay out, according to the Contract Documents, all Funds, Notes and Loan Documents received from the Buyer or from anyone else for the Buyer. The Buyer's Funds may not be used for any purpose while the Escrow Agent is holding them except as otherwise expressly provided in this Escrow Agreement.

3.4 Deposit of Funds. The Escrow Agent will deposit all Funds it receives under this Escrow Agreement in a federally insured account at a bank, savings and loan association, or trust company authorized to do business in the State

of Hawaii. The accounts must pay interest at the prevailing interest rate. The Seller will receive the interest earned on the deposits unless the Buyer's Sales Contract says otherwise.

3.5 Reports To The Seller. Each month the Escrow Agent will give the Seller a written report of all receipts, interest-bearing deposits and disbursements under this Escrow Agreement and all Sales Contracts. If the Seller requests reports more often, the Escrow Agent will provide them in return for a reasonable service charge, not exceeding Fifty And No/100 Dollars (\$50.00), for each extra report the Seller requests.

PART 4. CANCELLATION PERIODS; CONDITION TO RELEASE OF FUNDS

4.1 Seven-Day Cancellation Period. For offers and sales made entirely or partly in Hawaii, a Buyer has the right to cancel the Sales Contract under Section 514E-8 of the Act (the *Seven-Day Cancellation Period*). To do so, a Buyer must mail or deliver a notice of cancellation to the Seller at the address stated in the Sales Contract. The Buyer must do this before the Seven-Day Cancellation Period ends. A Buyer's Seven-Day Cancellation Period ends on the later of:

- A. Seven (7) days after the Buyer's Sales Contract was signed; or
- B. Seven (7) days after the Buyer received the Disclosure Statement.

4.2 Contingent Report Rescission Right. A Buyer and the Seller each have the right to rescind the Sales Contract under Section 514A-64.5(b) of the Condominium Property Act (the *Contingent Report Rescission Right*) if the Hawaii Real Estate Commission does not issue an effective date for a Final Public Report for the phase of the Condominium in which the Buyer's Unit is located by the date on which the Condominium's Contingent Final Public Report for that phase expires. This rule applies only to sales made under a Contingent Final Public Report (meaning before the Hawaii Real Estate Commission issues an effective date for a Final Public Report for the phase of the Condominium in which the Buyer's Unit is located). Since the Hawaii Real Estate Commission has already issued an effective date for a Final Public Report on the Units in phase 1 of the Condominium (which includes, among other things, all Units located in the Kahakai Building), the Contingent Report Rescission Right no longer applies to sales of Vacation Ownership Interests in Units located in that building. Real Estate Commission Registration No. 4652 covers phase 1 of the Condominium and Registration No. 5129 covers phases 2 and 3.

4.3 Release of Buyers' Funds. No matter what else the Contract Documents say, the Escrow Agent may not release a Buyer's Funds, Notes or Loan Documents to or for the benefit of the Seller or a sales agent, or to someone else for the benefit of the Seller or a sales agent, or for construction, until the last of the following events occurs:

A. The Hawaii Real Estate Commission has issued an effective date for a Final Public Report on the phase of the Condominium containing the Buyer's Unit.

B. If the Contingent Report Rescission Right applies:

1) The Seller has given written notice to the Buyer, by certified mail, that the Buyer has the right to rescind the Sales Contract because the Real Estate Commission did not issue an effective date for a Final Public Report for the phase of the Condominium containing the Buyer's Unit by the date on which that phase of the Condominium's Contingent Final Public Report expired, and

2) Both the Seller and the Buyer have waived their rights to rescind in writing.

C. If the offer and sale is made entirely or partly in Hawaii:

1) The Buyer's Sales Contract "has become binding, and the requirements of Sections 514A-40, 514A-39.5, and 514A-63 have been met" as that phrase is used in Section 514A-65 of the Condominium Property Act.

2) The Escrow Agent has received a copy of a Receipt for Disclosure Statement signed by the Buyer whose Funds are being released.

3) The Seven-Day Cancellation Period under Section 514E-8, HRS, has expired as to the Buyer whose Funds are being released.

4) The Escrow Agent receives a sworn statement from the Seller in the form of either Exhibit "B" or Exhibit "C" attached to this document as to the Buyer whose Funds are being released. If the statement is in the form of Exhibit "B", the statement must be dated no earlier than five days after the Seven-Day Cancellation Period has expired. If the statement is in the form of Exhibit "C", the statement must be dated no earlier than the date that the Hawaii Real Estate Commission issues an effective date for the Final Public Report for the phase of the Condominium in which the Buyer's Unit is located (if such date is prior to the date on which the Contingent Final Public Report expires), or the date on which both Seller and Buyer have waived their Contingent Report Rescission Rights (if the Hawaii Real Estate Commission issues an effective date for the Final Public Report for the phase of the Condominium in which the Buyer's Unit is located after the date on which the Contingent Final Public Report for that phase expires).

D. If the offer and sale is not made in Hawaii, the Escrow Agent receives a sworn statement from the Seller in the form of either Exhibit "D" or Exhibit "E" attached to this document as to the Buyer whose Funds are being released. If the statement is in the form of Exhibit "D", the statement must be dated no earlier than the date that the Hawaii Real Estate Commission issues an effective date for the Final Public Report for the phase of the Condominium in which the Buyer's Unit is located (if such date is prior to the date on which the Contingent Final Public Report expires), or the date on which both Seller and Buyer have waived their Contingent Report Rescission Rights (if the Hawaii Real Estate Commission issues an effective date for the Final Public Report for the phase of the Condominium in which the Buyer's Unit is located after the date on which the Contingent Final Public Report for that phase expires).

PART 5.
RELEASE OF BUYER'S FUNDS
WITHOUT A CLOSING

5.1 Release of Buyers' Funds. A Buyer's Funds, Notes and Loan Documents may be released from escrow without a Closing only as provided in Sections 5.2, 5.3, 5.4, 5.5, 5.6, and 9.4.

5.2 Refunds to the Buyer. The Escrow Agent will refund Buyer's Funds held by the Escrow Agent, without interest, if and only if any of the following things have happened:

A. The offer and sale is made wholly or partly in Hawaii and either the Buyer or the Seller gives a valid notice of cancellation during the Seven-Day Cancellation Period. In that event, all of the Buyer's Funds held by the Escrow Agent will be returned to the Buyer within fifteen (15) business days after the notice of cancellation is received.

B. The Buyer gives a valid notice of cancellation pursuant to Section 514A-63 of the Condominium Property Act. In that event, the Escrow Agent must promptly return to the Buyer all of the Buyer's Funds without interest.

C. The Buyer or the Seller gives a valid notice of rescission using its Contingent Report Rescission Right. In that event, the Escrow Agent must promptly return to the Buyer all of the Buyer's Funds, Notes and Loan Documents, with interest, and an amount sufficient to reimburse the Buyer for any required escrow fees.

D. The Seller gives notice to the Escrow Agent that the Buyer has exercised any right to cancel that the Buyer has under the Sales Contract (other than the rights described above in subsections 5.2A, 5.2B or 5.2C). In that event, all of the Buyer's Funds held by the Escrow Agent will be returned to the Buyer within fifteen (15) business days after the Escrow Agent receives the notice of cancellation.

E. The Buyer gives notice to the Escrow Agent that the Buyer has exercised any right to cancel that the Buyer has under the Sales Contract (other than the rights described above in subsections 5.2A, 5.2B or 5.2C). In that event, the Escrow Agent will give the Seller written notice of the Buyer's decision to cancel. The Seller has five (5) business days after it receives that notice within which to provide written notice to the Escrow Agent of the Seller's approval or disapproval of the cancellation. If the Seller gives it approval, then all of the Buyer's Funds held by the Escrow Agent will be returned to the Buyer, less any escrow cancellation fee, within fifteen (15) business days after the Escrow Agent receives written notice of approval from the Seller. If the Escrow Agent receives no notice or receives a notice of disapproval from the Seller, then the Escrow Agent may proceed as provided in Section 9.4.

F. If the Seller instructs the Escrow Agent to do so, the Escrow Agent will return to the Buyer all of the Buyer's Funds within fifteen (15) business days after the Escrow Agent receives that instruction.

Regardless of the things stated in subsections A - F, the Escrow Agent has no duty to use its own money to make a refund

to a Buyer whose check has not cleared. Instead, the Escrow Agent may wait until the Buyer's check clears but it must make any required refund promptly after that.

5.3 Payment of Funds if the Seller Cancels Because the Buyer Defaulted. If the Seller gives written notice to the Escrow Agent that the Seller is canceling a Buyer's Sales Contract because of the Buyer's Default then the Buyer's Funds will be delivered as provided in that Buyer's Sales Contract. If the Sales Contract provides that the Buyer's Funds will be released to the Seller as liquidated damages if the Buyer Defaults, then the following rules apply:

A. Notice From Seller. The Seller must provide the Escrow Agent with a copy of a notice of default sent by the Seller to the Buyer, together with a statement that at least fifteen (15) days have passed since the notice was sent and that the Buyer has not cured the Default.

B. Notice From the Escrow Agent. The Escrow Agent must then give the Buyer notice by certified or registered mail. The notice must say that:

- 1) The Seller has declared that the Buyer is in Default under the Sales Contract;
- 2) If the Buyer objects to this declaration, the Buyer must notify the Escrow Agent in writing; and
- 3) If the Escrow Agent does not receive any objection from the Buyer within thirty (30) days from the date the notice is sent, the Escrow Agent may treat the Buyer's Funds as belonging to the Seller and may release those Funds to the Seller.

C. Release of Funds. If the Escrow Agent receives an objection from the Buyer within thirty (30) days after sending the notice to the Buyer, then the Escrow Agent may proceed as provided in Section 9.4. Otherwise, the Escrow Agent must treat the Buyer's Funds as the Funds of the Seller and pay them out as provided in Section 5.7.

5.4 Release of Funds Upon Posting a Bond or Other Financial Assurance. The Escrow Agent shall release a Buyer's Funds to the Seller prior to Closing if, as permitted by the Act or as approved by the Director, the Seller posts a bond, letter of credit, or other financial assurance that assures the repayment to the Escrow Agent of any refund due the Buyer prior to Closing. The Seller may determine the amount of the bond, letter of credit, or other financial assurance. The Escrow Agent may not release a Buyer's Funds under this Section 5.4 unless the amount of the bond, letter of credit, or other financial assurance exceeds the sum of (i) the amount to be released, plus (ii) the total amount of the Buyers' Funds previously released to the Seller for sales that have not yet closed. If permitted by the Act or approved by the Director, the Escrow Agent may release a Buyer's Funds to the Seller before the end of the Seven-Day Cancellation Period, despite Section 4.3.

5.5 Return of Documents if a Sale is Cancelled. If any sale is canceled or rescinded before Closing by the Buyer or the Seller, the Escrow Agent will:

- A. Mark "canceled" on and return to the Seller the Vacation Ownership Deed and the Sales Contract; and
- B. Provide to the Buyer any original Notes (except for checks and so on that have already been cashed), each marked "canceled"; and
- C. Return all other papers to the person who gave them to the Escrow Agent.

5.6 Unclaimed Refunds. Unless the law requires something else, the Escrow Agent must send written notice by certified or registered mail to each Buyer entitled to a refund. If a Buyer does not claim his or her refund within one year after the notice is mailed, then the Escrow Agent must treat the money as the Seller's and not the Buyer's Funds. By sending the Buyer written notice of payment of that money to the Seller, the Escrow Agent is released from any further liability to the Buyer for that money.

5.7 Payment of the Seller's Funds. Any unclaimed refunds and any other Funds that the Escrow Agent may release to the Seller under this Escrow Agreement (such as interest payable to the Seller on Buyer's Funds) will be paid out as the Seller directs in writing. Limits on the release of Buyer's Funds do not apply to the release of the Seller's Funds by the Escrow Agent.

PART 6.
PRECLOSING AND CLOSING CONDITIONS

6.1 The Escrow Agent Will Gather The Buyer's Money And Documents. Attached as Exhibit "C" is a list of documents that may be required to Close each sale. When the Escrow Agent receives each Sales Contract, it will promptly inform the Seller of any documents on the list that it still needs to Close the sale. It will also do anything else reasonably required by the Seller or any lender to Close the sale. If Seller asks, Escrow Agent will inform Seller of the amount of a Buyer's Funds held by the Escrow Agent.

6.2 Closing Conditions. The Escrow Agent will not Close any sale before the Closing Date set according to the Sales Contract. The Escrow Agent will Close each sale on the Closing Date if all of the following things (the *Closing Conditions*) have happened:

A. The Escrow Agent has not received notice that the Seller or the Buyer has cancelled as provided in Sections 5.2 or 5.3.

B. The Escrow Agent has received enough money to pay the Purchase Price stated on the Buyer's Sales Contract less (i) any credits allowed by the Seller and (ii) the amount of any loan made by the Seller to the Buyer.

C. The Escrow Agent has received all necessary Closing documents.

D. All requirements set by Seller or anyone else loaning money to the Buyer for the purchase have been met provided that Escrow Agent is notified of those requirements in writing.

E. The Buyer's Unit is included in the Plan if it isn't already.

F. A title insurance company authorized to do business in Hawaii is committed to issue, after the Buyer's Vacation Ownership Deed is recorded, a policy of title insurance on the Buyer's Vacation Ownership Interest.

1) The title policy must insure that the Buyer's Vacation Ownership Interest is subject only to any Mortgage signed by the Buyer, the "Permitted Encumbrances" listed in the Disclosure Statement, and anything else that doesn't make the Buyer's title unmarketable.

2) If the Closing will happen less than forty-six (46) days after the Date of Completion, the title policy must include an attachment (in legal terms, an "endorsement") insuring against any loss due to mechanics' liens. Note that "*Date of Completion*" has a special meaning under Section 507-43(f), HRS, and that meaning applies here. It generally refers to the date when construction is done.

G. As to each existing Blanket Lien, (i) the Escrow Agent is prepared to record or can confirm that someone else has already recorded a release of the Buyer's Vacation Ownership Interest from the Blanket Lien, or (ii) in the case of mechanics' or materialmen's lien, the commitment for a title policy required by Section 7.3 includes an endorsement providing coverage against such liens.

H. The requirements of Section 4.3 have been met.

6.3 Late Closing. If the necessary documents cannot be recorded, or if any of the Closing Conditions has not been met so that the sale cannot be Closed on the Closing Date: (i) the Escrow Agent will tell the Seller at once, and (ii) the Escrow Agent will not Close it later unless the Seller tells it to do so. If the Seller does so, the Escrow Agent will Close it on the new date picked by the Seller as long as all the Closing Conditions have been met. Neither the Seller nor the Escrow Agent must give notice to the Buyer of any change in the Closing Date.

PART 7.
CLOSING

7.1 Closing. To Close each sale, the Escrow Agent will:

A. Date all documents and fill in any other necessary blanks in them; and

B. Record, or see that someone else records, all releases, the Buyer's Vacation Ownership Deed, any Mortgage, and all other appropriate documents; and

C. Pay, out of the Funds in escrow and after Seller's approval, all of the Closing Costs and additional charges; and

D. Disburse all sums due Seller under the Sales Contract in the manner provided in Part 8.

7.2 **After the Closing.** After Closing and except as otherwise provided in Section 8.3, the Escrow Agent will:

A. Mail or otherwise deliver, or have someone else deliver to the Buyer the Vacation Ownership Deed, and copies of any recorded Mortgage, any closing statement or RESPA settlement statement held by the Escrow Agent, and the original owner's title insurance policy; and

B. Mail or otherwise deliver to the Seller each release and a copy of the Vacation Ownership Deed and any closing statement or RESPA settlement statement; and

C. Mail or otherwise deliver the original Note and Loan Documents, any original lender's title policy, and copies of any closing statement or RESPA settlement statement, and any other documents to, and do anything else reasonably required by, the Seller or anyone else loaning money to the Buyer for the purchase; and

D. Refund any over-payment to the Buyer.

7.3 **Condition of Title; Title Insurance.** A policy of title insurance will be issued to protect the Buyer and a separate policy will be issued to anyone making a mortgage loan to the Buyer (such as the Seller if it makes a loan). The Buyer is free to choose any title company licensed in the State of Hawaii. The Buyer must give a written notice to the Escrow Agent stating the name of the title insurance company chosen by the Buyer. If the Buyer does not choose a title company, then the Seller must do so.

PART 8. SELLER'S FUNDS

8.1 **Completion of Construction.** For purposes of this part, "*Completion of Construction*" means that the County of Maui has issued a temporary or permanent certificate of occupancy for the Buyer's Unit.

8.2 **Sales Closed After Completion of Construction.** If a sale is Closed after Completion of Construction, then the Escrow Agent will deliver the Buyer's Funds, Notes and Loan Documents to the Seller as part of the Closing.

8.3 **Sales Closed Before Completion of Construction.** If a sale is Closed before Completion of Construction, then these rules apply:

A. The Escrow Agent will hold in trust all Funds due Seller under the Sales Contract and will keep the Funds in a bank account with a bank or savings and loan association approved by the Seller and located in Honolulu, Hawaii. This account must pay interest at the prevailing interest rate. All interest will belong to the Seller. The account must be insured as to principal by the United States government or one of its agencies. The Escrow Agent will keep the sums in this account separate from Buyers' Funds.

B. The Escrow Agent will hold in trust all Notes and Loan Documents received from the sale. The Escrow Agent will cash any checks and similar documents which can be cashed, and hold the money as required under Section 8.3A. The Escrow Agent will keep the Notes and Loan Documents which it holds under this paragraph separate from Notes and Loan Documents of Buyers whose sale has not yet Closed.

C. The Escrow Agent will hold in trust all payments made by the Buyer pursuant to Notes and Loan Documents received from the sale. In performing this duty, the Escrow Agent may contract with a loan servicing company approved by the Seller to receive and account for all such payments. The Seller will pay all fees and charges of the loan servicing company but may pass the cost along to the Buyers making the payments. The Escrow Agent will hold and deposit the money as required under Section 8.3A.

D. If the Seller asks, the Escrow Agent will disburse the Funds held by it under this Section 8.3 from time to time to pay for:

1) Construction costs of the buildings and improvements in proportion to the valuation of the work completed by the contractor in accordance with the contract documents, as certified in writing by a registered architect or professional engineer, and

2) Architectural, engineering, finance, and legal fees and for other incidental expenses of the Condominium as approved by the Seller's mortgage lender (if it has a mortgage lender) in writing.

E. The Escrow Agent will return all Funds (including payments made by Buyers), Notes and Loan Documents to the Buyer from whom they were received if (1) the Seller directs the Escrow Agent to do so in writing or (2) a Buyer gives a valid notice of cancellation pursuant to section 514A-63, HRS. But the Escrow Agent will not return the Buyer's Funds, Notes and Loan Documents before recording a Deed transferring the Buyer's Vacation Ownership Interest(s) back to the Seller free of all encumbrances except those allowed in the title policy issued under Section 7.3. It is not the Escrow Agent's responsibility to obtain that Deed.

F. Upon Completion of Construction, the Escrow Agent will deliver to the Seller, or as the Seller directs in writing, all Funds, Notes and Loan Documents from the sale. But if there is a dispute or conflicting claims or demands, the Escrow Agent may interplead as provided in section 9.4.

8.4 Assignment of Seller's Rights. The Seller may give to a lender (called a "*Secured Party*") a "*Security Interest*" in the Funds, Notes and Loan Documents. (This means that the Seller is pledging its rights in the Funds, Notes and Loan Documents as collateral for a loan. If the Seller does not repay the loan, then the Secured Party may foreclose on the Seller's rights to the Funds, Notes and Loan Documents.) If the Seller gives someone such a Security Interest, then the Escrow Agent will have possession of and hold the Seller's interest in the Funds (including interest earned), Notes and Loan Documents in trust for the benefit of the Secured Party first and for the Seller second. If there is more than one Secured Party, then the Escrow Agent will hold the Funds, Notes and Loan Documents in trust for each of the Secured Parties in their order of priority and lastly for the Seller. Upon Completion of Construction, the Escrow Agent will deliver the Funds, Notes and Loan Documents to the Secured Party or as the Secured Party directs in writing instead of to the Seller under section 8.3F. This section will apply only while a Secured Party has a Security Interest in the Funds, Notes And Loan Documents. The Escrow Agent will sign any document reasonably requested by a Secured Party to confirm that the Escrow Agent has possession of and is holding the Funds, Notes and Loan Documents in trust for the benefit of the Secured Party.

8.5 Other Release of Funds. The Escrow Agent shall release to the Seller any Funds held in trust by the Escrow Agent pursuant to Section 8.3A if all requirements of one or more of the following subsections have been met:

A. The Seller posts a bond, letter of credit, or other financial assurance (a "Bond"), as permitted by the Act or as approved by the Director, assuring the repayment to the Escrow Agent of any refund due the Buyer after Closing and prior to the Completion of Construction. The Seller may determine the amount of the Bond. The Escrow Agent may not release a Buyer's Funds under this Subsection 8.5A unless the amount of the Bond exceeds the sum of (i) the amount to be released, plus (ii) the total amount of the Buyers' Funds previously released to the Seller for sales in Units the construction of which has not yet been substantially completed.

B. The Seller posts a bond, letter of credit, or other financial assurance, as permitted by the Act or as approved by the Director, assuring that construction of the Buyer's Unit, and the building in which it is located, will be substantially completed. For example, the Seller may post a completion bond for payment of the remaining costs of construction of the Buyer's Unit and the building in which it is located.

C. The Escrow Agent is otherwise allowed to do so by the Act, provided that any conditions to such release imposed by the Act must first be satisfied.

Funds released pursuant to this Section 8.5 are not subject to the restrictions on use imposed by Subsection 8.3D.

PART 9. ESCROW AGENT'S RIGHTS

9.1 Escrow Agent's Fees. For its services under this Escrow Agreement, the Escrow Agent will be paid the following fees:

A. **Escrow Fee.** The Escrow Agent will be paid an escrow fee in an amount set by agreement of the Seller and the Escrow Agent in a separate document. The escrow fee will be charged to the Buyer or the Seller as stated in the Sales

Contract. The escrow fee for each sale is due and payable only when the sale Closes; provided that if the sale Closes before the Completion of Construction, the fee is due and payable only after Completion of Construction and delivery to the Seller, or as the Seller directs, of the Buyer's Funds, Notes, and Loan Documents.

B. Cancellation Fee. No cancellation fee will be charged for any Sales Contract that is canceled by the Buyer or the Seller.

9.2 Lost Funds. The Escrow Agent is not responsible for any Funds lost during the time that they are deposited in an account insured as to principal by the United States Government or the State of Hawaii, or an agency of either of them.

9.3 Other Limits on the Escrow Agent's Liability and Duties. The Escrow Agent will not be liable to the Buyer, the Seller or anyone else for acting as directed by the Contract Documents, even if the Seller, the Buyer or anyone else instructs it to do otherwise. The Escrow Agent does not have to tell the Seller or any Buyer about any other transaction or fact if that transaction or fact does not prevent the Escrow Agent from obeying the Contract Documents. The Escrow Agent is not responsible for documents or money not delivered to the Escrow Agent. The Escrow Agent is not liable if the Buyer gives a valid notice of cancellation to the Seller but the Seller does not notify the Escrow Agent in a timely fashion. The Escrow Agent need not determine if any Sales Contract it receives is valid or sufficient. For all purposes, the Escrow Agent may assume that:

- A. All documents were signed by the persons whose signatures seem to be on them; and
- B. The persons signing documents are old enough and competent to sign and had the authority to do so; and
- C. Anyone who signs for someone else has permission to do so; and
- D. Any written notice or instruction from the Seller, or any lender providing financing for the purchase of a Vacation Ownership Interest, is true and accurate.

9.4 Disputes. The Escrow Agent is not required to decide disputes or resolve conflicting demands from the Seller, the Buyer, or anyone else. The Escrow Agent can wait for the dispute to be settled by the parties or by appropriate legal proceedings. If it chooses, the Escrow Agent may instead ask a court in Hawaii to decide the rights of the parties and deposit the Funds with the court. This is called an *interpleader action*. Once the Escrow Agent files the interpleader action and deposits the Funds with the court, the Escrow Agent has no more liabilities or obligations for those Funds.

9.5 The Buyer and Seller Will Indemnify the Escrow Agent. The Buyer and the Seller, jointly and severally (together and separately) promise to indemnify the Escrow Agent against (which means the Buyer and the Seller agree to pay in full) all costs, damages, judgments, legal fees and expenses reasonably incurred by the Escrow Agent for acting as instructed in this Escrow Agreement. This does not, however, apply to anything caused by the negligence or misconduct of the Escrow Agent.

9.6 Cancellation of This Escrow Agreement. The Seller or the Escrow Agent can cancel this Escrow Agreement by giving written notice to the other thirty (30) days in advance. All Sales Contracts accepted by the Seller before the date of the cancellation notice will continue under this Escrow Agreement and will be Closed by the Escrow Agent according to these escrow instructions just as if no notice of cancellation had been given. The Seller may, however, have a different escrow company Close any Sales Contract delivered to the Escrow Agent before the date of the termination. In that case, the Escrow Agent will receive a fair cancellation fee based on the work done but not less than Twenty Dollars (\$20.00) nor more than the full escrow fee. The Escrow Agent will receive no fee for Sales Contracts accepted by the Seller but not delivered to the Escrow Agent as of the date of the termination. Buyers cannot cancel this Escrow Agreement.

9.7 Application to Existing Sales. This Escrow Agreement does not replace the Escrow Agreements dated August 31, 2001, and May 20, 2003, between the Seller and the Escrow Agent. Those escrow agreements will stay in effect for all sales made before the date of this Escrow Agreement.

PART 10. GENERAL MATTERS

10.1 Assignment. The Escrow Agent cannot assign its rights nor delegate its duties under this Escrow Agreement without first getting the Seller's written consent. No Buyer's consent is necessary.

10.2 Changes To This Agreement. The Escrow Agent agrees to change this agreement as Seller asks in order to comply with (i) the legal requirements of the State of Hawaii, (ii) the legal requirements of any other state or the requirements of any governmental agency in a place where the Seller is registering the Plan for sale, or (iii) the requests of Seller's lenders. But the Escrow Agent need not agree to any change that increases its obligations or duties, reduces its fees, or violates the Act, the Rules, or the Condominium Property Act or the Condominium Regulations. No Buyer's consent is necessary.

10.3 Giving Notices. Any notice from the Seller or the Escrow Agent to the Buyer may be given by telephone or in writing, unless otherwise expressly stated. All other notices (including any from the Buyer) must be in writing only. Written notices must be personally delivered or mailed by certified or registered mail, postage prepaid, addressed to the person at the address shown on the Buyer's Sales Contract. If more than one person is listed as the Buyer on a Sales Contract, a notice given to any of them will be considered notice to all. If the Buyer is a corporation or partnership, the notice may be delivered or mailed to any officer or partner of the Buyer. If the Buyer is a limited liability company, the notice may be delivered or mailed (i) to any manager of a manager-managed company, or (ii) to any member of a member-managed company. The Buyer, the Seller or the Escrow Agent can change their addresses by sending written notice of the new address to the others. All written notices are considered given when they are personally received or are deposited in the mail.

10.4 Time Is Of The Essence. Time is of the essence. This means that the parties must do what they promised to do when they promised to do it. If anyone's promise does not set a date or time for performance, then that person must keep his or her promises as soon as reasonably possible. A party who does not keep his or her promises on time has violated the Contract Documents and will be in default.

10.5 Who is Bound by the Contract Documents? The Contract Documents are for the benefit of and binding on the Seller, the Buyer, the Escrow Agent, and anyone who, by law or by agreement, stands in any of their places. (In legal terms such people are called their "heirs," "personal representatives," "successors" and "assigns.")

10.6 Captions. Seller has tried to appropriately divide and caption the Contract Documents by their various sections. Captions are a part of the contract, but obviously cannot and do not completely or adequately explain each section or the entire agreement. Read with care each and every section of the Contract Documents and not just the captions alone. No court may treat the captions and headings as if they fully explain what the section means.

10.7 Hawaii Law; No Jury Trial. The Escrow Agent will perform all of its duties in the State of Hawaii. So this Escrow Agreement and all other parts of the Contract Documents pertaining to the Escrow Agent's duties are governed by and will be interpreted according to the laws of the State of Hawaii. **THE PARTIES GIVE UP ANY RIGHT TO A JURY TRIAL.**

10.8 Conflicts. This Escrow Agreement and the other Contract Documents are subject to the laws of Hawaii including, for example, the Act and the Rules, and the Condominium Property Act and the Condominium Regulations. If some part of the Contract Documents conflicts with a law or rule, the law or rule, and not that part of the Contract Documents, must be obeyed.

10.9 The Provisions Of The Contract Are "Severable" (Separately Enforceable). If any court decides that some part of the Contract Documents is not legal or can be ignored for any reason, the court must treat the Contract Documents as if they never included that part. All of the remaining parts will continue to be effective and binding.

10.10 Legal Fees. In any lawsuit or other legal proceedings over this Escrow Agreement, the losers must pay the winner's costs and expenses, including reasonable legal fees.

10.11 Counterparts. This Escrow Agreement will be effective so long as the Escrow Agent and the Seller sign copies of it. So long as they sign copies of this Escrow Agreement having identical content, it is not necessary for them to sign the exact same copy. A signature on a faxed copy will be sufficient as well.

By signing this document, the Escrow Agent and the Seller agree to all of the things written above. This agreement takes effect on August 12, 2003.

HAWAII RESORT ESCROW, INC.

By Brenda H. Daniels
Its President

SVO PACIFIC, INC.

By Victor H. Paul
Its Vice President

Exhibit "A" to Escrow Agreement

Westin Ka'anapali Ocean Resort Villas

<p style="text-align: center;">Joinder of Sales Agent in Escrow Agreement</p>
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By signing this document, the undersigned, a real estate broker licensed under Chapter 467, HRS :

1. Acknowledges receiving a copy of the Escrow Agreement between SVO Pacific, Inc., a Florida corporation, and Hawaii Resort Escrow, Inc., a Hawaii corporation; and
2. Agrees to obey and be bound by that agreement.

[NAME OF BROKER]

By: _____

Name: _____

Its: _____

Date: _____

Exhibit "B" to Escrow Agreement

SWORN STATEMENT
(For Sales Made Wholly or Partly in Hawaii After Issuance of Final Public Report)

TO: Hawaii Resort Escrow, Inc.	BUYER:
ATTN:	UNIT NO.
DATE:	INTERVAL NO.

SVO PACIFIC, INC., (the *Seller*) hereby states as follows:

1. The Seven-Day Cancellation Period under Section 514E-8, HRS, has expired as to the Buyer whose Funds are being released;
2. At least five days have passed since the Seven-Day Cancellation Period has expired, and
 - (a) No cancellation notice postmarked on a date within the Seven-Day Cancellation Period was received from the Buyer whose Funds are being released; and
 - (b) No cancellation notice was otherwise received during the Seven-Day Cancellation Period from the Buyer whose Funds are being released.
3. The Hawaii Real Estate Commission has issued an effective date for a Final Condominium Public Report on the Condominium.
4. The Buyer's Sales Contract was made after the Hawaii Real Estate Commission issued an effective date for a Final Public Report on the phase of the Condominium in which the Buyer's Unit is located.
5. There has been no "material change in the project which directly, substantially, and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use" as that phrase is used in Section 514A-63(a), HRS, that has not been disclosed to the Buyer in the Disclosure Statement or in a separate disclosure document.
6. Either:
 - (a) There has been no material change or changes in the Disclosure Statement within the meaning of Section 16-106-16(a) of the Hawaii Administrative Rules, or
 - (b) The Seller has prepared, and the Director of the Department of Commerce & Consumer Affairs has accepted, an amended or supplemental Disclosure Statement that specifies, in detail, any material change or changes which have occurred, and either:
 - (1) The Buyer is not adversely affected by the material change, and/or
 - (2) A true, accurate, and complete copy of the amended or supplemental Disclosure Statement has been given to the Buyer and (i) the Buyer signed a receipt for the amended or supplemental Disclosure Statement, or (ii) the Seller is otherwise able to verify that the amended or supplemental Disclosure Statement has been given to the Buyer.

SVO PACIFIC, INC.

By: _____
Its Attorney-In-Fact

State of Hawaii)
) SS.
County of Maui)

On this _____ day of _____, 20 ____, before me personally appeared _____, who, being by me duly sworn, did say that he or she is the Attorney-In-Fact for SVO PACIFIC, INC., a Florida corporation; that he or she executed the foregoing instrument as Attorney-In-Fact for said corporation; and that he or she executed the same as the same as the free act and deed of said corporation.

Name: _____
Notary Public, State of Hawaii
My commission expires: _____

Exhibit "C" to Escrow Agreement

SWORN STATEMENT
(For Sales Made Wholly or Partly in Hawaii - Contingent Public Report)

TO: Hawaii Resort Escrow, Inc.	BUYER:
ATTN:	UNIT NO.
DATE:	INTERVAL NO.

SVO PACIFIC, INC., (the *Seller*) hereby states as follows:

1. The Seven-Day Cancellation Period under Section 514E-8, HRS, has expired as to the Buyer whose Funds are being released;
2. At least five days have passed since the Seven-Day Cancellation Period has expired, and
 - (a) No cancellation notice postmarked on a date within the Seven-Day Cancellation Period was received from the Buyer whose Funds are being released; and
 - (b) No cancellation notice was otherwise received during the Seven-Day Cancellation Period from the Buyer whose Funds are being released.
3. The Buyer's Sales Contract was made before the Hawaii Real Estate Commission issued an effective date for a Final Public Report on the phase of the Condominium in which the Buyer's Unit is located.
4. The Hawaii Real Estate Commission issued an effective date for the Final Public Report on the Condominium, either:
 - (a) By the date that the Contingent Final Public Report expired; or
 - (b) After the date on which the Condominium's Contingent Final Public Report expired, and:
 - (i) The Seller gave written notice to the Buyer, by certified mail, that the Buyer had the right to rescind the Sales Contract because the Real Estate Commission did not issue an effective date for a Final Public Report for the Condominium by the date on which the Condominium's Contingent Final Public Report expired;
 - (ii) Both the Seller and the Buyer waived their rights to rescind in writing; and
 - (iii) Following the issuance of an effective date for the Final Public Report, the Seller promptly provided Buyer with all disclosures required under Section 514A-62(f)(3), HRS.
5. There has been no "material change in the project which directly, substantially, and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use" as that phrase is used in Section 514A-63(a), HRS, that has not been disclosed to the Buyer in the Disclosure Statement or in a separate disclosure document.
6. Either:
 - (a) There has been no material change or changes in the Disclosure Statement within the meaning of Section 16-106-16(a) of the Hawaii Administrative Rules, or
 - (b) The Seller has prepared, and the Director of the Department of Commerce & Consumer Affairs has accepted, an amended or supplemental Disclosure Statement that specifies, in detail, any material change or changes which have occurred, and either:
 - (1) The Buyer is not adversely affected by the material change, and/or
 - (2) A true, accurate, and complete copy of the amended or supplemental Disclosure Statement has been given to the Buyer and (i) the Buyer signed a receipt for the amended or supplemental Disclosure Statement, or (ii) the Seller is otherwise able to verify that the amended or supplemental Disclosure Statement has been given to the Buyer.

SVO PACIFIC, INC.

By: _____
Its Attorney-In-Fact

State of Hawaii)
) SS.
County of Maui)

On this _____ day of _____, 20 ____, before me personally appeared _____, who, being by me duly sworn, did say that he or she is the Attorney-In-Fact for SVO PACIFIC, INC., a Florida corporation; that he or she executed the foregoing instrument as Attorney-In-Fact for said corporation; and that he or she executed the same as the same as the free act and deed of said corporation.

Name: _____
Notary Public, State of Hawaii

My commission expires: _____

Exhibit "D" to Escrow Agreement

**SWORN STATEMENT
(For Sales Not Made in Hawaii - Contingent Public Report)**

TO: Hawaii Resort Escrow, Inc.	BUYER:
ATTN:	UNIT NO.
DATE:	INTERVAL NO.

SVO PACIFIC, INC., (the *Seller*) hereby states as follows:

1. The offer and sale took place entirely outside of Hawaii.
2. The Buyer's Sales Contract was made before the Hawaii Real Estate Commission issued an effective date for a Final Public Report on the phase of the Condominium in which the Buyer's Unit is located.
3. The Hawaii Real Estate Commission issued an effective date for the Final Public Report on the Condominium, either:
 - (a) By the date that the Contingent Final Public Report expired; or
 - (b) After the date on which the Condominium's Contingent Final Public Report expired, and:
 - (i) The Seller gave written notice to the Buyer, by certified mail, that the Buyer had the right to rescind the Sales Contract because the Real Estate Commission did not issue an effective date for a Final Public Report for the Condominium by the date on which the Condominium's Contingent Final Public Report expired;
 - (ii) Both the Seller and the Buyer waived their rights to rescind in writing; and
 - (iii) Following the issuance of an effective date for the Final Public Report, the Seller promptly provided Buyer with all disclosures required under Section 514A-62(f)(3), HRS.
4. There has been no "material change in the project which directly, substantially, and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use" as that phrase is used in Section 514A-63(a), HRS, that has not been disclosed to the Buyer in the Disclosure Statement or in a separate disclosure document.

SVO PACIFIC, INC.

By: _____
Its Attorney-In-Fact

State of Hawaii)
) SS.
County of Maui)

On this _____ day of _____, 20 ____, before me personally appeared _____, who, being by me duly sworn, did say that he or she is the Attorney-In-Fact for SVO PACIFIC, INC., a Florida corporation; that he or she executed the foregoing instrument as Attorney-In-Fact for said corporation; and that he or she executed the same as the same as the free act and deed of said corporation.

Name: _____
Notary Public, State of Hawaii

My commission expires: _____

Exhibit "E" to Escrow Agreement

SWORN STATEMENT
(For Sales Not Made in Hawaii - Final Public Report)

TO: Hawaii Resort Escrow, Inc.	BUYER:
ATTN:	UNIT NO.
DATE:	INTERVAL NO.

SVO PACIFIC, INC., (the Seller) hereby states as follows:

1. The offer and sale took place entirely outside of Hawaii.
2. The Buyer's Sales Contract was made after the Hawaii Real Estate Commission issued an effective date for a Final Public Report on the phase of the Condominium in which the Buyer's Unit is located.
3. There has been no "material change in the project which directly, substantially, and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use" as that phrase is used in Section 514A-63(a), HRS, that has not been disclosed to the Buyer in the Disclosure Statement or in a separate disclosure document.

SVO PACIFIC, INC.

By: _____
Its Attorney-In-Fact

State of Hawaii)
) SS.
County of Maui)

On this _____ day of _____, 20 ____, before me personally appeared _____, who, being by me duly sworn, did say that he or she is the Attorney-In-Fact for SVO PACIFIC, INC., a Florida corporation; that he or she executed the foregoing instrument as Attorney-In-Fact for said corporation; and that he or she executed the same as the same as the free act and deed of said corporation.

Name: _____
Notary Public, State of Hawaii
My commission expires: _____

EXHIBIT "F"

**Ocean Resort Villas
Standard Escrow Documents**

DOCUMENTS NEEDED FOR ALL SALES

1. Sales Contract
2. Buyer's Acknowledgement form
3. Original Vacation Ownership Deed
4. Receipt for Time Share Disclosure Statement (only for sales made wholly or partly in Hawaii)
5. Rescission Rights Notice(s)
6. Purchase money deposit - Copy & Back up
7. SVO Use Notification form
8. Correction Agreement / Limited Power of Attorney
9. Certification of Corporate Resolutions (if sale is to a corp.)
10. Guaranty Agreement (personal guaranty used in corp. sales)
11. Certification of Trustees Under Trust form
12. Developer's Affidavit RE: no cancellations
13. SVN StarOptions Chart

ADDITIONAL DOCUMENTS NEEDED FOR FINANCED SALE:

14. Promissory note
15. Mortgage
16. Mortgage modification document (if applicable)
17. Interest Rate Adjustment Rider (if applicable)
18. HUD 1 Settlement Statement
19. RESPA Good Faith Estimate of Closing Costs
20. Truth in Lending statement
21. RESPA servicing disclosure form
22. ACH / ACC debit form
23. Special Warranty Deed back to developer (upgrades only)

8/7/2003

**VACATION OWNERSHIP PLAN RULES AND REGULATIONS
OF
OCEAN RESORT VILLAS**

Welcome to resort living at its very best. We want your use of your Vacation Ownership Interest to be a satisfying experience. The following Rules and Regulations have been established for the benefit of all Owners. These Rules and Regulations supplement the Vacation Plan Declaration and Vacation Plan Documents, as they may be amended from time to time, but do not change your obligations as an Owner under either the Vacation Ownership Plan or Vacation Plan Documents. These Rules and Regulations may be amended from time to time by the Board of Directors of the Vacation Ownership Plan (the "Board"). Compliance by you, your family and your guests with these Rules and Regulations will permit the Vacation Ownership Plan at the Ocean Resort Villas to run smoothly and efficiently. The Vacation Plan is located in the Ocean Resort Villas, a fee simple Condominium (the "Resort"), all references to the Resort include the Vacation Plan, Condominium and Master Condominium.

Each Owner shall be governed by and shall comply with these Rules and Regulations, the Master Declaration, the Condominium Declaration, the Vacation Plan Documents (as defined in the Vacation Ownership Plan) and the Starwood Vacation Network Documents (as defined in the Vacation Ownership Plan). These documents are collectively referred to as the Governing Documents. Please note that failure by you or your guests to comply with these documents shall entitle the Vacation Owners Association ("Association") to pursue any and all legal and equitable remedies to enforce the rules and may result in the suspension of your rights and privileges as an Owner.

Antennas. No antennas of any type shall be allowed on the Resort, except as may be provided by the Board to serve as a master antenna for the benefit and use of the condominiums within the Resort. No electrical or other equipment may be operated on the Resort which interferes with television signal reception.

Barbecue Grills. No barbecue grills may be used on the Resort, except in areas, if any, specifically designated by the Board, or the Board of the Master Association or Condominium Association, for such use.

Biennials. Owners of biennial Vacation Ownership Interests may be required to pay a \$20.00 bookkeeping charge per year to offset the Association's extra processing costs.

Children. Owners are responsible for the conduct of their children or children in their care. Children are not permitted to play in corridors, parking areas, the lobby, pool areas, spas or any other common areas not designed for children's recreation. Children under thirteen (13) years of age must be accompanied by an adult. Owners will be held financially responsible for disturbance or damage caused their minor children or children under their care. Failure to pay for damages caused by such behavior may affect the Owner's use privileges.

Common Elements. Common elements of the Resort shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of and use by the Owners and others as permitted by the Governing Documents.

Damage. No Owner or guest, invitee, or lessee of such Owner shall deface, mar, or otherwise damage any part of the Resort. In the event of such damage, the Owner shall be liable for the cost of repair. If a Vacation Unit or facility is rendered unusable due to the intentional or negligent act or omission of an Owner, guest, invitee, or lessee of such Owner, the Owner also shall be responsible for the cost of securing alternative accommodations or facilities of comparable quality and location until the damaged accommodations or facilities are repaired.

Decoration of Units; Additions, Alterations, and Renovations. No Owner, guest, invitee, or lessee shall alter the furnishings, appliances, personal property, or decor of any Vacation Unit. No Owner, guest, invitee, or lessee shall paint or otherwise decorate or change the appearance of any portion of the Resort. The Board shall determine the interior color scheme, decor, and furnishings of each Vacation Unit as well as the proper time for redecorating and renovating such Unit and its contents. Except for Commercial Unit Owners as to the Commercial Unit owned and

Owners of Units which are not committed to the Vacation Ownership Plan as to those Units, no Owner, guest, invitee, or lessee shall make any additions, alterations, or renovations to any part of the Resort.

No Domiciliary Intent. No person may enter, stay, or dwell on or about a Vacation Unit with the intent or desire to be or become a legal domiciliary of the State of Hawaii or any political subdivision thereof, and all persons waive, release, and remise any such intent or desire. No person may enter, stay, or dwell on or about a Vacation Unit with the intent that the Unit be or become that person's principal dwelling, and all persons shall maintain a principal dwelling at all times at a location other than within a Vacation Unit.

Emergencies and Fire Safety. In the event of an emergency, contact the Resort Operator by dialing "0," or contact the appropriate authority by dialing "9" for an outside line, then dialing "911." After dialing "911," contact the Resort Operator so that emergency vehicles can be directed appropriately. The Association has posted in conspicuous places throughout the Resort fire regulations that must be adhered to by Owners and guests during their stay at the Resort. Your conscientious compliance with these rules and regulations will help maintain the beauty of the Resort.

Enforcement of Rules. The Association expects all Owners and their guests to adhere to the requirements set forth in the Rules and Regulations and the Vacation Ownership Declaration. To assist the Association in the enforcement of the provisions of these two documents, the Association has delegated enforcement authority to the Managing Agent. Any Owner or guest who has been advised by the Managing Agent that they are in violation of the Rules and Regulations or the Vacation Ownership Declaration will immediately cease and desist that activity.

If any Owner or his guest, after being notified by the Managing Agent that he is in violation of the Rules and Regulations or Vacation Ownership Declaration, fails to comply with the Managing Agent's direction, the matter will be referred to the Board of Directors of the Association for consideration of the assessment of penalties by reason of such person's non-compliance. The Owner against whom such action is proposed to be taken has the right to appear before the Board of Directors at its next regularly scheduled meeting to contest such action, all as provided in the Bylaws and the Vacation Ownership Plan Declaration.

Guests. You may permit another person to occupy your Assigned Unit during your Use Period(s) without charge by the Association subject to the following restrictions: (i) the maximum allowable occupancy limits may not be exceeded, (ii) guests must observe the Check-In and Check-Out procedures. If you intend for a person other than yourself to use your Use Period or to accompany you during your Regular Use reservation, you must provide the Managing Agent with the name and address of such person(s) in writing not less than three days prior to commencement of the occupancy period. You will be responsible for all personal charges and/or damages to the Unit you have occupied resulting from use by your guests. Persons under twenty-one (21) years of age must be accompanied by you or a guest twenty-one (21) years of age or older. Additional rules and regulations governing the recreational areas and the use of such areas by guests will be adopted by the Association and/or the Managing Agent, and may be amended from time to time.

Holdover Owners. If any Owner or the guest, invitee, or lessee of such Owner fails to vacate a Vacation Ownership Unit at the expiration of the Use Period reserved, such Owner shall be deemed a "holdover owner." The Association shall take steps as may be necessary to remove a holdover owner from the Unit. The Association also shall assist the holder of a subsequent reservation who may be affected by the holdover owner's failure to vacate, in finding alternate accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Association shall use reasonable efforts to remove the holdover owner and/or secure, at its expense, alternate accommodations for any holder of a subsequent reserved use period who may not occupy the Unit due to the failure to vacate of any holdover owner. Such accommodations shall be as near in value as possible to the Unit owned. The holdover owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to his failure to vacate, and a fine during this period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover owner, although the fine shall cease on actual vacating by the holdover owner, or the guest, invitee, or lessee of such Owner. The Association shall submit a bill to the holdover owner in accordance with the Declaration.

The foregoing provisions shall not abridge the Association's right to take such other action against a holdover owner as is permitted by law including eviction proceedings. Further, the foregoing provisions shall not limit the Association's right to take any action permitted by Hawaii law against trespassers who are not Owners.

Housekeeping. The time between Check-Out Time and Check-In Time is reserved exclusively for the cleaning, inventory, repair and maintenance of units by the housekeeping and maintenance personnel. Currently, a full cleaning will be provided prior to Check-In in addition to a mid-week full clean. However, the mid-week full clean is subject to change or deletion at the discretion of the Board. Additional housekeeping services are available by contacting the front desk. A charge for additional housekeeping services will be made and must be paid prior to your departure.

Lawful Use. No immoral, improper, offensive or unlawful use shall be made on or of the Resort, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

Nuisances. No nuisance shall be allowed on the Resort, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the Resort by the Owners. All parts of the Resort shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. All common elements shall be kept free for their intended use, and shall in no event be used as storage areas, either on a temporary or permanent basis. No clothing towels, bedding, or other similar items may be dried or aired in any outdoor area or hung over or on balconies. No Owner shall make or cause to be made any noises, or use musical instruments, radios, televisions, amplifiers, or other such equipment in a manner that may tend to disturb other Owners. No Owner shall permit any use of the Condominium Property that will increase the cost of insurance on the Condominium Property.

Occupancy and Check-In/Check-Out. Check-In begins at 4:00 p.m. on the first day of a Use Period and Check-Out is at 10:00 a.m. on the last day of the Use Period. In addition to these times, the Board reserves the right to designate an alternative Check-In time for specific Vacation Units. No Owner shall be admitted into a Vacation Unit until the check-in process is complete at the reception desk designated for such purpose. The Board may from time to time change the check-in/check-out times, and such change shall not require an amendment to the Vacation Ownership Plan Declaration. The maximum occupancy for One Bedroom Accommodations is four (4) persons. The maximum occupancy for Two Bedroom Accommodations is eight (8) persons.

Parking. Commercial trucks, oversized vehicles, trailers, motorcycles, and bicycles shall not be parked on the Condominium Property except in those areas, if any, designated by the Board.

Personal Charges. The Association will charge a minimum fee of \$10.00 for any personal charges required to be billed to an Owner after Check-Out. All Personal Charges, including, but not limited to, extra services or damages, for guests are considered the responsibility of the Owner who requested access for such guest. If an Owner has no valid credit card, or is not in residence at the resort, all goods and services must be paid for in cash or by accepted credit cards at the time goods or services are purchased. Any unpaid Personal Charges payable to the Association will bear interest at the maximum rate specified in the Vacation Ownership Declaration.

Personal Use Restriction. Each Vacation Unit shall be occupied only as vacation accommodations. No Owner may occupy a Vacation Unit or use any facilities of the Resort at any time other than during the Vacation Week owned or reserved in accordance with the Governing Instruments. Use of all Vacation Ownership Units and the facilities of the Resort by Owners is limited solely to the personal use of Owners, their guests, invitees, and lessees and for recreational uses by corporations and other entities owning Vacation Ownership Weeks. Use of Vacation Units or the facilities of the Resort by Owners for commercial purposes or any purposes other than the personal use described in the Governing Instruments is expressly prohibited. "Commercial purpose" includes a pattern of rental activity or other occupancy by an Owner that the Association, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. This paragraph shall not apply to Units or Vacation Ownership Weeks owned by the Developer or to Commercial Units.

The Board reserves the right to charge a fee for Permitted Users to utilize the common area amenities on a daily basis during the hours established by the Board for such day use privileges. The Board, in its sole and absolute discretion, may promulgate rules and regulations regarding day use of the common area amenities, as well as

delegate the responsibility for enforcing the rules and regulations to such third parties as the Board sees fit from time to time.

Pets. No pets of any type are allowed on the Resort, unless required pursuant to the Americans With Disabilities Act. This restriction includes all Vacation Units.

Reservation Procedures. Your use rights depend on the type of Vacation Ownership Interest you own as specified on your grant deed. Please refer to the Vacation Plan Declaration, Disclosure Statement and Network Documents for further information on reservation procedures.

Reservation requests will be confirmed by mail or, when time is limited, by telephone or fax; provided, however, that the Managing Agent shall have the discretion to limit the method by which confirmations are made to one or more of the foregoing methods or provide for an alternate method of confirmation. No reservation request will be honored unless it has been confirmed by the Association.

Regardless of whether you own an Ultra, Event, Ultra Premium, Fixed or Floating Vacation Ownership Interest, your reservation request will not be confirmed nor will you be allowed to occupy an Assigned Unit for which you have an existing reservation if (a) you are delinquent in the payment of any amounts owed to the Association, or (b) your use rights have been suspended by the Board.

You may cancel a reservation which you made by giving notice to the Managing Agent at least thirty (30) prior to the Check-In Time for the reserved Use Period. A cancellation fee will be charged if you cancel your reservation. Your ability to make another reservation will be subject to remaining availability in the current Use Year and cannot be guaranteed. If you make a reservation less than thirty (30) days in advance, you may not cancel this reservation.

Signs. No sign, notice, other display, or advertising may be posted, displayed, maintained, inscribed, painted, or affixed on any part of the Resort Property without the prior written approval of the Board, except for those displayed by or on behalf of Developer in accordance with the Declaration.

Smoking. No owner, tenant, invitee, guest, friend, family member, occupant, or any other person is allowed to smoke within the property or throughout the resort except as set forth herein. Smoking is prohibited everywhere within the property and throughout the resort, including, but not limited to, within individual units, patios, balconies, and similar structures, grounds, parking areas, pool decks, all enclosed and open pool and recreation areas, all children's play and activity areas, and all other condominium and association property, except those areas specifically designated and marked as an approved smoking area. Smoking shall include the inhaling, breathing, carrying, or possession of any lighted cigarette, cigar, pipe, other product containing any amount of tobacco, or any other type of heated or lit product. The use of electronic cigarettes is also prohibited. Owners who violate this rule are subject to additional cleaning charges as determined by the Management Company or the Board.¹

Solicitation. No solicitation of any kind, whether commercial, religious, educational, or otherwise, shall be conducted anywhere on the Condominium Property unless specifically authorized in advance and in writing by the Board, except for the activity permitted to be performed by Developer or its designees in accordance with the Declaration.

Telephone. Each unit is furnished with a private telephone. A record of all calls will be maintained by the Association. Any calls made during an Owner's Use Period which are not charged as directed above, will be charged to the Owner at check-out. The Association may impose reasonable charges for local and long-distance telephone calls, whether or not such calls are collect, billed to a credit card, billed to your home phone or billed to your business number.

¹ The "Smoking policy has been revised and will go into effect January 1, 2014.

Watercraft. No boats, jet skis, wave runners, or other watercraft of any kind whatsoever shall be used, stored, or brought onto the Resort Property without the prior written consent of the Board, and, if such consent is given, shall only be placed in the those areas designated by the Board for such time as designated by the Board.

Your home loan toolkit

A step-by-step guide



Consumer Financial
Protection Bureau





How can this toolkit help you?

Buying a home is exciting and, let's face it, complicated. This booklet is a toolkit that can help you make better choices along your path to owning a home.

After you finish this toolkit:

- You'll know the most important steps you need to take to **get the best mortgage** for your situation Section 1: Page 3
- You'll better **understand your closing costs** and what it takes to buy a home Section 2: Page 16
- You'll see a few ways to **be a successful homeowner** Section 3: Page 24

How to use the toolkit:

-  The location symbol orients you to where you are in the home buying process.
-  The pencil tells you it is time to get out your pencil or pen to circle, check, or fill in numbers.
-  The magnifying glass highlights tips to help you research further to find important information.
-  The speech bubble shows you conversation starters for talking to others and gathering more facts.

About the CFPB

The Consumer Financial Protection Bureau is a federal agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Have a question about a common consumer financial product or problem? You can find answers by visiting consumerfinance.gov/askcfpb. Have an issue with a mortgage, student loan, or other financial product or service? You can submit a complaint to the CFPB. We'll forward your complaint to the company and work to get you a response. Turn to the back cover for details on how to submit a complaint or call us at (855) 411-2372.

This booklet was created to comply with federal law pursuant to 12 U.S.C. 2604, 12 CFR 1024.6, and 12 CFR 1026.19(g).

2 YOUR HOME LOAN TOOLKIT

Choosing the best mortgage for you



You're starting to look for a mortgage or want to confirm you made a good decision.

To make the most of your mortgage, you need to decide what works for you and then shop around to find it. In this section, you'll find eight steps to get the job done right.

1. Define what affordable means to you

Only you can decide how much you are comfortable paying for your housing each month. In most cases, your lender can consider only if you are able to repay your mortgage, not whether you will be comfortable repaying your loan. Based on your whole financial picture, think about whether you want to take on the mortgage payment plus the other costs of homeownership such as appliances, repairs, and maintenance.

IN THIS SECTION

1. Define what affordable means to you
2. Understand your credit
3. Pick the mortgage type that works for you
4. Choose the right down payment for you
5. Understand the trade-off between points and interest rate
6. Shop with several lenders
7. Choose your mortgage
8. Avoid pitfalls and handle problems

THE TALK

Ask your spouse, a loved one, or friend about what affordable means to you:

"What's more important—a bigger home with a larger mortgage or more financial flexibility?"

"How much do we want to budget for all the monthly housing costs, including repairs, furniture, and new appliances?"

"What will a mortgage payment mean for other financial goals?"



KNOW YOUR NUMBERS

Calculate the home payment you can take on by filling in the worksheets below:

Think about what an affordable home loan looks like for you. These worksheets can help. First, estimate your total monthly home payment. Second, look at the percentage of your income that will go toward your monthly home payment. Third, look at how much money you will have available to spend on the rest of your monthly expenses.

Step 1. Estimate your total monthly home payment by adding up the items below

Your **total monthly home payment** is more than just your mortgage. There are more expenses that go along with owning your home. Start with estimates and adjust as you go.

	MONTHLY ESTIMATE
<p>Principal and interest (P&I)</p> <p>Your principal and interest payment depends on your home loan amount, the interest rate, and the number of years it takes to repay the loan. Principal is the amount you pay each month to reduce the loan balance. Interest is the amount you pay each month to borrow money. Many principal and interest calculators are available online.</p>	\$
<p>Mortgage insurance</p> <p>Mortgage insurance is often required for loans with less than a 20% down payment.</p>	+ \$
<p>Property taxes</p> <p>The local assessor or auditor's office can help you estimate property taxes for your area. If you know the yearly amount, divide by 12 and write in the monthly amount.</p>	+ \$
<p>Homeowner's insurance</p> <p>You can call one or more insurance agents to get an estimate for homes in your area. Ask if flood insurance is required.</p>	+ \$
<p>Homeowner's association or condominium fees, if they apply</p> <p>Condominiums and other planned communities often require homeowner's association (HOA) fees.</p>	+ \$
<p>My estimated total monthly home payment</p>	= \$

Step 2. Estimate the percentage of your income spent on your monthly home payment

Calculate the percentage of your total monthly income that goes toward your total monthly home payment each month. A mortgage lending rule of thumb is that **your total monthly home payment should be at or below 28% of your total monthly income before taxes**. Lenders may approve you for more or for less depending on your overall financial picture.

$$\begin{array}{rclcl}
 \$ & & \div & \$ & \times 100 = & \% \\
 \hline
 \text{My estimated total monthly} & & & \text{My total monthly income} & & \\
 \text{home payment (from step 1)} & & & \text{before taxes} & & \\
 & & & & & \text{Percentage of my income} \\
 & & & & & \text{going toward my monthly} \\
 & & & & & \text{home payment}
 \end{array}$$

Step 3. Estimate what is left after subtracting your monthly debts

To determine whether you are comfortable with your total monthly home payment, figure out how much of your income is left after you pay for your housing plus your other monthly debts.

Total monthly income <i>after taxes</i>	\$
My estimated total monthly home payment (from step 1)	
Monthly car payment(s)	- \$
Monthly student loan payment(s)	- \$
Monthly credit card payment(s)	- \$
Other monthly payments, such as child support or alimony	- \$
Total monthly income minus all debt payments This money must cover your utilities, groceries, child care, health insurance, repairs, and everything else. If this isn't enough, consider options such as buying a less expensive home or paying down debts.	= \$

Step 4. Your choice

I am comfortable with a total monthly home payment of: \$ _____

2. Understand your credit

Your credit, your credit scores, and how wisely you shop for a loan that best fits your needs have a significant impact on your mortgage interest rate and the fees you pay. To improve your credit and your chances of getting a better mortgage, get current on your payments and stay current. About 35% of your credit scores are based on whether or not you pay your bills on time. About 30% of your credit scores are based on how much debt you owe. That's why you may want to consider paying down some of your debts.

RESEARCH STARTER

Check out interest rates and make sure you're getting the credit you've earned.

- Get your credit report at annualcreditreport.com and check it for errors. If you find mistakes, submit a request to each of the credit bureaus asking them to fix the mistake. For more information about correcting errors on your credit report, visit consumerfinance.gov/askcfpb.
- For more on home loans and credit, visit consumerfinance.gov/owning-a-home.

NOW

- If your credit score is below 700, you will likely pay more for your mortgage.
- Most credit scoring models are built so you can shop for a mortgage within a certain period—generally between 14 days and 45 days—with little or no impact on your score. If you shop outside of this period, any change triggered by shopping should be minor—a small price to pay for saving money on a mortgage loan.

IN THE FUTURE

- If you work on improving your credit and wait to buy a home, you will likely save money. Some people who improve their credit save \$50 or \$100 on a typical monthly mortgage payment.
- An average consumer who adopts healthy credit habits, such as paying bills on time and paying down credit cards, could see a credit score improvement in three months or more.

YOUR CHOICE *Check one:*

- I will go with the credit I have. **OR** I will wait a few months or more and work to improve my credit.

TIP

Be careful making any big purchases on credit before you close on your home. Even financing a new refrigerator could make it harder for you to get a mortgage.

TIP

Correcting errors on your credit report may raise your score in 30 days or less. It's a good idea to correct errors before you apply for a mortgage.

3. Pick the mortgage type—fixed or adjustable—that works for you

With a **fixed-rate mortgage**, your principal and interest payment stays the same for as long as you have your loan.

- Consider a fixed-rate mortgage if you want a predictable payment.
- You may be able to refinance later if interest rates fall or your credit or financial situation improves.

With an **adjustable-rate mortgage (ARM)**, your payment often starts out lower than with a fixed-rate loan, but your rate and payment could increase quickly. It is important to understand the trade-offs if you decide on an ARM.

- Your payment could increase a lot, often by hundreds of dollars a month.
- Make sure you are confident you know what your maximum payment could be and that you can afford it.

Planning to sell your home within a short period of time? That's one reason some people consider an ARM. But, you probably shouldn't count on being able to sell or refinance. Your financial situation could change. Home values may go down or interest rates may go up.

You can learn more about ARMs in the Consumer Handbook on Adjustable Rate Mortgages (files.consumerfinance.gov/f/201401_cfpb_booklet_charm.pdf) or by visiting consumerfinance.gov/owning-a-home.

YOUR CHOICE Check one:

- I prefer a fixed-rate mortgage. **OR** I prefer an adjustable-rate mortgage.

Check for risky loan features

Some loans are safer and more predictable than others. It is a good idea to make sure you are comfortable with the risks you are taking on when you buy your home. You can find out if you have certain types of risky loan features from the Loan Terms section on the first page of your Loan Estimate.

A **balloon payment** is a large payment you must make, usually at the end of your loan repayment period. Depending on the terms of your loan, the balloon payment could be as large as the entire balance on your mortgage.

A **prepayment penalty** is an amount you have to pay if you refinance or pay off your loan early. A prepayment penalty may apply even if you sell your home.

TIP

Many borrowers with ARMs underestimate how much their interest rates can rise.

4. Choose the right down payment for you

A down payment is the amount you pay toward the home yourself. You put a percentage of the home's value down and borrow the rest through your mortgage loan.

YOUR CHOICE Check one:

YOUR DOWN PAYMENT	WHAT THAT MEANS FOR YOU
<input type="checkbox"/> I will put down 20% or more.	A 20% or higher down payment likely provides the best rates and most options. However, think twice if the down payment drains all your savings.
<input type="checkbox"/> I will put down between 5% and 19%.	<p>You probably have to pay higher interest rates or fees. Lenders most likely require private mortgage insurance (PMI). PMI is an insurance policy that lets you make a lower down payment by insuring the lender against loss if you fail to pay your mortgage.</p> <p>Keep in mind when you hear about “no PMI” offers that doesn’t mean zero cost. No PMI offers often have higher interest rates and may also require you to take out a second mortgage. Be sure you understand the details.</p>
<input type="checkbox"/> I will make no down payment or a small one of less than 5%.	<p>Low down payment programs are typically more expensive because they may require mortgage insurance or a higher interest rate. Look closely at your total fees, interest rate, and monthly payment when comparing options.</p> <p>Ask about loan programs such as:</p> <ul style="list-style-type: none"> ▪ Conventional loans that may offer low down payment options. ▪ FHA, which offers a 3.5% down payment program. ▪ VA, which offers a zero down payment option for qualifying veterans. ▪ USDA, which offers a similar zero down payment program for eligible borrowers in rural areas.

The advantages of prepayment

Prepayment is when you make additional mortgage payments so you pay down your mortgage early. This reduces your overall cost of borrowing, and you may be able to cancel your private mortgage insurance early and stop paying the premium. Especially if your down payment is less than 20%, it may make sense to make additional payments to pay down your loan earlier.

TIP

Prepayment is your choice. You don’t have to sign up for a program or pay a fee to set it up.

5. Understand the trade-off between points and interest rate

Points are a percentage of a loan amount. For example, when a loan officer talks about one point on a \$100,000 loan, the loan officer is talking about one percent of the loan, which equals \$1,000. Lenders offer different interest rates on loans with different points. There are three main choices you can make about points. You can decide you don't want to pay or receive points at all. This is called a **zero point loan**. You can pay points at closing to receive a lower interest rate. Or you can choose to have points paid to you (also called **lender credits**) and use them to cover some of your closing costs.

The example below shows the trade-off between points as part of your closing costs and interest rates. In the example, you borrow \$180,000 and qualify for a 30-year fixed-rate loan at an interest rate of 5.0% with zero points. Rates currently available may be different than what is shown in this example.

COMPARE THREE SCENARIOS OF HOW POINTS AFFECT INTEREST RATE

RATE	4.875%	5.0%	5.125%
POINTS	+0.375	0	-0.375
YOUR SITUATION	You plan to keep your mortgage for a long time. You can afford to pay more cash at closing.	You are satisfied with the market rate without points in either direction.	You don't want to pay a lot of cash upfront and you can afford a larger mortgage payment.
YOU MAY CHOOSE	Pay points now and get a lower interest rate. This will save you money over the long run.	Zero points.	Pay a higher interest rate and get a lender credit toward some or all of your closing costs.
WHAT THAT MEANS	You might agree to pay \$675 more in closing costs, in exchange for a lower rate of 4.875%. Now: You pay \$675 Over the life of the loan: Pay \$14 less each month	With no adjustments in either direction, it is easier to understand what you're paying and to compare prices.	You might agree to a higher rate of 5.125%, in exchange for \$675 toward your closing costs. Now: You get \$675 Over the life of the loan: Pay \$14 more each month

6. Shop with several lenders

You've figured out what affordable means for you. You've reviewed your credit and the kind of mortgage and down payment that best fits your situation. Now is the time to start shopping seriously for a loan. The work you do here could save you thousands of dollars over the life of your mortgage.

GATHER FACTS AND COMPARE COSTS

- Make a list of several lenders you will start with**
Mortgages are typically offered by community banks, credit unions, mortgage brokers, online lenders, and large banks. These lenders have loan officers you can talk to about your situation.
- Get the facts from the lenders on your list**
Find out from the lenders what loan options they recommend for you, and the costs and benefits for each. For example, you might find a discount is offered for borrowers who have completed a home buyer education program.
- Get at least three offers—in writing—so that you can compare them**
Review the decisions you made on [pages 4 to 8](#) to determine the loan type, down payment, total monthly home payment and other features to shop for. Now ask at least three different lenders to give you a **Loan Estimate**, which is a standard form showing important facts about the loan. It should be sent to you within three days, and it shouldn't be expensive. Lenders can charge you only a small fee for getting your credit report—and some lenders provide the Loan Estimate without that fee.
- Compare Total Loan Costs**
Review your Loan Estimates and compare Total Loan Costs, which you can see under *Section D* at the bottom left of the second page of the Loan Estimate. **Total Loan Costs** include what your lender charges to make the loan, as well as costs for services such as appraisal and title. The third page of the Loan Estimate shows the **Annual Percentage Rate** (APR), which is a measure of your costs over the loan term expressed as a rate. Also shown on the third page is the **Total Interest Percentage** (TIP), which is the total amount of interest that you pay over the loan term as a percentage of your loan amount. **You can use APR and TIP to compare loan offers.**

RESEARCH STARTER

Loan costs can vary widely from lender to lender, so this is one place where a little research may help you save a lot of money. Here's how:

- Ask real estate and title professionals about average costs in your area.
- Learn more about loan costs, and get help comparing options, at consumerfinance.gov/owning-a-home.

TIP

A loan officer is not necessarily shopping on your behalf or providing you with the best fit or lowest cost loan.

TIP

It is illegal for a lender to pay a loan officer more to steer you into a higher cost loan.

THE TALK

Talking to different lenders helps you to know what options are available and to feel more in control. Here is one way to start the conversation:

“This mortgage is a big decision and I want to get it right. Another lender is offering me a different loan that may cost less. Let’s talk about what the differences are and whether you may be able to offer me the best deal.”



TRACK YOUR LOAN OFFERS

Fill in the blanks for these important factors:

	LOAN OFFER 1	LOAN OFFER 2	LOAN OFFER 3
Lender name			
Loan amount	\$	\$	\$
Interest rate	%	%	%
	<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable	<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable	<input type="checkbox"/> Fixed <input type="checkbox"/> Adjustable
Monthly principal and interest	\$	\$	\$
Monthly mortgage insurance	\$	\$	\$
Total Loan Costs <i>(See section D on the second page of your Loan Estimate.)</i>	\$	\$	\$

My best loan offer is: _____

7. Choose your mortgage

You've done a lot of hard work to get this far! Now it is time to make your call.



CONFIRM YOUR DECISION

Check the box if you agree with the statement:

- I can repay this loan.
- I am comfortable with my monthly payment.
- I shopped enough to know this is a good deal for me.
- There are no risky features such as a balloon payment or prepayment penalty I can't handle down the road.
- I know whether my principal and interest payment will increase in the future.

Still need advice? The U.S. Department of Housing and Urban Development (HUD) sponsors housing counseling agencies throughout the country to provide free or low-cost advice. To find a HUD-approved housing counselor visit consumerfinance.gov/find-a-housing-counselor or call HUD's interactive voice system at (800) 569-4287.

Intent to proceed

When you receive a Loan Estimate, the lender has not yet approved or denied your loan. Up to this point, they are showing you what they expect to offer if you decide to move forward with your application. You have not committed to this lender. In fact, you are not committed to any lender before you have signed final closing documents.

Once you have found your best mortgage, the next step is to tell the loan officer you want to proceed with that mortgage application. This is called expressing your **intent to proceed**. Lenders have to wait until you express your intent to proceed before they require you to pay an application fee, appraisal fee, or most other fees.

Rate lock

Your Loan Estimate may show a rate that has been "locked" or a rate that is "floating," which means it can go up or down. Mortgage interest rates change daily, sometimes hourly. A **rate lock** sets your interest rate for a period of time. Rate locks are typically available for 30, 45, or 60 days, and sometimes longer.

The interest rate on your Loan Estimate is not a guarantee. If your rate is floating and it is later locked, your interest rate will be set at that later time. Also, if there are changes in your application—including your loan amount, credit score, or verified income—your rate and terms will probably change too. In those situations, the lender gives you a revised Loan Estimate.

There can be a downside to a rate lock. It may be expensive to extend if your transaction needs more time. And, a rate lock may lock you out of better market pricing if rates fall.

THE TALK

Rate lock policies vary by lender. Choosing to lock or float your rate can make an important difference in your monthly payment. To avoid surprises, ask:

“What does it mean if I lock my rate today?”

“What rate lock time frame does this Loan Estimate provide?”

“Is a shorter or longer rate lock available, and at what cost?”

“What if my closing is delayed and the rate lock expires?”

“If I lock my rate, are there any conditions under which my rate could still change?”

8. Avoid pitfalls

WHAT NOT TO DO	WHY?
Don't sign documents where important details are left blank or documents you don't understand.	You are agreeing to repay a substantial amount of money over an extended period of time. Make sure you know what you are getting into and protect yourself from fraud.
Don't assume you are on your own.	HUD-approved housing counselors can help you navigate the process and find programs available to help first-time homebuyers. You can find a HUD-approved housing counselor in your area at consumerfinance.gov/find-a-housing-counselor or call HUD's interactive voice system at (800) 569-4287.
Don't take on more mortgage than you want or can afford.	Make certain that you want the loan that you are requesting and that you are in a position to live up to your end of the bargain.
Don't count on refinancing, and don't take out a loan if you already know you will have to change it later.	If you are not comfortable with the loan offered to you, ask your lender if there is another option that works for you. Keep looking until you find the right loan for your situation.
Don't fudge numbers or documents.	You are responsible for an accurate and truthful application. Be upfront about your situation. Mortgage fraud is a serious offense.
Don't hide important financial information.	Hiding negative information may delay or derail your loan application.

Handle problems

WHAT HAPPENED

WHAT TO DO ABOUT IT

I have experienced a problem with my loan application or how my loan officer is treating me.

Ask to talk to a supervisor. It may be a good idea to talk to the loan officer first, and if you are not satisfied, ask to speak with a supervisor.

I think I was unlawfully discriminated against when I applied for a loan or when I tried to buy a home.

The Fair Housing Act and Equal Credit Opportunity Act prohibit housing and credit discrimination. If you think you have been discriminated against during any part of the mortgage process, you can submit a complaint and describe what happened. To do so, you can call the Consumer Financial Protection Bureau at (855) 411-2372 or visit consumerfinance.gov/complaint. Submit a complaint to the U.S. Department of Housing and Urban Development (HUD) by calling (800) 669-9777, TTY (800) 927-9275. Or, file a complaint online at HUD.gov.

You can find more information about your rights and how to submit a complaint with the CFPB at consumerfinance.gov/fair-lending.

I have a complaint.

Submit a complaint to the Consumer Financial Protection Bureau if you have problems at any stage of the mortgage application or closing process, or later if you have problems making payments or become unable to pay. You can call (855) 411-2372 or visit consumerfinance.gov/complaint.

I think I may have been the victim of a predatory lender or a loan fraud.

Don't believe anyone who tells you they are your "only chance to get a loan," or that you must "act fast." Learn the warning signs of predatory lending and protect yourself. Find more information at portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/OHC_PREDLEND/OHC_LOANFRAUD.

You could learn more about your loan officer at nmlsconsumeraccess.org.

Your closing



You've chosen a mortgage. Now it's time to select and work with your closing agent.

Once you've applied for a mortgage, you may feel like you're done. But mortgages are complicated and you still have choices to make.

1. Shop for mortgage closing services

Once you've decided to move forward with a lender based on the Loan Estimate, you are ready to shop for the **closing agent** who gathers all the legal documents, closes the loan, and handles the money involved in your purchase. After you apply for a loan, your lender gives you a list of companies that provide closing services. You may want to use one of the companies on the list. Or, you may be able to choose companies that are not on the list if your lender agrees to work with your choice. The seller cannot require you to buy a title insurance policy from a particular title company.

Closing agent

In most of the country, a settlement agent does your closing. In other states, particularly several states in the West, the person is known as an escrow agent. And in some states, particularly in the Northeast and South, an attorney may be required.



RESEARCH STARTER

When you compare closing agents, look at both cost and customer service.

- Ask your real estate professional and your friends. These people may know companies they would recommend. Be sure to ask how that company handled problems and if they have a good reputation.

IN THIS SECTION

1. Shop for mortgage closing services
2. Review your revised Loan Estimate
3. Understand and use your Closing Disclosure

TIP

Settlement services may feel like a drop in the bucket compared to the cost of the home. But in some states borrowers who shop around may save hundreds of dollars.

- Review the list of companies your lender gave you. Select a few companies on the list and ask for references from people who recently bought a home. Ask those people how the company handled problems that came up during the transaction.

Title insurance

When you purchase your home, you receive a document most often called a deed, which shows the seller transferred their legal ownership, or “title,” to the home to you. **Title insurance** can provide protection if someone later sues and says they have a claim against the home. Common claims come from a previous owner’s failure to pay taxes or from contractors who say they were not paid for work done on the home before you purchased it.

Most lenders require a **Lender’s Title Insurance** policy, which protects the amount they lent. You may want to buy an **Owner’s Title Insurance** policy, which protects your financial investment in the home. The Loan Estimate you receive lists the Owner’s Title Insurance policy as optional if your lender does not require the policy as a condition of the loan.

Depending on the state where you are buying your home, your title insurance company may give you an itemized list of fees at closing. This itemized list may be required under state law and may be different from what you see on your Loan Estimate or Closing Disclosure. That does not mean you are being charged more. If you add up all the title-related costs your title insurance company gives you, it should match the totals of all the title-related costs you see on your Loan Estimate or Closing Disclosure. When comparing costs for title insurance, make sure to compare the bottom line total.

Home inspector and home appraiser

When you are considering buying a home, it is smart to check it out carefully to see if it is in good condition. The person who does this for you is called a **home inspector**. The inspector works for you and should tell you whether the home you want to buy is in good condition and whether you are buying a “money pit” of expensive repairs. Get your inspection before you are finally committed to buy the home.

A home inspector is different from a **home appraiser**. The appraiser is an independent professional whose job is to give the lender an estimate of the home’s market value. You are entitled to a copy of the appraisal prior to your closing. This allows you to see how the price you agreed to pay compares to similar and recent property sales in your area.

2. Review your revised Loan Estimate

When important information changes, your lender is required to give you a new Loan Estimate that shows your new loan offer.

It is illegal for a lender to quote you low fees and costs for its services on your Loan Estimate and then surprise you with much higher costs in a revised Loan Estimate or Closing Disclosure. However, a lender may change the fees it quotes you for its services if the facts on your application were wrong or changed, you asked for a change, your lender found you did not qualify for the original loan offer, or your Loan Estimate expired.

Here are common reasons why your Loan Estimate might change:

- You decided to change loan programs or the amount of your down payment.
- The appraisal on the home you want to buy came in higher or lower than expected.
- You took out a new loan or missed a payment and that has changed your credit.
- Your lender could not document your overtime, bonus, or other income.

THE TALK

If your Loan Estimate is revised you should look it over to see what changed. Ask your lender:

“Can you explain why I received a new Loan Estimate?”

“How is my loan transaction different from what I was originally expecting?”

“How does this change my loan amount, interest rate, monthly payment, cash to close, and other loan features?”

3. Understand and use your Closing Disclosure

You've chosen a home you want to buy and your offer has been accepted. You've also applied for and been approved for a mortgage. Now you are ready to take legal possession of the home and promise to repay your loan.

At least three days before your closing, you should get your official **Closing Disclosure**, which is a five-page document that gives you more details about your loan, its key terms, and how much you are paying in fees and other costs to get your mortgage and buy your home.

Many of the costs you pay at closing are set by the decisions you made when you were shopping for a mortgage. Charges shown under "services you can shop for" may increase at closing, but generally by no more than 10% of the costs listed on your final Loan Estimate.

The Closing Disclosure breaks down your closing costs into two big categories:

YOUR LOAN COSTS

- The lender's **Origination Costs** to make or "originate" the loan, along with application fees and fees to underwrite your loan. **Underwriting** is the lender's term for making sure your credit and financial information is accurate and you meet the lender's requirements for a loan.
- Discount points—that is, additional money you pay up front to reduce your interest rate.
- Services you shopped for, such as your closing or settlement agent and related title costs.
- Services your lender requires for your loan. These include appraisals and credit reports.

OTHER COSTS

- Property taxes.
- Homeowner's insurance premiums. You can shop around for homeowner's insurance from your current insurance company, or many others, until you find the combination of premium, coverage, and customer service that fits your situation. Your lender will ask you for proof you have an insurance policy on your new home.
- Any portion of your total mortgage payment you must make before your first full payment is due.
- Flood insurance, if required.

RESEARCH STARTER

Get tips, a step-by-step checklist, and help with the rest of the documents you'll see at closing at consumerfinance.gov/owning-a-home.

What is your Closing Disclosure?

The five-page Closing Disclosure sums up the terms of your loan and what you pay at closing. You can easily compare the numbers to the Loan Estimate you received earlier. There should not be any significant changes other than those you have already agreed to.

Take out your own Closing Disclosure, or review the example here. Double-check that you clearly understand what you'll be expected to pay—over the life of your loan and at closing.

ON PAGE 1 OF 5

Loan terms

Review your monthly payment. Part of it goes to repay what you borrowed (and may build equity in your new home), and part of it goes to pay interest (which doesn't build equity). Equity is the current market value of your home minus the amount you still owe on your mortgage.

Costs at Closing

Be prepared to bring the full "Cash to Close" amount with you to your closing. This amount includes your down payment and closing costs. The closing costs are itemized on the following pages.

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Disclosure

Closing Information	Transaction Information	Loan Information
Date Issued 4/15/2013 Closing Date 4/15/2013 Disbursement Date 4/15/2013 Settlement Agent Epsilon Title Co. File # 12-3456 Property 456 Somewhere Ave Anytown, ST 12345 Sale Price \$180,000	Borrower Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345 Seller Steve Cole and Amy Doe 321 Somewhere Drive Anytown, ST 12345 Lender Ficus Bank	Loan Term 30 years Purpose Purchase Product Fixed Rate Loan Type <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> Loan ID # 123456789 MIC # 000654321

Loan Terms	Can this amount increase after closing?
Loan Amount	\$162,000 NO
Interest Rate	3.875% NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78 NO
Does the loan have these features?	
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO

Projected Payments		
Payment Calculation	Years 1-7	Years 8-30
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow <small>Amount can increase over time</small>	+ 206.13	+ 206.13
Estimated Total Monthly Payment	\$1,050.26	\$967.91

Estimated Taxes, Insurance & Assessments <small>Amount can increase over time See page 4 for details</small>	\$356.13 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>	In escrow? YES YES NO
--	---------------------	---	--

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE
PAGE 1 OF 5 • LOAN ID # 123456789

Closing Disclosure, page 1. The most important facts about your loan are on the first page.

ON PAGE 2 OF 5

Total Loan Costs

Origination charges are fees your lender charges to make your loan. Some closing costs are fees paid to the providers selected by your lender. Some are fees you pay to providers you chose on your own.

Prepays

Homeowner's insurance is often paid in advance for the first full year. Also, some taxes and other fees need to be paid in advance.

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				
01 Appraisal Fee to John Smith Appraisers Inc.					\$405.00
02 Credit Report Fee to Information Inc.		\$29.80			
03 Flood Determination Fee to Info Co.	\$20.00				
04 Flood Monitoring Fee to Info Co.	\$31.75				
05 Tax Monitoring Fee to Info Co.	\$75.00				
06 Tax Status Research Fee to Info Co.	\$80.00				
07					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co.	\$120.50				
02 Survey Fee to Surveys Co.	\$85.00				
03 Title – Insurance Binder to Epsilon Title Co.	\$650.00				
04 Title – Lender’s Title Insurance to Epsilon Title Co.	\$500.00				
05 Title – Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06 Title – Title Search to Epsilon Title Co.	\$800.00				
07					
08					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			
Other Costs					
E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02 Transfer Tax to Any State			\$950.00		
F. Prepays	\$2,120.80				
01 Homeowner’s Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02 Mortgage Insurance Premium (mo.)					
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04 Property Taxes (6 mo.) to Any County USA	\$631.80				
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner’s Insurance \$100.83 per month for 2 mo.	\$201.66				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04					
05					
06					
07					
08 Aggregate Adjustment	- 0.01				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02 HOA Processing Fee to HOA Acre Inc.	\$150.00				
03 Home Inspection Fee to Engineers Inc.	\$750.00			\$750.00	
04 Home Warranty Fee to XYZ Warranty Inc.			\$450.00		
05 Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07 Title – Owner’s Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits					

CLOSING DISCLOSURE

PAGE 2 OF 5 • LOAN ID # 123456789

Escrow

An escrow or impound account is a special account where monthly insurance and tax payments are held until they are paid out each year. You get a statement showing how much money your lender or mortgage servicer plans to require for your escrow or impound account.

You also get an annual analysis showing what happened to the money in your account. Your lender must follow federal rules to make sure they do not end up with a large surplus or shortage in your escrow or impound account.

Details of your closing costs appear on page 2 of the Closing Disclosure.

 **USE YOUR CLOSING DISCLOSURE TO CONFIRM THE DETAILS OF YOUR LOAN**
Circle one. If you answer no, turn to the page indicated for more information:

The interest rate is what I was expecting based on my Loan Estimate. **YES / NO** (see page 10)

I know whether I have a prepayment penalty or balloon payment. **YES / NO** (see page 7)

I know whether or not my payment changes in future years. **YES / NO** (see page 7)

I see whether I am paying points or receiving points at closing. **YES / NO** (see page 9)

I know whether I have an escrow account. **YES / NO** (see above)

Calculating Cash to Close

Closing costs are only a part of the total cash you need to bring to closing.

Summaries of Transactions

The section at the bottom of the page sums up how the money flows among you, the lender, and the seller.

Calculating Cash to Close Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES - See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	-\$29.80	YES - You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	-\$10,000.00	-\$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	-\$2,500.00	YES - See Seller Credits in Section L
Adjustments and Other Credits	\$0	-\$1,035.04	YES - See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION			SELLER'S TRANSACTION		
K. Due from Borrower at Closing	\$189,762.30		M. Due to Seller at Closing	\$180,080.00	
01 Sale Price of Property	\$180,000.00		01 Sale Price of Property	\$180,000.00	
02 Sale Price of Any Personal Property Included in Sale			02 Sale Price of Any Personal Property Included in Sale		
03 Closing Costs Paid at Closing (J)	\$9,682.30		03		
04			04		
Adjustments			05		
05			06		
06			07		
07			08		
Adjustments for Items Paid by Seller in Advance			Adjustments for Items Paid by Seller in Advance		
08 City/Town Taxes to			09 City/Town Taxes to		
09 County Taxes to			10 County Taxes to		
10 Assessments to			11 Assessments to		
11 HOA Dues 4/15/13 to 4/30/13	\$80.00		12 HOA Dues 4/15/13 to 4/30/13	\$80.00	
12			13		
13			14		
14			15		
15			16		
L. Paid Already by or on Behalf of Borrower at Closing	\$175,615.04		N. Due from Seller at Closing	\$115,665.04	
01 Deposit	\$10,000.00		01 Excess Deposit		
02 Loan Amount	\$162,000.00		02 Closing Costs Paid at Closing (J)	\$12,800.00	
03 Existing Loan(s) Assumed or Taken Subject to			03 Existing Loan(s) Assumed or Taken Subject to		
04			04 Payoff of First Mortgage Loan	\$100,000.00	
05 Seller Credit	\$2,500.00		05 Payoff of Second Mortgage Loan		

Loan Disclosures

Page 4 breaks down what is and is not included in your escrow or impound account. Make sure you understand what is paid from your escrow account and what you are responsible for paying yourself.

Additional Information About This Loan

Loan Disclosures

Assumption
If you sell or transfer this property to another person, your lender will allow, under certain conditions, this person to assume this loan on the original terms.
 will not allow assumption of this loan on the original terms.

Demand Feature
Your loan has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
 does not have a demand feature.

Late Payment
If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)
Under your loan terms, you are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
 may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
 do not have a negative amortization feature.

Partial Payments
Your lender may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
 may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
 does not accept any partial payments.
If this loan is sold, your new lender may have a different policy.

Security Interest
You are granting a security interest in 456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account
For now, your loan will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,
Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Top image: A summary of important financial information appears on page 3 of the Closing Disclosure.

Bottom image: More details of your loan appear on page 4 of your Closing Disclosure.

Finance Charge

In addition to paying back the amount you are borrowing, you pay a lot of interest over the life of the loan. This is why it is worthwhile to shop carefully for the best loan for your situation.

Annual Percentage Rate (APR)

Your **APR** is your total cost of credit stated as a rate. Your APR is generally higher than your interest rate, because the APR takes into consideration all the costs of your loan, over the full term of the loan.

If anything on the Closing Disclosure is not clear to you, ask your lender or settlement agent, "What does this mean?"

Loan Calculations		Other Disclosures			
Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36	Appraisal If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.			
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27	Contract Details See your note and security instrument for information about <ul style="list-style-type: none"> • what happens if you fail to make your payments, • what is a default on the loan, • situations in which your lender can require early repayment of the loan, and • the rules for making payments before they are due. 			
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00	Liability after Foreclosure If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, <input checked="" type="checkbox"/> state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information. <input type="checkbox"/> state law does not protect you from liability for the unpaid balance.			
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%	Refinance Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.			
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%	Tax Deductions If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.			

Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Contact Information					
	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature _____ Date _____

Co-Applicant Signature _____ Date _____

CLOSING DISCLOSURE PAGE 5 OF 5 - LOAN ID # 123456789


NOW

- Now you've spent time understanding what you need to do and what you need to pay, as a new homeowner.
- Now is the time to step back and feel sure you want to proceed with the loan.

IN THE FUTURE

- If you are not comfortable with your mortgage and your responsibility to make payments, you might not be able to keep your home.
- If you've made a careful decision about what you can afford and the mortgage you wanted, you will be able to balance owning your home and meeting your other financial goals.

Owning your home

 Now you've closed on your mortgage and the home is yours.

Owning a home is exciting. And your home is also a large investment. Here's how to protect that investment.

1. Act fast if you get behind on your payments

If you fall behind on your mortgage, the company that accepts payments on your mortgage contacts you. This company is your **mortgage servicer**. Your servicer is required to let you know what options are available to avoid foreclosure. Talk to your mortgage servicer if you get into trouble, and call a housing counselor (see [page 12](#) for contact information). HUD-approved counselors are professionals who can help you, often at little or no charge to you.

Homeowners struggling to pay a mortgage should beware of scammers promising to lower mortgage payments. Only your mortgage servicer can evaluate you for a loan modification. If you suspect a scam you can call (855) 411-2372 or visit consumerfinance.gov/complaint.

2. Keep up with ongoing costs

Your mortgage payment is just one part of what it costs to live in your new home. Your escrow account holds your monthly taxes and homeowner's insurance payments—but if you have no escrow account, you need to keep up with these on your own. Your home needs maintenance and repairs, so budget and save for these too.

IN THIS SECTION

1. Act fast if you get behind on your payments
2. Keep up with ongoing costs
3. Determine if you need flood insurance
4. Understand Home Equity Lines of Credit (HELOCs) and refinancing

3. Determine if you need flood insurance

Flooding causes more than \$8 billion in damages in the United States in an average year. You can protect your home and its contents from flood damage. Depending on your property location, your home is considered either at high-risk or at moderate-to-low risk for a flood. Your insurance premium varies accordingly. You can find out more about flood insurance at [FloodSmart.gov](https://www.floodsmart.gov). Private flood insurance could also be available.

Although you may not be required to maintain flood insurance on all structures, you may still wish to do so, and your mortgage lender may still require you to do so to protect the collateral securing the mortgage. If you choose to not maintain flood insurance on a structure, and it floods, you are responsible for all flood losses relating to that structure.

4. Understand Home Equity Lines of Credit (HELOCs) and refinancing

Homeowners sometimes decide they want to borrow against the value of their home to help remodel or pay for other large expenses. One way to do this is with a **Home Equity Line of Credit** (HELOC). You can learn more about HELOCs at files.consumerfinance.gov/f/201401_cfpb_booklet_heloc.pdf.

Financial counselors caution homeowners against using a HELOC to wipe out credit card debt. If you use a HELOC as a quick fix to a serious spending problem, you could end up back in debt and lose your home.

If you decide to take out a HELOC or refinance your mortgage, the Truth in Lending Act (TILA) gives you the **right to rescind**, meaning you can change your mind and cancel the loan. But you can only rescind a refinance or HELOC within three days of receiving a proper notice of the right to rescind from your lender. You cannot rescind if you are using your HELOC to buy a home.

In the case of a refinance, consider how long it will take for the monthly savings to pay for the cost of the refinance. Review the closing costs you paid for your original loan to purchase the home. Refinancing costs can be about the same amount. A common rule of thumb is to proceed only if the new interest rate saves you that amount over about two years (in other words, if you break even in about two years).

★ Congratulations!

You have accomplished a lot. It is not easy—you should feel proud of the work you've done.



Online tools

CFPB website

consumerfinance.gov

Answers to common questions

consumerfinance.gov/askcfpb

Tools and resources for home buyers

consumerfinance.gov/owning-a-home

Talk to a housing counselor

consumerfinance.gov/find-a-housing-counselor



General inquiries

Consumer Financial Protection Bureau

1700 G Street NW

Washington DC 20552



Submit a complaint

Online

consumerfinance.gov/complaint

By phone

855-411-CFPB (2372);

TTY/TDD 855-729-CFPB (2372);

8 a.m. to 8 p.m. Eastern Time, Monday-Friday

By fax

855-237-2392

By mail

Consumer Financial Protection Bureau

P.O. Box 4503

Iowa City, Iowa 52244



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