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AMENDED AND RESTATED

DECLARATION OF CONDOMINIUM PROPERTY REGIME

FOR

Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR AULANI, A DISNEY RESORT & SPA, KO OLINA, HAWAI'I CONDOMINIUM is made by DISNEY VACATION DEVELOPMENT, INC., a Florida corporation ("**DVD**") and ABC, INC., a New York corporation ("**ABC**").

INTRODUCTION

- A. DVD holds an estate for years in the land described in Exhibit A, which is attached to and is part of this Declaration.
- B. ABC owns the remainder interest in that land.
- C. DVD plans to construct or place certain buildings and other improvements on that land.
- D. DVD and ABC established a condominium consisting of the land and the improvements on it by recording the following documents:
 - Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957905 (the "**ORIGINAL DECLARATION**");
 - Bylaws of Ali'i Nui Hotel Condominium Association, Inc., dated April 12, 2010, recorded as Land Court Document No. 3957906 (the "**ORIGINAL BYLAWS**"), which Bylaws were established pursuant to the Article of Incorporation of Ali'i Nui Hotel Condominium Association, Inc., attached as Exhibit E to the Original Declaration (the "**ORIGINAL ARTICLES OF INCORPORATION**"); and
 - Condominium Map No. 2048 (the "**ORIGINAL CONDOMINIUM MAP**").
- E. DVD is still the sole Owner of all Units in the Condominium and the sole holder of DVD's Reserved Rights (as the capitalized terms are defined in the Original Declaration).
- F. By signing and recording this document, DVD and ABC intend to replace the Original Declaration and the Original Condominium Map with this Amended and Restated Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium and the map or plans of the Condominium recorded concurrently with this document.

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 Declaration. Defined terms will have the special meanings given to them except where the context clearly requires otherwise.

1.1 "ACCOMMODATIONS" means any condominium or cooperative unit, townhouse unit, apartment, time share unit, hotel room, house, or other property that is suitable and intended to provide overnight lodgings for one or more persons, whether or not located in the Condominium.

1.2 "ADJACENT CONDOMINIUM" means any condominium project established on one or more Adjacent Parcels.

1.3 "ADJACENT PARCELS" means these lots:

- Lot 4604-B (Map 1325, L. Ct. App. 1069);
- Lot 5345-B (Map 1325, L. Ct. App. 1069);
- Lot 5346 (Map 497, L. Ct. App. 1069);
- Lot 4608 (Map 451, L. Ct. App. 1069); and
- Lot 4609 (Map 451, L. Ct. App. 1069).

If any of these lots is subdivided into separate lots, each of them will be an "Adjacent Parcel" whether or not they are physically adjacent to the Condominium. Likewise, if any such lot is consolidated with any other lot, whether or not listed above, the consolidated lot will also be an "Adjacent Parcel." If any Adjacent Parcel is consolidated with any other property, the resulting lot will be an "Adjacent Parcel." An "Adjacent Parcel" may consist of a fee simple interest in a lot, or it may consist of a lesser interest including but not limited to an estate for years, a leasehold and/or an easement in the fee, in an estate for years or in a leasehold. An "Adjacent Parcel" may consist of a condominium unit, Vacation Interest or Fractional Interest in any of the lots listed above.

1.4 "ADJACENT PROJECT" means any hotel, Vacation Plan, Fractional Plan, Adjacent Condominium, or other real estate development established on one or more Adjacent Parcels.

1.5 "AIR SPACE UNIT" means a Unit designated as an Air Space Unit in Section 5.1, and any New Units designated as Air Space Units, regardless of whether the space located within the boundaries of the Air Space Unit is filled with air, water, soil, rocks, land, improvements, or anything else.

1.6 "ARTICLES OF INCORPORATION" means the Articles of Incorporation of the Condominium Association and all

changes and additions properly made to them from time to time. The initial Articles of Incorporation are attached as Exhibit E to this Declaration. Amendments to them need not be recorded.

1.7 "ASSOCIATION PROPERTY" means all real and personal property owned by the Condominium Association.

1.8 "BOARD OF DIRECTORS" OR "BOARD" means the board of directors of the Condominium Association.

1.9 "BVTC" means Buena Vista Trading Company, a Florida corporation, its successors and assigns.

1.10 "BYLAWS" means the bylaws of the Condominium Association recorded with this Declaration, and all changes and additions properly made to them from time to time. The bylaws of the Condominium Association recorded concurrently with this document entirely supersede and replace the Original Bylaws and all amendments made to the Original Bylaws prior to the recording of this document.

1.11 "COMMERCIAL UNITS" means Units H-2, H-3, H-6, H-7, H-8 and H-10, Unit 3001 (the Gazebo Unit), and any Additional Air Space Unit established pursuant to Section 22.5.

1.12 "COMMON AREAS" means the lawns, yards, sidewalks, pathways, walkways, driveways, pools, portecochere and other areas located on or in the Vacation Support Units to the extent that the same are intended (as determined by the Master Declarant in its sole, absolute and unfettered discretion) for common use by the Owners and/or the occupants of the Units of the Resort and their guests (including but not limited to customers, guests, and other licensees and invitees of the Commercial Units). The term "Common Area" does not include any portion of a Vacation Support Unit that consists of (i) a parking structure, or (ii) the interior of a fully-enclosed building.

1.13 "COMMON ELEMENTS" means all of the Condominium except for the Units. There are two kinds of Common Elements: General Common Elements and Limited Common Elements.

1.14 "COMMON INTEREST" means the percentage undivided interest in the Common Elements appurtenant to each Unit in the Condominium as stated in this Declaration or in any amendment to this Declaration.

1.15 "CONDOMINIUM" means the condominium created by this Declaration and the other Condominium Documents.

1.16 "CONDOMINIUM ASSOCIATION" means the Ali'i Nui Hotel Condominium Association, Inc., a Florida not-for-profit corporation. It is the association of the Unit Owners of the Condominium.

1.17 "CONDOMINIUM DOCUMENTS" means this Declaration, the Articles of Incorporation, the Bylaws, any Condominium Rules and Regulations, and the Condominium Map.

1.18 "CONDOMINIUM LAW" means (i) the Condominium Property Act excluding Part VI thereof, and (ii) the Condominium Regulations excluding any portion thereof adopted pursuant to Part VI of the Condominium Property Act, except in the case of both (i) and (ii) to the extent that the Condominium Property Act requires compliance with Section 514B-132, H.R.S.

1.19 "CONDOMINIUM MAP" means the map or plans of the Condominium recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Condominium Map No. 2048, and all changes, additions, and substitutions properly made to them from time to time. The map or plans of the Condominium recorded in the Bureau of Conveyances of the State of Hawai'i concurrently with this document entirely supersedes and replaces the Original Condominium Map and all amendments made to the Original Condominium Map prior to the recording of this document.

1.20 "CONDOMINIUM PROPERTY ACT" means Chapter 514B, Hawai'i Revised Statutes, as it may be amended from time to time, and any substitute or replacement law to the extent provided in such substitute or replacement law.

1.21 "CONDOMINIUM REGULATIONS" means the rules adopted by the State of Hawai'i pursuant to the Condominium Property Act from time to time.

1.22 "CONDOMINIUM RULES AND REGULATIONS" means the rules and regulations adopted by the Board, acting on behalf of the Condominium Association, in accordance with and subject to the limitations imposed by this Declaration, the Bylaws, and the Condominium Law. It also includes any changes and additions properly made to them from time to time.

1.23 "C.P.I. INDEX" means 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 Board will choose the replacement index.

1.24 "C.P.I. ADJUSTED" means that the figure will be increased or decreased based on changes in the C.P.I. Index during each twelve month period beginning on January 1st and ending on December 31st of each calendar year. The amount of the initial increase or decrease will be equal to the percentage change between (i) the C.P.I. Index published for the period ending December 31, 2012, and (ii) the C.P.I. Index for the period ending December 31, 2013. The increase or decrease for each calendar year after that will be determined in the same manner, based on a comparison of

the C.P.I. Index as of December 31 of such year to the C.P.I. Index for the year ending December 31, 2012.

1.25 "DECLARATION" means the Original Declaration as amended and restated in this document and all changes and additions properly made to it from time to time. This document entirely supersedes and replaces the Original Declaration and all amendments made to the Original Declaration prior to the recording of this document.

1.26 "DECLARATION OF MERGER" means the "Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i Condominium Declaration of Merger of Condominium Phases" recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957569, together with all changes and additions properly made to it from time to time.

1.27 "DISNEY STANDARD" means a standard at least equal to the overall theme, concept, atmosphere and extraordinarily high standards of quality associated with the WALT DISNEY WORLD® Resort in Lake Buena Vista, Florida and the DISNEYLAND® Resort in Anaheim, California.

1.28 "DISNEY VACATION CLUB" means the Disney Vacation Club®. The Disney Vacation Club is not a legal entity or association of any kind, but rather is a service name for the services and benefits appurtenant to and the restrictions imposed on the use and enjoyment of Vacation Ownership Interests and/or Fractional Ownership Interests.

1.29 "DVCHMC" means Disney Vacation Club Hawaii Management Company, LLC, a Florida limited liability company, its successors and assigns.

1.30 "DVD" means Disney Vacation Development, Inc., a Florida corporation, its successors and assigns. If Disney Vacation Development, Inc. (or its successors or assigns) transfers some or all of its rights or duties to another person as provided by Section 30.5, then that person will become "DVD" to the extent of the rights and duties transferred.

1.31 "DVD'S RESERVED RIGHTS" means all rights reserved to DVD in the Condominium Documents. For example, see the descriptions of DVD's Reserved Rights contained in Sections 7.1F.4), 7.1G, 7.1I, 7.1J, 7.2, 7.4, 9.6, 18.2A (as to DVD only), 19 through 31, and 37.3 of this Declaration. This is not a listing of all of DVD's Reserved Rights.

1.32 "DEVELOPMENT PERIOD" means the period starting on the date that the Original Declaration was recorded and ending on the earlier of (i) December 31, 2032, or (ii) the date when DVD records a document giving up all of DVD's Reserved Rights.

1.33 "FEE OWNER" means ABC, Inc., a New York corporation, its successors and assigns. If ABC, Inc. (or its successors or assigns) should transfer its rights or duties to any person, then such person shall be the new Fee Owner to the extent of the rights and duties transferred.

1.34 "FRACTIONAL PLAN" means any plan or program, other than a Vacation Plan, in which various persons are entitled to the use, occupancy, or possession, on a periodically recurring basis, of Accommodations included in or available through such plan or program, whether or not (i) the Accommodations remain the same from period to period, and (ii) the plan or program includes any Unit or Unit Lease in the Condominium. To the extent that they do not fall within the meaning of "Vacation Plan" as defined in Subsection 1.81, the term "Fractional Plan" includes, but is not limited to "private residence clubs," "non-equity clubs," "destination clubs," and similar programs. For examples of such programs, see the "Signature Destinations Club," "The Leading Residence of the World," "Exclusive Resorts," "Epiphany Clubs," and similar programs.

A. "FRACTIONAL INTEREST" means any interest in a Fractional Plan, or in real or personal property included in or subject to a Fractional Plan, that entitles the owner or holder of that interest to use, occupy, or possess, on a periodically recurring basis, Accommodations included in or available through the Fractional Plan.

B. "FRACTIONAL OWNERSHIP PLAN" means a Fractional Plan in which some or all of the owners of the Fractional Interests own or hold an undivided interest in one or more Units in the Condominium (including but not limited to an undivided interest in a Vacation Support Unit submitted to the Lagoon Condominium pursuant to Section 20), or in one or more Unit Leases.

C. "FRACTIONAL OWNERSHIP INTEREST" means a Fractional Interest in a Fractional Ownership Plan, but only if the Fractional Interest consists of or includes an undivided interest in one or more Units in the Condominium (including but not limited to an undivided interest in a Vacation Support Unit submitted to the Lagoon Condominium pursuant to Section 20), or in one or more Unit Leases.

D. "FRACTIONAL OWNER" means the owner of a Fractional Interest.

E. "FRACTIONAL USE PLAN" means a Fractional Plan in which some or all of the owners or holders of the Fractional Interests are entitled to the use, occupancy, or possession of one or more Units (or Accommodations contained within one or more Units) in the Condominium or in the Lagoon Condominium, but do not own or hold an undivided interest in any Unit in the Condominium, or in any Unit Lease, whether or not the Fractional Plan also includes other property that is not part of the Condominium.

F. "FRACTIONAL PLAN DOCUMENTS" means the documents creating or governing a Fractional Ownership Plan or Fractional Use Plan, and any changes and additions properly made to any of those documents from time to time. This includes, for example, any declaration of covenants, conditions and restrictions, and the articles and bylaws of the Fractional Owners Association.

G. "FRACTIONAL OWNERS ASSOCIATION" means the association of Fractional Owners for a particular Fractional Ownership Plan or Fractional Use Plan.

1.35 "GAZEBO UNIT" means Unit 3001.

1.36 "GENERAL COMMON ELEMENTS" means all Common Elements that are not Limited Common Elements.

1.37 "GOVERNING DOCUMENTS" means the Condominium Documents, the Declaration of Merger, the Master Declaration, the Master Cotenancy Agreement and the Ko Olina Documents.

1.38 "IMPROVEMENTS" means all improvements located on the Land, now or in the future, but excluding any improvements located in any Lagoon Units. If DVD annexes any Adjacent Parcel pursuant to Section 19, 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 (excluding any improvements located in any Lagoon Units). If DVD deletes any part of the Land using its rights in Section 24, then the term "Improvements" will not include any improvements located on the part of the Land that is deleted. If DVD subdivides any Lagoon Unit pursuant to Section 22.5, then the term "Improvements" will include the improvements located on or in the Additional Air Space Unit resulting from that subdivision.

1.39 "INTERESTED PERSON" means any person who has any legal or equitable interest in the Condominium or who has the right to use the Condominium or any part of it. For example, it includes (i) each Owner, each Mortgage Lender, and anyone who rents or leases a Unit, and (ii) anyone who has the right (in legal terms, an "easement") or who has permission to use the Condominium or any part of it.

1.40 "KO OLINA ARTICLES" means the articles of incorporation of the Ko Olina Community Association, as they may be amended from time to time. The Ko Olina Articles established and govern the Ko Olina Community Association as a Hawai'i nonprofit corporation.

1.41 "KO OLINA BYLAWS" means the bylaws of the Ko Olina Community Association, as they are amended from time to time.

1.42 "KO OLINA COMMUNITY ASSOCIATION" means Ko Olina Community Association, Inc., a Hawai'i nonprofit

corporation. If the rights or duties of the Ko Olina Community Association are transferred to someone else, then that person will become the "Ko Olina Community Association" to the extent of the rights and duties transferred.

1.43 "KO OLINA DECLARATION" means the "Amended and Restated Declaration of Covenants for Ko Olina Community Association" dated March 13, 2006, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i on May 10, 2006, as Doc. Nos. 3426805 through 3426807, as it may be amended from time to time.

1.44 "KO OLINA DOCUMENTS" means the Ko Olina Declaration, the Ko Olina Articles, the Ko Olina Bylaws and the Ko Olina Other Documents.

1.45 "KO OLINA OTHER DOCUMENTS" means any documents adopted pursuant to the Ko Olina Declaration, including but not limited to the "Design Guidelines" and the "Use Restrictions and Rules" referred to in the Ko Olina Declaration, and the articles of incorporation and bylaws of the Ko Olina Resort Operators Association, as any of them lawfully may be amended and/or supplemented from time to time.

1.46 "KO OLINA RESORT" means all of the property designated in the Ko Olina Declaration from time to time as comprising the Ko Olina Resort.

1.47 "KO OLINA RESORT OPERATORS ASSOCIATION" means Ko Olina Resort Operator's Association, Inc., the Hawai'i non-profit corporation established pursuant to Section XXI of the Ko Olina Declaration. If the rights or duties of the Ko Olina Resort Operators Association are transferred to someone else, then that person will become the "Ko Olina Resort Operators Association" to the extent of the rights and duties transferred.

1.48 "LAGOON CONDOMINIUM" means the Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Condominium more particularly described in Exhibit B. It is a separate condominium project. Portions of this Condominium, however, will be annexed into the Lagoon Condominium upon recordation of that certain Amended and Restated Declaration of Condominium Property Regime For Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Condominium to be recorded shortly after this document.

1.49 "LAGOON CONDOMINIUM ASSOCIATION" means Ali'i Nui Villas Condominium Association, Inc., a Florida not-for-profit corporation. It is the association of the unit owners of the Lagoon Condominium.

1.50 "LAGOON CONDOMINIUM DEVELOPER" means Disney Vacation Development, Inc., a Florida corporation, its successors and assigns, in its capacity as "DVD" under

the Lagoon Condominium Documents. If the Lagoon Condominium Developer transfers some or all of its rights or duties to another person pursuant to the Lagoon Condominium Documents, then that person will become the "Lagoon Condominium Developer" to the extent of the rights and duties transferred.

1.51 "LAGOON CONDOMINIUM DOCUMENTS" means the (i) Lagoon Condominium's declaration of condominium property regime, (ii) the articles of incorporation and bylaws of the Lagoon Condominium Association, (iii) any rules and regulations Lagoon Condominium Association, and (iv) the Lagoon Condominium's condominium map. These are described in more detail in Exhibit B.

1.52 "LAGOON UNITS" means any Units of this Condominium submitted to the Lagoon Condominium pursuant to Section 20. When the Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Condominium is recorded, Units H-1, H-4, H-5, H-9, H-11, H-12 and H-13 will become Lagoon Units.

1.53 "LAND" means the real property described in Exhibit A and all easements, rights and appurtenances to that real property. If DVD annexes any Adjacent Parcel pursuant to Section 19, then the term "Land" will include both the Land just before the annexation plus the Adjacent Parcel annexed. If DVD deletes any part of the Land pursuant to Section 24, then the term "Land" will not include any part of the Land that is deleted.

1.54 "LAND USE PERMITS" means the following permits and documents:

A. The Special Management Area Use Permit 85/SMA-89, issued with respect to the Land and various other parcels of land pursuant to Resolution No. 86-61 of the City Council of the City and County of Honolulu;

B. Shoreline Setback Variance 85/SV-14, issued with respect to the Land and various other parcels of land pursuant to Resolution No. 86-61 of the City Council of the City and County of Honolulu;

C. That certain Agreement for Issuance for Conditional Use Permit under Section 21-5.380 of the Land Use Ordinance recorded June 28, 2006 as Doc. No. 3446051, as amended by Amendment to Agreement for Issuance for Conditional Use Permit under Section 21-5.380 of the Land Use Ordinance recorded March 31, 2009 as Document No. 3843447;

D. Any other Special Management Area Use Permits, Shoreline Setback Variances and/or Conditional Use Permits that affect the Condominium; and

E. 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 permits.

1.55 "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 18.2A, 19, 21 and 27.

1.56 "MAJORITY OF THE TOTAL VOTING INTERESTS" means Units having more than fifty percent (50%) of the Common Interests for the entire Condominium (excluding any Units for which Assessments have not yet begun). Any other reference to a certain percentage of the "Total Voting Interests" means the Units having that percentage of the Common Interests for the entire Condominium (excluding any Units for which Assessments have not yet begun).

1.57 "MAJORITY OF THE VOTING INTERESTS" means Units having more than fifty percent (50%) of the sum of the Common Interests for all Units whose Voting Representatives are present and casting a vote on the matter at hand. Any reference to a specific percentage of "Voting Interests" means Units having that percentage of the sum of the Common Interests for all Units whose Voting Representatives are present and casting a vote on the matter at hand. In the case of a ballot, it means having that percentage of the sum of the Common Interests for all Units whose Voting Representatives actually cast a ballot on the matter at hand.

1.58 "MASTER COTENANCY AGREEMENT" means the "Master Cotenancy Agreement Declaration of Covenants, Conditions and Restrictions" recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957568, as it may be amended from time to time.

1.59 "MASTER DECLARANT" means the person designated as the "Declarant" in the Master Declaration. If the Master Declarant transfers some or all of its rights or duties as the "Declarant" under the Master Declaration to someone else, then that person will become the "Master Declarant" to the extent of the rights and duties transferred.

1.60 "MASTER DECLARATION" means (i) the "Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i" recorded at about the same time as this Declaration, which document amends and restates that certain "Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i" recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Doc.

No. 3957567, and (ii) all rules and policies adopted pursuant to it, as it is amended from time to time.

1.61 "MASTER PROPERTY" means the property subject to the Master Declaration, together with any additions and deletions properly made to that property from time to time.

1.62 "MORTGAGE LENDER" means anyone who holds a recorded mortgage on a Unit, Unit Lease, Vacation Ownership Interest, or Fractional Ownership Interest. It also includes the beneficiary of a deed of trust recorded against a Unit, Unit Lease, Vacation Ownership Interest, or Fractional Ownership Interest.

1.63 "NEW UNIT" means any Unit that DVD creates from time to time using its rights under Sections 18.2, 21, 22.5 or 26.

1.64 "NEW IMPROVEMENT" means any Improvement that DVD develops, installs, builds, or otherwise adds to the Condominium from time to time using its rights under Sections 18.2, 22, 23.2D, 24.1E.2), 26, or 27, or on any Adjacent Parcel that DVD adds to the Condominium using its rights in Section 19. It does not extend to Improvements that DVD remodels from time to time using its rights under Section 22 or to any improvements located from time to time in any Lagoon Units.

1.65 "POSSIBLE DELETION AREAS" means all or any part of the Land.

1.66 "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.

1.67 "PROPERTY" means the Land and the Improvements.

1.68 "PROPERTY MANAGEMENT COMPANY" means the person hired from time to time pursuant to Section 11.4A for the purpose of managing the operation of the Condominium.

1.69 "RECORD," "RECORDED," "RECORDING," and similar terms mean:

A. Recorded in the Land Court as to all documents and instruments (i) affecting all or any portion of or interest in the Master Property recorded prior to the recordation of that certain "Deregistration Request" recorded in the Bureau as Document No. 2011-134265, or (ii) affecting land registered pursuant to Chapter 501, Hawai'i Revised Statutes, and that is not included in the Deregistration Request and has not otherwise been deregistered pursuant to Chapter 501, Hawai'i Revised Statutes; and

B. Recorded in the Bureau as to all documents and instruments (i) affecting all or any portion of or interest in the Master Property recorded subsequent to the recordation

of the Deregistration Request, (ii) affecting land that is not registered pursuant to Chapter 501, Hawai'i Revised Statutes, (iii) affecting land that has been deregistered pursuant to Chapter 501, Hawai'i Revised Statutes, or (iv) deeding or mortgaging a time share interest in the Condominium or the Lagoon Condominium.

C. **"BUREAU"** means the Bureau of Conveyances of the State of Hawai'i.

D. **"LAND COURT"** means the Office of the Assistant Registrar of the Land Court of the State of Hawai'i.

1.70 **"REPRESENTATIVES"** means a person's directors, officers, general partners of a partnership, members (in the case a member-managed limited liability company), managers (in case of a manager-managed limited liability company), agents, employees and independent contractors.

1.71 **"SHARED AREAS"** means any portion of the Master Property designated from time to time as "Shared Areas" in, or pursuant to, the Master Declaration.

1.72 **"SHARED AREA EXPENSES"** means the fees, costs and expenses designated as the "Shared Area Expenses" in, or pursuant to, the Master Declaration.

1.73 **"STANDARD UNIT"** means a Unit that is not an Air Space Unit. Unit 3001 (the Gazebo Unit) is a Standard Unit.

1.74 **"TIME SHARE ACT"** means Chapter 514E, Hawai'i Revised Statutes, as it may be amended from time to time, and any substitute or replacement law to the extent provided in such substitute or replacement law.

1.75 **"THE TWDC COMPANIES"** means TWDC and all subsidiaries of TWDC, including, without limitation, DVD, DVCHMC and BVTC.

1.76 **"TWDC"** means The Walt Disney Company, a Delaware corporation, its successors and assigns.

1.77 **"UNIT"** means any part of the Condominium designated as a Unit in Section 5, and any New Unit. All Air Space Units and all Standard Units are Units.

1.78 **"UNIT LEASE"** means any recorded lease of a Unit, unit deed and ground lease, or condominium conveyance document. It does not refer to any deeded estate for years.

1.79 **"UNIT OWNER" OR "OWNER"** means the person or persons who own a Unit and its Common Interest; provided that:

A. To the extent and for the purposes, including voting, provided by a recorded lease of a Unit, the person or persons leasing the Unit will be deemed to be the Unit Owner; and

B. The buyer of a Unit under a recorded agreement of sale has all the rights of a Unit 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 Unit.

The terms "Unit Owner" or "Owner" do not include persons who only have a right in (in legal terms, an "easement"), or who only have permission to use, the Condominium or any part of it.

Note: Any person who from time to time owns or holds a Vacation Ownership Interest or Fractional Ownership Interest is a Unit Owner.

When the Condominium Documents refer to the Owner of a specific Unit (for example, to the "Owner of Unit 1" or the "Unit 1 Owner") it means the Unit Owner of that Unit.

1.80 **"VACATION HOME"** means any portion of a condominium unit in the Lagoon Condominium designed and intended for separate occupancy.

1.81 **"VACATION PLAN"** means any time share or vacation plan or program, whether or not the plan or program includes any Unit in the Condominium.

A. **"VACATION INTEREST"** means any interest in a Vacation Plan, or in real or personal property included in or subject to a Vacation Plan, that entitles the Owner or holder of that interest to use, occupy, or possess, on a periodically recurring basis, Accommodations included in or available through the Vacation Plan.

B. **"VACATION OWNERSHIP PLAN"** means a Vacation Plan in which some or all of the owners of the Vacation Interests own or hold an undivided interest in one or more Units in the Condominium (including but not limited to an undivided interest in a Vacation Support Unit submitted to the Lagoon Condominium pursuant to Section 20), or in one or more Unit Leases.

C. **"VACATION OWNERSHIP INTEREST"** means a Vacation Interest in a Vacation Ownership Plan, but only if the Vacation Interest consists of or includes an undivided interest in one or more Units in the Condominium (including but not limited to an undivided interest in a Vacation Support Unit submitted to the Lagoon Condominium pursuant to Section 20), or in one or more Unit Leases.

D. **"VACATION USE PLAN"** means a Vacation Plan in which some or all of the owners or holders of the Vacation Interests are entitled to the use, occupancy, or possession of one or more Units (or Accommodations contained within one or more Units) in the Condominium or in the Lagoon Condominium, but do not own or hold an undivided interest in any Unit in the Condominium, or in any Unit Lease,

whether or not the Vacation Plan also includes property that is not part of the Condominium.

E. "VACATION PLAN DOCUMENTS" means the documents creating or governing a Vacation Ownership Plan or Vacation Use Plan and any changes and additions properly made to any of those documents from time to time. This includes, for example, any declaration of covenants, conditions and restrictions, and the articles and bylaws of the Vacation Owners Association.

F. "VACATION OWNER" means the owner of a Vacation Interest.

G. "VACATION OWNERS ASSOCIATION" means the association of Vacation Owners for a particular Vacation Ownership Plan or Vacation Use Plan.

1.82 "VACATION SUPPORT UNIT" means (i) Units H-1, H-4, H-5, H-9, H-11, H-12 and H-13, and (ii) any other Unit that is submitted to the Lagoon Condominium pursuant to Section 20 unless the document or instrument submitting such Unit to the Lagoon Condominium indicates that such Unit will not constitute a part of the "Vacation Support Property" under the Lagoon Condominium Documents.

1.83 "VOTING CERTIFICATE" means a document that designates one of the Owners of a Unit as the authorized representative to vote on behalf of the Unit and to represent the Unit in all matters of, any Vacation Owners Association, any Fractional Owners Association, the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association. The Master Cotenancy Agreement is the Voting Certificate for all Lagoon Units.

1.84 "VOTING REPRESENTATIVE" means the Owner (as designated in a Voting Certificate) who is authorized to vote on behalf of the Unit and to represent the Unit in all matters of any Vacation Owners Association, any Fractional Owners Association, the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association, except as may be limited by the provisions of a Voting Certificate where applicable.

2. SUBMISSION TO CONDOMINIUM PROPERTY REGIME.

2.1 **PURPOSE AND EFFECT OF THIS DOCUMENT.** By signing and recording this Declaration, the Fee Owner and DVD intend to:

- Comply with the legal requirements necessary to create a condominium that consists of the Land and the Improvements;
- Divide the Property into Units and Common Elements;

- Designate the Common Elements as either General Common Elements or Limited Common Elements;
- Create or reserve easements in favor of DVD or other persons;
- Reserve to DVD certain rights to make changes to the Condominium and to develop it further;
- Establish a plan for the ownership, use, enjoyment, management, operation, upkeep, and repair of the Condominium; and
- Preserve the value, desirability, and enjoyment of each Unit and the Common Elements.

2.2 **SUBMISSION TO CONDOMINIUM PROPERTY REGIME.** DVD and the Fee Owner declare that:

A. The Property is a condominium;

B. All of their estate, right, title and interest in the Property is hereby submitted to and made subject to this Declaration, the other Condominium Documents, and the Condominium Law.

C. The Property is divided into Units and Common Elements. The Common Elements are divided into General and Limited Common Elements. The Condominium is subject to these divisions and to any other divisions, limitations, covenants, conditions, easements and restrictions contained in this Declaration.

D. This Declaration, the other Condominium Documents and the Condominium Law will govern the Condominium. This includes, for example, the ownership, use, enjoyment, management, operation, upkeep, repair, and improvement of the Condominium.

E. The Property will be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the agreements, obligations, easements, limitations, restrictions and other matters contained in the Condominium Documents and the Condominium Law (except as otherwise provided in Section 2.5). Anyone who occupies or uses any Unit or any other part of the Condominium must comply with and abide by the Condominium Documents.

F. The Condominium Documents are binding on the Property. They will also be binding on, and are intended to benefit these persons: (i) the Condominium Association, (ii) DVD, (iii) the Fee Owner, (iv) anyone else who owns the Property or any Unit or other interest in it, now or in the future, including, for example, all present and future Unit Owners and their Mortgage Lenders, and (v) anyone who, by law or by agreement, stands in the place of the persons listed in items (i) through (iv), i.e., their heirs, devisees, personal representatives, successors, successors in trust, and assigns.

All of these persons must abide by and comply with the Condominium Documents regardless of how or when they obtain any interest in a Unit or whether they ever signed the Condominium Documents or expressly agreed to abide by or comply with them. They still must abide by and comply with them just as if they personally had signed them.

All of these persons have the right to enforce the Condominium Documents to the extent permitted by the Condominium Documents or by law.

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 Section 2.2F.

2.3 RELATIONSHIP TO OTHER GOVERNING DOCUMENTS. Regardless of the provisions of Section 2.2:

A. RELATIONSHIP TO DECLARATION OF MERGER. The Condominium Documents are subject to and governed by the terms and conditions of the Declaration of Merger. The provisions of the Declaration of Merger control and supersede any inconsistent provisions contained in the Condominium Documents.

B. RELATIONSHIP TO MASTER COTENANCY AGREEMENT. The Declaration of Merger and the Condominium Documents are all subject to and governed by the terms and conditions of the Master Cotenancy Agreement. The provisions of the Master Cotenancy Agreement control and supersede any inconsistent provisions contained in the Declaration of Merger or the Condominium Documents.

C. RELATIONSHIP TO MASTER DECLARATION. The Declaration of Merger, the Condominium Documents and the Master Cotenancy Agreement are all subject to and governed by the terms and conditions of the Master Declaration. The provisions of the Master Declaration control and supersede any inconsistent provisions contained in the Declaration of Merger, the Condominium Documents or the Master Cotenancy Agreement.

D. RELATIONSHIP TO KO OLINA DOCUMENTS. The Declaration of Merger, the Condominium Documents, the Master Cotenancy Agreement and the Master Declaration are all subject to and governed by the terms and conditions of the Ko Olina Documents to the extent provided by law.

E. RELATIONSHIP TO LAGOON CONDOMINIUM DOCUMENTS. In the event that any Units are submitted to the Lagoon Condominium pursuant to Section 20, the Lagoon Condominium Documents will be subject to and governed by the terms and conditions of the Condominium Documents of this Condominium pertaining to the Lagoon Units. The provisions of the Condominium Documents pertaining to the Lagoon Units control and supersede any

inconsistent provisions contained in the Lagoon Condominium Documents.

2.4 RESERVED RIGHTS.

A. UNDER THE MASTER DECLARATION. Regardless of the provisions of Section 2.2, (i) DVD reserves to itself any and all rights that it has under the Master Declaration as the Master Declarant, and (ii) the Fee Owner reserves to itself any and all rights that it has under the Master Declaration as the successor Master Declarant. These rights are called the "*Master Declarant's Reserved Rights*" in this document. They include, for example, the right to upgrade, add to, or change the Shared Areas and to conduct certain commercial operations in or on the Shared Areas.

B. UNDER THE DECLARATION OF MERGER. Regardless of the provisions of Section 2.2, DVD reserves to itself any and all rights that it has under the Declaration of Merger.

C. DVD'S RESERVED RIGHTS UNDER THE CONDOMINIUM DOCUMENTS. DVD grants and reserves the easements described in this Declaration. Regardless of the provisions of Section 2.2, DVD also reserves to itself all of DVD's Reserved Rights in the Property, the Condominium and/or under the Condominium Documents.

D. RESERVED RIGHTS UNDER THE LAGOON CONDOMINIUM DOCUMENTS. Regardless of the provisions of Section 2.2, in the event that any Units are submitted to the Lagoon Condominium pursuant to Section 20, DVD reserves to itself any and all rights it has as the Lagoon Condominium Developer under the Lagoon Condominium Documents. These rights are called "DVD's Reserved Rights" in the Lagoon Condominium Documents, and are called the "*Lagoon Condominium Developer's Reserved Rights*" in this document.

E. DVD'S RESERVED RIGHTS GENERALLY. DVD declares that the Condominium, all Units and their Common Interests and all Common Elements (meaning both the General Common Elements and the Limited Common Elements) are subject to the Master Declaration and the Master Declarant's Reserved Rights under it, the Declaration of Merger and DVD's Reserved Rights under it, the Lagoon Condominium Developer's Reserved Rights under the Lagoon Condominium Documents (as to any Lagoon Units), DVD's Reserved Rights under the Condominium Documents, and the easements and licenses granted or reserved in or pursuant to the Master Declaration, the Declaration of Merger, the Lagoon Condominium Documents (as to any Lagoon Units), this Declaration, the Articles of Incorporation and/or the Bylaws.

F. NATURE OF DVD'S RESERVED RIGHTS. Only the Master Declarant may exercise the Master Declarant's Reserved Rights. Only DVD may exercise DVD's Reserved

Rights under the Condominium Documents. Only DVD may exercise DVD's Reserved Rights under the Declaration of Merger. Only the Lagoon Condominium Developer may exercise the Lagoon Condominium Developer's Reserved Rights under the Lagoon Condominium Documents. In any such case, those rights will not be subject to, restricted or otherwise affected by the Condominium Documents. And those rights will not be transferred to the Condominium Association or any Owner unless DVD, the Master Declarant, or the Lagoon Condominium Developer, as appropriate, signs and records a document that clearly states that it is doing so in its capacity as DVD under the Condominium Documents, as the declarant under the Declaration of Merger, the Master Declarant or the Lagoon Condominium Developer, as applicable. DVD makes no promise and has no duty to exercise any of DVD's Reserved Rights under the Condominium Documents, the Declaration of Merger, the Master Declarant's Reserved Rights, or the Lagoon Condominium Developer's Reserved Rights. Neither the Owners nor the Condominium Association will have any legal right to insist that it do so.

2.5 APPLICABLE PROVISIONS OF THE CONDOMINIUM PROPERTY ACT. All Units in the Condominium are restricted to nonresidential uses pursuant to Sections 9.1. Pursuant to Section 514B-101(b) of the Condominium Property Act, neither the Condominium nor the Condominium Documents shall be subject to (i) Part VI of the Condominium Property Act except to the extent that the Condominium Property Act requires compliance with Section 514B-132, H.R.S., or (ii) any Condominium Regulations adopted pursuant to Part VI of the Condominium Property Act. This will be so regardless of anything stated or that may be inferred or implied from any provision of this Declaration, or the other Condominium Documents, except to the extent explicitly provided to the contrary (if at all).

2.6 RELATIONSHIP TO ORIGINAL DECLARATION AND ORIGINAL CONDOMINIUM MAP. This Amended and Restated Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium entirely supersedes and replaces the Original Declaration and all amendments made to the Original Declaration prior to the recording of this document. Likewise, the Amended and Restated Bylaws of the Condominium Association recorded concurrently with this Amended and Restated Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium entirely supersede and replace the Original Bylaws and all amendments made to the Original Bylaws prior to the recording of this document. Finally, the map or plans of the Condominium recorded concurrently with this Amended and Restated Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium entirely supersede and replace the Original Condominium Map and

all amendments made to the Original Condominium Map prior to the recording of this document. It is no longer necessary or appropriate to refer to the Original Declaration, Original Bylaws or the Original Condominium Map for the purpose of construing the "Declaration," "Bylaws" or the "Condominium Map."

3. NAME OF THE CONDOMINIUM.

3.1 NAME. The name of the Condominium is "Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium."

3.2 NAME CHANGE. DVD may change the name of the Condominium or the Condominium Association at any time in its sole, absolute and unfettered discretion; provided, however, that prior to the use of any replacement name to identify the Condominium or Condominium Association, such name will be submitted to the Master Declarant for its consent. DVD may record or file any documents that it deems necessary or helpful to change the name. The Condominium Association and each Owner gives DVD a special power of attorney to do this. If DVD changes the name of the Condominium or the Condominium Association, then the Condominium Association and its agents must stop all use of the discontinued name as of the date when DVD instructs the Condominium Association to stop using that name (which DVD may do at any time and for any reason or for no reason). If DVD changes the name of the Condominium by removing any reference to "Disney," "Aulani" or "Ko Olina", then the Condominium Association, the Board and all Owners are prohibited from using the names "Disney," "Aulani" or "Ko Olina" (or any other forms thereof) in any manner whatsoever and are immediately required to:

A. Remove all signs containing the name "Disney," "Aulani" or "Ko Olina" (or any other forms thereof) from the Condominium and the Property, and from any offsite location to the extent the sign refers to the Condominium or the Property;

B. Destroy all stationery, descriptive literature or printed or written matter bearing the name "Disney," "Aulani" or "Ko Olina" other than books and records of the Condominium Association;

C. Cease and desist from using the name "Disney," "Aulani" or "Ko Olina" (or any other forms thereof) orally or in writing in referring to the Condominium Association, the Condominium or the Lagoon Condominium;

D. Take immediate action to effect changes to the names of the Condominium Association and the documents of the Condominium reflecting the name "Disney," "Aulani" or "Ko Olina" (or any other forms thereof) to eliminate the use of such names in any manner; and

E. Remove any architectural or landscaping features from the Condominium which contain (i) the "Disney," "Aulani" or "Ko Olina" names, (ii) any "Disney" caricature, fanciful character, logo or other trademarked symbol registered by any of The TWDC Companies, unless otherwise approved by DVD, or (iii) any "Ko Olina" logo or other trademarked symbol registered by the declarant (or its affiliates) under the Ko Olina Documents, unless otherwise approved by the declarant under the Ko Olina Documents. In this regard, the Condominium Association is responsible, at its sole cost and expense, for repairing or replacing the structure or landscaping from which any such symbol has been removed so as to ensure that the structural integrity of such structure or landscaping is not jeopardized and that the appearance of the structure or landscaping remains consistent with the surrounding area.

The provisions of this Section 3.2 may be enforced by any remedy at law or equity, including mandatory or prohibitory injunctions, and by accepting a deed or otherwise acquiring a Unit or any interest therein, each Owner acknowledges that in the event of non-performance of any of the above-described restrictions, remedies at law for The TWDC Companies, are deemed inadequate to enforce the terms of this Section 3.2.

3.3 TRADE NAME. From time to time, DVD may arrange for one or more trade names to be licensed to the Condominium or the Condominium Association. If so, the Condominium Association and the Condominium will be known using any such trade name(s) until the earlier of (i) the date when the license expires, or (ii) the date when DVD instructs the Condominium Association to stop using the trade name(s), which DVD may do at any time in its sole, absolute and unfettered discretion. The Condominium Association and the Property Management Company will comply with and abide by the terms and conditions of any trademark license agreement that licenses any trade name(s) to the Condominium and/or the Condominium Association, and will do nothing that may violate any such trademark license agreement.

4. DESCRIPTION OF THE CONDOMINIUM.

DVD plans to develop the Condominium in stages. Each stage is called a "phase" or an "increment." Each phase may include Units and other Improvements. The phases are described as follows:

4.1 PHASE 1. The first phase consists of Air Space Units Nos. H-1 through H-13. These Units shall contain (i) such Improvements, if any, as DVD may initially elect to construct within the Unit boundaries, and (ii) subsequent to the completion of such initial construction, such Improvements, if any, as the Owners of such Units may elect to construct from time to time within the boundaries of their respective Air Space Units pursuant to Section 18.2A.1). For example, this may include (subject to Section 9) single or

multi-story buildings containing multiple hotel or guest rooms, meeting rooms, administrative offices, restaurants, bars, child care facilities, health spas, fitness club, conference centers, sales and marketing offices, activity desks, parking structures, and any other lawful structures. Initially, DVD plans to construct the following buildings in the Air Space Units although such plans may change:

A. Air Space Unit H-1 will initially contain no improvements comprising a part of the Condominium. However Air Space Unit H-1 will be submitted to the Lagoon Condominium pursuant to Section 20. The Lagoon Condominium Developer plans to construct a five (5) story parking structure to be located within Air Space Unit H-1. It will be constructed principally of steel-reinforced concrete and allied building materials. The parking structure will be part of the Lagoon Condominium and will not constitute Improvements of this Condominium.

B. Air Space Unit H-2 will initially contain a fifteen (15) story building with no basement constructed principally of reinforced concrete, gypsum board, glass, and allied building materials.

C. Initially, Air Space Units H-3, H-4 and H-10 will initially contain no buildings. However, nothing in this subsection shall limit any rights that the Air Space Unit Owner may have to construct buildings within the Unit in the future. See, for example, Section 18.2A.1)(b), which gives an Air Space Unit Owner the right to construct a building within the boundaries or "envelope" of the Air Space Unit.

D. Air Space Unit H-13 contains a cooling tower, emergency generator enclosure constructed principally of steel-reinforced concrete.

E. Air Space Unit H-5 will initially contain no building comprising a part of the Condominium. However Air Space Unit H-5 will be submitted to the Lagoon Condominium pursuant to Section 20. The Lagoon Condominium Developer plans to construct a fifteen (15) story building to be located partially within Air Space Unit H-5. It will be constructed principally of reinforced concrete, gypsum board, glass, and allied building materials. The building will be part of the Lagoon Condominium and will not constitute Improvements of this Condominium.

F. Air Space Unit H-6 will initially contain a fifteen (15) story building constructed principally of reinforced concrete, gypsum board, glass, and allied building materials.

G. Air Space Unit H-7 will initially contain a three (3) story building with a partial basement constructed principally of reinforced concrete, gypsum board, glass, wood, and allied building materials.

H. Air Space Unit H-8 will initially contain a three (3) story building constructed principally of steel-reinforced

concrete, gypsum board, glass, and allied building materials. It has a basement.

I. Air Space Unit H-9 will initially contain no improvements comprising a part of the Condominium. However Air Space Unit H-9 will be submitted to the Lagoon Condominium pursuant to Section 20. The Lagoon Condominium Developer plans to construct a three (3) story parking structure to be located within Air Space Unit H-9. It will be constructed principally of steel-reinforced concrete and allied building materials. The parking structure will be part of the Lagoon Condominium and will not constitute Improvements of this Condominium.

J. Air Space Unit H-11 will initially contain no building comprising a part of the Condominium. However Air Space Unit H-11 will be submitted to the Lagoon Condominium pursuant to Section 20. The Lagoon Condominium Developer plans to construct three connected fifteen (15) story buildings within Air Space Unit H-11 (one of which is only partially located in Air Space Unit H-11 and partly outside of the boundaries of this Condominium), all constructed principally of reinforced concrete, gypsum board, glass, and allied building materials. The buildings will be part of the Lagoon Condominium and will not constitute Improvements of this Condominium.

K. Air Space Unit H-12 will initially contain no building comprising a part of the Condominium. However Air Space Unit H-12 will be submitted to the Lagoon Condominium pursuant to Section 20. The Lagoon Condominium Developer plans to construct a porte cochere to be attached to the building to be constructed in Air Space Unit H-7 and rising about 1 and one-half stories above the pavement. The porte cochere will be constructed principally of concrete, steel and glass. The porte cochere will be part of the Lagoon Condominium and will not constitute part of the Improvements of this Condominium.

4.2 PHASE 2. The second phase, if it is constructed, is presently planned to include the addition of one or more additional floors above the building initially constructed within Air Space Unit H-7 as part of phase 1 plus various related improvements (for example, stairways, elevators, and so on) up to the upper boundary of Air Space Unit H-7. Alternately, phase 2 may provide for the complete replacement of the building initially constructed within Air Space Unit H-7 as part of phase 1 and construction of an entirely new building within the boundaries of Air Space Unit H-7. It will continue to be located within a single Air Space Unit unless Air Space Unit H-7 is subdivided into two or more Units. The New Improvements of phase 2 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

4.3 PHASE 3. The third phase, if it is constructed, is presently planned to include the addition of one or more floors above the parking structure, and ten (10) feet above

the surface parking areas, initially constructed within Air Space Unit H-1 as part of phase 1 plus various related Improvements (for example, stairways, elevators, columns, and so on to provide access to and support for the other New Improvements) up to the upper boundary of Air Space Unit H-1. Alternately, phase 3 may provide for the complete or partial replacement of the parking structure and parking areas initially constructed within Air Space Unit H-1 as part of phase 1 and construction of one or more entirely new parking structure(s) and/or building(s) within the boundaries of Air Space Unit H-1. In either event, Air Space Unit H-1 may be subdivided into two or more Units as provided in Section 22.5B. The New Improvements of phase 3 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

4.4 PHASE 4. The fourth phase, if it is constructed, is presently planned to include the addition of one or more floors above the parking structure, and ten (10) feet above the surface parking areas, initially constructed within Air Space Unit H-9 as part of phase 1 plus various related Improvements (for example, stairways, elevators, columns, and so on to provide access to and support for the other New Improvements) up to the upper boundary of Air Space Unit H-9. Alternately, phase 4 may provide for the complete or partial replacement of the parking structure and parking areas initially constructed within Air Space Unit H-9 as part of phase 1 and construction of one or more entirely new parking structure(s) and/or building(s) within the boundaries of Air Space Unit H-9. In either event, Air Space Unit H-9 may be subdivided into two or more Units as provided in Section 22.5B. The New Improvements of phase 4 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

4.5 PHASE 5. Phase 5, if it is constructed, is planned to consist of a one-story building. It has no basement. It is likely to be constructed principally of wood. It will contain the Gazebo Unit (Unit 3001).

4.6 PHASE 6. The sixth phase, if it is constructed, is presently planned to include the addition of one or more additional floors above the building initially constructed within Air Space Unit H-8 as part of phase 1 plus various related improvements (for example, stairways, elevators, and so on) up to the upper boundary of Air Space Unit H-8. Alternately, phase 6 may provide for the complete replacement of the building initially constructed within Air Space Unit H-8 as part of phase 1 and construction of an entirely new building within the boundaries of Air Space Unit H-8. It will continue to be located within a single Air Space Unit unless Air Space Unit H-8 is subdivided into two or more Units. The New Improvements of phase 6 are likely to be constructed principally of reinforced concrete, gypsum board, glass, wood and/or allied building materials.

4.7 ORDER OF DEVELOPMENT. DVD has no obligation to develop any phase beyond phase 1. DVD has no

obligation to construct Improvements in any Commercial Units in phase 1. DVD can develop the phases in any order that it wishes. It can also develop more than one phase at a time. DVD can also divide a phase into separate smaller phases.

5. DIVISION OF PROPERTY.

The Condominium is divided into Units and Common Elements, and the Common Elements are divided into General Common Elements and Limited Common Elements, as follows:

5.1 AIR SPACE UNITS. DVD hereby designates thirteen (13) condominium unit estates in the air spaces within the boundaries of the thirteen (13) Air Space Units indicated as Air Space Unit Nos. H-1 through H-13, as more particularly shown on the Condominium Map and as described in this Declaration.

A. AIR SPACE UNIT NUMBERS AND LOCATIONS. The Condominium Map shows the location and unit number of each Air Space Unit.

B. AIR SPACE UNIT LAYOUTS AND AREA. The layout of each Air Space Unit is shown on the Condominium Map and the approximate floor area of each Air Space Unit is described in Exhibit C which is attached to and is a part of this Declaration.

C. ACCESS TO COMMON ELEMENTS. Each Air Space Unit has immediate access to a public street or highway, to Common Elements that lead over the grounds of the Condominium via walkways, driveways or roadways leading to a public street or highway, or to easements pursuant to Section 7.1D for the use of corridors, walkways, driveways, or roadways leading to the grounds of the Condominium and to a public street or highway.

D. BOUNDARIES OF THE AIR SPACE UNITS. The boundaries of the Air Space Units are described in Exhibit C which is attached to and part of this Declaration.

5.2 STANDARD UNITS. DVD hereby designates one (1) condominium unit estate in the space within the boundaries of the one (1) Standard Unit as shown on the Condominium Map and as described in this Declaration.

A. STANDARD UNIT NUMBERS AND LOCATION. The Condominium Map shows the location and unit number of each Standard Unit.

B. STANDARD UNIT LAYOUT AND AREA. The layout of each Standard Unit is shown on the Condominium Map and the approximate floor area of each Standard Unit is described in Exhibit C, which is attached to and is a part of this Declaration.

C. ACCESS TO COMMON ELEMENTS. Each Standard Unit has immediate access to Common Elements that lead over the grounds of the Condominium via walkways, driveways or roadways leading to a public street or highway, or to easements pursuant to Section 7.1D for the use of corridors, walkways, driveways, or roadways leading to the grounds of the Condominium and to a public street or highway.

D. BOUNDARIES OF THE UNITS. The boundaries of the Standard Units are described in Exhibit C, which is attached to and part of this Declaration.

5.3 COMMON ELEMENTS. One freehold estate is hereby designated in all of the remaining portions of the Condominium, called the "Common Elements." The Common Elements include, among other things, the following:

A. All of the following so long as they are not located within an Air Space Unit:

1) The Land.

2) All foundations, floor slabs, columns, girders, beams, supports, Unit boundary and load-bearing walls and partitions (except for the finishes on them) and roofs.

3) All lobby areas, stairways, elevators, elevator lobbies, walkways, corridors, entrances, entry ways and exits of each building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, service yards, loading docks, fire pump rooms, boiler rooms, telephone equipment rooms, and chillers. There may be none of these that are not located within an Air Space Unit.

4) All yards, grounds, walkways, walkway railings, gardens and other landscaping, and all refuse facilities.

5) All roads, driveways, parking stalls and parking areas, access lanes, paved areas, ramps, fire lanes and loading areas. There may be none of these that are not located within an Air Space Unit.

B. All pipes, wires, cables, conduits, ducts, water meters, electrical equipment, vents, shafts, sewer lines, wiring and other central and appurtenant transmission facilities and installations over, under and across the Condominium that serve the Common Elements or more than one Unit for services such as power, light, gas (if any), water, air conditioning, sewer, refuse, telephone, and radio, internet and television signal distribution (if any).

C. 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 Condominium necessary or convenient

to its existence, maintenance or safety, or normally in common use, and in any case not located within an Air Space Unit.

5.4 LIMITED COMMON ELEMENTS. Some Common Elements, called "*Limited Common Elements*," are designated and set aside for the exclusive use of certain Units. Except as otherwise specifically provided in this Declaration, those Units have the exclusive right (in legal terms, an "*exclusive easement*") to use the Limited Common Elements set aside for their use. Exhibit D contains a description of the Limited Common Elements and the Units to which they are appurtenant.

6. COMMON INTEREST.

Each Unit 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, a Unit and its Common Interest cannot be separated. In legal terms, the Common Interest is "appurtenant to" the Unit.

The initial Common Interest for each Unit is listed in Exhibit C. However, a Unit's Common Interest may be adjusted as provided in Section 31. This might happen, for example, if DVD creates New Units.

7. EASEMENTS.

7.1 CREATION OF EASEMENTS. "*Easement*" is a legal term. In general (but not always), it refers to the right of one person to use property in the possession of someone else. The Property is subject to (a) any easements granted or reserved in or pursuant to the Master Declaration or the Declaration of Merger, (b) any recorded easements, and (c) the exclusive easements, as and to the extent provided in Section 5.4, to use the Limited Common Elements. In addition, the Units and Common Elements also have and/or are subject to the following easements:

A. EASEMENTS IN THE COMMON ELEMENTS. Each Unit 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 Unit 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 and to the extent provided in this Declaration).

3) An easement in all other Units to the extent necessary for support.

B. EASEMENTS FOR ENCROACHMENT.

1) If either of these things happens:

(a) Any part of the General Common Elements now or later encroaches on any Unit or any Limited Common Element, or

(b) Any Unit or Limited Common Element now or later encroaches on the General Common Elements or any other Unit 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 Condominium, minor encroachments of any parts of the Common Elements or Units or Limited Common Elements due to such 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 CONDOMINIUM ASSOCIATION ACCESS. The Condominium Association has the right to enter any Units and/or Limited Common Elements from time to time. This right cannot be revoked. It may be exercised by the Board or its Property Management Company and by anyone authorized by either of 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 Property 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 Unit Owner or occupant. Absent an emergency, requests for entry of Commercial Units must be made at least fourteen (14) days in advance.

2) They may also enter at any time to make emergency repairs necessary to prevent damage to any Unit or Common Element, or injury to any person. No advance notice is required; provided, however, that if a Unit Owner has provided the Association with contact information for a person to be advised of any emergency entry, the Association or Property Management Company shall notify such designated person of the emergency entry and the reason therefor as soon as reasonably practicable. It is not necessary for the Unit Owner or any other occupant to be present at the time of entry.

D. EASEMENTS FOR ACCESS.

1) In addition to any rights and easements that they may have under the Master Declaration, the Units have the following easements:

(a) Units H-1, H-2, H-3, H-4, H-5, H-6, H-7, H-8, H-9, H-11 and 3001 each have the non-exclusive right and an easement to use the grounds, open areas, driveways and other Common Areas of Air Space Unit H-12 for the purpose of access to and from (i) Ali'i Nui Drive, and (ii) the parking facilities located in Units H-1 and H-9.

(b) Units H-2, H-3, H-4, H-5, H-6, H-11 and 3001 each have the non-exclusive right and an easement to use a corridor within Unit H-7 for the purpose of going to and from Unit H-12 and Ali'i Nui Drive. The Owner of Unit H-7 has the right to designate and, from time to time, to change the location of the access corridor in its sole, absolute and unfettered discretion.

(c) Units H-2, H-3 and H-5 each have the non-exclusive right and an easement to use a corridor within Unit H-6 for the purpose of going to and from Units H-7, H-12 and Ali'i Nui Drive. The Owner of Unit H-6 has the right to designate and, from time to time, to change the location of the access corridor in its sole, absolute and unfettered discretion.

(d) Units H-3 and H-5 each have the non-exclusive right and an easement to use a corridor within Unit H-2 for the purpose of going to and from Units H-6, H-7, H-12 and Ali'i Nui Drive. The Owner of Unit H-2 has the right to designate and, from time to time, to change the location of the access corridor in its sole, absolute and unfettered discretion.

(e) Unit H-8 has a non-exclusive right and an easement (i) across Units H-9 and H-11 for the purpose of going to and from Units H-7, H-12 and Ali'i Nui Drive, (ii) across Unit H-13 for the purpose of going to and from Kamoana Place (which right includes but is not limited to a right of access between Kamoana Place and the loading docks and other entries located within Unit H-8); and (iii) for use of the lanai at the conference center garden level for placement of tables, chairs and exhibits, and for other purposes associated with the conduct of conventions, meetings, social events (for example, proms) and other activities conducted in Unit H-8, including the provision of convention-related entertainment and/or networking events.

(f) Units H-10 and H-11 each have the non-exclusive right and an easement across Unit H-13 for the purpose of going to and from Kamoana Place.

(g) Unit H-2 has a non-exclusive right and an easement across Units H-1 for the purpose of going to and from Lagoon Condominium.

(h) Unit 3001 has a non-exclusive right and an easement across Unit H-4 for the purpose of going to and from Units H-7, H-12 and Ali'i Nui Drive.

(i) The Commercial Units each have the right and a non-exclusive easement across the Common Areas for the purposes of (i) going to and from parking facilities located in the Vacation Support Units and the Commercial Units, (ii) going to and from the Lagoon Condominium, and (iii) using and enjoying the Common Areas in accordance with their intended purposes as determined by the Master Declarant, in its sole, absolute and unfettered discretion, whether in "Open Areas" (as that term is defined in the Master Declaration), Shared Areas or otherwise.

2) Nothing in this Section 7.1D shall limit, restrict or otherwise affect any rights and easements granted or reserved in or pursuant to the Master Declaration, or the right of the Master Declarant to allocate a share of the costs of the Resort (including but not limited to a share of the costs of operating and maintaining the property subject to the easements established in this Section 7.1D) to the Condominium Association, the Lagoon Condominium Association, any Vacation Owners Association, any Fractional Owners Association, any Unit Owner, any owner of a unit in the Lagoon Condominium or any other Interested Person.

E. EASEMENT FOR COMMERCIAL UNIT EMPLOYEES, CUSTOMERS AND GUESTS.

1) In addition to any rights and easements that they may have under the Master Declaration, each Commercial Unit has the right and an appurtenant easement pursuant to which the Unit Owner, its Representatives, licensees and invitees (including customers and their guests) are entitled to do the following things in connection with or for the purposes of the business conducted in the Unit or its Limited Common Elements:

(a) To come onto the Condominium using the Common Elements (if any) and Common Areas intended for access to and from any nearby roads, streets or highways.

(b) To use any valet parking services provided with respect to the Condominium, and to park motor vehicles in any parking structures, parking stalls and other parking facilities, including but not limited to those located in the Vacation Support Units but subject to the obligation to pay parking fees charged pursuant to Section 9.1B.1).

(c) To go to and from the Unit and its Limited Common Elements using the Common Element and Common Area walkways and other Common Elements and Common Areas intended for such purposes.

(d) For casual use (such as an after-dinner stroll) of the Common Element and Common Area lawns,

yards, decks, grounds, pathways and walkways of the Condominium located outside of the buildings. The Condominium Rules and Regulations may impose reasonable restrictions on such use.

(e) To use the Common Elements and Common Areas otherwise as may be reasonably necessary in connection with the ordinary conduct of business operations in the Commercial Unit and/or its Limited Common Elements. The Condominium Rules and Regulations may impose reasonable restrictions on such use.

(f) To use the Common Areas for (i) the presentation of movies or television shows, or live dramatic, comedy, musical or other performances by entertainers, for luaus, or for other activities or events, and/or (ii) the conduct or display on or in the vicinity of the Condominium of laser light shows, fountains, water cannons, spotlights, fireworks (subject, of course, to any applicable legal limits), special effects (for example, fiber optic displays and film projected on water), parades, and other displays, activities and events consistent with the overall theme, concept and atmosphere associated with and/or typical of the WALT DISNEY WORLD® RESORT in Lake Buena Vista, Florida, and/or the DISNEYLAND® RESORT in Anaheim, California. Any such use shall require the advance written consent of DVD. The Condominium Rules and Regulations may impose reasonable restrictions on such use provided that DVD consents to such restrictions. DVD may grant or deny any consent required by this paragraph in DVD's sole, absolute and unfettered discretion.

2) In addition to any rights and easements that they may have under the Master Declaration, each Commercial Unit has the right and an appurtenant easement pursuant to which the Unit Owner, its Representatives, licensees and invitees (including customers and their guests) is entitled to create, cause or permit noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances for the purposes of the business conducted in the Commercial Unit or its Limited Common Elements, including but not limited to:

(a) Music, laughter, applause, conversation, yelling, screaming, crying, and other noises, dust, soot, smoke, odors, vibrations, and other emanations resulting from:

(1) The conduct of weddings, wedding receptions, proms, parties, and other social events in the Unit, its Limited Common Elements, the Common Areas or any other part of the Resort that the Unit Owner is entitled to use;

(2) The conduct of conventions and meetings (including the provision of convention-related entertainment and/or networking events) and/or the use of indoor and outdoor portions of a Unit, its Limited Common

Elements, the Common Areas or any other part of the Resort that the Unit Owner is entitled to use, as an exhibit hall or facility, reception hall or facility, or for other commercial or social purposes;

(3) The provision of children's activities and events in the Unit, its Limited Common Elements, the Common Areas or any other part of the Resort that the Unit Owner is entitled to use, whether to guests of the Resort, invited guests and/or the general public;

(4) The presentation of movies or television shows, or live dramatic, comedy, musical or other performances by entertainers, luaus, or other activities or events that take place in the Unit, its Limited Common Elements, the Common Areas or any other part of the Resort that the Unit Owner is entitled to use; and/or

(5) The conduct of ordinary business operations in the Unit, its Limited Common Elements, the Common Areas or any other part of the Resort that the Unit Owner is entitled to use.

(b) Noise, gathering of crowds and other inconveniences resulting from the appearance or display on the Common Elements, the Common Areas or in the Units of Disney characters and associated activities (for example, people taking photos with Disney characters); and

(c) Increased traffic, noise, gathering of crowds, and related inconveniences dust, soot, smoke, odors, vibrations, and other emanations resulting from or relating to the conduct or display on or in the vicinity of the Condominium of laser light shows, fountains, water cannons, spotlights, fireworks (subject, of course, to any applicable legal limits), special effects (for example, fiber optic displays and film projected on water), parades, and other displays, activities and events consistent with the overall theme, concept and atmosphere associated with and/or typical of the WALT DISNEY WORLD® RESORT in Lake Buena Vista, Florida, and/or the DISNEYLAND® RESORT in Anaheim, California.

3) Each Interested Person understands, acknowledges and accepts that the easements provided in this Section 7.1E, 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 these easements that the Interested Person may have, now or in the future, against (i) the Unit Owners and their Representatives, licensees, and invitees, (ii) the guests of any of the persons listed in items (i), and (iii) the successors and assigns of anyone listed in items (i) and (ii).

F. LAGOON CONDOMINIUM EASEMENTS.

1) In addition to any rights and easements that they may have under the Master Declaration, each condominium unit in the Lagoon Condominium has the right and an appurtenant easement pursuant to which the occupants of the Accommodations in the Lagoon Condominium and their personal household guests have the right (i) to go to and from the Lagoon Condominium using the General Common Element walkways, the Common Area walkways, and other Common Elements and Common Areas intended for such purposes, and (ii) to use the General Common Elements to the same extent as a Unit Owner. This right of use remains in effect, as to any given person, only during the time period when such person has the right to occupy Accommodations in the Lagoon Condominium. This includes anyone who rents, leases or otherwise occupies Accommodations within the Lagoon Condominium. The exercise of these rights is subject to the covenants, conditions and restrictions contained in the Master Declaration, the Lagoon Condominium Documents, this Declaration and the other Condominium Documents.

2) In addition to any rights and easements that they may have under the Master Declaration, each commercial condominium unit in the Lagoon Condominium has the right and an appurtenant easement pursuant to which the unit owner, its Representatives, licensees and invitees (including customers and their guests) have the right and an appurtenant easement to do the same things that a Commercial Unit Owner, its Representatives, licensees and invitees can do under Section 7.1E.1) in connection with or for the purposes of the business conducted in the unit or its limited common elements. The exercise of these rights is subject to the covenants, conditions and restrictions contained in the Master Declaration, the Lagoon Condominium Documents, this Declaration and the other Condominium Documents.

3) In addition to any rights and easements that they may have under the Master Declaration, Unit L-3 of the Lagoon Condominium has the right and an appurtenant easement over, under, and across Units H-4 and H-11, and any Common Elements separating Unit H-4 from Unit H-11, pursuant to which the unit owner may install, maintain, repair and replace pipes, wires, cables, conduits, ducts, electrical equipment, vents, shafts, sewer lines, wiring and other facilities and installations over, under and across Units H-4 and the pump room of Unit H-11 for the purpose of providing services between Unit L-3 of the Lagoon Condominium and the equipment, apparatus and installations existing for the support, maintenance and operation of such Unit L-3 of the Lagoon Condominium; including but not limited to water filtering systems, water pump systems, air pump and aeration systems, and any other equipment, apparatus and installations; provided, that:

(a) All such lines, facilities, equipment, apparatus, installations, etc., in Unit H-4 shall, when reasonably possible, be constructed, installed or otherwise

situated beneath the improved surface of the improvements of such Unit H-4 or, in case there are no such improvements, below the grade level of such Unit H-4 (i.e., underground);

(b) Within thirty (30) days after completion of any construction, maintenance, repair or replacement of any such lines, facilities, equipment, apparatus, installations, etc., the finish of any improvements of Units H-4 and H-11 affected by such activity are restored to a condition that is substantially the same as or better than the condition they were in before the activity occurred; and

(c) All construction, maintenance, repair or replacement activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the owner of Unit L-3 of the Lagoon Condominium or its contractors, the construction, maintenance, repair or replacement activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

4) In addition to any rights and easements that it may have under the Master Declaration, DVD has the right and an easement pursuant to which DVD and its Representatives, licensees and invitees have the right to create and cause noise, dust, soot, smoke, odors, vibrations, and other nuisances in connection with the use and operation of the Lagoon Condominium consistent with the overall theme, concept and atmosphere associated with resort hotels located in or associated with the WALT DISNEY WORLD® RESORT in Lake Buena Vista, Florida, and/or the DISNEYLAND® RESORT in Anaheim, California, including but not limited to the use and operation of portions of the Lagoon Condominium for the conduct of social events (for example, high school proms), convention and meeting purposes, and other activities, some of which may be within plain view and/or earshot of Units in the Condominium.

5) Each Interested Person understands, acknowledges and accepts that the easements provided in this Section 7.1F, and the use of them, may result in increased traffic, noise, dust, soot, smoke, odors, vibrations, and other nuisances or hazards, gathering of crowds, and related inconveniences or nuisances. 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 these easements that the Interested Person may have, now or in the future, against (i) DVD and its Representatives, licensees and invitees, (ii) the owners of the condominium units in the Lagoon Condominium and their respective Representatives, licensees and invitees, (iii) the occupants of the Lagoon Condominium and their personal household guests, and (iv) each of their respective successors and assigns.

G. EASEMENTS FOR ADJACENT PROJECTS. In addition to any rights and easements that it may have under the Master Declaration, in the event that DVD or an affiliate

of it develops any Adjacent Project on Lot 5346 (Map 497, L. Ct. App. 1069), Lot 4608 (Map 451, L. Ct. App. 1069), and/or Lot 4609 (Map 451, L. Ct. App. 1069), then and in any such event, DVD shall have the right and an easement pursuant to which DVD, its Representatives, licensees and invitees shall have the right to create and cause noise, dust, soot, smoke, odors, vibrations, and other nuisances in connection with the use and operation of the Adjacent Project as a resort hotel consistent with the overall theme, concept and atmosphere associated with resort hotels located in or associated with the WALT DISNEY WORLD® RESORT in Lake Buena Vista, Florida, and/or the DISNEYLAND® RESORT in Anaheim, California, including but not limited to the use and operation of portions of the Adjacent Project for the conduct of social events (for example, high school proms), convention and meeting purposes, and other activities, some of which may be within plain view and/or earshot of Units in the Condominium. Each Interested Person understands, acknowledges and accepts that the easements provided in this Section 7.1G, and the use of them, may result in increased traffic, noise, dust, soot, smoke, odors, vibrations, and other nuisances or hazards, gathering of crowds, and related inconveniences or nuisances. 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) DVD and its Representatives, licensees and invitees, (ii) the owners of the Adjacent Projects and their respective Representatives, licensees and invitees, (iii) the occupants of the Adjacent Projects and their personal household guests, and (iv) each of their respective successors and assigns.

H. EASEMENTS FOR SPECIAL EVENTS. DVD and its Representatives, licensees and invitees may use the lawns, grounds and other suitable portions of the Common Elements and/or Common Areas for the purpose of conducting educational, cultural, entertainment or sporting events, other activities of general community interest, and/or other Resort activities. These events may occur at times they deem appropriate in their sole, absolute and unfettered discretion. The rights under Section 7.1E may be used in connection with any such events. 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 DVD, the Owner of the Vacation Support Unit(s) so employed, and each of their Representatives, licensees, invitees, successors and assigns and arising from or with respect to the proper use of this easement.

I. DVD'S EASEMENT FOR SALES ACTIVITIES.

1) In addition to any rights and easements that it may have under the Master Declaration, DVD has the exclusive right and an easement to conduct marketing and sales activities (which may be extensive) on the Common Elements and Common Areas, and from any Unit owned by DVD or any Limited Common Elements of such Unit. This right includes but it is not limited to the following:

(a) The right to permit purchasers and prospective purchasers and their family members and guests to come onto the Condominium through the Common Elements and Common Areas 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 parking structures, parking stalls and other parking facilities, including but not limited to those located in the Vacation Support Units but subject to the obligation to pay parking fees charged pursuant to Section 9.1B.1).

(c) The right to show the Condominium (including but not limited to models for Units or Vacation Homes) or any Adjacent Project to purchasers and prospective purchasers (who will have a right of access for these purposes).

(d) The right to use Units owned by DVD as model Units or Vacation Homes, 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 Unit owned by DVD or its Limited Common Elements.

(f) The right to authorize DVD's Representatives, licensees, and invitees, to use these easements. This includes, for example, the right to permit sales and administrative staff to come onto the Condominium, to park in the parking structures, and so on.

(g) The right to use banners, signs or other extensive sales displays and activities in the Condominium.

(h) The right to establish, operate and maintain in the General Common Elements and/or Common Area no more than seven (7) concession stands (in addition to any parking structure management concessions). The concession stands may be used for any purposes including, for example (i) sales of food and/or beverages, (ii) the rental and storage of bicycles or other recreational equipment, (iii) the operation by DVD of tour or activity desks or other businesses intended to promote the sales of Units, Vacation Interests and/or Fractional Interests. The easement under this Subsection 7.1I.1(h) includes the right to connect the concession stands with utility services. DVD must pay all costs to build, set up, operate and maintain any concession

stands, including the costs of utility services consumed by the concession stands. Concession stands may consist of permanent, semi-permanent and/or portable facilities of any kind.

2) This easement applies to activities conducted in connection with the initial sale and/or any resale (or lease or other conveyance) of one or more Units, Vacation Interests and/or Fractional Interests.

3) Each Interested Person understands, acknowledges and accepts that the easements provided in this Section 7.1I, 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 DVD and its Representatives, licensees and invitees, and each of their respective successors and assigns, and arising from or with respect to the use of this easement.

J. DVD'S EASEMENTS FOR ACCESS. In addition to any rights and easements that it may have under the Master Declaration, DVD has an easement over, under and upon the Condominium, including all General Common Elements, all Limited Common Elements, and all Units, as may be reasonably necessary or convenient to complete the installation, construction or initial renovation of any Improvements of the Condominium and/or any improvements within the Lagoon Units, and to correct any defects and other punchlist items in the Common Elements or any Unit or to use any of DVD's Reserved Rights. The easement to complete the installation, construction or initial renovation of Improvements and/or any improvements within the Lagoon Units or to correct defects or punchlist items ends, as to any particular phase or increment of the Condominium, sixty (60) months after the "date of completion" (as the term is used in Chapter 507, Part II, Hawai'i Revised Statutes) of the Improvement(s) of the Condominium and/or any improvements within the Lagoon Units to be completed or corrected. DVD may authorize its Representatives, licensees and invitees (including its architects, contractors, governmental officials, and so on) to use this easement.

K. RIGHTS OF OCCUPANTS. Anyone who at any given time has the right or permission to occupy Accommodations of the Condominium also has the right and a license to use the General Common Elements, the Common Areas, and any Limited Common Elements of the Unit in which the occupant's Accommodations are located, to the same extent that the Unit 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 Accommodations in the Condominium.

1) This includes, for example, anyone who rents or leases a hotel room or other Accommodations in the

Condominium (subject to any limits contained in any rental agreement or lease with the Unit Owner).

2) It also includes (i) a Vacation Owner who occupies Accommodations in the Condominium as allowed by any Vacation Plan Documents, (ii) a Fractional Owner who occupies Accommodations in the Condominium as allowed by any Fractional Plan Documents, and (iii) anyone (an "Exchanger") whose use of Accommodations in the Condominium is arranged through an exchange program or is otherwise confirmed by the owners association of a Vacation Plan or Fractional Plan. Of course the rights of any Vacation Owner, Fractional Owner, or Exchanger are subject to any limits contained in the Vacation Plan Documents or Fractional Plan Documents. In addition to any other exchange program, the "DVC Reservation Component" (as the quoted term is defined in Land Court Document No. 3957910) is expressly declared to be an exchange program for purposes of this Section.

L. EASEMENT FOR BELLHOP SERVICE. The Owner of Air Space Unit H-7 has the right (but no obligation) and an easement to provide or to arrange with someone else to provide bellhop services to the occupants of the Accommodations of the Resort. For this purpose, the Unit Owner and its Representatives, licensees and invitees have the right to use the Common Elements of the Condominium and the Shared Areas of the Resort. Bellhop activity must not be conducted in a way that unreasonably disturbs the occupants of the Units. This easement is appurtenant to Air Space Unit H-7.

M. EASEMENT FOR ROOM SERVICE. The Owner of Air Space Unit H-7 has the right (but no obligation) and an easement to provide room service to the Units or to arrange with someone else to provide room service. For this purpose, the Owner of Air Space Unit H-7 and its Representatives, licensees and invitees have the right to use the Common Elements of the Condominium and the Shared Areas of the Resort to provide room service to the occupants of the Units. Room service must not be provided in a way that unreasonably disturbs the occupants of the Units. Regular sweeps of any Common Element or Shared Area 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 Air Space Unit H-7. The Owner of Air Space Unit H-7 has the right to authorize its Representatives, licensees and invitees to use these easements.

N. EASEMENT FOR VALET PARKING. The Condominium Association has the right (but no obligation) and an easement to provide or to arrange with someone else to provide valet parking services to the occupants of the Accommodations of the Resort and their guests, and to customers and other invitees of the Resort. This includes the right for the Condominium Association and its Representatives and licensees to use the Common Elements

of the Condominium and the driveways connecting Ali'i Nui Drive to the porte-cochere entry to Air Space Unit H-7, and to the parking structures contained in Air Space Units H-1 and H-9, for the purpose of providing valet parking service. This easement includes the right to control the flow of vehicles through the porte-cochere, bus lane and driveways, and the loading, unloading, and parking of vehicles in the vicinity of the porte-cochere and in the parking spaces located within Air Space Unit H-12. If the Condominium Association requests it, the Owners of Air Space Unit H-1 and/or Air Space Unit H-9 must designate sixty (60) contiguous parking stalls (or such lesser number as the Condominium Association shall request) in the parking structures located within Air Space Unit H-1 and/or Air Space Unit H-9 for exclusive use as valet parking stalls. In the event that the Condominium Association shall elect to provide valet parking services pursuant to this Section 7.1N, then the Condominium Association must pay the parking fees charged pursuant to Section 9.1B.1) for all time periods when parking stalls are actually occupied, and must also reimburse the Owner of Air Space Unit H-12 for all actual out-of-pocket costs for use of the porte cochere for valet parking purposes. The Condominium Association shall be entitled to retain all income and profits from operation of valet parking services.

O. EASEMENT FOR CHILDREN'S PROGRAMS. The Owner of Air Space Unit H-7 has the right and an easement (but no obligation) to operate one or more children's programs on the Condominium. The Air Space Unit Owner may make these programs available to children of (i) Unit Owners and occupants, (ii) occupants of the Accommodations of the Lagoon Condominium or any Adjacent Project, (iii) potential purchasers of Units, Vacation Interests or Fractional Interests, while they are attending a sales presentation, and (iv) guests of any of these persons. The Owner of Air Space Unit H-7 may contract with someone else to operate such a program for it. The programs may involve use of the Units (with the consent of the Owners of any such Units, the Common Elements, Common Areas, any Shared Areas located within any Vacation Support Units, and any Designated Facilities. Each Interested Person understands, acknowledges and accepts that the use of this easement may result in increased noise and other nuisances, and partial closure of the certain portions of other Units, Common Elements and/or Common Areas from time to time. 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 the Owner of Air Space Unit H-7, and its Representatives, licensees and invitees, and each of their respective successors and assigns.

P. EASEMENT FOR FOOD AND BEVERAGE SERVICE.

1) The Owner of Air Space Unit H-7 has the following rights and easements:

(a) The right and an easement to place up to thirty (30) tables, with chairs and (if desired) umbrellas, within Air Space Unit H-4.

(b) The right and an easement to provide food and beverage services to those tables and to customers within Air Space Unit H-4 or in any Shared Areas or Designated Facilities located in the Condominium or in the Lagoon Condominium, including the right to employ waiters, waitresses, busboys, etc., to do so.

(c) The right and an easement across the General Common Elements and Air Space Unit H-4 to transport food, beverages, supplies, glasses, dishes, and so on to and from Air Space Unit H-7, or between Unit H-7 and any Shared Areas or Designated Facilities located in the Condominium or the Lagoon Condominium.

2) When using these rights and easements, the Owner of Air Space Unit H-7 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 Condominium Association, DVD and the Owner of Air Space Unit H-4 from any claim, loss or damage resulting from any failure to do these things. It is not liable, however, for misconduct or negligent acts or omissions of its customers or their guests or for losses covered by insurance.

3) The easements in this Section do not obligate the Owner of Air Space Unit H-7 to provide tables, chairs or umbrellas, or food and beverage service or any related services but permit it to do so. These easements are appurtenant to Air Space Unit H-7. The Owner of Air Space Unit H-7 has the right to authorize its Representatives, licensees and invitees to use these easements.

Q. EASEMENT FOR USE OF CHILLERS, EMERGENCY GENERATORS, ETC. Each Commercial Unit has the right and an appurtenant easement over, under, across and through Air Space Unit H-13 for the purpose of access to and use of the chillers and emergency generators contained within Air Space Unit H-13, and connection of the same to any Common Element pipes, wires, cables, conduits, ducts, electrical equipment, vents, shafts, wiring and other central and appurtenant transmission facilities and installations over, under and across the Condominium that serve such Commercial Condominium for services such as power, light, gas (if any) and air conditioning. The Owner of each Commercial Unit shall be required to bear a share of the

costs of such access and use in the amounts and as provided pursuant to the provisions of the Master Declaration.

R. EASEMENTS FOR UTILITIES, ETC.

1) Each Commercial Unit has the right and an appurtenant easement for pursuant to which the Unit Owner may install, maintain, repair and replace pipes, wires, cables, conduits, ducts, electrical equipment, vents, shafts, sewer lines, wiring and other central and appurtenant transmission facilities and installations over, under and across the Vacation Support Units and/or the General Common Elements for the purpose of providing utility services to the Commercial Unit.

2) Unit H-12 has the right and an appurtenant easement over, under, and across Unit H-1 for the installation, maintenance, repair and replacement of water pumps, water filtering systems, and other lines, facilities, equipment, apparatus, installations, etc., servicing the water features located on Unit H-12. This easement includes the right to install pipes, wires, cables, conduits, ducts, electrical equipment, vents, shafts, sewer lines, wiring and other central and appurtenant transmission facilities and installations over, under and across Unit H-1 for the purpose of providing water pump, water filtering and related services to the water features located on Unit H-12, and the right to use the room or rooms initially constructed in Unit H-1 to house the water pump, water filtering and other lines, facilities, equipment, apparatus, installations, etc., for the support of the water features located on Unit H-12.

3) The rights of the Unit Owners holding easements under Sections 7.1R.1) and 7.1R.2) are subject to the following:

(a) All such lines, facilities, equipment, apparatus, installations, etc., shall, when reasonably possible, be constructed, installed or otherwise situated beneath the improved surface of the improvements of the Unit affected or, in case there are no such improvements, below the grade level of such Unit (i.e., underground) or, in the case of pumps, etc., in the room or rooms initially constructed in Unit H-1 to house the same for the support of the water features located on Unit H-12;

(b) Within thirty (30) days after completion of any construction, maintenance, repair or replacement of any such lines, facilities, equipment, apparatus, installations, etc., the finish of any improvements of the Unit affected by such activity are restored to a condition that is substantially the same as or better than the condition they were in before the activity occurred; and

(c) All construction, maintenance, repair or replacement activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner of the Unit holding the easement or its

contractors, the construction, maintenance, repair or replacement activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

S. EASEMENT FOR PUMP ROOM ACCESS. Unit H-7 has the right and an appurtenant easement to the pump room located Unit H-11 for the installation, maintenance, repair and replacement of water pumps, water filtering systems, and other equipment servicing the animal program room located in Unit H-11, and for the installation, maintenance, repair and replacement of pipes, wires, cables, conduits, ducts, electrical equipment, vents, shafts, sewer lines, wiring and other transmission facilities and installations linking the pump room to the animal program room; provided, that:

1) Within thirty (30) days after completion of any construction, maintenance, repair or replacement of any such lines, facilities, equipment, apparatus, installations, etc., the finish of any Improvements of Unit H-11 are restored to a condition that is substantially the same as or better than the condition they were in before the activity occurred; and

2) All construction, maintenance, repair or replacement activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner of Unit H-7 or its contractors, the construction, maintenance, repair or replacement activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

7.2 DVD'S EASEMENT FOR NOISE, DUST, ETC. DVD has an easement over, under and upon the Condominium and all of its parts, pursuant to which DVD and its Representatives, licensees and invitees have the right 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 Parcels, and/or (c) the use of DVD's Reserved Rights or any other rights of DVD described elsewhere in this Declaration, the Declaration of Merger or the Master Declaration. Each Interested Person: (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 DVD and/or its Representatives, licensees and invitees, and each of their successors and assigns. Each Unit 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 DVD under this Section 7.2 are included within DVD's Reserved Rights. Nothing in this Section 7.2 limits or otherwise affects any rights of DVD as the Master Declarant.

7.3 GRANT OF ADDITIONAL EASEMENTS AND MODIFICATION OF EASEMENTS BY THE CONDOMINIUM ASSOCIATION.

A. EASEMENTS THROUGH COMMON ELEMENTS. The Condominium Association has the right, exercisable by the Board, to designate, grant, accept, 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 Unit, the General Common Elements or any Limited Common Elements.
- 2) Any easements for utilities or for any public purpose. This would include, for example, pedestrian walkways, stairs, ramps, or other passageways, or restroom facilities.

During the Development Period, the Condominium Association must have the written consent of DVD before it can do any of these things.

B. EASEMENTS THROUGH ADJACENT LANDS. The Condominium Association has the right, exercisable by the Board, to accept, transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land or the Condominium for any reasonable purpose. This includes, for example, any of the purposes mentioned in Section 7.3A. During the Development Period, the Condominium Association must have the written consent of DVD 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 or license in favor of the Land or the Condominium uses any right he or she has to require a change in the location of that easement or license area. DVD's consent is not required in this case.

C. CONSENT OF OTHER PERSONS. The Condominium Association may use its rights in this Section 7.3 without the consent or joinder of anyone else (except DVD as stated above). To the extent that the Condominium Association determines that the consent or joinder of any Interested Person (other than DVD or the Master Declarant) may be required or desirable in order to validate any act or thing done by the Condominium Association using its reserved rights, such consent or joinder may be accomplished by power of attorney or otherwise as provided in Section 38.1. The Condominium Association cannot use this power of attorney, however, to give the consent of DVD or the Master Declarant. Nothing in this Section 7.3 authorizes the Condominium Association to alter or otherwise deal with any easements granted or reserved in Section 7.1, 7.2 or elsewhere in this Declaration without the written consent of the holder of any such easement or, in the case of easements in favor of Lagoon Units, the Lagoon Condominium Association.

7.4 GRANT, MODIFICATION, ETC., OF EASEMENTS BY DVD. Without limiting any rights of DVD as the Master Declarant, DVD hereby reserves, as among DVD's Reserved Rights, the following rights:

A. EASEMENTS THROUGH COMMON ELEMENTS. DVD reserves the right to designate, grant, accept, lease, convey, transfer, cancel, relocate and otherwise deal with any easements and/or licenses over, under, across or through the Common Elements as necessary or convenient to the use of any of DVD's Reserved Rights, or for any reasonable purpose. This includes, but is not limited to:

- 1) Any purpose necessary to the development, operation, care, upkeep, maintenance or repair of any Unit, the Common Elements or any Limited Common Elements.
- 2) Any easements for utilities or for any public purpose or to serve the Condominium or any Adjacent Project. This would include, for example, pedestrian walkways, stairs, ramps, paths, trails, bikeways, driveways, or other passageways, or restroom facilities. It also would include the right, for example, to permit the sharing of any telephone system, hot or cold water system, co-generation plant, drainage system, sewage system, sewer lift station, or other facilities serving the Condominium and any Adjacent Project.

B. EASEMENTS THROUGH ADJACENT LANDS. DVD also reserves the right to accept, transfer, cancel, relocate and otherwise deal with any easement or license in favor of the Land or the Condominium for any reasonable purpose. This includes, for example, any of the purposes mentioned in Section 7.4A, above. DVD may also use these rights if the owner of property that is subject to an easement or license in favor of the Land or the Condominium uses any right that such owner has to require a change in the location of that easement or licensed area.

C. CONSENT OF OTHER PERSONS. DVD 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 30. To the extent that DVD 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 DVD using its reserved rights, such consent or joinder may be accomplished by power of attorney or otherwise as provided in Section 30.

8. ALTERATION AND TRANSFER OF INTERESTS.

8.1 COMMON INTERESTS AND EASEMENTS. Except as otherwise provided in this Declaration, a Unit's Common Interest and any easements in favor of the Unit, will each have these characteristics:

- A. It will have a permanent character.

B. It cannot be changed without the consent of the Owners of all affected Units. This consent must be expressed in an amendment to this Declaration. The amendment must be recorded. It must also contain the consent of each Mortgage Lender who has a first mortgage on an affected Unit but only if:

1) The Mortgage Lender is listed in the Condominium Association's record of ownership; or

2) The Mortgage Lender has given the Board notice of its interest through the secretary of the Condominium Association or the Property Management Company.

C. It cannot be separated from the Unit to which it is appurtenant.

D. It will automatically be transferred or encumbered with the Unit even if the deed, other conveyance document or 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 permitted by the Condominium Law. Without limiting Section 514B-47(a) of the Condominium Property Act, no partition or division may take place without the prior written consent of each Mortgage Lender holding a first mortgage on a Unit, Vacation Ownership Interest, or Fractional Ownership Interest.

9. PURPOSES AND USE.

9.1 UNITS.

A. COMMERCIAL UNITS. The Commercial Units are restricted to nonresidential uses. Without limiting the preceding sentence, the Commercial Units may only be used for hotel or resort uses, or for other commercial purposes permitted by law, and in any case only as follows:

1) The Commercial Units may be used for any commercial purpose, which purpose includes but is not limited to administrative offices, restaurants, bars, liquor and other retail stores, child care center, health spas, fitness club, beauty shop, conference center, sales and marketing offices, and activity desks or offices. These rights are subject to the exclusive rights of:

(a) DVD under Section 7.1I; and

(b) Any other exclusive rights granted or reserved in this Declaration.

2) COMMERCIAL UNITS MAY BE OCCUPIED AND USED FOR HOTEL OR TRANSIENT VACATION RENTAL PURPOSES.

3) COMMERCIAL UNITS MAY BE USED AS VACATION LODGINGS (FOR EXAMPLE, USE AS A WEEKEND RETREAT BY OWNERS AND THEIR GUESTS).

4) NO MATTER WHAT ELSE THE CONDOMINIUM DOCUMENTS SAY, COMMERCIAL UNITS MAY BE USED IN A FRACTIONAL PLAN, TIME SHARE PLAN OR VACATION PLAN IF DVD CREATES THE PLAN OR IF DVD AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT.

B. VACATION SUPPORT UNITS. The Vacation Support Units are restricted to nonresidential uses. Without limiting the preceding sentence, the Vacation Support Units may only be used for purposes ancillary or supportive of hotel or resort uses, and then only as follows:

1) Units H-1 and H-9 may be used as a Common Area and may also be used to provide parking facilities for occupants and guests of the Resort, and for DVD and the Property Management Company, and their respective Representatives and invitees. The Owners of Units H-1 and H-9 have the right to charge a parking fee for parking in such parking facilities in accordance with the requirements of the Master Declaration. In the event that Units H-1 and H-9 are submitted to the Lagoon Condominium pursuant to Section 20, then the Lagoon Condominium Association may charge such parking fees for any such parking facilities that constitute common elements of the Lagoon Condominium, subject in any case to the requirements of the Master Declaration.

2) Units H-5 and H-11 may be used as a Common Area and may also be used for the design, installation, construction, operation, use, ownership, occupancy, enjoyment, maintenance, repair and replacement of those portions of the Lagoon Condominium intended to be constructed on and within Units H-5 and H-11, as set forth in the Lagoon Condominium Documents. **NO MATTER WHAT ELSE THE CONDOMINIUM DOCUMENTS SAY, THE IMPROVEMENTS OF THE LAGOON CONDOMINIUM LOCATED IN UNITS H-5 AND H-11 MAY BE USED:**

(a) FOR HOTEL OR TRANSIENT VACATION RENTAL PURPOSES;

(b) AS VACATION LODGINGS (FOR EXAMPLE, USE AS A WEEKEND RETREAT BY OWNERS AND THEIR GUESTS);

(c) IN A FRACTIONAL PLAN, TIME SHARE PLAN OR VACATION PLAN IF DVD CREATES THE PLAN OR IF DVD AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT.

3) Unit H-12 may be used as a Common Area and may also be used (i) to provide access from Ali'i Nui Drive to the porte-cochere entry of Unit H-7, (ii) to provide temporary parking in the surface parking area adjacent to the porte-cochere, and (iii) to provide access to the parking facilities of Units H-1 and H-9.

4) Unit H-4 may be used as a Common Area and may also be used for the lazy river and surrounding deck, or for any replacement amenities established in accordance with Section 18.2A.1)(b)(1)xii and the Master Declaration, and in any event shall be subject to use in accordance with Sections 7.1I and 7.1P and any additional provisions of the Master Declaration.

5) Unit H-13 may be used as a Common Area and may also be used for purposes ancillary or supportive of hotel or resort uses, including but not limited to the establishment and operation of a cooling tower and emergency generator.

6) The Vacation Support Units may not be used for any other purpose without the express written consent of DVD. DVD, in its sole, absolute and undivided discretion: (i) may grant or deny its consent, (ii) may condition its consent on the satisfaction of certain requirements, and (iii) may limit its consent to only certain portions of the Vacation Support Unit(s).

C. RESTRICTIONS ON USE. The following rules apply except where this Declaration or the Master Declaration allows DVD or its Representatives, licensees and invitees to do otherwise:

1) The Units and their Limited Common Elements must not be used to carry on any business, trade or profession without the express written consent of DVD. DVD, in its sole, absolute and undivided discretion: (i) may grant or deny its consent, (ii) may condition its consent on the satisfaction of certain requirements, and (iii) may limit its consent to only certain portions of the Units.

2) The Units and their Limited Common Elements must not be used for sales of any articles or goods without the express written consent of DVD. DVD, in its sole, absolute and undivided discretion: (i) may grant or deny its consent, (ii) may condition its consent on the satisfaction of

certain requirements, and (iii) may limit its consent to only certain portions of the Units.

3) No Owner (including but not limited to any Vacation Owner or Fractional Owner), Exchanger, lessee, tenant, occupant of all or any part of a Unit or the Resort, or other person (except DVD and those expressly authorized by DVD) can bring clients, customers or other business invitees onto the Condominium on a regular basis for business purposes without the express written consent of DVD. DVD, in its sole, absolute and undivided discretion: (i) may grant or deny its consent, (ii) may condition its consent on the satisfaction of certain requirements, and (iii) may limit its consent to only certain portions of the Units.

4) No Owner (including but not limited to any Vacation Owner or Fractional Owner) or anyone else may use all or any part of a Unit as his or her permanent, primary or principal residence.

D. RIGHTS OF UNIT OWNERS. Subject to the restrictions in this Section 9.1, the Unit Owners have the absolute right to sell, lease, rent or otherwise transfer their own Units. This right is subject to all other provisions of this Declaration and the Bylaws.

9.2 USE OF THE COMMON ELEMENTS. Subject to the rights reserved by DVD elsewhere in or pursuant to this Declaration or the Bylaws:

A. Each Unit 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 Unit Owners. This right is subject to the following:

1) The exclusive use of the Limited Common Elements as provided in this Declaration.

2) The easements granted or reserved in or pursuant to this Declaration or the Bylaws.

3) The right of the Condominium Association to amend this Declaration to change the use of the Common Elements or the right of the Board to lease or otherwise use the Common Elements for the benefit of the Condominium Association. The Board may only do so upon the terms and subject to the limits contained in the Condominium Law. See, for example, Section 514B-38 of the Condominium Property Act. However, no such lease, use or change in use may be made before the Development Period ends unless DVD consents to it in writing.

4) The right of DVD to change the use of or otherwise deal with the General Common Elements and/or Limited Common Elements in the exercise of DVD's Reserved Rights.

B. Each Commercial Unit Owner may operate and use any Limited Common Elements of that Unit for any purpose permitted by law and by Section 9.1. If a Limited Common Element is appurtenant to more than one Commercial Unit then these rules apply:

1) The Unit Owners of those Commercial Units may operate and use that Limited Common Element for any purpose permitted by law and by Section 9.1.

2) The Unit Owners of at least seventy-five percent (75%) of the Common Interests for all of the Units to which that Limited Common Element is appurtenant have the right to choose, and to change, the use of that Limited Common Element, so long as such Limited Common Elements remain subject to the easements granted or reserved in this Declaration or the Bylaws.

A Unit Owner has the right to keep all revenues generated by any business that the Unit Owner operates on the Limited Common Elements of his or her Commercial Unit.

C. Regardless of anything else stated in the Condominium Documents, neither the Board nor the Condominium Association has any right to change the use of or to lease or otherwise use any Limited Common Element of a Commercial Unit. The only exception is when the Owners of all Units 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 Condominium Association has any right, without first getting the written consent of the Owner of each Commercial Unit 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 Unit, or on the exterior of the Improvements within that Commercial Unit. However, any such signage and so on that is visible from outside of the Unit must not detract from the resort ambience of the Condominium.

E. No Owner of a Vacation Ownership Interest or Fractional Ownership Interest shall come on to or use the Common Elements of the Condominium except during the time when such Owner is authorized by the Vacation Plan Documents or Fractional Plan Documents (i) to occupy Accommodations of the Resort or to use the Common Elements of the Lagoon Condominium, or (ii) to use the Common Elements for "day use;" provided that the Condominium Association may regulate and/or prohibit day use.

9.3 LIMITS ON USE OF THE UNITS AND COMMON ELEMENTS.

A. **PROMOTIONAL USE.** Notwithstanding the provisions of Sections 9.1, 9.2, or any other provision of this

Declaration, the Articles or the Bylaws, **no Unit Owner, lessee, tenant, occupant, or other Interested Person, or any licensee or invitee of any such person, can use the Condominium or any part of it:**

- **For the promotion or sale of Vacation Interests or Fractional Interests, 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 Interests or Fractional Interests.**

These restrictions are intended to benefit DVD alone and they will apply in every case unless DVD gives its written consent in a recorded document. Of course, these restrictions do not apply to DVD. DVD has the right to use its Units and DVD's Reserved Rights for the promotion and sale of Vacation Interests and/or Fractional Interests.

B. TIMESHARE PLANS, FRACTIONAL PLANS AND CLUBS. No timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Condominium or the Units; (b) shall acquire or accommodate Units, Unit Leases, Vacation Ownership Interests or Fractional Ownership Interests; and (c) shall be permitted to incorporate a Unit, Unit Lease, Vacation Ownership Interests or Fractional Ownership Interests into such entity, program, structure, scheme, device or plan, except by DVD or except with the prior written authorization from DVD, which authorization may be given or withheld in DVD's sole, absolute and unfettered discretion, and which authorization shall be evidenced by a written instrument executed by DVD, recorded in the Land Court and/or Bureau, as appropriate, and containing a specific reference to this Declaration.

C. ANIMALS. Persons with handicaps or disabilities may keep specially trained animals in their Unit or elsewhere on the Condominium as provided by law. No other pets or other animals of any kind may be allowed or kept in any Units or elsewhere on the Condominium except as explicitly provided in the Condominium Rules and Regulations. Nothing in the Condominium Documents prohibits (i) DVD, DVCHMC or any of The TWDC Companies from keeping and maintaining animals on the Condominium, or (ii) the Condominium Association from keeping and maintaining birds, fish and other animals in koi ponds or other facilities

intended for such purposes as determined by DVD in its sole, absolute and unfettered discretion.

D. USE OF SHARED AREAS. Use of the Shared Areas is available only to the persons and on the terms and conditions set by or pursuant to the Master Declaration. The Master Declarant may change the terms and conditions from time to time as provided in the Master Declaration. Except as otherwise provided in the Master Declaration, Shared Areas available at one time may not continue to be available, or to be available to Owners and occupants, in the future. Also, the Master Declarant may charge for the use of the Shared Areas. This Declaration gives Owners and occupants no greater rights than they otherwise have under the Master Declaration.

E. USE OF KO OLINA RESORT. This Declaration gives Owners and occupants no greater rights than they otherwise have under the Ko Olina Documents. For example, Owners and occupants have no right to use any "exclusive use areas" or private amenities of the Ko Olina Resort just because they are members of the Ko Olina Community Association or own a Unit, Vacation Ownership Interest or Fractional Ownership Interest or have the right to occupy a Unit.

9.4 CHANGES TO CONDOMINIUM APPEARANCE. Unit Owners are not allowed to change or cause a change to the exterior appearance of the Condominium unless they have the prior written consent of either the Board or the Property Management Company. This rule applies even though some of the Common Elements are Limited Common Elements of certain Units. This rule does not apply to:

A. DVD when using DVD's Reserved Rights, or

B. The Master Declarant when acting as permitted by the Master Declaration.

C. The Owner of an Air Space Unit when constructing, adding to, changing, removing, or replacing one or more buildings or other Improvements located within the Air Space Unit.

The Board has the right to change the exterior appearance of the Condominium. During the Development Period, however, the Board cannot do so without DVD's prior written consent. Nobody is allowed to change the appearance of the Condominium in a way that will detract from the resort ambience of the project or that is not consistent with the Disney Standard.

9.5 MAINTENANCE AND REPAIR OF UNITS AND LIMITED COMMON ELEMENTS.

A. Each Owner must keep its Unit, and its Limited Common Elements, in good order and repair, and in a condition consistent with the Disney Standard. 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 Unit or its Limited Common Elements.

B. A Commercial Unit Owner has the right to make decisions on repairs or changes to the Unit's Limited Common Elements. If a Limited Common Element is appurtenant to more than one Commercial Unit then the Owners of at least seventy-five percent (75%) of the Common Interests for all of those Units have the right to make decisions on repairs and changes to it. These rights of the Commercial Unit Owners are subject to the requirements of Sections 9.4 and 9.5A, and any additional other provisions of this Declaration that apply.

9.6 DVD'S RIGHTS OF USE. Regardless of anything else stated in the Condominium Documents:

A. DVD has the right to use any Unit that it owns for promotional purposes or in connection with the initial sale and/or any resale or other conveyance of Units, Vacation Interests, and/or Fractional Interests. This includes, for example, the right to use its Units (or any portion thereof) and their Limited Common Elements as model Units or Vacation Homes, 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 Condominium.

B. DVD intends and expressly reserves the right to operate or permit the operation of a nightly rental program or hotel with respect to portions of the Units, Vacation Ownership Interests and Fractional Ownership Interests owned or otherwise possessed or controlled by DVD or any TWDC Company.

C. These rights are subject to any requirements of the zoning code and any other laws that may apply.

9.7 EXEMPTIONS FOR PERSONS WITH DISABILITIES. No matter what else the Condominium Documents say, and except as otherwise provided by law, Owners who have disabilities, or whose personal household members have 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 Units or the Common Elements. Any Owner who has a disability or whose personal household member has 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 Unit 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.

10. THE CONDOMINIUM ASSOCIATION.

10.1 THE CONDOMINIUM ASSOCIATION. The name of the Condominium Association is "Ali'i Nui Hotel Condominium Association, Inc." It is a Florida not-for-profit corporation.

10.2 CONDOMINIUM ASSOCIATION MEMBERSHIP. Each Unit Owner is a member of the Condominium Association and only Unit Owners can be members. If more than one person is the "Owner" of a given Unit or Unit Lease, each of them is a member. A person's membership ends automatically when he or she is no longer a Unit Owner. Membership in the Condominium Association is appurtenant to the Unit and cannot be sold, transferred, assigned, mortgaged, or otherwise separated from the Unit. Any attempt to do so is void.

10.3 VOTING RIGHTS OF OWNERS.

A. Each Unit has a percentage vote in the Condominium Association equal to the Common Interest appurtenant to that Unit, as set forth in this Declaration or in any amendment to this Declaration.

B. The vote of each Unit must be cast by its Voting Representative. If a Unit is owned by more than one person or by a corporation or other entity, they must file a Voting Certificate with the Condominium Association, in accordance with the Articles and Bylaws, designating one of them to be the Voting Representative for that Unit with respect to voting in the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association.

1) The Voting Representative shall cast the vote of the Unit in meetings and on ballots of the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association, and shall represent the Unit at all meetings of those associations. The Voting Representative shall cast the entire vote of the Unit regardless of the objection of any of co-Owner of that Unit.

2) Each Unit Owner will be considered to have authorized the Voting Representative to act for him or her at any meeting or vote of the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association. For this purpose, by accepting a deed or otherwise acquiring title to a Unit or any interest in a Unit, each Owner irrevocably (permanently) gives the Voting Representative a special power of attorney (see Section 38.1) to: (i) sign and deliver any documents (including but not limited to any proxy forms prepared by the Condominium Association, the Ko Olina Community Association and/or the Ko Olina Resort Operators Association); and (ii) do everything else the Voting Representative deems necessary or appropriate to cast the vote of the Units at any meeting or in any vote of the

Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association.

10.4 BOARD OF DIRECTORS. The business and affairs of the Condominium Association are controlled by the Board. Except as limited by law or by the Condominium Documents, the Board may exercise all powers of the Condominium 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 Owners, or by some part or percentage of them. The Board may delegate its powers to the officers of the Condominium Association or to one or more professional managers hired by the Condominium Association, including but not limited to the Property Management Company. This authority is subject to any limits contained in this Declaration, the Articles of Incorporation or the Bylaws. The first Board will consist of the persons named in the Articles or otherwise appointed by DVD. At the Condominium Association's first annual meeting, the Owners will elect a new Board.

11. ADMINISTRATION OF THE CONDOMINIUM.

11.1 BY THE CONDOMINIUM ASSOCIATION. Administration of the Condominium is vested in the Condominium Association. Owners participate only through the Condominium Association.

11.2 CONDOMINIUM ASSOCIATION DUTIES AND POWERS. Except as limited by the Articles of Incorporation, Bylaws, this Declaration, the Master Declaration or by law, the Condominium 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 Condominium Association in this Declaration, the Articles of Incorporation or the Bylaws;

B. The powers, duties and obligations of a not-for-profit corporation under the Florida Not-For-Profit Corporations Act;

C. The powers, duties and obligations of an association of condominium unit owners as provided in the Condominium Law; and

D. Any other duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Condominium Association under this Declaration, the Articles of Incorporation or the Bylaws, or that otherwise promote the general benefit of the Unit Owners.

11.3 SPECIFIC POWERS AND DUTIES. The Condominium Association has the power and duty to do the following things, among others:

A. OPERATION AND MAINTENANCE OF COMMON ELEMENTS. The Condominium Association will operate, maintain, repair, replace, and make Improvements to the Common Elements, except for:

1) Limited Common Elements that are expressly made by this Declaration the responsibility of individual Owners, or

2) Limited Common Elements the administration and maintenance of which is assumed by the Owners of the Units to which they are appurtenant as allowed in this Declaration (See Section 11.3G).

B. PAYMENT OF EXPENSES. The Condominium Association, acting as the agent of the Owners, must pay all Common Expenses of the Condominium. The Condominium Association may delegate this duty to the Property Management Company. The Condominium Association need not do anything it cannot pay for; it may just wait until it has the money.

C. REQUIRED IMPROVEMENTS. To the extent required by law, the Land Use Permits, or by any recorded document that applies to the Condominium (including but not limited to the Master Declaration), the Condominium Association 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 Condominium or any part of it.

D. OBSERVANCE OF LAWS AND LAND USE PERMIT AND REQUIREMENTS. The Condominium Association must obey and do anything required by all laws and regulations that apply to the Condominium or to the use of it from time to time and/or by all Land Use Permits.

E. MAINTENANCE IN GOOD ORDER.

1) The Condominium Association must repair, maintain, and keep all of the Common Elements and the Association Property clean, neat, sanitary, attractive, and in good order and condition in accordance with the Disney Standard and the standards established in and other requirements of the Master Declaration. The Condominium 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 Association Property.

2) 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 Condominium 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 Condominium Association must work diligently to complete it. The Owner must bear any costs of temporary relocation during the times when the Condominium Association is doing the maintenance and repairs.

3) The Condominium Association may perform maintenance and repairs on any Unit or Limited Common Element if:

(a) It is necessary to protect the Common Elements or any other Unit, and

(b) The Owner of the Unit or, in the case of a Lagoon Unit, the Lagoon Condominium Association, 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 Personal Assessment to that Unit for the cost of the maintenance or repair and any attorneys' fees and other expenses incurred in charging the Personal Assessment and all Collection Costs incurred in collecting it.

F. RESTORATION OF PROPERTY. The Condominium Association will rebuild, repair and restore the Property in accordance with the provisions of this Declaration.

G. ADMINISTRATION OF LIMITED COMMON ELEMENTS. Subject to the provisions of Section 9.4, the Unit Owner of a Unit 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 Units then the Owners of at least seventy-five percent (75%) of the votes for those Units have the right to assume administration and maintenance of it. In either case:

1) The Owner or Owners must give notice to the Condominium Association that they are assuming the administration and maintenance of the Limited Common Element;

2) The Owner or Owners must administer and maintain the Limited Common Element in a manner consistent with the Disney Standard and the Condominium Documents; and

3) The Owner or Owners may elect to pay directly all sums required to maintain that area. All such sums will be deemed sums paid for Common Expenses. Alternatively, at the request of such Unit Owner or Unit Owners, the Condominium Association and the Property Management Company must cooperate with such Unit Owner or Owners by paying to them the part of the Assessments for the current Common Expenses collected to maintain that area, but not sums collected for reserves.

4) The Owner or Owners, or the percentage of them required to elect to assume administration of the Unit's Limited Common Elements, may require that the Condominium Association resume the administration and maintenance of one or more Limited Common Elements by giving written notice to the Condominium Association of such election at least thirty (30) days in advance.

H. CONSTRUCTION PLANS. The Condominium Association must not erect or place on the Condominium 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 Condominium, except in accordance with plans and specifications prepared by a licensed architect and approved by (i) DVD (until the Development Period ends), and (ii) the Architectural Review Officer designated in or pursuant to the Master Declaration. After starting the Improvements, the Condominium Association must work diligently to complete them.

I. IMPROPER USE. The Condominium Association must not neglect or abuse the Condominium, or use it for any unlawful, improper or offensive purpose. It also must not allow anyone else to do so.

J. TAXES AND ASSESSMENTS. The Condominium Association must pay all taxes and assessments on the Condominium. This includes, for example, assessments by the Ko Olina Community Association and the Ko Olina Resort Operators Association. It also includes all governmental assessments. The Condominium 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 Condominium Association will pay these taxes and assessments as the agent of the Owners, and only if it has funds to do so.

K. LIENS OR CLAIMS. The Condominium Association may, but need not, pay any amount necessary to discharge, directly or by bond, any lien or encumbrance levied against the entire Condominium or any part of it that may, in the Board's opinion, constitute a lien against the Condominium or against the Common Elements rather than merely against the interest of particular Unit Owners. If one or more Unit 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.

L. PURCHASING UNITS. The Condominium Association may buy, lease or otherwise acquire any Unit, or any Vacation Ownership Interest or Fractional Ownership Interest, on behalf of the Condominium Association. It may take title in the name of the Condominium Association or the Board may have someone else, such as a trustee, hold title.

M. BORROWING MONEY. Subject to any approval requirements and spending limitations contained in this 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 Condominium, 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 (which will be a Common Expense allocable to Limited Common Elements to the extent that the funds are used for the benefit of such Limited Common Elements). Before borrowing money, the Board must obtain any consent of the Owners that is required under the Condominium Law.

N. PROVISION OF UTILITIES TO UNITS. The Condominium Association must provide or arrange for someone else to provide to each Unit and its Limited Common Elements all water, sewer, electricity, and any other utility services and utilities that the Board deems necessary or appropriate. The Board may elect to obtain or cancel telephone, cable television, and similar services. The cost of the utilities will be charged either to the Unit or as a Common Expense or Limited Common Expense, as the Board decides in accordance with this Declaration.

O. PROVISION OF COMMON ELEMENT UTILITIES. The Condominium Association must provide or arrange for someone else to provide all water, sewer, electricity, and any other services and utilities required for the Common Elements or as the Board deems necessary or appropriate.

P. CONDOMINIUM RULES AND REGULATIONS. The Condominium Association may adopt, publish and enforce fair and reasonable Condominium Rules and Regulations relating to the use by Unit occupants of the General Common Elements and any Limited Common Elements appurtenant to the Units. DVD has the right to establish the initial Condominium Rules and Regulations. The Condominium Association may change the Condominium Rules and Regulations from time to time. DVD also has certain rights to change the Condominium Rules and Regulations. The Condominium Rules and Regulations must be consistent with this Declaration, the Articles of Incorporation and the Bylaws. The Condominium Association must give notice to the Owners of any change in the Condominium Rules and Regulations. Notice of any amendment shall be: (i) either mailed, faxed, e-mailed or sent by other electronic or wireless means, as the case may be, by the Condominium Association to each Unit Owner or to the Unit Owner's designated representative at the Unit Owner's or designated representative's last known mailing address, email address, fax number or other electronic address or number, prior to its effective date; or (ii) included as a part of a newsletter or other periodic report sent by the Condominium Association or the Property Management Company. The Condominium Association may also give

this notice in any other way that is likely to be effective to give notice to the Unit Owners. Notice need not be given of any changes to the Property Management Company's internal, operational or proprietary policies, procedures or administrative practices or the interpretation and implementation of the Condominium Rules and Regulations. At any time when DVD holds a mortgage on or owns any Unit, no change to the Condominium Rules and Regulations will be effective without DVD's written consent.

Q. EMPLOYMENT OF PERSONNEL. The Condominium Association 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 Condominium.

R. ACCOUNTING SERVICES. The Condominium Association may obtain and pay for any accounting services necessary or helpful to manage the Condominium.

S. LEGAL SERVICES. The Board may begin, defend, settle, or intervene on behalf of the Condominium Association in litigation, arbitration, mediation, or administrative proceedings in matters relating to (i) enforcement of the Governing Documents; (ii) damage to the Common Elements to the extent that the Condominium Association is obligated to maintain and repair them; (iii) damage to any part of any Unit to the extent that the Condominium Association is obligated to maintain and repair it; or (iv) damage to the Units that arises out of, or is integrally related to, damage to any the Common Elements or to any part of any Unit to the extent that the Condominium Association is obligated to maintain and repair them.

1) CONDITIONS TO LITIGATION, ARBITRATION, OR OTHER PROCEEDINGS. The Board shall not pay or incur, or commit the Condominium Association to pay or incur legal fees and costs of more than \$50,000 in any lawsuit, arbitration or other legal proceeding in any dispute with DVD or any other of The TWDC Companies, unless it first meets each of these requirements:

(a) The Board must obtain from at least two Hawai'i law firms legal opinions written in clear and plain language, and containing:

(1) A list of all of the Condominium Association's claims, and all claims against the Condominium Association.

(2) An estimate of the likelihood of prevailing on each claim stated on a percentage basis. The estimate must be based on information then known to the Condominium Association. It cannot be based on assumptions or speculation.

(3) An estimate of the total amount of legal fees and costs, court costs and other expenses that the Condominium Association is likely to incur through the completion of the trial, arbitration or other proceeding (assuming that the Condominium Association will prevail on only those claims where the law firms give the Condominium Association more than a 60% chance of prevailing).

(4) An estimate of the likely award of damages to or against the Condominium Association, including legal fees and costs, court costs, and other expenses, for claims of the Condominium Association and for claims against the Condominium Association.

(5) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Board may have to charge to the Owners to pay for legal fees and costs, court costs, and other expenses while the lawsuit or other legal proceeding is going on.

The estimates required by Subsections 11.3S.1(a)(3), 11.3S.1(a)(4), and 11.3S.1(a)(5) may be stated as a range (for example, \$50,000 to \$60,000) provided that the range is not so broad as to impair the ability of the Owners to make an informed decision, and in no case may the higher amount be more than twenty percent (20%) greater than the lesser amount.

(b) The Board must call a special meeting of the Condominium Association. The notice of the special meeting must include each of the following:

(1) A copy of every legal opinion obtained by the Board in connection with each claim, whether favorable or unfavorable;

(2) A document containing a table listing:

i. The Condominium Association's claims and all claims against the Condominium Association. Each claim must be listed on a separate row;

ii. For each claim:

a) The estimate of each law firm of the likelihood of prevailing on that claim;

b) The estimated amount of damages that may be awarded for claims of the Condominium Association, including legal fees and costs, court costs, and other expenses;

c) The estimated amount of damages that may be awarded for claims against the Condominium Association, including legal fees and costs, court costs, and other expenses; and

d) In the case of claims asserted or that may be asserted against the Condominium Association, a statement of whether the Condominium Association's insurance covers the claim, the amount of the policy limits, and whether the estimated amount of the damages, legal fees and costs, court costs, and other expenses, exceeds the policy limits.

(3) An estimate of the total amount of any Special Assessments, or any increase in the Regular Assessments, that the Condominium Association may have to charge to pay for legal fees, court costs, and expenses while the lawsuit, arbitration or other legal proceeding is going on.

(4) A description, written in clear and plain language, of any pending settlement offer by the other party or parties.

(c) At the special meeting, a Majority of the Total Voting Interests (not counting the Common Interests of any Units owned solely by DVD) must authorize the Board to start, prosecute and/or defend the lawsuit, arbitration or other legal proceeding.

(d) The Board has collected from the Owners an amount equal to 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, arbitration or other legal proceeding is going on.

2) LIMITATIONS.

(a) The rule in Subsection 11.3S.1), above, does not apply to suits against DVD or any company related to it if the suit is filed solely to collect Assessments or Contribution Contract payments that are past due or for breach of any contract to provide goods or services to the Condominium Association (for example, the Property Management Agreement).

(b) Prior to the completion of the special meeting required by Subsection 11.3S.1)(b), the Condominium Association may pay or incur legal fees, not to exceed the \$50,000 ceiling established in Subsection 11.3S.1), as necessary to:

(1) Obtain the legal opinions required by Subsection 11.3S.1)(a);

(2) File an answer to any complaint or other legal proceeding filed against the Condominium Association; or

(3) File a complaint or initiate any other legal proceeding necessary to prevent the loss of the Condominium Association's claim by reason of the expiration of the statute of limitations.

3) **EVIDENCE.** In a trial, arbitration or other legal proceeding about the Condominium Association's claims, nobody can introduce into evidence the opinions of the law firms obtained pursuant to Subsection 11.3S.1)(a). This includes DVD, the Condominium Association, the Owners, and everyone else. This paragraph does not preclude the presentation of the opinions in a hearing or proceeding to determine whether the requirements of Subsection 11.3S.1) have been satisfied.

4) **C.P.I. ADJUSTMENTS.** The \$50,000 ceiling contained in Subsection 11.3S.1) will rise or fall each year with the rate of inflation in Honolulu, Hawai'i, 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 the year ending on December 31, 2012, and (ii) the C.P.I. Index for the most recently ended calendar year. For example, if the C.P.I. Index on December 31, 2015, is ten percent (10%) higher than the C.P.I. Index on December 31, 2012, then the ceiling would be \$55,000, determined as follows:

$$\begin{aligned}\text{Ceiling} &= \$50,000 + (\% \text{ change in C.P.I. Index of } \$50,000) \\ \text{Ceiling} &= \$50,000 + (10\% \text{ of } \$50,000) \\ \text{Ceiling} &= \$50,000 + \$5,000 \\ \text{Ceiling} &= \$55,000\end{aligned}$$

5) **THIRD-PARTY BENEFICIARIES.** DVD and each of the other of The TWDC Companies are intended third-party beneficiaries of this Section 11.3S and may enforce it by injunction or in any other manner allowed by law or by the Plan Documents.

T. FINANCIAL STATEMENTS. The Condominium Association must prepare and make available to each Owner the financial reports required by Section 12.14 of this Declaration.

U. VOTING IN THE KO OLINA COMMUNITY ASSOCIATION. The Voting Representative of each Unit shall be the "Voting Member" for that Unit in all meetings or votes of the Ko Olina Community Association (as "Voting Member" is defined in the Ko Olina Declaration) until such time as the board of directors of the Ko Olina Community Association calls for the election of a single Voting Member for the Condominium. At such time as the board of directors of the Ko Olina Community Association calls for the election of a single Voting Member for the Condominium, the Voting Representative for each Unit shall elect a Voting Representative to act as the Voting Member on behalf of the Unit Owners in meetings or votes of the Ko Olina Community Association, and must cast the votes of the Unit Owners and/or the Condominium.

V. VOTING IN THE KO OLINA RESORT OPERATORS ASSOCIATION. The Voting Representative of each Unit shall be the "Voting Member" for that Unit in all meetings or votes of the Ko Olina Resort Operators Association (as

"Voting Member" is defined in the Ko Olina Declaration) until such time as the board of directors of the Ko Olina Community Association or Ko Olina Resort Operators Association (as applicable under the Ko Olina Documents) calls for the election of a single Voting Member for the Condominium. At such time as the board of directors of the Ko Olina Community Association or Ko Olina Resort Operators Association (as applicable under the Ko Olina Documents) calls for the election of a single Voting Member for the Condominium, the Voting Representative for each Unit shall elect a Voting Representative to act as the Voting Member on behalf of the Unit Owners in meetings or votes of the Ko Olina Resort Operators Association, and must cast the votes of the Unit Owners and/or the Condominium.

W. MEMBERSHIP LIST. The Condominium Association must keep an accurate current list of the names and mailing addresses of all Owners. It must update the list at least monthly. This list is called the "*Membership List*." The Condominium Association will furnish a copy of the Membership List to the Property Management Company, the Master Declarant or DVD promptly after any of them asks for it. The Property Management Company may establish reasonable rules and procedures governing times, places, and conditions to permitting a Unit Owner to obtain, inspect and/or copy the Membership List, or any other records of the Condominium Association from which a Membership List could be compiled, as it deems necessary in its sole, absolute and unfettered discretion to assist in assuring the confidentiality of the Membership List and that the Membership List is not used (i) for commercial purposes by anyone other than DVD or The TWDC Companies, (ii) in any way that violates any state or federal law including but not limited to privacy laws in any jurisdiction in which the Condominium Association has members or any Vacation Ownership Plan or Fractional Ownership Plan is registered for sale, and (iii) for any improper purpose. Except to the extent otherwise required by applicable law, instead of releasing the Membership List or permitting inspection of the Membership List or information from which a Membership List may be compiled, the Condominium Association may offer to mail to the Unit Owners any proper documents and materials furnished to the Board by a Unit Owner for a proper purpose provided that the Unit Owner requesting the Membership List first deposits with the Association an amount sufficient to pay all costs of duplicating, stuffing, and mailing the documents and materials, including reasonable costs to the Association and the Property Management Company of responding to the request and arranging the mailing.

X. ASSOCIATION PROPERTY. The Condominium Association must accept title to any real or personal property transferred or leased to it by DVD. The Condominium Association may buy, lease, or otherwise acquire the use of one or more Units or other real property for use by the Condominium Association for Condominium Association purposes, including among other things, for use as a

manager's apartment. The Board may mortgage, lease or rent the Association 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 Association Property will be Common Expenses. The Condominium Association must buy and at all times have insurance on the Association Property; the requirements of Section 14.2 apply to the Association Property.

Y. OTHER POWERS. The Condominium Association may do anything else it deems necessary, desirable or useful to operate the Condominium or to maintain, repair, preserve or protect the Property. These powers are subject to any rights of (i) DVD, and (ii) the Master Declarant under the Master Declaration. These powers are also subject to any limitations imposed by law, in this Declaration or the other Condominium Documents, or in any of the other Governing Documents.

Z. DELEGATION OF CONDOMINIUM ASSOCIATION POWER AND DUTIES. The Condominium Association may delegate its power and duties under this Declaration to one or more agents, including, among others, the Property Management Company.

11.4 PROPERTY MANAGEMENT.

A. PROPERTY MANAGEMENT COMPANY. The Association must hire and at all times it must have a Property Management Company.

B. QUALIFICATIONS. The Property Management Company must be properly registered with the Real Estate Commission of the State of Hawai'i as a real estate broker or condominium property manager. The Property Management Company may but need not be DVD or an affiliate of DVD. DVCHMC will be the initial Property Management Company.

C. SELECTION. DVD has the right to choose and employ the first Property Management Company for the Condominium. (At the outset, DVD is the only member of the Association.) If the first Property Management Company must be replaced for any reason, the Condominium Association must use its best efforts to hire and keep a responsible and reputable firm as the Property Management Company.

11.5 THE MANAGEMENT CONTRACT. The Property Management Company must sign a written contract (the "*Property Management Agreement*") containing the following provisions:

A. PROPERTY MANAGEMENT COMPANY'S DUTIES. The Property Management Agreement must require the Property Management Company to perform the duties and obligations of the Condominium Association except those

that cannot be delegated by law or under this Declaration, the Articles of Incorporation or the Bylaws. It may permit the Property Management Company to delegate some or all of its power and duties to one or more agents or independent contractors of the Property Management Company for any period and upon any terms it deems proper.

B. TERM.

1) The Property Management Agreement 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 an instrument conveying a Unit or Unit Lease to someone other than DVD (or an affiliate of DVD) is recorded. The submission of a Unit to the Lagoon Condominium pursuant to Section 20 shall be deemed a conveyance of a Unit to someone other than DVD or an affiliate of DVD for purposes of this Section 11.5B.1).

2) The Property Management Agreement may provide that when the initial term and each later term ends, the contract automatically will be renewed for three more years unless either party sends a written notice that it is not renewing the contract (a "Notice of Non-Renewal") to the other party at least ninety (90) days before the next renewal date. The Property Management Agreement also may provide that the Condominium Association cannot give a Notice of Non-Renewal without (i) the vote, at an annual or special meeting of the Condominium Association held within one year before the renewal date, of a Majority of the Total Voting Interests, or (ii) the written assent of a Majority of the Total Voting Interests, which written assent must be obtained within one year before the renewal date. If the Property Management Agreement contains such a provision, then:

(a) A decision to cancel or not to renew the Property Management Agreement cannot be made by any officer of the Condominium Association or by the Board; neither the Condominium Association's officers nor its Board have the power or authority to do so; and

(b) Neither the Board nor any officer, director, employee or agent of the Condominium Association can give the Notice of Non-Renewal before the Condominium Association determines by vote or written assent of a Majority of the Total Voting Interests as provided above, not to renew the Property Management Agreement. Any Notice of Non-Renewal sent before then will not be effective. It will be void.

If the Condominium Association is controlled by Owners other than DVD, then the Property Management Agreement will not be subject to the term limitations set forth in Subsections 11.5B.1) and 11.5B.2).

C. TERMINATION BY THE CONDOMINIUM ASSOCIATION. The Condominium Association must have

the right to terminate the Property Management Agreement at any time for cause whenever the Property Management Company violates a material part of it and fails to cure its violation within the time permitted by the Property Management Agreement or any longer time permitted by the Board. If the Property Management Company disputes the termination, the matter will be decided by arbitration under the Commercial Arbitration Rules of the American Arbitration Association if arbitration is requested by or on behalf of the Property Management Company. Only the Property Management Company may request arbitration. The Board will represent the Condominium Association in the arbitration.

D. RESIGNATION. The Property Management Agreement must provide that the Property Management Company can resign only if it gives written notice to the Board at least ninety (90) days in advance. If the Property Management Company resigns, then it must turn over to the Board all books and records of the Condominium Association held by the Property Management Company and that relate to the management and operation of the Condominium. This does not require that the Property Management Company turn over internal or confidential or other records of the Property Management Company.

E. POWERS AND DUTIES. The Property Management Agreement must describe the powers and duties of the Property Management Company, including the powers and duties of the Property Management Company in:

- 1) The operation of the Condominium and the maintenance and repair of the Property.
- 2) The collection of Assessments.
- 3) The maintenance of all books and records concerning the Property.
- 4) Providing for the annual meeting of the Owners.
- 5) Performing any other functions and duties related to the maintenance of the Property or that are required by the Condominium Documents.

F. FEES. The Property Management Agreement must specifically state the fees to be paid to the Property Management Company by the Condominium 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 Common Expenses or to costs plus a percentage profit.

G. PROPERTY MANAGEMENT COMPANY'S INSURANCE. The Property Management Agreement must require that the Property Management Company obtain errors and omissions insurance. The policy must name the Condominium Association, as agent for each of the Owners,

as an insured. An "insured" is someone who is paid if there is a loss that is covered by insurance. The Condominium 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 Property Management Agreement may also provide that the Condominium Association must obtain a fidelity bond or buy fidelity insurance that is payable to the Condominium Association and that covers the activities of the Property Management Company. The amount of the fidelity bond or fidelity insurance must meet the requirements of any law that applies.

H. ENTRY INTO UNITS. The Property Management Agreement must state the authority of the Property Management Company or others authorized by the Property Management Company to enter into the Units for the purposes of maintenance and repairs, including emergency repairs, and for the purpose of stopping or fixing a nuisance or dangerous, unlawful or prohibited activity being conducted in a Unit.

I. RECORDS AND REPORTS. The Property Management Agreement must identify the records to be kept by the Property Management Company and the periodic reports and other information to be communicated to the Condominium Association and the Owners.

11.6 LEGAL REPRESENTATION OF OWNERS.

A. REPRESENTING THE CONDOMINIUM ASSOCIATION OR OWNERS. By acquiring a Unit or any interest in a Unit, each Owner agrees that the president of the Condominium Association or, if authorized by the Board, the Property Management Company may represent the Condominium Association or any two or more Owners similarly situated as a class in any proceeding concerning the Governing Documents, the Condominium, the Condominium Association, the Master Property, the Ko Olina Resort, the Ko Olina Community Association, and/or the Ko Olina Resort Operators Association. The president or the Property Management Company 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 Board will supervise any legal representation by the president or the Property Management Company.

B. POWER OF ATTORNEY. By acquiring a Unit or any interest in a Unit, each Owner gives a special power of attorney (see Section 38.1) to the president of the Condominium Association and the Property Management Company, with full power to do anything necessary or helpful to represent the Owner as provided in Subsection A.

C. SERVICE OF PROCESS. Except as otherwise provided by law, process (such as papers for a lawsuit) for

the Condominium Association may be served only on the registered agent of the Condominium Association or, if there is no registered agent, then on the Property Management Company.

D. LIMITATIONS. The authority of the president of the Condominium Association and Property Management Company under this Section is subject to the limitations contained in Section 11.3S.

11.7 LIMITS ON LIABILITY.

A. LIABILITY FOR OWNERS AND GUESTS. Each Owner and every other Interested Person accepts and agrees that (i) the Condominium Association, The TWDC Companies (including but not limited to DVD, DVCHMC and BVTC), and the Property Management Company, and (ii) each of their respective Representatives, shall not be responsible or liable for the acts, failure to act or conduct of any Unit Owner or a Unit Owner's guests.

12. ASSESSMENTS.

12.1 DEFINITIONS.

A. "COMMON EXPENSES" means (i) all expenditures made by, or financial liabilities of, the Condominium Association for operation of the Property, including any allocations to reserves, and (ii) all other sums designated as Common Expenses by or pursuant to the Condominium Law, this Declaration the Articles of Incorporation or the Bylaws. For example, the following expenses are Common Expenses:

- ❖ The cost of all utility services. This includes, for example, water, electricity, gas (if any), garbage disposal, sewer, sewage treatment, telephone, and cable television. However this does not apply to costs of such services that are separately charged to the individual Units, whether pursuant to the Master Declaration, by the utility service provider or otherwise.
- ❖ All costs (i) to maintain, repair, rebuild, upgrade, replace and restore the Common Elements; (ii) to make any additions and alterations to the Common Elements (excluding, however, additions and alterations made by DVD in the exercise of DVD's Reserved Rights or by a Unit Owner who elects to do so using any right expressly provided to the Unit Owner in this Declaration); or (iii) for any labor, services, materials, supplies and equipment needed to do any of the things listed in (i) or (ii).
- ❖ The cost of buying any insurance or bonds that the Condominium Association must or may buy.
- ❖ Wages, accounting and legal fees, management fees, security costs, yard, janitorial and other similar expenses or services.

- ❖ All amounts assessed to the Condominium Association or to the Condominium, or to the individual Owners (including but not limited to Owners of Vacation Ownership Interests and Owners of Fractional Ownership Interests with respect to their undivided interest in this Condominium) or their Units (or Vacation Ownership Interests or Fractional Ownership Interests with respect to their undivided interest in this Condominium), by the Ko Olina Community Association or the Ko Olina Resort Operators Association in accordance with the Ko Olina Documents.
- ❖ All amounts incurred or paid by the Condominium Association to comply with the requirements of the Master Declaration, and all amounts assessed or allocated to the Condominium Association or to the Condominium, or to the individual Owners (including but not limited to Owners of Vacation Ownership Interests and Owners of Fractional Ownership Interests with respect to their undivided interest in this Condominium) or their Units (or Vacation Ownership Interests or Fractional Ownership Interests with respect to their undivided interest in this Condominium), by the Master Declarant in accordance with the Master Declaration, including but not limited to any Shared Area Expenses; provided, however, that sums will not be Common Expenses in the event that the Master Declarant determines, in its sole, absolute and unfettered discretion, that such sums should be separately charged to the individual Unit Owners (including but not limited to Owners of Vacation Ownership Interests and Owners of Fractional Ownership Interests as to their undivided interest in this Condominium) or their Units (or Vacation Ownership Interests or Fractional Ownership Interests as to their undivided interest in this Condominium).
- ❖ All other expenses necessary to maintain, manage, and operate the Common Elements or any other part of the Condominium as to which the Condominium Association may exercise any powers or has any duties.
- ❖ The cost of pest control services, whether or not affecting any particular Unit or Units.
- ❖ All taxes or other governmental charges upon or charged to the Condominium or any part of it, or the use of all or any part of the Condominium. However, unless the Board determines otherwise, (i) real property taxes are not Common Expenses, and (ii) other taxes or governmental assessments will not be Common Expenses if they are separately charged to the individual Unit Owners or separately to each Unit and its Common Interest, or on the personal property or any other interest of the Unit Owner or Owners.

- ❖ Any liability for loss or damage arising out of or relating to the Common Elements, the use of them, or any accident, fire or nuisance on or in them.
- ❖ Any money owed by any Unit Owner, occupant, or other person to the Condominium 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 Common Expenses for any prior year.
- ❖ All amounts that the Condominium Association collects for the Reserve Accounts. These are savings accounts of the Condominium Association. The money is used to pay for Capital Improvements to the Common Elements. "Capital Improvements" are things like replacing the Common Element roof of a building containing Standard Units, painting a building containing Standard Units, other major repairs and maintenance, and remodeling of the Common Elements. Day to day maintenance and repairs are not Capital Improvements.
- ❖ Any amounts needed by the Board to buy one or more Units, Vacation Ownership Interests, and/or Fractional Ownership Interests in a foreclosure sale.

B. "LIMITED COMMON EXPENSES" means the Common Expenses for a given Limited Common Element.

C. "GENERAL COMMON EXPENSES" means all Common Expenses except the Limited Common Expenses.

D. "BUILDING EXPENSES" means all General Common Expenses for the buildings containing the Standard Units. This includes the Gazebo Unit (Unit 3001), and any other buildings, if any, containing Standard Units. Building Expense include for example:

- ❖ All costs for maintenance, repair, restoration, replacement, additions and improvements of the Common Element portions of the buildings containing the Standard Units, including any portions of the Reserve Accounts pertaining to those buildings.
- ❖ All costs of utility services for the Common Element portions of the buildings containing the Standard Units unless the Board determines that requiring the Condominium Association or the Property Management Company to cost account with regard to those utility expenses would substantially increase the costs of administration of the Condominium Association and outweigh the benefits to the Unit Owners of doing so.
- ❖ The cost of pest control services for the buildings containing the Standard Units, regardless of whether the Units in the buildings may also benefit from the pest control services.

- ❖ The cost of janitorial services for the Common Element portions of the buildings containing the Standard Units, excluding Limited Common Elements the administration and maintenance of which has been assumed by the Owner of the Unit to which the Limited Common Element is appurtenant.
- ❖ The cost of buying property insurance on the buildings containing the Standard Units. If a single policy premium is charged for the Condominium, the Board will request a breakdown of the policy premiums on a building-by-building basis. If the insurer is unable or unwilling to provide the breakdown, then the Board will fairly and equitably allocate the cost of the insurance among the buildings based on the estimated costs of the insurance for each. If the Unit Owner of any Unit disputes the Board's allocation, the Unit 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 Unit Owner must pay the costs of the arbitration and the Board's legal fees and costs. Otherwise, the Condominium Association must pay the costs of the arbitration and the Unit Owner's legal fees and costs.

Although Building Expenses are General Common Expenses, they are assessed only to the Standard Units, as provided in Section 12.4B.1).

E. "FAIR SHARE" means, for a given Unit, Vacation Ownership Interest or Fractional Ownership Interest, a share determined in accordance with Section 12.4.

F. "FISCAL YEAR" means tax year.

G. "ASSESSMENTS" means Regular Assessments, Special Assessments and Personal Assessments.

H. "COMMENCEMENT DATE" means, for any Unit, the date when the City and County of Honolulu first issues a temporary or permanent certificate of occupancy for that Unit.

I. "COLLECTION COSTS" means all costs incurred to collect sums due. It includes, but is not limited to the costs to collect overdue Assessments, collection agency fees and costs (to the extent not prohibited by Hawai'i law), foreclosure costs, court costs, and reasonable attorneys' fees, costs, and expenses.

12.2 THE ESTIMATED BUDGET.

A. ANNUAL ESTIMATED BUDGET. At least sixty (60) days before the end of each Fiscal Year, the Property Management Company will prepare and give to the Board an estimate of the Common Expenses for the following year. The estimate will cover all Units paying Assessments or expected to be paying Assessments by the start of the Fiscal

Year. (Section 12.3 explains when Assessments start for a Unit.) This estimate must include, among other things, any information required by the Condominium Law and any other Hawai'i law that applies. Upon review and approval by the Board, this estimate (with any changes the Board makes) will become the "Estimated Budget" for that year. The Property Management Company must keep a list of the Units covered by the Estimated Budget.

B. BUDGETING FOR RESERVE ACCOUNTS. When it reviews and approves the Estimated Budget, the Board must consider what specific Capital Improvements may be needed within any period of time up to twenty-five (25) 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 and other earnings on any funds held in Reserve Accounts. The Board must include these amounts in the Estimated Budget. The Board must budget for as many Reserve Accounts as it deems necessary. Its decision will be final. Each of these accounts must be earmarked for Capital Improvements.

1) OTHER RESERVES. The Condominium Association may establish Reserve Accounts for working capital and any other Reserve Accounts that the Board determines to be necessary or prudent in the exercise of its reasonable business judgment.

2) LIMITATION ON LIABILITY. Neither the Condominium Association, nor any Unit Owner, director, officer, Property Management Company, agent, or employee of the Condominium Association who makes a good faith effort to calculate the estimated replacement reserves for the Condominium Association, or to review the calculations made by someone else, will be liable if the estimate later proves incorrect.

3) OWNERS' INTEREST IN RESERVES. Except upon termination of the condominium property regime created by this Declaration, the interest of any Unit Owner in the reserves of the Condominium Association:

- (a) Cannot be withdrawn or assigned separately, and
- (b) Will be transferred automatically with each transfer of the Unit, Vacation Ownership Interest, or Fractional Ownership Interest, whether or not the deed or other transfer document expressly says so.

C. LIMITS ON ASSESSMENTS. The Board may impose as part of the budgeting process, without the vote or written approval of the Owners, an annual Regular Assessment that is as much as twenty percent (20%) greater than the annual Regular Assessment charged for the immediately preceding fiscal year. The Board may not adopt an Estimated Budget that increases the Regular Assessment of any Unit by more

than twenty percent (20%) over the Regular Assessment for the previous year unless approved by DVD and by vote or written consent of a Majority of the Total Voting Interests held by Owners other than DVD. No vote or written consent is required in these circumstances:

- 1) It is not required if the Regular Assessment for a Unit 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 Master Declaration or the Ko Olina 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 Estimated Budget.

The Board may propose a budget containing a Regular Assessment which is more than twenty percent (20%) higher than the Regular Assessment for the immediately preceding fiscal year to the Owners at a meeting of the Condominium Association or in writing, and if the proposed budget is approved at the meeting by DVD and by vote or written consent of a Majority of the Total Voting Interests held by Owners other than DVD, the proposed budget shall be adopted.

The rule limiting increases does not apply to Units not covered by the prior year's Estimated Budget. This might happen when, for example, when certificates of occupancy for a new phase of the Condominium are issued after the Fiscal Year begins.

12.3 WHEN ASSESSMENTS BEGIN.

A. A Unit Owner, including DVD, shall become obligated for the payment of the share of the Common Expenses allocated to the Owner's Unit when the certificate of occupancy relating to the Owner's Unit is issued by the City and County of Honolulu. From then on, the Owner of the Unit, whether it is DVD or someone else, must pay a Fair Share of the Common Expenses.

B. In the event that the nature of an Air Space Unit is such that the City and County of Honolulu would not issue a certificate of occupancy for such Unit (for example, Units H-12 and H-13), then the Unit Owner shall become obligated for the payment of the share of the Common Expenses allocated to that Unit on the later of (i) the date when a certificate of occupancy is issued by the City and County of Honolulu for Unit H-7, or (ii) the date when such Unit first

becomes available for use and occupancy in the ordinary course of business, as determined by DVD in its sole, absolute and unfettered discretion.

C. Notwithstanding the foregoing, pursuant to Section 514B-41(b) of the Condominium Property Act, DVD has the right to assume all of the actual Common Expenses and Unit Owners shall not be obligated for payment of the Unit Owner's share of Common Expenses until such time as DVD sends each Unit Owner written notice that, after a specified date, the Unit Owner shall be obligated to pay for the share of Common Expenses allocated to the Unit Owner's Unit.

12.4 FAIR SHARE OF COMMON EXPENSES. The Fair Share of the Common Expenses for each Unit shall be determined as follows:

A. **GENERAL RULE.** Except as otherwise provided by law or in this Declaration, the Common Expenses will be charged to the Unit Owners in proportion to the Common Interests appurtenant to their respective Units. The share for each Unit will be equal to the total amount of the Common Expenses multiplied by this fraction:

The Common Interest of that Unit

The sum of the Common Interests of all Units

In making this calculation, only Units for which Assessments have begun, as provided in Section 12.3, will be considered.

B. **EXCEPTIONS.** Regardless of the rule in Section 12.4A:

1) **LIMITED COMMON EXPENSES.**

(a) Except as otherwise provided in Sections 12.4B.1(b) and 12.4B.1(c), all costs and expenses of a Limited Common Element will be charged to the Unit 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.

(b) If a Limited Common Element is appurtenant to more than one Unit, each of those Units will be liable for a share of the costs and expenses of that Limited Common Element. The share for each Unit will be equal to the total of the cost and expenses multiplied by this fraction:

The Common Interest of that Unit

The sum of the Common Interests of all Units
to which that Limited Common Element is appurtenant

In making this calculation, only Units for which Assessments have begun, as provided in Section 12.3, will be considered.

(c) To require the Condominium Association or the Property Management Company to cost account with regard to certain expenses would substantially increase the costs of administration of the Condominium Association and outweigh the benefits to the Unit Owners of doing so. To simplify accounting for the Condominium, and despite what Sections 12.4B.1(a) and 12.4B.1(b) say, the Board may adopt a resolution determining that certain Limited Common Expenses will be assessed in proportion to the Common Interest appurtenant to each Unit, or in some other fair and equitable manner determined by the Board from time to time, in either case with the consent, during the development period, of DVD. The Board's resolution shall be final and binding in the absence of a determination that the Board abused its discretion or failed to obtain DVD's written consent when required.

2) BUILDING EXPENSES. Except as provided in 12.4B.1) with respect to Limited Common Expenses, Building Expenses will be allocated among the Units as provided below.

(a) **AIR SPACE UNITS.** Since the building or buildings and improvements located within the boundaries or "envelope" of an Air Space Unit are part of the Unit, the Unit Owner of the Air Space Unit must pay all amounts that otherwise would be Building Expenses if the Unit was a Standard Unit.

(b) **STANDARD UNITS.**

(1) All Building Expenses of the gazebo building will be assessed to the Gazebo Unit (Unit 3001).

(2) All Building Expenses of all other buildings, if any, that contain one or more Standard Units will be assessed to the Standard Units (other than the Gazebo Unit) except to the extent otherwise provided with respect to any Standard Units established in any amendment to this Declaration adding one or more additional buildings to the Condominium. The share for each Unit will be equal to the total amount of the Building Expenses for the buildings multiplied by this fraction:

The Common Interest of that Unit
The sum of the Common Interests of
all Standard Units except the Gazebo Unit

In making this calculation, only Units for which Assessments have begun, as provided in Section 12.3, will be considered.

3) UTILITY EXPENSES.

(a) **DIVISION OF UTILITY COSTS BETWEEN LAGOON UNITS AND OTHER UNITS.** To the extent that the

cost of utility services to the Lagoon Units are not separately metered or check-metered, the Board will fairly and equitably allocate the cost of such utility services between (i) the Lagoon Units as a group, and (ii) all other Units, individually or as a group. The Board's allocation shall be based upon estimated consumption and cost of utilities by the respective Units. If any Unit Owner disputes the Board's allocation, the Unit Owner may require that the matter be submitted to arbitration. If the arbitrator's allocation is not more than fifteen percent (15%) different from the Board's allocation, then the Unit Owner must pay the costs of the arbitration and the Board's legal fees and costs. Otherwise, the Condominium Association must pay the costs of the arbitration and the Unit Owner's legal fees and costs. After first dividing utility expenses between the Lagoon Units and all other Units as provided in this Subsection, the Board may then allocate a portion of such expenses to individual Units as provided in Section 12.4B.3(b) and 12.4B.3(c)(3).

(b) **LAGOON UNITS.**

All costs of utility services allocated to the Lagoon Units shall be the responsibility of the Lagoon Condominium Association in accordance with Section 20.3B.5). Such costs shall be allocated by the Lagoon Condominium Association to the units of the Lagoon Condominium and collected and paid in accordance with the Lagoon Condominium Documents.

(c) **OTHER UNITS.**

(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 Units that are not Lagoon Units and/or their Limited Common Elements.

(2) If the cost of utility services to these Units or their Limited Common Elements are separately metered or check metered, then:

i. If the utility company provides separate bills for each Unit and/or its Limited Common Elements, the Unit Owner must pay the bill for his or her Unit and/or its Limited Common Elements directly to the utility company.

ii. Otherwise, the cost of the utility service to a Unit or its Limited Common Elements will be added to that Unit's Assessment for Common Expenses.

(3) For all utility expenses to Units that are not Lagoon Units and/or their Limited Common Elements that are not separately metered or check metered the Board will fairly and equitably allocate among those Units the cost of utility services that are not separately metered or check metered based upon estimated consumption and cost of utilities. If the Unit Owner of any such Unit disputes the Board's allocation, the Unit Owner

may require that the matter be submitted to arbitration. If the arbitrator's allocation is not more than fifteen percent (15%) different from the Board's allocation, then the Unit Owner must pay the costs of the arbitration and the Board's legal fees and costs. Otherwise, the Condominium Association must pay the costs of the arbitration and the Unit Owner's legal fees and costs.

(4) The Board may collect charges for utilities under Sections 12.4B.3(c)(2)ii and 12.4B.3(c)(3) in the same manner as other Common Expense Assessments.

(5) If a Limited Common Element is appurtenant to more than one Unit that is not a Lagoon Unit, then cost of the utility services to that Limited Common Element will be divided as required by Section 12.4B.1).

(d) **COMMON ELEMENTS.** The cost of utility services for Common Elements is a Common Expense. The Unit Owners will pay this as provided in Section 12.4 for other Common Expenses, subject to the requirements of Section 12.4B.1) with respect to Limited Common Elements and Section 12.4B.2) with respect to Building Expenses.

(e) **METERED UTILITIES.** The Assessments charged to each Unit will be adjusted as necessary to avoid any duplication of charges for the cost of metered utilities.

12.5 REGULAR ASSESSMENTS.

A. The Owner of each Unit will pay a share of the Common Expenses, called the "Regular Assessment." The Regular Assessment for each Unit is set as follows:

1) For Units covered by the Estimated Budget, the Regular Assessment will be a Fair Share of the Estimated Budget.

2) For Units not covered by the Estimated Budget (for example, if the certificate of occupancy is issued at mid-year), the Regular Assessment will be the same as the Fair Share for a Unit having the same Common Interest multiplied by this fraction:

$$\frac{\text{The number of full calendar months remaining in the Fiscal Year as of the Commencement Date for that Unit}}{12}$$

This way, each Unit where Assessments begin after the Fiscal Year starts will pay Assessments only for the months remaining in the Fiscal Year. This does not mean, however, that DVD may not require a purchaser to pay any amount, up to the full year's Regular Assessment, as part of any purchase agreement.

B. In addition, the Regular Assessment for a Unit, Vacation Ownership Interest or Fractional Ownership Interest owned by an Owner outside of the United States will

include a surcharge in an amount set by the Property Management Company from time to time to cover the added costs for postage, personal delivery, increased frequency of and costs associated with long distance and/or international communications, deliveries and so on, and also to cover any tax on the surcharge.

C. Notwithstanding the foregoing, pursuant to Section 514B-41(b) of the Condominium Property Act, DVD has the right to assume all of the actual Common Expenses and Unit Owners shall not be obligated for payment of the Unit Owner's share of Common Expenses until such time as DVD sends each Unit Owner written notice that, after a specified date, the Unit Owner shall be obligated to pay for the share of Common Expenses allocated to the Unit Owner's Unit.

12.6 SPECIAL ASSESSMENTS.

A. **HANDLING SHORTFALLS.** If for any reason the Regular Assessments for the Common Expenses are, or will be, inadequate to pay all Common Expenses on time, the Board must estimate the shortfall. The Board must then (i) increase the next year's Estimated Budget to make up the shortfall, (ii) charge a Special Assessment, and/or (iii) borrow the funds needed to pay the shortfall, whether from the Reserve Account pursuant to Section 12.13C or from other sources.

B. **SHORTFALL'S RELATING TO DAMAGE OR DESTRUCTION.** If the Property is damaged or destroyed and the costs to repair or replace it cannot be fully paid from any insurance proceeds and the money from any appropriate Reserve Account, the Board has the same three choices. It may charge a Special Assessment, add the amount needed to next year's Estimated Budget or borrow funds, whether from the Reserve Account pursuant to Section 12.13C or from other sources. A Fair Share of the Special Assessment must be charged to all Units regardless of where or how the damage occurred or whether the Condominium Association is entitled to be repaid by an Owner or other occupant.

C. **HOW SPECIAL ASSESSMENTS ARE CHARGED.** To charge a Special Assessment, the Board must prepare and send to each Owner a supplemental budget showing the amount of the shortfall. The Board will charge to each Ownership Interest a Fair Share of the total shortfall shown on the supplemental budget.

D. LIMITS ON SPECIAL ASSESSMENTS. The total of all Special Assessments charged to a Unit 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 Unit, Common Elements or the Association Property. The Board may exceed the limit if approved by DVD, and by the vote or written consent of a Majority of the Total Voting Interests held by Owners other than DVD. No vote or written consent is required, however, in these circumstances:

1) It is not required if the Special Assessment for a Unit 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 Master Declaration or the Ko Olina 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 Estimated Budget.

The rule limiting increases does not apply to Units not covered by the prior year's Estimated Budget. This might happen when, for example, the Commencement Date for a Unit occurs after the Fiscal Year begins.

12.7 PERSONAL ASSESSMENTS.

A. A "Personal Assessment" is charge for an expense that results from the act, failure to act, or other conduct of an Owner or occupant of a Unit, or any person under either of them (for example, a guest). Personal Assessments should not be confused with Regular and Special Assessments. The following expenses are examples of Personal Assessments:

- ❖ Expenses to the Condominium Association due to a person's intentional or negligent act or failure to act.
- ❖ Expenses to the Condominium Association resulting from any intentional or negligent violation of the Governing Documents.
- ❖ Collection Costs.
- ❖ Any late charges and interest on overdue payments.

B. An Owner and his or her Unit will be liable or charged for all Personal Assessments resulting from the act, failure to act or conduct of the Unit Owner or an occupant of

the Owner's Unit, or any person under either of them. Any Personal Assessment charged under this Section 12.7B will be secured by the Association's Lien described in Section 13.7.

C. Despite what Section 12.7B says, a Unit Owner and his or her Unit will not be liable or charged for the act, failure to act or conduct of: (i) a Vacation Owner or other person who reserves the use of a Unit pursuant to Vacation Plan Documents, or (ii) a Fractional Owner or other person who reserves the use of a Unit pursuant to Fractional Plan Documents, or (iii) an Exchanger, or (iv) any guest (including any licensee or invitee) of a person entitled to use a Unit in the circumstances described in (i), (ii) or (iii), above.

12.8 VACATION OWNERSHIP INTERESTS AND FRACTIONAL OWNERSHIP INTERESTS.

A. If a Unit is included in a Vacation Ownership Plan, then to the extent not prohibited by law, the Board may, but does not have to, treat each Vacation Ownership Interest just as if it was a separate Unit for such purposes as the Board chooses. This means, for example, that:

1) Each Owner of a Vacation Ownership Interest will be liable only for Assessments charged to him or her, or to his or her Vacation Ownership Interest;

2) The charge for each Vacation Ownership Interest will be set according to the formula or method for allocating expenses among Vacation Ownership Interests stated in the Vacation Plan Documents. In case of a combination Vacation Ownership Plan and Vacation Use Plan, sums not chargeable to the Vacation Ownership Interests will be charged to the Vacation Owners Association or whoever else holds title with respect to the Units;

3) Owners of other Vacation Ownership Interests in the same Unit 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 other Owners of that Unit (meaning the Owners of other Vacation Ownership Interests in the same Unit). Co-Owners of a single Vacation Ownership Interest will be jointly and severally liable for all Assessments charged to their Vacation Ownership Interest;

4) Under Section 13.7A, the Association's Lien will attach to each Vacation Owner's Vacation Ownership Interest for the amount of any Assessments charged to that Vacation Ownership Interest. The Association's Lien on one Vacation Ownership Interest will be separate from the Association's Lien on any other Vacation Ownership Interest in the same Unit;

5) The Condominium Association may foreclose the Association's Lien on one Vacation Ownership Interest

without foreclosing the Association's Lien on any other Vacation Ownership Interest in the same Unit;

6) The Condominium 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 Unit; and

7) The Condominium 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 Unit.

B. If a Unit is submitted to the Lagoon Condominium pursuant to Section 20, then the owners of Vacation Ownership Interests in the Vacation Ownership Plan established by DVD in the Lagoon Condominium may thereby acquire an undivided interest in the Unit submitted to the Lagoon Condominium, possibly as a common element of the Lagoon Condominium. As a result, such a Vacation Owner would become an "Owner" (actually, a co-Owner) of the Unit submitted to the Lagoon Condominium. In such a case, pursuant to the provisions of Section 12.8A and to the extent not prohibited by law, the Board may, but does not have to, treat each such Vacation Ownership Interest just as if it was a separate Unit for such purposes as the Board chooses.

C. If a Unit is included in a Fractional Ownership Plan, then the provisions of Section 12.8A and 12.8B will apply to the Fractional Ownership Interests and the Fractional Owners just as they apply to the Vacation Ownership Interests and the Vacation Owners. This includes, but is not limited to Fractional Ownership Plans in which the Fractional Owners acquire an undivided interest in a Unit submitted to the Lagoon Condominium pursuant to Section 20, whether as a common element of the Lagoon Condominium or otherwise.

12.9 LAGOON CONDOMINIUM UNITS. If a Unit is submitted to the Lagoon Condominium pursuant to Section 20, then the owners of condominium units in the Lagoon Condominium that are not included in any Vacation Ownership Plan or Fractional Ownership Plan in the Lagoon Condominium may thereby acquire an undivided interest in the Unit submitted to the Lagoon Condominium, possibly as a common element of the Lagoon Condominium. As a result, the owner of such a condominium unit would become an "Owner" (actually, a co-Owner) of the Unit submitted to the Lagoon Condominium. In such a case, to the extent not prohibited by law, the Board may, but does not have to, treat each such condominium unit in the Lagoon Condominium just as if it was a separate Unit in this Condominium for such purposes as the Board chooses, including but not limited to the purposes permitted for Vacation Ownership Interests pursuant to Section 12.8A.

12.10 DUTY TO PAY ASSESSMENTS.

A. PROMISE TO PAY. By acquiring a Unit, or any interest in a Unit (for example, a Vacation Ownership Interest, or Fractional Ownership Interest), an Owner promises to pay all Regular and Special Assessments charged to the Owner's Unit and all Personal Assessments charged to the Owner. Each Owner makes this promise whether or not he or she signs any document that expressly says so. If there is more than one Owner of a single Unit, each of them is jointly and severally liable to pay all such Assessments.

B. DVD'S DUTY TO PAY; CONTRIBUTION IN AID OF COMMON EXPENSES. DVD must pay the Assessments for each Unit, Vacation Ownership Interest and Fractional Ownership Interest for the period during which DVD is the Owner of it. DVD may enter into a "Contribution Agreement" with the Condominium Association in which DVD agrees to pay a contribution to the Condominium Association except to the extent, if any, prohibited by the Condominium Law.

C. PERSONAL OBLIGATION TO PAY. Each Owner is personally obligated to pay on time all Assessments charged to the Owner or to the Owner's Unit, Vacation Ownership Interest or Fractional Ownership Interest. 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 Assessments by not using his or her Unit, Vacation Ownership Interest or Fractional Ownership Interest, or by abandoning it. Even if the Owner transfers the Unit, Vacation Ownership Interest or Fractional Ownership Interest to someone else, the Owner is still personally obligated to pay all Assessments due before the transfer takes effect. Notwithstanding the foregoing, pursuant to Section 514B-41(b) of the Condominium Property Act, DVD has the right to assume all of the actual Common Expenses and Unit Owners shall not be obligated for payment of the Unit Owner's share of Common Expenses until such time as DVD sends each Unit Owner written notice that, after a specified date, the Unit Owner shall be obligated to pay for the share of Common Expenses allocated to the Unit Owner's Unit

D. INTEREST, LATE CHARGES, ETC. All sums not paid within fifteen days of the due date will be subject to: (i) interest at a rate set by the Board from time to time 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 Property Management Company from time to time or, if no amount is set, then fifty dollars (\$50). The Property Management Company may also charge a fee for returned checks or other payments not honored due to insufficient funds or for other reasons. An Owner must also pay all Collection Costs.

E. HOW PAYMENTS WILL BE APPLIED. Payments will be applied as provided in the Condominium Rules and Regulations. If the Condominium Rules and Regulations do not say how payments will be applied, then they will be applied (in equal shares for each Unit, Vacation Ownership Interest or Fractional Ownership Interest, if the Owner owns more than one) first to Collection Costs, then to late charges, then to interest, then to the principal amount of the Assessment.

12.11 COLLECTING ASSESSMENTS.

A. TIME AND METHOD OF PAYMENT. An Owner must pay his or her Assessments to the Condominium Association. An Owner must pay his or her Regular Assessments yearly in advance unless the Property Management Company adopts a different payment schedule.

B. BILLS FOR ASSESSMENTS. The Condominium Association or Property Management Company will mail to each Owner, at the address shown on the records of the Condominium Association, a bill stating the due date and amount of the Assessment for the Owner's Unit. If a single Unit is owned by more than one person, the bill may be sent to any one or more of the co-Owners. No matter when the bill is sent, however, for the purpose of fixing the amount of any Association's Lien based on the Assessment, the Assessment will be considered due on the date stated in the bill.

1) JOINT BILLINGS. The Condominium Association or Property Management Company may join with the Lagoon Condominium Association, any Vacation Owners Association, any Fractional Owners Association, the Master Declarant, DVCHMC and/or BVTC to send a single bill covering assessments due under the Condominium Documents, the Lagoon Condominium Documents, the Vacation Plan Documents, the Fractional Plan Documents, the Master Declaration, or the "Membership Agreement" or "DVC Resort Agreement" as those terms are defined in that certain "Aulani, Disney Vacation Club[®] Villas Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements" recorded in the Land Court as Document No. 3957910, as it has been or may later be amended. The Condominium Association may permit the Lagoon Condominium Association, any Vacation Owners Association, any Fractional Owners Association and/or the Master Declarant to collect the Assessments and turn them over to the Condominium Association or Property Management Company provided that they have adequate fidelity insurance or bonds. The Condominium Association may also agree with the Lagoon Condominium Association, any Vacation Owners Association, any Fractional Owners Association, the Master Declarant, DVCHMC and/or BVTC to act as their agent in collecting amounts due under the Lagoon Condominium Documents, any Vacation Plan

Documents, any Fractional Plan Documents, the Master Declaration, the Membership Agreement and/or the DVC Resort Agreement.

C. PAYMENT OF PERSONAL ASSESSMENTS. Personal Assessments will be paid at the time required by the Condominium Rules and Regulations. If the Condominium Rules and Regulations do not say when payments will be due, then Personal Assessments must be paid within thirty (30) days after a bill for the Personal Assessment is mailed.

D. COLLECTION POLICIES. The Board may establish collection policies and procedures or may delegate the authority to do so to the Property Management Company. The Board may also compromise and settle disputed amounts and may delegate the authority to do so to the Property Management Company.

12.12 USE OF AMOUNTS COLLECTED. Assessments must be used exclusively for these purposes:

- ❖ To pay Common Expenses,
- ❖ To promote the recreation, health, safety and welfare of the Owners or for any other purpose permitted by the Condominium Law,
- ❖ To improve, operate, maintain, repair and replace the Property,
- ❖ To pay amounts due under the Governing Documents, or
- ❖ To operate and manage the Condominium and to pay any expenses incurred by the Condominium Association in performing its duties.

12.13 DEPOSIT AND USE OF FUNDS.

A. MANAGEMENT OF ACCOUNTS. All amounts received by the Condominium Association or Property Management Company will be deposited in the general account promptly after being received. 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 Hawai'i or, unless prohibited by the Condominium Law, another state. This money may be placed 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 also may be invested in any other investments authorized for a condominium unit owners association under Part VI of the Condominium Property Act (even though Part VI does not apply to the Condominium).

All interest and other earnings will belong to the Condominium Association. All amounts collected or held by the Property Management Company on behalf of the Condominium Association will be kept in segregated accounts separate from amounts collected from the owners of real estate in other real estate developments managed by the Property Management Company.

B. THE GENERAL ACCOUNT. The Board may spend the money in the general account to pay Common Expenses as permitted by the Condominium Documents.

C. THE RESERVE ACCOUNT. Any part of the Regular Assessment that is intended for the Reserve Accounts must be placed in a separate account. The Board will authorize payments from the Reserve Accounts as needed. Money in the Reserve Accounts will be considered conclusively to be savings of the Owners of the Units held for their benefit to pay for Capital Improvements or other capital expenses. Any part of an Owner's Assessments used or to be used by the Condominium 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 Condominium Association on its books as paid-in surplus. It will not be treated as income to the Condominium Association or to the Owners.

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 Condominium. 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. 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.

12.14 FINANCIAL REPORTS. The Condominium Association must prepare and make the following documents available to each Owner:

A. THE ESTIMATED BUDGET. Copies of the proposed budget and proposed assessments shall be transmitted to each Owner at least fourteen (14) days prior to the meeting at which the proposed budget is to be considered, together with a notice of the meeting which shall state the time and

place of the meeting. The meeting shall be open to all Owners. If the proposed budget is subsequently amended before the Assessments are made, a copy of the amended proposed budget or a description of any changes in the adopted Estimated Budget and a disclosure regarding the Owner's rights to receive a copy of the adopted Estimated Budget shall be furnished to each Owner.

B. YEARLY AUDIT. For each year in which the Association's budget exceeds \$75,000, the Property Management Company, or the Board if there is no Property Management Company, must arrange for an independent audit of the Condominium Association's financial accounts. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting principles. The Condominium Association must make the audit available to Owners upon request starting one hundred and eighty (180) days after the close of the Fiscal Year, or at such earlier time as shall be required by applicable law. The audit must include a report (the "Annual Report") that includes each of these things:

- 1) A balance sheet as of the end of the Fiscal Year.
- 2) An operating (income) statement for the Fiscal Year.
- 3) A statement of the net changes in the financial condition of the Condominium for the Fiscal Year.
- 4) For any Fiscal Year in which the gross income to the Condominium Association exceeds seventy-five thousand dollars (\$75,000), a copy of the review of the Annual Report prepared in accordance with generally accepted accounting principles.
- 5) A list of the names and the method of contacting the Board members.
- 6) Any other information required by applicable law.

C. ESTIMATED BUDGET AND AUDIT SUMMARY. Instead of providing a copy of the Estimated Budget and Annual Report as required by Sections 12.14A and 12.14B, the Board may elect to provide a summary of the Estimated Budget and Annual Report to the Owners along with a written notice that the Estimated Budget and Annual Report are available at the business office of the Condominium Association or at another suitable location within the boundaries of the Condominium, and that copies will be provided upon request and at the expense of the Condominium Association. If any Owner requests that a copy of the Estimated Budget and Annual Report required by Sections 12.14A and 12.14B be provided to the Owner, the Condominium Association must provide the copy to the Owner by facsimile, electronic mail, or first-class United

States mail at the expense of the Condominium Association and delivered within 10 days. The written notice that is distributed to each of the Owners must be in conspicuous 14-point type on the front page of the summary of the Estimated Budget and Annual Report.

13. ENFORCEMENT.

13.1 DUTY TO COMPLY. All Unit Owners, their tenants, families, servants, guest, and invitees, and anyone else who may in any manner use the Condominium, or any part of it, are bound by and must comply strictly with the Condominium Documents and all agreements, decisions and determinations of the Condominium Association as lawfully made from time to time.

13.2 ENFORCING THE CONDOMINIUM DOCUMENTS. If anyone violates the Condominium Documents, the Board or the Property Management Company (acting on behalf of the Condominium Association) has full power and the right to enforce compliance in any manner permitted in the Condominium Documents and by law. DVD has the right to enforce any rights that it has under the Condominium Documents in any manner permitted by law or the Condominium Documents. The enforcement powers provided by law or contained in the Condominium Documents are "cumulative." This means they may be used one at a time or all at once. By acquiring a Unit or any interest in a Unit, each Owner promises and agrees that the Condominium Association, the Property Management Company and DVD have all the rights, powers and remedies provided by law or in the Condominium Documents.

A. PRIOR FAILURE TO ENFORCE. Failure to enforce any provision of the Condominium Documents does not mean that the provision cannot be enforced later.

B. ATTORNEYS' FEES AND COSTS. The Condominium Association (and the Property Management Company if authorized by the Condominium Association) may employ an attorney to enforce the Condominium 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 Condominium Association and/or the Property Management Company. Likewise, DVD may employ attorneys to enforce its rights under the Condominium Documents and has the right to recover its reasonable attorneys' fees and costs. In the case of unpaid Assessments, and except to the extent prohibited by the Condominium Law, the Condominium Association or Property Management Company also may employ one or more collection agents and the Owner or occupant must pay all Collection Costs incurred by the Condominium Association or the Property Management Company.

13.3 RIGHT OF ENTRY.

A. RIGHT TO STOP CERTAIN ACTIVITIES. In addition to any other rights that they may have, the Condominium Association and the Property Management Company have the right and power to stop ("abate") any activity or condition or to remove anything that:

- 1) Violates the law or any of the Governing Documents,
- 2) Is unauthorized, prohibited, harmful, offensive or potentially dangerous to others or their property, or
- 3) Threatens the property, rights or welfare of others.

B. RIGHT OF ENTRY. The rights of the Condominium Association and the Property Management Company under Section 13.3A include the right and power to enter any Unit at any time and to use any means and as much force as is reasonable under the circumstances. Neither the Condominium Association nor the Property Management Company will be liable to the Unit Owner or occupant for doing so. This includes claims for trespass or anything else. The Condominium Association and the Property Management Company can use these rights only when the violation poses an immediate, substantial and undeniable threat to life, safety or property of any Unit Owner, member of his or her family, tenant, guest or invitee

13.4 SUSPENSION OF PRIVILEGES; FINES.

A. SUSPENSION. If any Owner or the Owner's guests violate the Condominium Documents, the Condominium Association may charge the Owner a money penalty and/or suspend the Owner's rights and privileges under the Condominium Documents, including the Owner's voting rights.

B. HEARING. Unless the suspension of rights and privileges is due to the Owner's failure to pay Assessments or any other charges due to the Condominium Association or the Property Management Company, the Board must meet and permit the Owner to present his or her case before it fines the Owner or suspends the Owner's rights and privileges. The Board must give the Owner written notice of the meeting at least fifteen (15) days in advance. If the notice is given by mail, it must be sent to the Owner's last known address, as shown in the Condominium Association's records. The notice must state the purpose of the meeting and the reason for seeking the suspension or fine. The Owner has the right to be heard, orally or in writing, on why the penalty should not be imposed or the rights and privileges suspended. Unless otherwise required by law, the Board will decide whether the Owner's defense will be oral or written. The Board will decide whether to fine the Owner or to suspend the Owner's rights and privileges. The Board

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 or Property Management Company must give the Owner written notice of any fine charged to the Owner and the reasons for it. The Board or the Property Management Company must give written notice of any decision to suspend an Owner's rights and privileges immediately after the decision is made. Any disciplinary action will take effect fifteen (15) days after the date that the notice is given.

D. WHEN PRIVILEGES WILL BE RESTORED. If an Owner is suspended for failing to pay amounts due under the Condominium Documents, the suspended privileges and services will be restored automatically fifteen (15) days after the Condominium Association receives the Owner's payment, in cash or by cashier's or certified check, of all amounts 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/or after the Condominium Association receives the Owner's payment of any fine, as applicable.

E. THE PROPERTY MANAGEMENT COMPANY'S ROLE. The Board may delegate to the Property Management Company the power to carry out any disciplinary actions imposed by the Board. The Board also may delegate to the Property Management Company the authority (i) to suspend an Owner's rights and privileges under the Condominium Documents in cases where the Owner has not paid all Assessments due, and (ii) in all other cases, to conduct the hearing required by Section 13.4B and to decide whether to suspend the Owner's rights and privileges.

13.5 ENFORCEMENT BY FILING A LAWSUIT. The Condominium Association, the Property Management Company, the Master Declarant, DVD and/or any Owner may ask a court to enforce the Condominium 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 Condominium Association or the Property Management Company may also seek judicial enforcement of the liens provided by this Declaration and any other lien provided by law, and have the right to take the Unit or interest in the Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) of any defaulting Owner in any lawful manner.

A. A VIOLATION IS A NUISANCE. Each violation of the Condominium Documents is declared to be a nuisance. The Condominium Association, the Property Management Company, the Master Declarant and/or DVD 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 DVD. No matter what else the Condominium Documents say, any dispute between the Condominium Association and DVD with respect to whether DVD has satisfied any conditions to the exoneration or release of any bond, cash deposit, letter of credit or other financial assurance posted as security for DVD's obligations (i) to pay any Assessments due under the Condominium Documents, or (ii) to pay any amounts agreed to under a Contribution Agreement pursuant to Section 12.10B, must, at the request of either party, be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

13.6 COLLECTION OF RENTS. If a Unit Owner (other than DVD) is more than sixty (60) days late in paying any Assessment, and does not make that payment within ten (10) business days after the Condominium Association sends a written demand to pay then for so long as the default continues, the Board may demand in writing and receive from the Unit Owner's tenant any rent due up to the full amount owed by the Unit Owner to the Condominium Association, including interest, if any. Of course, the Condominium Association may not demand that the tenant pay more than the amount of rent due from the tenant to the Unit Owner under the lease or rental arrangement. Any amount paid by the tenant under this Section 13.6 will discharge that amount of payment from the tenant's rent obligation. Even if the Condominium Association demands and receives any rent from a tenant, this will not release or discharge (i) any obligations of the Unit Owner remaining unpaid or unperformed, (ii) any other duties of the Unit Owner, or (iii) any rights of the Condominium Association under the Condominium Documents. The Condominium Association must comply with the requirements of the Condominium Law when exercising its rights under this Section 13.6.

13.7 THE ASSOCIATION'S LIEN; FORECLOSURE.

A. LIEN. The Condominium Association has a lien (the "Association's Lien") on each Unit for all amounts charged to it or its Owner. This means that the Unit is collateral for the Unit Owner's obligations to obey the Condominium Documents and to pay all Assessments, including late charges, interest, and Collection Costs. If the Owner fails to pay, the Condominium Association may foreclose the Association's Lien. This means that the Unit will be sold and the money from the sale will be used to pay the amounts owed. The Association's Lien will cover all interests in a Unit, 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 Unit. The recording of this Declaration is notice of the Association's Lien to each and every person who has or

acquires any interest in or to any Unit, now or later. No matter what else the Condominium Documents say, the Association's Lien will be junior and subordinate to (which means that it is subject to and will not affect) the documents submitting a Unit to the Lagoon Condominium pursuant to Section 20, which means that if the Association forecloses the Association's Lien on that Air Space Unit, the Unit will still be part of the Lagoon Condominium.

B. EFFECT OF ASSOCIATION'S LIEN.

1) EFFECT ON A NEW OWNER. In this Section 13.7B, "*Prior Owner*" means the Owner who transfers a Unit, and "*New Owner*" means the person to whom the Unit is transferred. If a Unit is transferred, the New Owner is not personally responsible to pay Assessments due before the date the transfer took place. However, the Unit still will be subject to the Association's Lien for all the unpaid Assessments of the Prior Owner. As a result, the Condominium Association still may foreclose the Association's Lien on the Unit. If so, the Unit would be taken from the New Owner and sold to pay the amounts due. The New Owner would receive only the money that is left, if any, after all unpaid Assessments have been fully paid.

(a) **STATEMENT OF UNPAID AMOUNTS.** A New Owner can avoid this problem by asking the Condominium Association for a statement of unpaid amounts. Any Owner, Mortgage Lender, potential Mortgage Lender or potential buyer may ask the Condominium Association for a letter listing all amounts unpaid with respect to the Unit. Within twenty (20) days after receiving the request, and subject to the requirements of any federal or state privacy laws, the Condominium Association or the Property Management Company must provide the letter. The letter will bind the Condominium 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 Condominium Association may not foreclose the Association's Lien for any Assessments due before the date of the letter in excess of the amount stated in the letter. This does not apply, however, 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 just before the date of the letter. The Condominium Association and/or the Property Management Company may charge a reasonable fee for preparing the letter.

2) EFFECT ON MORTGAGES AND OTHER ENCUMBRANCES. No matter what else the Condominium Documents say, the Association's Lien is subordinate to (which means that it is subject to and will not affect) the rights or remedies of DVD under a mortgage recorded before a Notice of Lien is recorded. This rule also applies to a Mortgage Lender who acquires a note and mortgage made in favor of DVD or its nominee. 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 Unit or any interest in a Unit (for example, any Vacation Ownership Interest or Fractional 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 Unit, however, is still subject to the Association's Lien for all unpaid Assessments for which the buyer is personally liable. The Association's Lien will remain on the Unit even if the Agreement of Sale is later canceled and the seller again becomes its "Owner." As a result, the Condominium Association may foreclose the Association's Lien at any time, before or after the Agreement of Sale is canceled.

If this happens before the Agreement of Sale is canceled, the Unit 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 receive only the money that is left, if any, after all unpaid Assessments have been fully paid. If this happens after the Agreement of Sale is canceled, the Unit will be taken from the seller and sold, and the seller still receives only the money left after all unpaid amounts have been paid.

4) EFFECT ON A BUYER AT A FORECLOSURE SALE. Anyone who buys a Unit at a foreclosure sale does not have to pay any Assessment due before the Unit is transferred to the buyer. In addition, the Unit will not be subject to the Association's Lien for any Assessments that became due before the Unit is transferred to the buyer. However, the Association's Lien will remain on the Unit for all Assessments that become due after the Unit is transferred to the buyer at the foreclosure sale.

C. FORECLOSURE AND SALE. The Association's Lien is like a mortgage with a private power of sale. The Condominium Association may foreclose it in any lawful way and the defaulting Owner's Unit may be sold at a public auction with or without first obtaining a court order.

1) NOTICE OF DEFAULT. Before the sale, the Condominium Association must give a notice to the defaulting Owner explaining the violation. The Condominium Association must send a copy of the notice to any Mortgage Lender of the defaulting Owner if the Mortgage Lender has asked for copies of such notices and has furnished its name and address to the Condominium Association. The notice must state the date and nature of the violation. If the default is the failure 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 Condominium Association gives its notice to the Owner, then an officer of or attorney for the Condominium Association or the Property Management Company may sign and record a notice of lien ("*Notice of Lien*"). The Notice of Lien must state:

- (a) The name of the defaulting Owner.
- (b) The unit number of the Owner's Unit.
- (c) The amount claimed to be due (after any proper offset).
- (d) That the Notice of Lien is made by the Condominium Association under the terms of the Condominium Documents.
- (e) That the Association's Lien is claimed against the Unit for the violation and in an amount equal to the net amount due plus interest, late charges and Collection Costs.
- (f) That the Condominium Association intends to have the Unit 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 Condominium Association may provide a document canceling a Notice of Lien. It will do so if both of these conditions are met:

- (a) The Condominium Association must first receive payment in full of the amount claimed to be due and owing (including interest, late fees, and any Collection Costs).
- (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 an officer of or attorney for the Condominium Association or the Property Management Company.

4) CONDUCTING THE SALE. The sale may be conducted in any lawful way. For example, the Condominium Association has a power of sale and may foreclose the Association's Lien in the manner provided in the Condominium Law, H.R.S. Chapter 667, or in any other laws that apply.

5) POWER OF ATTORNEY. When enforcing its rights, the Condominium Association or the Property Management Company (acting in either case its own name or in the name of the defaulting Owner) may sign and deliver any deeds and any other legal documents necessary to transfer title to that Owner's Unit to a purchaser. For this purpose, the Condominium Association and the Property Management Company are each appointed the attorney-in-fact for each Owner.

6) PERMITTED BUYERS. The Condominium Association or, subject to the limitations of Section 9.3B, anyone else may bid on and buy the Unit at the foreclosure sale. The Condominium Association may offset the debt against the amount bid at the sale. The Condominium Association may buy the Unit of a defaulting Owner or accept a transfer of it to the Condominium 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. The Condominium Association can sue him or her to collect the unpaid amount.

8) BUYER AT FORECLOSURE. Anyone who buys the Unit at the foreclosure sale will have to obey the Condominium Documents just like any other Owner.

D. DVD'S RIGHTS. DVD has the right, but not the obligation to pay the amounts due from a defaulting Owner to the Condominium Association. To exercise this right, DVD must make such payment to the Property Management Company prior to the end of the then-current fiscal year. In such event, (i) DVD shall hold the Association's Lien on the Owner's Unit, (ii) DVD shall have the right to exercise all rights and remedies of the Condominium Association, including the right to foreclose the Association's Lien in the name of the Condominium Association, and (iii) DVD shall have the right to act as the attorney-in-fact for the Owner pursuant to the Condominium Association's power of attorney under Section 13.7C.5), and in the exercise of the Condominium Association's power of substitution pursuant to Section 38.1.

14. INSURANCE.

14.1 INSURANCE GENERALLY. The Condominium Association must obtain, as a minimum, the insurance required by this Section 14 and any additional insurance coverage required by or pursuant to the Master Declaration. Each policy may be separate, or the Condominium Association may buy one or more commercial package policies. The cost of the insurance will be a Common Expense. If any part of this Section 14 conflicts with the

Master Declaration regarding insurance, the Master Declaration will control.

A. SOURCE OF THE INSURANCE. The Condominium Association may buy the insurance itself. Or it may join with the Master Declarant, the Lagoon Condominium Association, any Vacation Owners Association, and/or Fractional Owners Association in order to buy insurance. If the Property Management Company or any related company manages more than one owners association or real estate project, then the Property Management Company may buy one or more blanket policies that cover the Condominium and any other owners associations or real estate projects, including but not limited to the Lagoon Condominium. In that case, the covered projects will split the costs of the policies in an equitable manner as determined by the Property Management Company in its sole, absolute and unfettered discretion.

B. QUALIFIED INSURANCE COMPANIES. Each insurance company must be permitted by law to write insurance policies in Hawai'i or on Hawai'i property. This 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 permitted by law to write insurance policies in Hawai'i or on Hawai'i property. Each insurance company must have a financial rating by Best's Insurance Reports of Class B:VII or better. 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 Condominium Association may buy the insurance from any financially sound company of recognized responsibility.

C. ADDITIONAL INSURANCE. The Condominium Association has the right and power to increase the insurance coverage or to obtain better terms than those stated in this Section 14 whenever the Board deems it necessary or in the best interests of the Condominium Association. The Condominium Association may also buy other kinds of insurance even if they are not described in this Section 14. For example, the Condominium Association might buy business interruption insurance.

D. SUBSTITUTE COVERAGE; REDUCTION IN INSURANCE. Except for insurance required by law and subject to the requirements of the Master Declaration, the Condominium Association need not buy any insurance if the Board 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 condominium projects 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. Even so, if a loss results from the negligence or willful misconduct

of an occupant, then the Vacation Owners Association may charge the amount to the occupant as a Personal Assessment pursuant to Section 12.7.

E. ROLE OF PROPERTY MANAGEMENT COMPANY. The Board may delegate to the Property Management Company the power to exercise all rights, make all decisions, and perform all obligations of the Condominium Association and the Board under this Section 14.

F. LIABILITY FOR INSURANCE DECISIONS. The Board will not be liable for any decision that it makes on insurance except to the extent of its gross negligence or intentional misconduct. Likewise, neither DVD nor the Property Management Company will be liable except to the extent of their gross negligence or intentional misconduct. DVCHMC, BVTC and all other of The TWDC Companies shall have no liability whatsoever with respect to insurance.

14.2 PROPERTY INSURANCE. The Condominium Association must buy and always have in effect at all times a policy of property insurance. This is called the "Policy" in this Section 14.2.

A. WHO IS INSURED. The Policy must name the Fee Owner and the Condominium Association, for the benefit of all Unit Owners and any Mortgage Lenders, as the insured. DVD must also be named as an insured.

B. REQUIRED COVERAGE. The Policy must insure the Units (including the Improvements located within an Air Space Unit that is not a Lagoon Unit), the Limited Common Elements (except as otherwise determined by the Board and then only if the Condominium Law authorizes the Board to make such determination), and the General Common Elements. The Policy need not cover upgrades and additions to the Units installed by Unit Owners, but if the upgrades and additions are covered, any increased cost may be assessed by the Condominium Association against the Units affected. "Upgrades and additions" means all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the Unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, or built-in cabinets installed by Unit Owners.

1) The Policy must cover the full insurable replacement cost of the insured property at the time the insurance is purchased and at each renewal date, less deductibles and uninsured retentions, but including coverage for the increased costs of construction due to building code requirements. If renewals occur less than annually, then the Condominium Association must either (i) annually update the stipulated full replacement cost amount to reflect the then-current estimated full replacement cost of the insured Property, or (ii) obtain a replacement cost endorsement that provides for full reimbursement for the actual cost (less deductibles and uninsured retentions) of repair or

replacement of the insured Property, without deduction for depreciation.

2) The Policy must have an agreed amount endorsement. This protects Unit Owners from co-insurance clauses. A co-insurance clause reduces benefits if the Condominium Association fails to buy enough insurance.

C. 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 Condominium is located in an area prone to earthquakes, the Condominium Association must also buy earthquake insurance if it is available at a reasonable cost.

14.3 FLOOD INSURANCE. The Condominium may be located in a special flood hazard area as delineated on flood maps issued by the Federal Emergency Management Agency. If so, the Condominium Association must buy a policy of flood insurance that complies with the requirements of the National Flood Insurance Program and the Federal Insurance Administration.

14.4 LIABILITY INSURANCE. The Board must buy and keep in effect commercial general liability insurance and, if necessary, commercial umbrella insurance. In this Section 14.4, the commercial general liability insurance and commercial umbrella insurance are together called the "Policy."

A. WHO IS INSURED. The Policy must cover claims for personal injury, bodily injury, death and property damage against (i) the Condominium Association, the Board, the Property Management Company, DVD, the Master Declarant, the Fee Owner, and The TWDC Companies (including but not limited to DVCHMC and BVTC), and (ii) each of their respective directors, officers, employees and agents, and (iii) all Owners as a group.

B. REQUIRED COVERAGE. The Policy limits for each accident or occurrence may not be less than Fifteen Million Dollars (\$15,000,000) for personal injury, bodily injury, and death, and Five Million Dollars (\$5,000,000) for property damage, or such higher limits as the Master Declarant may require from time to time in its sole, absolute and unfettered discretion.

14.5 MOTOR VEHICLES. The Condominium Association must buy and maintain a commercial automobile liability policy of insurance if the Condominium Association owns or leases any motor vehicles. This is called the "Policy" in this Section 14.5. It must insure the Board, the Condominium Association, DVD and the Property Management Company

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 or for the benefit of the Condominium Association. The policy limits may not be less than \$5,000,000 for bodily injury or death or property damage arising out of a single accident or occurrence.

14.6 DIRECTORS' AND OFFICERS' INSURANCE. The Board may 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 Condominium 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 14.6. If purchased, the Policy must also cover anyone who serves, at the request of the Condominium Association, as a director, officer, member, employee or agent of another company or organization. The Board will choose the policy limits.

If purchased and 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. If purchased, the Policy must pay for any expense actually and reasonably incurred. This includes, but is not limited to, attorneys' fees and costs, 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.

14.7 FIDELITY BONDS. A "fidelity bond" covers the loss of money in the care or custody of the Condominium Association or the Property Management Company. The Condominium Association must buy a fidelity bond or fidelity insurance. It must cover the Condominium Association and the Property Management Company. It must also cover each of their directors, officers, agents, and employees who handle funds belonging to or administered by the Condominium Association or the Property Management Company. 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 Condominium 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 Law. The cost of the bond or insurance will be a Common Expense.

14.8 OTHER INSURANCE. The Condominium 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.

15. INSURED DAMAGE OR DESTRUCTION.

15.1 APPLICATION. This Section 15 applies if all or any part of the Property is damaged and if the damage is covered by insurance. If this happens, then the Condominium Association will use the insurance proceeds as provided in this Section 15. In this Section 15 "proceeds" means any money paid by an insurance company for a loss under an insurance policy paid for by the Condominium Association.

15.2 DAMAGE TO A SINGLE UNIT OR ITS LIMITED COMMON ELEMENTS. If only a single Unit or the Limited Common Elements of a single Unit are damaged then the Board will hire one or more contractors to rebuild or repair the affected Unit, its Limited Common Elements, any insured upgrades and additions to the Unit, and/or any affected General Common Elements.

A. The Condominium Association will rebuild and repair the Unit (including the Improvements located within an Air Space Unit that is not a Lagoon Unit) and/or 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 Condominium Association will rebuild or repair the Unit (including the Improvements located within an Air Space Unit that is not a Lagoon Unit) 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, the Master Declarant and any Mortgage Lender having a first mortgage on that Unit.

B. The Condominium Association will use the insurance proceeds to pay for the costs of the rebuilding and repairing the General Common Elements, the Unit, the Limited Common Elements, and any insured upgrades and additions.

15.3 OTHER INSURED CASUALTY. In all other cases, the Board must hire one or more contractors to repair or rebuild the damaged parts of the Property, including all damaged Units (including the Improvements located within any Air Space Unit that is not a Lagoon Unit), General Common Elements, insured Limited Common Elements, and insured upgrades and additions.

A. The Condominium Association will rebuild and repair the Condominium according to its design just before the damage. If it cannot do this (for example, if changes in the law prevent this) then the Condominium Association will rebuild or repair the Condominium 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, the Master Declarant and any Mortgage Lender having a first mortgage on any Unit that is directly affected.

B. It is possible that the modified plans and specifications will not provide for rebuilding or repairing a particular Unit or its Limited Common Elements. Also, if the law or this Declaration allows it, the Condominium Association may decide not to rebuild or repair a particular Unit or its Limited Common Elements. In either case the Condominium Association will use the insurance proceeds as follows unless the Condominium Law requires something else:

1) Proceeds will be applied first to pay that Unit's share of the cost of debris removal.

2) The part of the insurance proceeds allocable to that Unit and/or its Limited Common Elements and/or its upgrades and additions, will be paid to the Unit Owner and to any Mortgage Lender having a mortgage on that Unit, as their interests may appear.

3) The Condominium Association will use the other insurance proceeds to pay for the costs of rebuilding and repairing the General Common Elements, the other Units and their Limited Common Elements, and any insured upgrades and additions.

15.4 SHORTFALL OF INSURANCE PROCEEDS. The Condominium Association 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 15. If the insurance proceeds and funds in any applicable Reserve Accounts are not sufficient to pay all the costs of repairs and rebuilding, then:

A. The Board must determine the amount of the remaining shortfall, and charge a Special Assessment:

1) To all Units, except for Units that are not being rebuilt or repaired, to pay the shortfall with respect to the repairs and rebuilding of the General Common Elements;

2) To a given Unit to pay the shortfall with respect to the repairs and rebuilding of that Unit; and

3) To each Unit to which a given Limited Common Element is appurtenant (except for Units that are not being rebuilt or repaired) to pay the shortfall with respect to the repairs and rebuilding of that Limited Common Element. If a Limited Common Element is appurtenant to more than one Unit, then the costs will be paid in the same manner and proportion as other expenses of that Limited Common Element will be paid after completion of the repairs and rebuilding, and after the elimination of any Units that are not being repaired or rebuilt.

B. Each Unit Owner will be responsible for repairing and/or replacing any uninsured upgrades or additions to the Unit Owner's Unit, and for paying the costs of doing so.

15.5 DISBURSEMENT OF INSURANCE PROCEEDS. The Condominium Association 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 the amount paid by the insurance company exceeds One Million Dollars (\$1,000,000) on a C.P.I. Adjusted basis, then the Condominium Association 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 Condominium Association 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 Condominium Association, 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 Condominium Association. 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 Condominium Association, 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 Standard Unit.

F. The Condominium Association may establish any other reasonable conditions to payment if they are not inconsistent with the conditions listed in this Section 15.5.

15.6 EXCESS INSURANCE PROCEEDS. "Excess Insurance Proceeds" are insurance proceeds remaining after paying the cost to rebuild or repair any damage. Any Excess Insurance

Proceeds will be paid to the Unit Owners and their Mortgage Lenders in proportion to their share of the Common Expenses.

15.7 RELEASE OF CLAIMS. To the extent that the Condominium Association's insurance covers any loss, damage or destruction to any part of the Condominium, the Condominium Association and the Unit Owners will have no claim or cause of action for that loss, damage or destruction against (i) the Condominium Association, the Board, the Property Management Company, any Vacation Owners Association or its board of directors or plan manager, any Fractional Owners Association or its board of directors or management company, the Lagoon Condominium Association or its board of directors or management company, DVD, the Master Declarant, the Fee Owner, and The TWDC Companies (including but not limited to DVCHMC and BVTC), (ii) any of their respective Representatives, (iii) any Owner (except for any Special Assessment charged under Section 15.4), or (iv) any person under any of them. To the extent that any loss, damage or destruction to the property of any Unit Owner, or anyone under the Unit Owner, is covered by insurance purchased by that Unit Owner, the Unit Owner will have no claim or cause of action for that loss, damage or destruction against (i) the Condominium Association, the Board, the Property Management Company, any Vacation Owners Association or its board of directors or plan manager, any Fractional Owners Association or its board of directors or management company, the Lagoon Condominium Association or its board of directors or management company, DVD, the Master Declarant, the Fee Owner, and The TWDC Companies (including but not limited to DVCHMC and BVTC), (ii) any of their respective Representatives, or (iii) any person under any of them.

16. CONDEMNATION.

16.1 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 16 explains what happens if the Condominium 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.

16.2 CONDEMNATION TRUSTEE. The Condominium Association must pay the condemnation proceeds that it receives to a bank or trust company (the "Condemnation Trustee") designated by the Board and authorized to do business in the State of Hawai'i. In this Section 16, "proceeds" means any money paid by the Condemning Agency as compensation or damages for taking the Condominium or any part of it.

16.3 REPRESENTATION IN CONDEMNATION MATTERS. Each Unit Owner gives the Condominium Association a special power of attorney to represent the Unit Owner in any proceedings, negotiations, settlements or agreements related to any actual or threatened condemnation of the Condominium or any part of it. However, DVD will represent itself with respect to any right or claim that it may have to proceeds payable for DVD's Reserved Rights.

16.4 NOTICE TO MORTGAGE LENDERS. The Condominium Association must provide a copy of any notice of a condemnation proceeding to anyone who holds, insures or guarantees a mortgage or mortgage loan, and who files a written demand for notice with the Board. The notice must state the person's name and address and the unit number for the Unit on which it has (or insures or guarantees) a mortgage or mortgage loan.

16.5 DIVISION OF PROCEEDS BETWEEN DVD AND UNIT OWNERS. If all or any part the Condominium 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 DVD and the Unit Owners.

A. HOW PROCEEDS ARE DIVIDED.

1) DVD will be entitled to receive all proceeds payable for or on account of the loss of DVD's Reserved Rights. This includes, for example, (i) the right to all proceeds paid for any part of the Land on which DVD may have constructed phases or increments of the Condominium to be built in the future and (ii) the right to all proceeds paid for Improvements made by DVD to serve phases or increments of the Condominium to be built in the future.

2) The Unit Owners will be entitled to receive the rest of the proceeds. The Condemnation Trustee will use them as provided in Sections 16.6, 16.7 and 16.8. DVD will, of course, be entitled to receive any part of those proceeds paid on account of any Units or interests in Units (for example, Vacation Ownership Interests and Fractional Ownership Interests) owned by DVD.

B. HOW TO DETERMINE DVD'S SHARE.

1) If a court makes a final decision as to how much of the proceeds to pay to DVD for DVD's Reserved Rights, then the Condemnation Trustee will pay that amount to DVD.

2) In all other cases, the Condemnation Trustee must pay to DVD a share of proceeds equal to the value of DVD's Reserved Rights. A qualified real estate appraiser will determine the value of DVD'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 DVD and the Unit 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, then the Board and DVD must choose an appraiser. However DVD 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 DVD 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 DVD for DVD's Reserved Rights. Otherwise, the decision of any two appraisers will decide how much to pay to DVD. DVD and the Condominium Association will each pay half the cost and expenses of the appraisers.

16.6 HOW PROCEEDS WILL BE DIVIDED BETWEEN THE UNITS. Any proceeds remaining after payment of DVD's share under Section 16.5 will be split by the Unit Owners in this way:

A. If a court makes a final decision as to how much of the proceeds to pay to each Unit, 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 Units based on the value of each Unit 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 Unit 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 Unit Owners of the Units 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.

16.7 CONDEMNATION OR TERMINATION OF THE WHOLE PROJECT. If the whole Condominium is taken or so much of it is taken that the Condominium Association decides to terminate the condominium property regime, then the Condemnation Trustee must pay the condemnation proceeds as follows:

A. It must pay to DVD and to its Mortgage Lender, if any, DVD's share of the proceeds for DVD's Reserved Rights as required by Section 16.5.

B. It must pay to each Unit Owner and to the Unit Owner's Mortgage Lender, as their interests may appear, the

share of the proceeds for the Unit Owner's Unit as provided in Section 16.6.

16.8 PARTIAL TAKING. If only part of the Condominium is taken and if the Condominium 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 DVD and to its Mortgage Lender, if any, DVD's share of the proceeds for DVD's Reserved Rights as provided in Section 16.5. It must use the rest of the proceeds in this way:

A. ELIMINATION OF UNITS. If (i) a Unit 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 Unit Owner, then:

1) The Condemnation Trustee will pay to the Unit Owner and to any Mortgage Lender having a mortgage on the Unit, as their interests may appear and in full satisfaction of their interests in the Unit (including any Improvements located within an Air Space Unit that is not a Lagoon Unit), the share of the proceeds allocable to that Unit and its Limited Common Elements. However, the Condemnation Trustee must first deduct from those proceeds that Unit's share of the cost of debris removal.

2) The Condominium Association must amend this Declaration to remove the Unit and to adjust the Common Interests of the remaining Units. Unless the Condominium Law prohibits it, the Board may adopt the amendment without a Condominium Association meeting or vote of the Unit Owners.

B. REPAIR AND RESTORATION. In all other cases, the Condominium Association must repair and restore the remaining Improvements according to their design just before the taking. If this cannot be done, then the Condominium 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, the Master Declarant and by any Mortgage Lender having a mortgage on each Unit remaining after the taking. If there are not enough proceeds to pay the cost of the repairs and restoration, the Condominium Association must pay the shortfall as a Common Expense. The Board is expressly authorized to pay the shortfall using money in the Reserve Accounts. If this is not enough, then the Board must (i) determine the remaining amount of the shortfall, and (ii) charge a Special Assessment to all Unit Owners except Owners of Units eliminated as provided in Section 16.8A. Each Unit 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 Units being eliminated as provided in Section 16.8A.

C. EXCESS CONDEMNATION PROCEEDS. "Excess Condemnation Proceeds" are condemnation proceeds remaining after paying (i) all amounts payable to the Unit Owners and Mortgage Lenders of removed Units, (ii) the costs of debris removal, and (iii) the costs to repair and restore the rest of the Condominium. Each Unit (including Units eliminated under Section 16.8A) will receive a percentage of the Excess Condemnation 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 Condominium 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.

17. UNINSURED DAMAGE: DECISION NOT TO REPAIR.

17.1 UNINSURED DAMAGE. This Section 17.1 applies if the Condominium is substantially damaged or destroyed and if the damage or destruction is not covered by insurance.

A. DECISION NOT TO REBUILD. The Condominium Association may decide not to repair, rebuild or restore the Improvements. The Condominium Association may make this decision only if Unit Owners owning Units to which at least eighty percent (80%) of the Common Interests are appurtenant, vote not to repair, rebuild or restore the Improvements and if their Mortgage 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 DVD is also required.

B. REBUILDING. In all other cases, the Condominium will be repaired, rebuilt and restored as follows:

1) The Condominium Association must diligently repair, rebuild or restore the Improvements.

2) 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 Mortgage Lender having a mortgage on any Unit directly affected, (iii) by the Master Declarant, and (iii) by DVD during the Development Period.

3) The cost of repairing, rebuilding or restoring the General Common Elements will be paid by the Condominium Association as a Common Expense. The cost of repairing, rebuilding or restoring any Limited Common Element will be paid by the Condominium Association, but will be charged to the Unit or Units to which the Limited

Common Element is appurtenant (except for any Units being eliminated). Each Unit Owner must pay the cost to repair, rebuild, and restore the Unit Owner's Unit and any upgrades and additions to the Unit Owner's Unit.

17.2 DETERMINATION AGAINST RESTORATION. Except as otherwise provided in Section 17.1, in the event of an insured casualty or the condemnation of any part or all of the Condominium, the Condominium will be repaired, rebuilt and restored as provided in Section 15 (in the case of an insured casualty) or Section 16 (in the case of condemnation) unless, within ninety (90) days after such a casualty or condemnation, the Condominium Association decides by the affirmative vote of at least eighty percent (80%) of the Total Voting Interests not to repair, rebuild, or restore the Condominium and their Mortgage Lenders give their consent in a recorded document.

18. CHANGES TO THE CONDOMINIUM.

18.1 GENERAL PROVISIONS.

A. This Section 18.1 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/or the Americans With Disabilities Act, 42 U.S.C. §§12101 *et seq.*, as amended, and the rules and regulations adopted under them, as any of them may be amended from time to time and except as otherwise provided in this Declaration. This Section 18.1 does not apply:

- 1) To changes made by DVD when using DVD's Reserved Rights,
- 2) To nonmaterial additions and alterations of the Common Elements or Units,
- 3) To changes made by the Master Declarant pursuant to the Master Declaration, or
- 4) To changes made by a Unit Owner when using any special rights granted or reserved to it in this Declaration or the Bylaws.

B. Except as otherwise provided in this Declaration or in the Bylaws, neither the Condominium Association nor any Unit Owner may:

- 1) Restore or replace the Condominium 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,

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 at least a Majority of the Total Voting Interests, and approved by the written consent of (i) DVD until the end of the Development Period, (ii) all Unit Owners whose Units or whose Limited Common Elements are directly affected (as the Board reasonably determines), (iii) the Board, which shall not unreasonably withhold or delay its approval, and (iv) the Master Declarant, which may withhold or delay its approval in its sole, absolute and unfettered discretion. 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 Condominium Association must record (1) the amendment, and (2) a complete set of floor plans of the Condominium as so altered, certified as built by a registered architect or professional engineer.

18.2 CHANGES BY UNIT OWNERS OR BY DVD.

A. **CHANGES PERMITTED.** No matter what else the Condominium Documents say (including, for example, Section 18.1), and except as otherwise provided by law, (i) DVD here and now reserves the rights listed in this Section 18.2A for itself (and these will be some of DVD's Reserved Rights), and (ii) each Unit Owner (including DVD to the extent that it is a Unit Owner) will also have the rights listed in this Section 18.2A. DVD and the Unit Owners may use their rights under this Section 18.2A at any time and may use them more than once. DVD or the Unit Owners must pay all costs associated with the use of these rights.

1) ADDITIONS OR CHANGES WITHIN A UNIT OR LIMITED COMMON ELEMENT.

(a) **ALL UNITS.** Each Unit Owner has the right to make, from time to time, any of the following changes, additions and improvements solely within the Unit Owner's Unit or within any Limited Common Element that the Unit Owner controls:

(1) The Unit Owner may install, maintain, remove and rearrange partitions and any other structures within the Unit or its Limited Common Element, provided that following the expiration of the Development Period, no Unit Owner may install, maintain, remove or rearrange load-bearing partitions and structures.

(2) The Unit 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 Unit or its Limited Common Element.

(3) The Unit Owner may decorate, paint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the Unit or Limited Common Element.

(4) The Unit Owner may tile, finish, carpet, and install, change, or remove other flooring in the Unit or Limited Common Element.

(5) If a Unit or its Limited Common Elements has a space between the structural ceiling and a drop-down ceiling and plenum, the Unit Owner may install, change or remove the ceiling system creating the drop down ceiling of the Unit or its Limited Common Element.

In addition, a Unit Owner may make nonmaterial additions and alterations of the Common Elements and/or the Unit Owner's Unit.

DVD's Reserved Rights include the right to do any or all of these things with respect to any Unit that DVD owns or the Limited Common Elements of a Unit that it owns.

(b) AIR SPACE UNITS.

(1) It is intended that the Unit Owners of the Air Space Units can construct, expand, reduce, remove, replace, or otherwise change the building or buildings and Improvements within the boundaries or "envelope" of the Air Space Unit. So, in addition to the rights that they have under Section 18.2A.1(a), the Unit Owners of the Air Space Units have the right to do these things from time to time:

i. The Unit Owner may construct buildings and/or other Improvements.

ii. The Unit Owner may demolish some or all of the existing building(s) and/or other Improvements, and either leave the area vacant and in good order and repair, or replace some or all of the building(s) and/or other Improvements with new ones.

iii. The Unit Owner may remodel or otherwise change the building(s) and/or other Improvements located within the boundaries of the Air Space Unit. This includes the right, for example, to expand the building(s) or other Improvements to the boundaries of the Air Space Unit, to change the exterior appearance of the building(s), lanais, or other Improvements, to excavate the Land within the boundaries of the Air Space Unit, to add one or more basements within the boundaries of the Air Space Unit, and to remove, add to, or otherwise change the interior and/or exterior of the building walls, roofs, windows, window frames, doors, door frames, columns, beams, structural elements, roofs, floors, underground Improvements, and other structures, facilities and Improvements within the boundaries of the Air Space Unit.

iv. The Unit Owner may install, change and remove electric lines, gas lines, water lines, and other utilities to serve the Air Space Unit, and relocate any Common Element utility facilities beneath the Air Space Unit.

v. The Unit Owner may plant, change and remove grasses, shrubs, trees, gardens, and other landscaping within the Air Space Unit.

vi. The Unit Owner may install, change and remove waterfalls, ponds, streams, foot bridges, benches, decorative rocks, and other landscaping enhancements within the Air Space Unit;

vii. The Unit Owner 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 Air Space Unit.

viii. The Unit Owner may install, change and remove walkways, walkway railings, pathways, and other accessways within the Air Space Unit.

ix. The Unit Owner may install, change and remove special lighting, security, and/or sound systems within the Air Space Unit.

x. The Unit Owner may install, change and remove any drainage or irrigation systems within the Air Space Unit.

xi. The Unit Owner may install, change and remove tile, carpet, flooring, paint, or other products that change the finish or appearance of the lazy river or any pool(s) or pool deck(s) within the Air Space Unit.

xii. The Unit Owner may install, change and remove amenities within the Air Space Unit. This includes, for example, changes to the lazy river or any pool(s) or pool deck(s), whether for safety reasons, updating, or for other reasons, installation of new fountains or of waterfalls, slides, volleyball courts, putting greens, shuffleboard courts, or other new amenities, removal of the existing amenities, and so on.

xiii. The Unit Owner can build a fence around the construction area. The boundaries of the fence may extend up to twenty (20) feet beyond the boundaries of the Air Space Unit so long as the fence is located on the Common Elements or within another Unit whose Owner has consented to the placement of such fence or within a portion of Vacation Support Unit containing principally open areas (for example, lawns, yards, gardens and other landscaping, fences, benches, planters, planter walls, other decorative walls, koi ponds and other water features, signs, tiki torches, sidewalks, driveways, kiosks, play facilities, and so on). Although this may close the use of certain of the Common Elements and open area portions of Vacation Support Units temporarily during the construction period, this is intended to provide sufficient space for the work to be conducted safely and promptly and in a manner consistent with the reality of construction work. If the Unit Owner builds a

fence around the construction area, then the Unit Owner will have the exclusive use and control of the area enclosed by the fence.

xiv. The Unit Owner has the exclusive right to control, manage, and conduct the design, development, construction, installation, removal, addition, remodeling, and completion of the building(s) and/or other Improvements within the boundaries of the Air Space Unit. This includes all of the same rights that DVD has with respect to the initial design, development, construction, installation, removal, addition, remodeling, and completion of Improvements under Sections 22.2F through 22.2J.

xv. The Unit Owner has the right to make noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards and so on, and to allow contractors and others to come on to the Condominium in connection with the work performed under this Section 18.2A.1)(b). The Unit Owner, however, must see that such activities are conducted in a manner that minimizes any such nuisances to the extent reasonably possible and consistent with normal construction practices in the remodeling of inhabited improvements of an operating resort in Hawai'i.

DVD's Reserved Rights include the right to do any or all of these things with respect to any Air Space Units that DVD owns.

(2) Each Interested Person (i) understands, acknowledges and accepts that the activities authorized by this Section 18.2A.1)(b) 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 DVD or the Unit Owner (whoever is using these rights), their Representatives, licensees and invitees, and each of their successors and assigns.

(3) The map or plans of the Condominium recorded concurrently with this Amended and Restated Declaration of Condominium Property Regime For Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium may contain depictions of the Improvements located or intended to be constructed within the boundaries of the Air Space Units from time to time, as well as certain portions of the Lagoon Condominium. Such depictions are intended to provide a point of reference for identifying the location of the Improvements in relationship to the other portions of the Condominium and/or in relation to the Lagoon Condominium in order to make the Condominium Map easier to understand and use. Such depictions do not, however, in any way limit, restrict, change or otherwise affect the rights of the Owners of the Air Space Units under Section 18.2A.1)(b). Except to the extent otherwise required by the Condominium Law, it is not necessary for the Condominium Map, or any

amendment to it, to include such depictions, it being understood that the same are provided solely as a matter of convenience and not for the purpose of establishing legal rights, interests and/or duties under the Condominium Documents.

(c) **CONDITIONS.** The Unit Owners and DVD may do the things permitted by this Section 18.2A.1) only if:

(1) The structural integrity of the building(s) will not be adversely affected; provided that in the case of the Air Space Units, this will require only that: (i) the structural integrity of the Improvements (and any improvements of any Lagoon Units) after any activity undertaken pursuant to Section 18.2A.1)(b) be sound and consistent with any applicable laws and building codes, and (ii) all necessary steps are taken to ensure adequate lateral support for adjacent buildings or Improvements (including any buildings and other improvements of any Lagoon Units) both during and after the construction period,

(2) Within sixty (60) days after completion of such activity, the finish of any Common Element Improvements, and any buildings and other improvements of any Lagoon Units, affected by such activity are restored to a condition that is substantially the same as or better than the condition they were in before the activity occurred, 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 Unit Owner or DVD or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

2) CHANGES BETWEEN UNITS AND/OR LIMITED COMMON ELEMENTS.

(a) **BETWEEN A UNIT AND ITS LIMITED COMMON ELEMENTS.** A Unit Owner 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 Unit 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.

DVD's Reserved Rights include the right to do the same things with respect to any Unit that it owns.

(b) **BETWEEN TWO UNITS.**

(1) A Unit Owner whose Units 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 Units by a Common Element that is a wall, floor or ceiling, has the right and an easement to do these things:

i. It can change or remove all or part of the intervening wall, floor and/or ceiling.

ii. It can install doors, stairways and other Improvements in such opening or openings in the intervening Common Element.

iii. It can seal hallways or other openings.

iv. It can make other reasonable changes or additions.

DVD's Reserved Rights include the right to do the same things with respect to any Units that it owns.

(2) Before terminating its common Ownership of any of the adjacent Units, the Unit Owner (or DVD if it is the Unit Owner) must restore the Common Element wall, floor, ceiling, hallway and/or other openings to a condition that is substantially the same as or better than the condition they were in before the change or removal unless the new Unit Owners each agree otherwise in writing.

(c) **CONDITIONS.** The Unit Owners and DVD may do the things permitted by this Section 18.2A.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 a condition that is substantially the same as or better than the 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 Unit Owner or DVD or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

(d) **AFFECT ON AIR SPACE UNITS.** Nothing in this Subsection 18.2A.2) limits the rights of DVD or the Unit Owner of an Air Space Unit under Section 18.2A.1) in connection with additions or changes within the Air Space Unit.

3) SUBDIVISION OF UNIT.

(a) An Owner has the right to do these things:

(1) It can subdivide the Unit to create two or more Units, which New Units may be Air Space Units or Standard Units.

(2) It can designate which Limited Common Elements of the subdivided Unit, if any, will be appurtenant to the Units resulting from the subdivision.

(3) To the extent that a Unit has any other special rights or easements under this Declaration or the Bylaws, the Unit Owner can designate which resulting Unit or Units will have the special rights or easements of the subdivided Unit.

(4) It can convert parts of the existing Unit to Common Element status to facilitate the subdivision, and may designate all or any part of any such Common Element as a Limited Common Element of one or more of the Units.

DVD's Reserved Rights include the right to do the same things with respect to any Units that it owns.

(b) The total of the Common Interests for the newly created Units must be equal to the Common Interest of the Unit that was subdivided.

4) CONSOLIDATION OF UNITS.

(a) A Unit Owner who owns any two (2) or more Units has these rights:

(1) The Unit Owner may consolidate the Units into a single Unit (whether or not the Units are adjacent to each other).

(2) If the Units are adjacent to each other, the Unit Owner may make any Common Element walls, floors or ceilings between the consolidated Units part of the Unit or its Limited Common Elements.

DVD's Reserved Rights include the right to do the same things with respect to any two (2) or more Units that it owns.

(b) The Common Interest of the newly created Unit will be equal to the sum of the Common Interests of the Units being consolidated.

5) RE-DESIGNATION OF LIMITED COMMON ELEMENTS. The Unit Owners of any two (2) Units have the right to change the designation of the Limited Common Elements appurtenant to their Units so that all or any part of one Unit's Limited Common Elements now will be appurtenant either to the other Unit or to both of the Units. The Unit Owners cannot do this without the written consent of each Mortgage Lender who has a mortgage on either Unit. DVD's Reserved Rights include the right to do the same things with respect to any two (2) Units that it owns.

6) CONVERSION OF AIR SPACE UNIT TO STANDARD UNIT.

(a) The Unit Owner of an Air Space Unit has the right to convert all or any part of the Air Space Unit to a Standard Unit from time to time, as follows:

(1) If a Unit Owner desires to convert only part of an Air Space Unit, then the Unit Owner must first subdivide the Unit pursuant to Subsection 18.2A.3) in a manner that establishes the part to be converted as a separate Unit.

(2) The Unit Owner must amend this Declaration and/or the Condominium Map as necessary:

i. To identify the boundaries of the new Standard Unit and of the remainder, if any, of the Air Space Unit, and

ii. To identify any part of the Air Space Unit converted to Common Element status, and to designate all or any part of any such Common Element as a Limited Common Element of one or more Units.

(b) DVD's Reserved Rights include the right to do the same things with respect to all or any part of any Air Space Unit(s) that it owns.

B. LIMITS ON OWNER ALTERATIONS. Nothing contained in Section 18.2A:

1) Authorizes any work or change by a Unit Owner or DVD that would not be consistent with the Disney Standard as determined by the Master Declarant in its sole, absolute and unfettered discretion.

2) Authorizes any work or change by a Unit Owner or DVD that would jeopardize the soundness or safety of any part of the Condominium, or reduce the value of it; provided that in the case of the Air Space Units, this refers only to the soundness or safety of the Property after completion of any activity undertaken pursuant to Section 18.2A.1)(b).

3) Authorizes any work or change by a Unit Owner (other than DVD or the Owner of an Air Space Unit) that would materially change the external appearance of the Condominium without the consent of the Board, the Master Declarant and, during the Development Period, DVD.

4) Authorizes any work or change, to be performed during the Development Period, by the Owner of an Air Space Unit, that would materially change the external appearance of the Condominium without the consent of DVD and the Master Declarant.

5) Prohibits the Board from making or requiring that a Unit Owner or, as to its Units, DVD make changes

within a Unit or Limited Common Element as needed to comply with the fire code and all other laws that apply to the Condominium.

C. FINANCING AND BOND. If the Board reasonably decides that any changes or additions to be made under Section 18.2A are substantial in nature then the Board may require that the Unit Owner (or DVD as to its Units):

1) Provide evidence satisfactory to the Board that the Unit Owner (or DVD) has sufficient financing to complete the changes or additions, or

2) Provide a performance and a labor and materials payment bond. The bond must name as obligees (the persons protected) the Board on behalf of the Condominium Association, the Unit Owners and their Mortgage Lenders, as their interests may appear. The bond must cover at least one hundred percent (100%) of the estimated cost of the construction.

D. LAGOON UNITS. If an Air Space Unit is submitted to the Lagoon Condominium pursuant to Section 20, then (i) the Lagoon Condominium Association shall have the authority to exercise the rights of the "Owner" of a Lagoon Unit pursuant to Sections 18.2A.1) and 18.2A.2) (except to the extent that the Lagoon Unit is also established in the Lagoon Condominium Documents as a separate condominium unit of the Lagoon Condominium, in which case the condominium unit owner may exercise the rights of the "Owner" in this Condominium), (ii) individual owners of condominium units in the Lagoon Condominium shall have no authority to exercise the rights of the "Owner," and (iii) all references to "Improvements" shall mean and refer to the improvements located within such Lagoon Unit.

18.3 REQUIRED APPROVALS. Changes and additions made under Section 18.2A by any Unit Owner other than DVD require the consent of the Board (if and to the extent required by the Condominium Law) and the Master Declarant, but do not require the consent or approval of any other Unit Owner. During the Development Period, the consent of DVD is also required and DVD may grant or deny its consent, and/or may establish conditions to granting its consent, in its sole, absolute and unfettered discretion. Changes and additions made under Section 18.2A by DVD do not require the vote or consent of the Board, any Unit Owner, or anyone else except the Master Declarant. See Section 514B-32(a)(12) of the Condominium Property Act. Subdivisions and consolidations of Units pursuant to Sections 18.2A.3) and 18.2A.4), and redesignations of Limited Common Elements pursuant to Section 18.2A.5), by DVD or by a Unit Owner or Unit Owners do not require the vote or consent of the Board or anyone else except the Master Declarant and any Mortgage Lenders having a mortgage on the subdivided or consolidated Units.

18.4 AMENDMENT TO DECLARATION. If any change to a Unit made under the authority of Section 18.2 materially changes the depiction of a particular Unit or Units on the Condominium Map or the description of it in the Declaration, then the Unit Owner or Unit Owners of the Unit(s) (or DVD as to its Units) must amend this Declaration and/or the Condominium Map to reflect the change. The amendment will take effect when it is recorded.

A. The Unit Owner of the changed Unit or Units (or DVD as to its Units) must sign the amendment. Regardless of the requirements of Section 37, it is not necessary for anyone else to vote for, consent to, or sign the amendment except for the Master Declarant and any Mortgage Lender who has a mortgage on the Unit or Units that are changed or altered.

B. When a Unit Owner or other Interested Person acquires a Unit or any other interest in the Condominium, such Unit Owner or other Interested Person automatically:

- 1) Consents to such changes;
- 2) Agrees, if required by law or by the Unit Owner who has changed a Unit pursuant to Section 18.2, to join in, consent to, sign, have notarized, deliver and record all documents necessary or desirable to make the amendment of the Condominium Documents effective; and
- 3) Gives the Unit Owner a special power of attorney to sign, deliver and record such documents and to do such things for such Unit Owner.

19. DVD'S RESERVED RIGHT TO ANNEX LAND AND IMPROVEMENTS.

No matter what else the Condominium Documents say, DVD reserves the right to change the Condominium by annexing into the Condominium and the condominium property regime any Adjacent Parcel and any Improvements located on the Adjacent Parcel. DVD may do this more than once and at any time before the Development Period ends.

19.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 19 are subject to these terms and conditions:

A. DVD may only annex an Adjacent Parcel.

B. Any Adjacent Parcel to be annexed must be a legally separate lot, whether as a fee simple interest, or a lesser interest including but not limited to (i) an estate for years, a leasehold and/or an easement in the fee, in an estate for years or in a leasehold, and (ii) a condominium unit in one or more Adjacent Condominiums.

C. If the Adjacent Parcel contains any improvements, and if those improvements will not be replaced by new construction, then these requirements apply:

1) Any improvements located on the Adjacent Parcel, and for which a building permit is required, 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 City and County of Honolulu having jurisdiction over the issuance of building permits.

3) The improvements must be substantially consistent with the existing Improvements of the Condominium in terms of quality of construction and finish, as determined by DVD in its sole, absolute and unfettered discretion, or must become so as a result of being remodeled by DVD subsequent to such annexation.

D. DVD must pay all costs of annexing the Adjacent Parcel. This does not require that DVD pay assessments or any other sums due with respect to the Adjacent Parcel except to the extent of any Regular or Special Assessments charged to any New Unit on the Adjacent Parcel and that become due while DVD is the Unit Owner of the New Unit.

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. 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, a lien in favor of an owners association (including but not limited to the Ko Olina Community Association, the Ko Olina Resort Operators Association or the Lagoon Condominium Association), any lien established in or pursuant to the Master Declaration, or any similar lien for amounts not yet due and payable.

19.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 19.1, DVD's Reserved Rights in this Section 19 include the right to do anything necessary or convenient to annex any Adjacent Parcel and any Improvements on it. For example, DVD has these rights:

A. It can amend this Declaration and 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 DVD deems it necessary or useful to reflect the annexation of the Adjacent Parcel or any Improvements on it.

D. It can create New Units and designate Limited Common Elements for the New Units pursuant to Section 21.

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 Units.

1) DVD cannot, however, assign Limited Common Elements to any Unit not owned by DVD unless the Unit Owner consents in writing. DVD cannot use its power of attorney under Section 30.3 to give this consent on behalf of the Unit Owner.

F. It can amend any recorded deed or other document conveying or encumbering a Unit or interest in a Unit (including but not limited to any Vacation Ownership Interest or Fractional 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 DVD deems necessary or convenient to make any Adjacent Parcel and the Improvements on it subject to this Declaration, the Articles and the Bylaws, and part of the condominium property regime.

H. It can use any other of DVD's Reserved Rights as may be necessary or convenient to annex any Adjacent Parcel and any Improvements on it. For example, DVD 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 30.3.

19.3 DVD MUST AMEND THE CONDOMINIUM DOCUMENTS. To annex an Adjacent Parcel DVD must amend this Declaration. DVD may also have to amend the Condominium Map.

A. CONTENT OF AMENDMENT TO DECLARATION.

1) DVD 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 Condominium. 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, DVD 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. It would not be necessary to subordinate to this Declaration any lien assuring payment of such costs. DVD has the right to annex an Adjacent Parcel, or any interest in it, subject to reasonable agreements and restrictions on title as determined by DVD in its sole, absolute and unfettered discretion.

2) If DVD 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 Units, the amendment to this Declaration must identify the Unit or Units to which it is appurtenant.

3) The amendment may include anything else that DVD deems necessary or appropriate or that is required by law.

B. AMENDMENT TO CONDOMINIUM MAP. DVD 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 DVD chooses to include.

C. NEW UNITS. If DVD creates any New Units or designates any Limited Common Elements for the New Units as provided in Section 21, then DVD must amend this Declaration and the Condominium Map as required by Section 21.

19.4 WHAT HAPPENS WHEN AN ADJACENT PARCEL IS ANNEXED. The annexation of an Adjacent Parcel takes effect when (i) DVD records an amendment to this Declaration annexing the Adjacent Parcel and any amendment to the Condominium Map required by Section 19.3, and (ii) any mortgage lender or other lienholder signs and records a document that meets the requirement of Section 19.1E. After that:

A. Any improvements on the Adjacent Parcel (except for improvements that will be replaced by remodeling or by new construction) will be deemed New Improvements.

B. The Adjacent Parcel and the New Improvements will be General Common Elements unless and until any parts of them are designated as Units or Limited Common Elements as permitted in Section 21.

C. All of the Units will have the right to use the Common Elements in the Condominium to the same extent and subject to the same limits as if the entire Condominium (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 Units, General Common Elements, and Limited Common

Elements, the Condominium will be treated as though it had always been developed, divided into Units, held, occupied and used by the Unit Owners as a single undivided condominium project.

20. DVD'S RESERVED RIGHT TO SUBMIT AIR SPACE UNITS TO LAGOON CONDOMINIUM.

No matter what else the Condominium Documents say, DVD reserves the right to submit any of the Air Space Units that it owns in this Condominium to the Lagoon Condominium so that the Air Space Unit and any Improvements constructed within the Air Space Unit shall also be governed by and used in conformity and compliance with the terms and conditions of the Lagoon Condominium Documents. DVD may do this more than once and at any time before the Development Period ends.

20.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 20 are subject to these terms and conditions:

A. DVD may only submit an Air Space Unit.

B. Any Air Space Unit to be submitted to the Lagoon Condominium must be a legally separate fee simple Unit under this Condominium. This does not prohibit submission of a Unit having an appurtenant Common Interest in the Land consisting of an estate for years.

C. DVD must pay all costs of submitting the Air Space Unit to the Lagoon Condominium.

D. Each person who has a mortgage or other lien on the Air Space Unit must sign a document that consents to and joins in the submission of the Air Space Unit to the Lagoon 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, a lien in favor of an owners association (including but not limited to the Condominium Association, the Ko Olina Community Association and the Ko Olina Resort Operators Association), any lien established in or pursuant to the Master Declaration, or any similar lien for amounts not yet due and payable.

20.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 20.1, DVD's Reserved Rights in this Section 20 include the right to do anything necessary or convenient to submit any Air Space Unit and any Improvements within the Air Space Unit to the Lagoon Condominium. For example, DVD has these rights:

A. It can join in and execute an appropriate amendment(s) to the Lagoon Condominium Documents to effect the submission of the fee simple interest in the Air Space Unit to the Lagoon Condominium and to confirm that

the Air Space Unit shall thereafter be governed by, subject to, and shall fully comply with all applicable provisions Lagoon Condominium.

B. It can join in and execute any documents necessary to confirm and effect the annexation of the Air Space Unit into the Lagoon Condominium as may be necessary under the Lagoon Condominium Developer's Reserved Rights.

C. It can amend any recorded deed or other document conveying or encumbering a Unit or interest in a Unit (including, for example, any Vacation Ownership Interest or Fractional Ownership Interest) to recognize such submission. It can also record a new deed or conveyance document for that purpose.

D. It can sign, acknowledge, and record one or more deeds or other documents as DVD deems necessary or convenient to submit any Air Space Unit and any Improvements on or in it to the Lagoon Condominium Documents and to the condominium property regime of the Lagoon Condominium. This includes but is not limited to a quitclaim of the Improvements located on or in the Air Space Unit to clarify that such Improvements constitute improvements of the Lagoon Condominium and not Improvements of this Condominium.

E. It can sign, acknowledge, and record one or more deeds or other documents (including, for example, amendments to this Declaration) as DVD deems necessary or convenient to resolve any issues pertaining to the ownership of the Air Space Unit and any Improvements on or in it for purposes of clarifying any real property or other taxation issues and/or issues pertaining to insurance, casualty, condemnation, reconstruction, ownership, control and so on.

F. It can use any other of DVD's Reserved Rights as may be necessary or convenient to effect the submission of any Air Space Unit and any Improvements contained on or within the Air Space Unit to the Lagoon Condominium. For example, DVD 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 30.3.

20.3 WHAT HAPPENS WHEN AN AIR SPACE UNIT IS SUBMITTED TO THE LAGOON CONDOMINIUM.

A. The submission of an Air Space Unit to the Lagoon Condominium takes effect when (i) DVD records an amendment to the declaration of condominium property regime of the Lagoon Condominium annexing the Air Space Unit to the Lagoon Condominium and any other document required under the provisions of the Lagoon Condominium Documents to reflect the annexation of the Air Space Unit into the Lagoon Condominium, and (ii) any Mortgage Lender or other lienholder signs and records a document that meets the requirement of Section 20.1D.

B. After the Air Space Unit is submitted to the Lagoon Condominium, and after any designation of any new units, general common elements, and limited common elements within the Air Space Unit pursuant to the Lagoon Condominium Documents:

- 1) The Air Space Unit shall be a Lagoon Unit.
- 2) The Air Space Unit will be governed by, maintained, operated and used in accordance with the Lagoon Condominium Documents as well as the Condominium Documents for this Condominium.
- 3) The Voting Representative designated in or pursuant to the Master Cotenancy Agreement shall cast the vote of the Air Space Unit in the Condominium Association for this Condominium, the Ko Olina Community Association and the Ko Olina Resort Operators Association.
- 4) All Improvements located in the Air Space Unit shall become improvements of the Lagoon Condominium and shall no longer constitute Improvements of this Condominium. This will be so regardless of whether the Condominium Map depicts such Improvements.
- 5) All costs and expenses relating to the Air Space Unit shall be the responsibility of the Lagoon Condominium and not the Fee Owner, DVD, this Condominium or its Condominium Association. This includes, but is not limited to, all costs and expenses for utilities, insurance, operations, management, maintenance, repairs, replacement, remodeling and renovation of such improvements, all taxes, assessments and etc., as provided in Section 20.3B.6), and all Common Expenses charged by the Condominium Association to the Air Space Unit (whether as Regular Assessments, Special Assessments or otherwise). The Lagoon Condominium Association shall pay all such costs and expenses as common expenses of the Lagoon Condominium.
- 6) The obligation to pay costs and expenses stated in Section 20.3B.5) includes the obligation to timely pay and discharge, or to arrange for the timely payment or discharge of, (i) all taxes (including occupancy taxes, and sales and use taxes on rents), property taxes and assessments or other governmental impositions and charges of every kind and nature whatsoever, which shall or may be charged, laid, levied, assessed, imposed, become due and payable or liens upon, or that arise in connection with the ownership, use, occupancy or possession of, or grow due or payable out of or for, the Air Space Unit(s) or the Improvements located in the Air Space Unit submitted to the Lagoon Condominium, and whether levied on the Fee Owner, DVD or anyone else, (ii) all amounts which shall or may be charged, laid, levied, assessed, imposed, become due and payable or liens upon, or that arise in connection with the ownership, use, occupancy or possession of, or grow due or payable with respect to the Air Space Unit(s) or the improvements located in the Air Space Unit submitted to the Lagoon Condominium, pursuant

to the Ko Olina Declaration, and (iii) any general excise tax or other taxes or impositions of any kind or nature levied on DVD, ABC and/or the Condominium Association by reason of any payments under clauses (i) and/or (ii) above, and/or Section 20.3B.4).

7) Any consent of the "Owner" required to be obtained pursuant to this Declaration (for example, see Sections 18.2A.1)(b)(1)xiii, 19.2E.1), 22.1B.2), 22.1B.3), 24.1D, 26.1B.2), 26.1B.3), 27.1B.2), 27.1B.3), or 37.4A with respect to a Lagoon Unit may be given by (i) the board of directors of the Lagoon Condominium Association, or (ii) the "Voting Representative(s)" holding a "Majority of the Voting Interests" in the Lagoon Condominium as the quoted terms are defined in the Lagoon Condominium Documents.

8) Except as otherwise provided by the Condominium Law, each Owner of a Lagoon Unit, and every other person who is an Interested Person with respect to a Lagoon Unit, appoints the Lagoon Condominium Association as its agent, and gives the Lagoon Condominium Association a special power of attorney, to receive notice of any meetings of the Condominium Association or its Board and otherwise to receive and receipt for any notice to be given to the Owners or other Interested Persons with respect to the Lagoon Unit. This includes, for example, notices given pursuant to Sections 11.3E.3), 11.3P, 11.3S, 12.3C, 12.5C, 12.10C. Upon receiving any such notice, the Lagoon Condominium Association must send a copy of it to each Owner in accordance with law and any applicable provisions of the Lagoon Condominium Documents, but any failure by the Lagoon Condominium Association to do so shall not make the notice invalid. A Lagoon Unit Owner will be responsible to provide a copy of any such notice to any Interested Person who has an interest through that Owner, but any failure by an Owner to do so shall not make the notice invalid. This Section 20.3B.8) does not apply to notices required to be given to an Owner pursuant to Sections 13.4 or 13.7.

C. Submission of an Air Space Unit to the Lagoon Condominium does not amend or otherwise affect any provision of the Master Declaration, including but not limited to any rights of Owners in this Condominium to use any Designated Facilities or Shared Areas that may be located within any Air Space Unit submitted to the Lagoon Condominium, or the obligation under the Master Declaration to pay Shared Area Expenses to the extent provided in the Master Declaration.

21. DVD'S RESERVED RIGHTS TO CREATE NEW UNITS AND LIMITED COMMON ELEMENTS.

No matter what else the Condominium Documents say, DVD reserves the right to create one or more New Units and to designate Limited Common Elements appurtenant to any New Unit. DVD can do this more than once and at any time before the Development Period ends.

21.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 21 are subject to the following terms and conditions:

A. DVD can only create New Units with respect to (i) the subdivision or consolidation of existing Units under Section 18.2, (ii) New Improvements constructed or intended to be constructed or added to the Condominium pursuant to Section 22, and/or (iii) Improvements constructed or to be constructed on any Adjacent Parcel annexed into the Condominium pursuant to Section 19.

B. DVD must pay all costs of creating the New Units and designating the Limited Common Elements appurtenant to the New Units. This does not require that DVD pay Assessments or any other sums due with respect to the New Unit except to the extent of any Regular or Special Assessments that become due while DVD is the Unit Owner and after the Commencement Date for such Unit.

21.2 NATURE OF DVD'S RESERVED RIGHTS.

Subject to the limits stated in Section 21.1:

A. DVD's Reserved Rights in this Section 21 include the right to do anything necessary or convenient to create the New Units or to designate Limited Common Elements appurtenant to the New Units. For example, DVD 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 21.3. It also has the right to amend any recorded deed or other document conveying or encumbering a Unit or interest in a Unit (including, for example, any Vacation Ownership Interest or Fractional 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 DVD creates New Units, it may need to adjust the Common Interest of each existing Unit as provided in Section 31. If so, the Land Court may insist that DVD change the deeds or other conveyance documents for existing Units to reflect the change in the Common Interest or it may require that DVD issue replacement deeds or conveyance documents reflecting the new Common Interest of each Unit.

B. DVD may also use any other of DVD's Reserved Rights as may be necessary or convenient to create New Units or to designate Limited Common Elements appurtenant to the New Units. For example, DVD may (i) use its rights to deal with easements under Section 7.4 (for example, it may give the easements to the New Units), 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 30.3.

21.3 DVD MUST AMEND THE CONDOMINIUM DOCUMENTS. DVD must amend this Declaration and the Condominium Map in order to create New Units. It may also have to do so to designate Limited Common Elements appurtenant to the New Units.

A. **CONTENT OF AMENDMENT TO DECLARATION.** These rules apply to an amendment to this Declaration required or allowed by this Section 21.3:

1) The amendment must describe any additional buildings. This must include the number of stories and basements, the number of Units and the principal materials of which they are or will be constructed.

2) The amendment must state the unit number of each New Unit. 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) It must describe any material change in or addition to Common Elements.

4) It must describe any additional or newly designated Limited Common Elements, if any, and identify the Units to which they are appurtenant.

5) It must state the purposes for which the additional buildings and each of the New Units are intended and restricted as to use, if different from the provisions in this Declaration.

6) It must list the Common Interest of each Unit in the Condominium. This includes both the existing Units and New Units. The Common Interest for each Unit will be determined as stated in Section 31.

7) It may provide easements for access to and from the New Units, and any Limited Common Elements, across the General Common Elements and any Limited Common Elements. It may also grant or affirm the grant to the New Units of the right to use any existing easements.

8) It may include anything else that DVD deems necessary or appropriate in its sole, absolute and unfettered discretion, 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 21.3:

1) It must include the elevations and floor plans of any additional building or buildings.

2) It must show the layout, location, boundaries, unit numbers, and dimensions of the New Units.

3) Unless specifically described in an amendment to this Declaration, it must show the layout, location, and numbers or other identifying information of the Limited Common Elements, if any;

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 any requirements of the Condominium Law.

21.4 CONSEQUENCES OF CREATION OF NEW UNITS. This is what happens when DVD records the amendments to this Declaration and the Condominium Map required by Section 21.3:

A. ESTABLISHMENT OF NEW UNITS. The New Units become condominium Units and are part of the Condominium for all purposes. The Limited Common Elements designated in the amendment will be appurtenant to the Units to which they are assigned. The Unit Owner of a New Unit can deed it, lease it, mortgage it, encumber it, or otherwise deal with title to it just the same as any other Unit.

B. OWNERSHIP OF NEW UNITS. DVD is the "Unit Owner" of each New Unit and its Common Interest until DVD deeds or conveys it to someone else. Nobody else except DVD will have any rights in the Unit or its Common Interest (except, of course, the Fee Owner, as to its interest in the Land). (In legal terms, no Unit Owner or other Interested Person except the Fee Owner will have any "legal or equitable interest in or to" the New Units.) Of course, if DVD signs a proper mortgage that covers any New Unit then that mortgage will be valid, even if construction of the New Unit is not yet complete.

C. COMMON ELEMENTS; RESERVE ACCOUNTS. After the City and County of Honolulu issues a certificate of occupancy for a New Unit:

1) The Unit Owners of all of Units (including the New Unit) will have the right to use the Common Elements in the Condominium to the same extent and subject to the same limits as if the Condominium had been developed with the New Unit from the outset.

2) The Unit Owner of the New Unit must begin paying Assessments for Common Expenses of the Condominium. This does not require, however, that the Unit Owner pay Assessments for Common Expenses paid or incurred by the Condominium Association before the certificate of occupancy is issued for the New Unit.

3) All Reserve Account funds accumulated by the Condominium Association before DVD created the New

Unit will become the property of all Unit Owners. Each Unit will have an interest in the Reserve Account funds proportionate to the Unit's percentage share of the Common Expenses. If it is necessary to assure that each Unit (including the New Unit) contributes a share of the Reserve Account funds equal to its percentage share of the Common Expenses, the Board may adjust the account of each Unit Owner by (i) refunding all or part of its money in the Reserve Accounts, (ii) giving a credit against future Assessments, (iii) charging a Special Assessment or series of Special Assessments, or (iv) doing anything else that is consistent with generally accepted accounting principles. The Board cannot, however, charge any Unit Owner a Special Assessment for reserves in any one month that exceeds twenty percent (20%) of the Regular Assessment for other Common Expenses, after excluding any Assessment for Reserve Accounts.

22. DVD'S RESERVED RIGHT TO ADD TO OR CHANGE THE IMPROVEMENTS.

No matter what else the Condominium Documents say, DVD reserves the right to design, develop, install, build, add, and complete New Improvements on the Land (including the right to construct one or more buildings and other Improvements within any Unit) and to remodel the existing Improvements. DVD may do this more than once, and may do so before or after any Unit or interest in a Unit (including, for example, any Vacation Ownership Interest or Fractional Ownership Interest) is conveyed to someone else.

22.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 22 are subject to these terms and conditions:

A. PLANS AND SPECIFICATIONS. A Hawai'i licensed architect or engineer must prepare plans and specifications for the New Improvements or for any remodeling of the existing Improvements for which a building permit is required. The plans and specifications must be approved by the officer of the City and County of Honolulu having jurisdiction over the issuance of building permits. The plans and specifications must be designed so that the New Improvements or the remodeled Improvements will be substantially consistent with or better than the existing Improvements of the Condominium in terms of quality of construction and finish, as determined by DVD in its sole, absolute and unfettered discretion. DVD must build the New Improvements, or remodel the existing Improvements, substantially in accordance with the plans and specifications.

B. CHANGES TO EXISTING IMPROVEMENTS. The plans and specifications cannot require any material adverse change to, or the demolition of any existing Unit, Improvements within a Unit or Limited Common Element; provided that:

1) DVD 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, or to the remodeled Improvements, to provide electricity, hot and cold water, air conditioning and other applicable utilities and services. DVD 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 Condominium that is then available for occupancy.

2) DVD can change or demolish all or any part of an existing Unit or any Improvements within such Unit (a) owned by DVD, or (b) where the Unit Owner consents to the change or demolition in writing, or (c) where the change or demolition is part of the initial construction of that Unit, or of the building or phase in which it is located. DVD cannot use its power of attorney under Section 30.3 to give a consent on behalf of the Unit Owner.

3) DVD can change or demolish all or any part of an existing Limited Common Element (a) appurtenant to a Unit owned by DVD, or (b) where the Unit Owner of the Unit to which the Limited Common Element is appurtenant consents to the change, or (c) where the change or demolition is part of the initial construction or remodeling of that Unit, or of the building or phase in which it is located. If Unit Owner consent is required:

(a) DVD cannot use its power of attorney under Section 30.3 to give this consent on behalf of the Unit Owner or Unit Owners, and

(b) If the Limited Common Element is appurtenant to more than one Unit, then the consent of the Unit Owners of all of those Units is necessary.

4) DVD can change or remove any roads, driveways, parking facilities and the like so long as there is reasonable and adequate access from the public streets and highways to the entries of the buildings of the Condominium.

5) DVD can relocate or replace any utility buildings and installations and the like so long as the plans and specifications provide for replacements that provide services that are comparable to or better than the existing ones. DVD 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 Condominium.

C. COST AND TIME FOR COMPLETION.

1) DVD must pay all costs to design, develop, install and build the New Improvements or to remodel any existing Improvements.

2) DVD must complete the remodeling of an existing building within twenty-four (24) months after remodeling begins. DVD must complete each new phase of the Condominium within forty-eight (48) months after it starts building that phase; provided that if DVD splits a phase into multiple smaller phases, this rule will apply only to each separate smaller phase instead of to the phase as originally described in this Declaration. DVD must finish building any other New Improvements within a reasonable time after it starts building them. In any case, if there is a delay for reasons beyond the reasonable control of DVD or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. DVD must repair any damage to the Common Elements caused by the contractors performing the construction or remodeling.

E. INSURANCE. DVD must arrange and pay for builder's risk insurance. The insurance must be 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 Condominium Association and the Property Management Company as additional insureds (persons protected by the insurance). DVD must deposit evidence of the insurance with the Board and the Property Management Company.

F. ENCUMBRANCE OF UNITS. DVD cannot mortgage any Unit that it does not own. Likewise, DVD cannot put any other encumbrance on any Unit that it does not own unless this Declaration permits it. For an example of express permission, see DVD's Reserved Rights to grant easements under Section 7.4 or to file an "as-built" amendment under Section 37.3A.2). This paragraph does not limit DVD's ability to mortgage any New Units pursuant to Section 20. See Section 21.4B.

22.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 22.1, DVD's Reserved Rights in this Section 22 include the right to do anything necessary or convenient to design, develop, install, build, add, and complete New Improvements and/or to remodel the existing Improvements. For example, DVD has these rights:

A. It can develop, install, construct and complete the New Improvements and remodel the existing Improvements. For example, it can construct or install additional amenities on the Condominium. It also can install propane tanks, gas lines to tiki torches, commercial-grade kitchen and laundry equipment, and perhaps a co-generation plant.

B. It can remove, change or add Common Elements.

C. It can build and install Improvements that DVD intends to designate as Units or Limited Common Elements pursuant to Section 20.

D. It can connect the New Improvements or remodeled Improvements to utilities of the Condominium.

E. It can segregate the construction areas using signs, gates, walls, fences, or other means. If it does this, DVD will have the exclusive use and control of the area set off by signs or enclosed by gates, walls, fences, or other means. This includes the right to make all Unit Owners stay out of that area until the construction or remodeling is finished and the City and County of Honolulu has issued a certificate of occupancy.

F. It has the exclusive right to control, manage, arrange and conduct the design, development construction, installation, addition and completion of the New Improvements, and the design, development construction, installation, addition and completion of the remodeling of existing Improvements. It will still have this right even after it deeds or otherwise conveys any Units or interests in any Units (including, for example, any Vacation Ownership Interests or Fractional Ownership Interests) to others. This right includes, for example, these rights:

1) It has the right to obtain all permits, licenses, and approvals necessary or convenient to the development, construction, installation, remodeling, completion, and/or operation and use of the Condominium.

2) It has the right to coordinate the work and activities of the contractors, subcontractors, architects, engineers, laborers, suppliers, and others to complete the design, development, construction, installation, addition, remodeling, and completion of the Improvements in accordance with DVD'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 design, development, construction, installation, addition, and completion of the New Improvements and/or remodeling the existing 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 Condominium Association is named as an additional obligee on the bond, then DVD may not do anything that materially and adversely affects the Condominium Association's rights under the bond.

➤ All subcontracts and materials and equipment supplies contracts and subcontracts related to the development, construction, installation, addition, and completion of the Improvements and/or remodeling the existing Improvements.

➤ Any construction management contract.

➤ All other contracts to furnish labor, materials and/or services in connection with the design, development, construction, installation, addition, and completion of the New Improvements and/or remodeling the existing Improvements.

DVD 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.

G. DVD also has the right to review and approve necessary or desirable changes and requests for changes and change orders with respect to the Improvements.

H. It also has the right to file the notice of substantial completion under Chapter 507, Part II, H.R.S., for each portion of the work.

I. It has the right to seek and obtain temporary and/or permanent certificates of occupancy from the appropriate authorities of the City and County of Honolulu.

J. It has the right to approve and direct the replacement of any Improvements that are under construction or renovation, and that are damaged by fire or something else. This includes the right to settle any insurance claims made under any insurance policy that DVD buys or arranges.

K. DVD can also amend this Declaration and the Condominium Map as necessary or convenient to describe the New Improvements or the remodeled Improvements, or to address the allocation of Common Expenses in light of the changes to the Condominium.

L. DVD has the right to amend any recorded deed or other document conveying or encumbering a Unit or interest in a Unit (including, for example, any Vacation Ownership Interest or Fractional Ownership Interest) so that it conforms to the revised Declaration and Condominium Map. It can also record a new deed or conveyance document for that purpose.

M. DVD has the right to use any other of DVD's Reserved Rights as may be necessary or convenient to design, develop, install, build, add, and complete New Improvements or remodel the existing Improvements. For example, DVD may do these things:

- It may come onto the Condominium and authorize others to do so using its rights under Section 7.1J.
- It may make noise, dust, and so on using its rights under Section 7.2.
- It may exercise 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 30.3.

22.3 UNIT OWNERS' OBLIGATIONS. During the construction or remodeling period, the Condominium Association and each Unit Owner must: (1) remain outside of any posted construction area or any construction area segregated using gates, walls, fences, or other means; (2) not directly or indirectly do or attempt to do anything that would or could affect or interfere with the design, development, installation, construction, and completion of the New Improvements, or the remodeling of the existing Improvements, in the manner determined by DVD in its sole discretion.

22.4 DVD'S RESERVED RIGHTS WITH RESPECT TO EARLY CLOSINGS. DVD may convey Units and/or interests in Units (for example, Vacation Ownership Interests or Fractional Ownership Interests), in a particular building or phase before construction or remodeling of that building or phase is completed. No matter what else the Condominium Documents say, DVD reserves the exclusive right to control, manage, arrange and/or conduct the design, development, construction, installation, addition, and completion of the New Improvements, and the remodeling of the existing Improvements, of the Condominium even after it deeds or conveys Units and/or any interests in any Units (for example, Vacation Ownership Interests or Fractional Ownership Interests) to others. DVD may do this more than once and at any time before the Development Period ends.

A. BONDS. If DVD intends to withdraw from escrow the proceeds from the sales of Units and/or any interests in any Units (for example, Vacation Ownership Interests or Fractional Ownership Interests) in a particular building or phase of the Condominium before construction or remodeling of that building or phase is completed, then prior to withdrawing any such sales proceeds from escrow, DVD must arrange and pay for either (i) a performance bond and a labor and materials payment bond, or (ii) a completion bond. The bonds must cover at least 100% of the unpaid balance of

the estimated cost of the construction or renovation of the particular building or phase being constructed or remodeled and in which Units and/or any interests in any Units (for example, Vacation Ownership Interests or Fractional Ownership Interests) will be conveyed. Each bond must also meet any additional requirements of the Condominium Law and, if any Unit is included in a Vacation Plan, the Time Share Act.

B. DVD'S RESERVED RIGHT TO ACT AS PROXY HOLDER. Each Unit Owner and every other Interested Person, by acquiring any interest in the Condominium, gives DVD a special power of attorney and a proxy to receive notice of and attend any and all meetings of the Condominium Association, and any continuation or adjournment of them, and to vote and otherwise act on behalf of the Unit Owner at the meetings, in the same manner and to the same extent and with the same effect as if the Unit Owner was personally present and doing the same things. DVD has "*full power of substitution.*" This means that DVD may let someone else act in its place as a substitute attorney-in-fact and proxy holder. This power of attorney and proxy will remain in effect, as to any given Unit Owner, until 45 days after the "date of completion" (as that term is defined in Section 507-43(f), Hawai'i Revised Statutes) of DVD's initial construction of the Unit Owner's Unit. The Unit Owner cannot revoke the power of attorney or the proxy before then.

22.5 VACATION SUPPORT UNITS.

A. The Vacation Support Units may be submitted to the Lagoon Condominium pursuant to Section 20, which submission may take place prior to the completion of the initial construction of the improvements planned for the Vacation Support Units. No matter what else the Condominium Documents say, DVD's Reserved Rights under this Section 22 shall apply to improvements on or in the Vacation Support Units even though those improvements are not Improvements of this Condominium. Upon completion of the initial construction of the improvements planned for the Vacation Support Units and except as provided in Section 22.5B, DVD shall not change the improvements of the Vacation Support Units pursuant to this Section 22 without obtaining the consent of (i) the board of directors of the Lagoon Condominium Association, or (ii) the "Voting Representative(s)" holding a "Majority of the Voting Interests" in the Lagoon Condominium as the quoted terms are defined in the Lagoon Condominium Documents; provided, however, that no such consent shall be required for changes made to the Common Area or pursuant to the Master Declaration.

B. No matter what else the Condominium Documents or the Lagoon Condominium Documents may say, DVD's Reserved Rights under this Section 22 include the right to design, develop, install, build, add, and complete New Improvements on, in or above Air Space Units H-1 and H-9

by (i) adding one or more floors above the parking structure and parking areas initially constructed within Air Space Unit H-1 and/or Air Space Unit H-9 plus various related improvements (for example, stairways, elevators, columns, and so on to provide access to and support for the other New Improvements) up to the upper boundary of Air Space Unit H-1 and/or Air Space Unit H-9; or (ii) removing the parking structure and parking areas initially constructed within Air Space Unit H-1 and H-9 as part of phase 1 and constructing an entirely new parking structure and/or building within the boundaries of Air Space Unit H-1 and/or Air Space Unit H-9. DVD may do this more than once, and may do so before or after any Unit and/or any interest in any Unit (for example, any Vacation Ownership Interest or Fractional Ownership Interest) is conveyed to someone else. DVD may do so without the consent or approval of any other person, and Sections 22.1B.2) and 22.1B.3) shall not apply. DVD must reimburse the Owner of the Unit in which such construction takes place (meaning Air Space Unit H-1 or Air Space Unit H-9) for any revenue lost by the Owner of such Air Space Unit during the construction of any Improvements in such Owner's Air Space Unit.

1) In the event that DVD constructs New Improvements within Air Space Unit H-1 or within Air Space Unit H-9, then DVD shall have the right to subdivide each such Air Space Unit into two or more Air Space Units in the same manner provided in Section 18.2A.3) just as if DVD was the sole Owner of such Air Space Unit but subject to the following terms and conditions:

(a) The New Unit containing the existing parking structure or other improvements shall become Air Space Unit H-1 or Air Space Unit H-9, whichever it was formerly a part of. It will continue to be owned by its existing Owner. If Air Space Unit H-1 or Air Space Unit H-9 has been submitted to the Lagoon Condominium pursuant to Section 20, then the new Air Space Unit H-1 or Air Space Unit H-9 containing the existing improvements will continue to be a Vacation Support Unit and part of the Lagoon Condominium.

(b) DVD shall become the Owner of the other New Unit (the "Additional Air Space Unit"). The Additional Air Space Unit will be a Commercial Unit. The Additional Air Space Unit will have an easement for access over, under, across and through any stairwells, elevators, driveways, ramps, and other means of access from the grounds of the Condominium to such Additional Unit.

(c) Even if Air Space Unit H-1 or Air Space Unit H-9 has been submitted to the Lagoon Condominium pursuant to Section 20, the Additional Air Space Unit will not be part of the Lagoon Condominium nor subject to the Lagoon Condominium Documents. In legal terms, the interest of the unit owners in the Lagoon Condominium is a "defeasible interest."

2) In the event that DVD elects to remove the parking structure and parking areas initially constructed within Air Space Unit H-1 and/or H-9 as part of phase 1 and to construct an entirely new parking structure and/or building within the boundaries of Air Space Unit H-1 and/or Air Space Unit H-9, then:

(a) Any new parking structure located within Air Space Unit H-1 or H-9 must have a value that is equivalent to or greater than the value of the parking structure that it replaces.

(b) DVD must provide or arrange for substitute parking during the period of such construction, and must pay all sums required to rent or lease such temporary parking facilities in excess of the sums that the Unit Owner otherwise would have been required to pay for the maintenance, operation and use of the parking structure and parking areas initially constructed within Air Space Unit H-1 and/or H-9 as part of phase 1.

(c) The substitute parking facility must be located within reasonable walking distance of the Condominium unless DVD provides, at its sole expense, transportation between the Condominium and the substitute.

(d) The total number of parking stalls after completion of the new parking structure and/or building within the boundaries of Air Space Unit H-1 and/or Air Space Unit H-9 must equal or exceed the total number of parking stalls initially constructed within Air Space Unit H-1 and H-9 as part of phase 1. It is not necessary, however, for the number of parking stalls to remain the same within Unit H-1 or H-9 so long as the combined aggregate number of parking stalls remains the same as between the two Units. In other words, the number of stalls within one Unit may decrease so long as the number of stalls within the other Unit increases. The Additional Air Space Unit may also include parking stalls and other parking facilities so long as the combined aggregate number of parking stalls in Air Space Units H-1 and H-9 equals or exceeds the total number of parking stalls initially constructed within Air Space Unit H-1 and H-9 as part of phase 1.

C. Neither this Section 22.5 nor any other part of this Declaration governs or restricts any authority of the Master Declarant to make or require changes to the improvements of the Vacation Support Units pursuant to the Master Declaration, nor does it govern or restrict the Lagoon Condominium Developer's Reserved Rights pursuant to the Lagoon Condominium Documents to design, develop, install, build, add, and complete new improvements to or within the Vacation Support Units (including the right to construct one or more buildings and other improvements within any Vacation Support Unit) and to remodel the existing improvements to or within the Vacation Support Units.

23. DVD'S RESERVED RIGHT TO SUBDIVIDE AND CONSOLIDATE THE LAND.

No matter what else the Condominium Documents say, DVD reserves the right to subdivide the Land of the Condominium, and/or to consolidate the Land of the Condominium with any Adjacent Parcel, for or in connection with the use of DVD's Reserved Rights in Sections 24 and 19. DVD may do this more than once and at any time before the Development Period ends.

23.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 23 are subject to these terms and conditions:

A. DVD may only consolidate the Land of the Condominium with one or more Adjacent Parcels.

B. DVD 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, fences or other Improvements of the Condominium, and improvements of any Lagoon Units, that the City and County of Honolulu requires as a condition to approving the subdivision or consolidation, or that may be required to comply with setback rules and similar requirements.

4) The cost of relocating utility easements, utility lines, and so on that the City and County of Honolulu requires as a condition to approving the subdivision or consolidation.

5) The cost of providing access to each lot as required by the City and County of Honolulu as a condition to approving the subdivision or consolidation.

23.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 23.1, DVD's Reserved Rights in this Section 23 include the right to do anything necessary or convenient to subdivide the Land of the Condominium and/or to consolidate the Land of the Condominium with any Adjacent Parcel. For example DVD has the right to do any of these things:

A. It can file one or more applications to subdivide the Land of the Condominium. It can process the application to final approval.

B. It can file one or more applications to consolidate the Land of the Condominium 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. DVD may do this by using DVD's Reserved Rights under Section 22 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 24.

F. It can amend this Declaration and the Bylaws to change the description of the Land.

G. It can amend the Condominium Map if DVD deems it necessary or useful to reflect the subdivision and/or consolidation.

H. It can amend any recorded deed or other conveyance document conveying or encumbering a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional 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 other of DVD's Reserved Rights as may be necessary or convenient to subdivide the Land or to consolidate the Land with any Adjacent Parcel. For example, DVD 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 30.3.

24. DVD'S RESERVED RIGHT TO DELETE LAND.

No matter what else the Condominium Documents say, DVD reserves the right to withdraw and delete from the Condominium, and from the condominium property regime, all or any part of the Possible Deletion Areas. DVD may do this more than once and at any time before the Development Period ends.

24.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 24 are subject to these terms and conditions:

A. DVD may delete all or any part of the Possible Deletion Areas. It cannot delete any other part of the Land.

B. DVD may delete any or all of the Vacation Support Units for any purpose. DVD may only delete any or all of the other Possible Deletion Areas for the purpose of transferring it to the City and County of Honolulu (for example, for road widening, corner rounding, or other public purposes), the State of Hawai'i, a utility company, a community association (for example, for roadway purposes), or for other public or quasi-public purposes.

C. The part of the Land deleted must be a legally separate lot. DVD can use DVD's Reserved Rights under Section 23 to make all or any part of the Possible Deletion Areas into a separate lot.

D. DVD may not delete any part of the Land that contains all or any part of a Unit no longer owned by DVD unless the Unit Owner consents in writing.

E. DVD 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 amendments 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 22), or any improvements in any Lagoon Units, needed to operate the Condominium without the deleted land.

3) The cost of relocating any walls, fences or other Improvements, or any improvements in any Lagoon Units, that may be required by law to separate the Condominium from the deleted land, or that may be required to comply with setback rules and similar requirements.

4) The cost of relocating utility easements, utility lines, and so on as needed to operate the Condominium without the deleted land or to operate the deleted land without the Condominium.

5) The cost of providing access to the Condominium across the deleted land or access to the deleted land across the Condominium

6) The cost of installing a sign on the deleted land directing traffic to the Condominium, or on the Condominium directing traffic to the deleted land.

Under no circumstances can this Subsection 24.1E or any other part of the Condominium Documents be construed to require that DVD pay any compensation or other sums on account of the part of the Land deleted.

24.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 24.1, DVD's Reserved Rights in this Section 24 include the right to do anything necessary or convenient to delete all or any part of the Possible Deletion Areas. For example, DVD has these rights:

A. It can amend this Declaration and the Bylaws to change the description of the Land and Improvements.

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 conveyance document conveying or encumbering a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional 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, conveyance documents, releases, or other documents as DVD 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 DVD 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 the Master Declaration, the Master Deed, the Declaration of Merger and to any mortgage signed by DVD that mortgages the Possible Deletion Areas.

E. It can use any other of DVD's Reserved Rights as may be necessary or convenient to delete all or any part of any Possible Deletion Areas. For example, DVD may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 30.3.

24.3 DVD MUST AMEND THE CONDOMINIUM DOCUMENTS. To delete some or all of any Possible Deletion Areas, DVD 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. DVD must amend this Declaration and the Bylaws so that the description of the Property refers only to the lot or lots that will remain after the deletion takes effect, and the Improvements located on such lot or lots. If all or any part

of any Unit is deleted, the amendment must list the Common Interest of each remaining Unit in the Condominium. The Common Interest for each Unit will be determined as stated in Section 31. DVD 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 DVD deems necessary or appropriate, or that is required by law.

B. AMENDMENT TO CONDOMINIUM MAP. DVD 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 DVD chooses to include.

24.4 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 DVD records the amendment to this Declaration and any amendment to the Condominium Map required by Section 24.3. From then on, no Unit Owner and no other Interested Person except for DVD and its Mortgage Lender (if DVD 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, DVD intends that title to the land deleted will belong only to DVD. Each Interested Person understands, acknowledges, accepts and agrees (i) that DVD and the Fee Owner will be the sole owners of any part of the Land deleted pursuant to this Section 21, and any Improvements located on the deleted Land, (ii) after the deletion takes effect, the land deleted (and the Improvements on it, and any easements serving the deleted land but not serving any part of the remainder of Property) will no longer be part of the Condominium or subject to the Condominium Documents. In legal terms, the interest of the Unit Owners in the Possible Deletion Areas is a "defeasible interest."

B. Any part of the Land that is deleted as provided in this Section 24 will become an Adjacent Parcel. DVD 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, but subject to the interest of the Fee Owner. For example, DVD may dedicate any Adjacent Parcel to the City and County of Honolulu, the State of Hawai'i, or any other governmental or quasi-governmental entity for use as a public street or roadway or for any other lawful purpose.

25. DVD'S RESERVED RIGHT TO BUILD ADJACENT PROJECTS AND TO MERGE ADJACENT CONDOMINIUMS WITH THE PROJECT.

No matter what else the Condominium Documents say, DVD reserves the right to develop one or more Adjacent Projects on any Adjacent Parcel or Parcels and/or to merge any

Adjacent Condominium with the Condominium pursuant to the Declaration of Merger. DVD may do this more than once and at any time before the Development Period ends.

25.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 25 are subject to these terms and conditions:

A. WHEN MERGER IS PERMITTED. DVD may only merge the Condominium and an 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 City and County of Honolulu having jurisdiction over the issuance of building permits. DVD cannot merge an Adjacent Condominium with the Condominium unless (i) the improvements of the Adjacent Condominium, as shown in the plans and specifications, will be substantially consistent with or better than the existing Improvements of the Condominium in terms of quality of construction and finish, as determined by DVD in its sole, absolute and unfettered discretion, and (ii) the Adjacent Condominium is constructed substantially in accordance with those plans and specifications.

C. COST AND TIME FOR COMPLETION. DVD must pay all costs of developing and constructing the Adjacent Project. DVD must complete each phase of any Adjacent Project within forty-eight (48) months after it starts building that phase; provided that if DVD splits a phase into multiple smaller phases, this rule will apply only to each separate smaller phase instead of to the phase as originally described in this Declaration. If there is a delay for reasons beyond the control of DVD or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. DVD must repair any damage to any Common Element roadway or driveway caused by the construction contractors. Any permanent walkway, driveway or 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 walkway, driveway or roadway, and the cost of liability insurance on it.

E. INSURANCE. DVD 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. If the Board asks, DVD must see that the insurance policy names the Condominium Association and the Property Management Company as additional insureds (persons protected by the insurance) unless the coverage cannot be obtained or is unreasonably expensive. DVD must

deposit evidence of the insurance with the Board and the Property Management Company if asked to do so.

25.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 25.1, DVD's Reserved Rights in this Section 25 include the right to do anything necessary or convenient to develop one or more Adjacent Projects on any Adjacent Parcel or Parcels and/or to merge any Adjacent Condominium with the Condominium. For example, DVD has these rights:

A. It can come onto the Condominium and authorize others to do so, using its easement under Section 7.1J, 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 City and County of Honolulu having jurisdiction over the issuance of building permits, or to sell Units, Vacation Interests or Fractional 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 Condominium or on the Adjacent Parcel.

C. It can connect the Adjacent Project to utilities of the Condominium so long as either (i) there are separate meters, (ii) the share of each project is determined in some other way that is fair and equitable, or (iii) the Adjacent Project is a condominium that will be merged with the Condominium.

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 29, or any SMA permits, 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 any Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional 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 other of DVD's Reserved Rights as may be necessary or convenient to develop one or more Adjacent Projects on any Adjacent Parcel or Parcels, and/or to merge any Adjacent Condominium with the Condominium pursuant to the Declaration of Merger. For example, DVD may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 30.3.

26. DVD'S RESERVED RIGHT TO CONVERT LIMITED COMMON ELEMENTS TO UNITS.

No matter what else the Condominium Documents say, and except as otherwise provided by law, DVD 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 Unit owned by DVD into one or more separate Units. Any Unit created in this way will be a New Unit.

26.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 26 are subject to these terms and conditions:

A. **PLANS AND SPECIFICATIONS.** If DVD chooses to build any New Improvements or to make any changes to the existing Improvements when using its reserved rights in this Section 26, 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, that require a building permit. The plans and specifications must be approved by the officer of the City and County of Honolulu 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 or better than the existing Improvements of the Condominium in terms of quality of construction and finish, as determined by DVD in its sole, absolute and unfettered discretion. DVD 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 adverse change to or the demolition of any existing Unit or Limited Common Element; provided that:

1) DVD 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 Units to provide electricity, hot and cold water, air conditioning and other applicable utilities and services. DVD 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 Condominium.

2) DVD can change or demolish all or any part of an existing Unit owned by DVD or where the Unit Owner consents to the change or demolition in writing. DVD cannot use its power of attorney under Section 30.3 to give this consent on behalf of the Unit Owner.

3) DVD can change or demolish all or any part of an existing Limited Common Element of a Unit owned by DVD or where the Unit Owner of the Unit 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 Unit then the consent of the Unit Owners of all of those Units is necessary. DVD cannot

use its power of attorney under Section 30.3 to give this consent on behalf of the Unit Owners.

C. COST AND TIME FOR COMPLETION. DVD must pay all costs of converting the Limited Common Element to a New Unit. DVD 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 DVD or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. DVD must repair any damage to the Common Elements caused by the construction contractors.

E. INSURANCE. DVD 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 Condominium Association and the Property Management Company as additional insureds (persons protected by the insurance). DVD must deposit evidence of the insurance with the Board and the Property Management Company.

26.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 26.1, DVD's Reserved Rights in this Section 26 include the right to do anything necessary or convenient to convert all or any part of a Limited Common Element appurtenant to a Unit owned by DVD into one or more separate Units. For example, DVD has these rights:

A. It can remove or change the Limited Common Elements to be converted and remove, change or add General Common Elements in the immediate vicinity of the Unit or Limited Common Element, as necessary or convenient (i) to establish the physical limits of each New Unit and/or its Limited Common Elements, (ii) to re-establish the physical limits of DVD's existing Unit and/or its Limited Common Elements, or (iii) otherwise to complete the conversion of the Limited Common Elements to a New Unit;

B. It can connect each New Unit to the utilities of the Condominium.

C. It can designate General Common Elements adjacent to the New Units, or Limited Common Elements appurtenant to a Unit owned by DVD, as Limited Common Elements appurtenant to one or more New Units. In legal terms, the interest of the Unit Owners and every other Interested Person, in the General Common Elements is a "defeasible interest" and is subject to this possible "defeasance."

D. It can sign, acknowledge and record one or more amendments to this Declaration and to the Condominium Map meeting the requirements of Section 26.3.

E. It can amend any recorded deed or other document conveying or encumbering any Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional 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 other of DVD's Reserved Rights as may be necessary or convenient to convert all or any part of a Limited Common Element appurtenant to a Unit owned by DVD into one or more separate Units. For example, DVD may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 30.3.

26.3 DVD MUST AMEND THE CONDOMINIUM DOCUMENTS. DVD must amend this Declaration and the Condominium Map in order to convert all or any part of a Limited Common Element appurtenant to a Unit owned by DVD into one or more separate Units.

A. CONTENT OF AMENDMENT TO DECLARATION. These rules apply to an amendment to the Declaration required or allowed by this Section 26.3:

1) It must state the unit number of each New Unit and 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.

2) It must change the description of the Limited Common Elements appurtenant to any Unit whose Limited Common Elements are being converted to a New Unit.

3) It must describe any material 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 Units to which they are appurtenant.

5) It must list the Common Interest of each Unit in the Condominium. This includes both the existing Units and the New Units. The Common Interest for each Unit will be determined as stated in Section 31.

6) It must state the purposes for which each New Unit is intended and restricted as to use, if different from the provisions in this Declaration.

7) It may provide easements for access to and from the New Units and any Limited Common Elements, across the General Common Elements and any other Limited Common Elements. It may also grant new easements to the New Units and/or affirm the grant to the New Units of the right to use any existing easements.

8) It may include anything else that DVD deems necessary or appropriate in its sole, absolute and unfettered discretion, 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 26.3:

1) It must show the layout, location, boundaries, unit numbers, and dimensions of the New Units.

2) Unless specifically described in an amendment to this Declaration, it must show the layout, location, and numbers or other identifying information of the Limited Common Elements, if any.

3) It may contain any additional or amended site plans, floor plans and elevations, or other drawings as DVD deems necessary or appropriate in its sole, absolute and unfettered discretion, or that is required by law.

4) It must be accompanied by a certificate signed by a registered architect or professional engineer if the Improvements have been or will be materially changed or if the Condominium Law requires it. The certificate must comply with any requirements set forth in the Condominium Law.

26.4 CONSEQUENCES OF CREATION OF NEW UNITS. This is what happens when DVD records the amendments to the Declaration and the Condominium Map required by Section 26.3:

A. CREATION OF UNITS. The New Units become condominium Units and are part of the Condominium for all purposes. The Limited Common Elements designated in the amendment will be appurtenant to the Units to which they are assigned. The Unit Owner of a New Unit can deed it, lease it, mortgage it, encumber it, or otherwise deal with title to it just the same as any other Unit. The Limited Common Elements converted to New Units will no longer be Limited Common Elements.

B. OWNERSHIP OF NEW UNITS. DVD is the "Unit Owner" of each New Unit and its Common Interest until DVD deeds or otherwise conveys it to someone else. Nobody else except DVD will have any rights in the Unit or its Common Interest (except, of course, the Fee Owner, as to its interest in the Land). (In legal terms, no Unit Owner or other Interested Person except the Fee Owner will have any "legal or equitable interest in or to" the New Units.) Of course, if DVD signs a proper mortgage that covers the Limited Common Elements converted to a New Unit then that mortgage will be valid, even if construction of the New Unit is not yet complete.

C. COMMON ELEMENTS; RESERVE FUNDS. After a New Unit is established and, if necessary, the City and

County of Honolulu issues a certificate of occupancy for the New Unit:

1) The Unit Owners of all of Units (including the New Units) will have the right to use the Common Elements in the Condominium to the same extent and subject to the same limits as if the Condominium had been developed with the New Units from the outset.

2) The Unit Owner of the New Unit must begin paying Assessments for Common Expenses of the Condominium. This does not require, however, that the Unit Owner pay Assessments for Common Expenses paid or incurred by the Condominium Association before the certificate of occupancy is issued for the New Unit.

3) All Reserve Account funds accumulated by the Condominium Association before DVD created the New Unit will become the property of all Unit Owners. Each Unit will have an interest in the Reserve Account funds proportionate to the Unit's percentage share of the Common Expenses. If it is necessary to assure that each Unit (including the New Unit) contributes a share of the Reserve Account funds equal to its percentage share of the Common Expenses, the Board may adjust the account of each Unit Owner by (i) refunding all or part of its money in the Reserve Account, (ii) giving a credit against future Assessments, (iii) charging a Special Assessment or series of Special Assessments, or (iv) doing anything else that is consistent with generally accepted accounting principles. The Board cannot, however, charge any Unit Owner a Special Assessment for reserves in any one month which exceeds twenty percent (20%) of the Regular Assessment for other Common Expenses, after excluding any Assessment for Reserve Accounts.

27. DVD'S RESERVED RIGHTS TO CONVERT UNITS TO LIMITED COMMON ELEMENTS, OR TO CONVERT UNITS OR LIMITED COMMON ELEMENTS TO GENERAL COMMON ELEMENTS.

No matter what else the Condominium Documents say, and except as otherwise provided by law, DVD reserves the right, at any time and from time to time, to convert: (i) any part of any Unit owned by DVD into Limited Common Elements appurtenant to that Unit, or (ii) all or any part of any Unit owned by DVD, or its Limited Common Elements, into General Common Elements.

27.1 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 27 are subject to these terms and conditions:

A. PLANS AND SPECIFICATIONS. If DVD chooses to build any New Improvements or to make any changes to the existing Improvements when using its reserved rights in this Section 27, 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 for which a building permit is required. The plans and specifications must be approved by the officer of the City and County of Honolulu 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 or better than the existing Improvements of the Condominium in terms of quality of construction and finish, as determined by DVD in its sole, absolute and unfettered discretion. DVD 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 adverse change to or the demolition of any existing Unit or Limited Common Element; provided that:

1) DVD has the 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 Unit 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. DVD 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 Condominium.

2) DVD can change or demolish all or any part of an existing Unit owned by DVD, or where the Unit Owner consents to the change or demolition in writing. DVD cannot use its power of attorney under Section 30.3 to give this consent on behalf of the Unit Owner.

3) DVD can change or demolish all or any part of an existing Limited Common Element of a Unit owned by DVD, or where the Unit Owner of the Unit 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 Unit then the consent of the Unit Owners of all of those Units is necessary. DVD cannot use its power of attorney under Section 30.3 to give this consent on behalf of the Unit Owners.

C. COST AND TIME FOR COMPLETION. DVD must pay all immediate costs of converting (i) any part of a Unit to Limited Common Element, or (ii) all or any part of a Unit and/or its Limited Common Element to General Common Elements. DVD 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 DVD or its contractors, the construction must be completed in the additional time reasonably needed to finish it by working on it diligently.

D. EXPENSES. DVD must repair any damage to the Common Elements caused by any construction contractors.

E. INSURANCE. DVD 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 Condominium Association and the Property Management Company as additional insureds (persons protected by the insurance). DVD must deposit evidence of the insurance with the Board and the Property Management Company.

F. MORTGAGE LENDER'S CONSENT. If DVD's Unit has a recorded mortgage on it, then the conversion will not take effect until both of these things happen:

1) The Mortgage Lender must give its consent in a recorded document.

2) If any part of a Unit and/or its Limited Common Element is being converted to General Common Elements, the Mortgage Lender must release the converted property from the mortgage in a recorded document.

27.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 27.1, DVD's Reserved Rights in this Section 27 include the right to do anything necessary or convenient to convert (i) any part of any Unit owned by DVD into Limited Common Elements appurtenant to that Unit, or (ii) all or any part of any Unit owned by DVD, or its Limited Common Elements, into General Common Elements. For example, DVD has these rights:

A. It can remove, change or add Common Elements in the immediate vicinity of the Unit or its Limited Common Elements, as necessary or convenient (i) to re-establish the physical limits of the remainder of the Unit 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 a Unit to Limited Common Element, or the conversion of all or any part of a Unit and/or its Limited Common Element to General Common Elements;

B. It can connect the remainder of the Unit or its Limited Common Elements to the utilities of the Condominium.

C. It can connect any newly designated General Common Elements or Limited Common Elements to the utilities of the Condominium.

D. It can sign, acknowledge and record one or more amendments to this Declaration and to the Condominium Map meeting the requirements of Section 27.3.

E. It can amend any recorded deed or other document conveying or encumbering any Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional 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 other of DVD's Reserved Rights as may be necessary or convenient to convert (i) any part of a Unit owned by DVD into Limited Common Elements appurtenant to that Unit, or (ii) all or any part of a Unit owned by DVD, or its Limited Common Elements, into General Common Elements. For example, DVD may reconfigure the interior of the remainder of the Unit as permitted by Section 18.2A.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 30.3.

27.3 DVD MUST AMEND THE CONDOMINIUM DOCUMENTS. DVD must amend this Declaration and the Condominium Map in order to convert (i) any part of a Unit owned by DVD into Limited Common Elements appurtenant to that Unit, or (ii) all or any part of a Unit owned by DVD, 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 27.3:

- 1) It must state the unit number of DVD's Unit affected.
- 2) If DVD's Unit has been reduced in size but not eliminated, it must describe the location, approximate area, number of rooms, immediate Common Elements to which the Unit has access, and anything else needed to properly identify it.
- 3) It must describe any additional or newly designated Limited Common Elements of the Unit.
- 4) If the Limited Common Elements have been reduced or eliminated, it must change the description of the Limited Common Elements appurtenant to the Unit.
- 5) It must describe any material change in or addition to the Common Elements.
- 6) It must list the Common Interest for each Unit in the Condominium. The Common Interest for each Unit will be determined as stated in Section 31.
- 7) It may include anything else that DVD 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 27.3:

- 1) If the Unit has been reduced in size but not eliminated, it must show the layout, location, boundaries, unit number, and dimensions of the remainder of the Unit.
- 2) If the Unit has been eliminated, it must change the floor plans to reflect that the Unit 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 as determined in DVD's sole, absolute and unfettered discretion.
- 4) It must be accompanied by a certificate signed by a registered architect or professional engineer if the Improvements have been or will be materially changed or if the Condominium Law requires it. The certificate must comply with any requirements set forth in the Condominium Law.

27.4 CONSEQUENCES OF CONVERSION. This is what happens when DVD records the amendments to the Declaration and the Condominium Map required by Section 27.3 and any consent or release of a Mortgage Lender required by Section 27.1F:

A. NEW LIMITED COMMON ELEMENT. Any part of the Unit converted to Limited Common Element will become a Limited Common Element appurtenant to that Unit for all purposes. DVD and all later Owners of that Unit 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 as if it had been appurtenant to Unit from the time that the Condominium was first developed.
- 2) They can deed the Unit 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 Unit.

B. NEW GENERAL COMMON ELEMENTS. Any part of the Unit or any Limited Common Element converted to General Common Element will become a General Common Element for all purposes. All Unit Owners will own the newly designated General Common Elements just as they own all other Common Elements. The Unit Owners of all of the Units will have the right to use the Common Elements in the Condominium, including the newly designated General Common Elements, to the same extent and subject to the same limits as if the Condominium 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 UNIT OR LIMITED COMMON ELEMENTS. If the Unit is reduced in size but not eliminated, then the new boundaries of the Unit and/or its Limited Common Elements will be changed as stated in the amendments to the Declaration and the Condominium Map required by Section 27.3 for all purposes.

D. RESERVE FUNDS. After:

1) DVD converts (i) any part of a Unit owned by DVD into Limited Common Elements appurtenant to that Unit, or (ii) all or any part of a Unit owned by DVD, or its Limited Common Elements, into General Common Elements, and

2) any construction is substantially completed,

all Reserve Account funds accumulated by the Condominium Association up to that time will become the property of all Unit Owners in the Condominium in proportion to the share of Common Expenses to be charged to each of them. The Board will not refund to DVD all or any part of the Reserve Account funds paid on account of any part of the Unit or its Limited Common Elements that is converted to General Common Elements.

28. DVD'S RESERVED RIGHT TO CHANGE THE CONDOMINIUM TO COMPLY WITH LAW.

No matter what else the Condominium Documents say, and except as otherwise provided by law, DVD reserves the right, at any time and from time to time, to change the Units, the General Common Elements, the Limited Common Elements, and/or to amend the Condominium Documents as required to comply with any laws that apply to the Condominium or to the Condominium Association, any Vacation Owners Association, any Fractional Owners Association, the Lagoon Condominium Association or DVD. 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, DVD 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. DVD may also use any other of DVD's Reserved Rights described in this Declaration in connection with the use of its rights under this Section 28. For example, DVD may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 30.3.

29. DVD'S RESERVED RIGHTS REGARDING ZONING AND LAND USE LAWS.

No matter what else the Condominium Documents say, and except as otherwise provided by law, DVD reserves the right to do all things necessary or convenient to satisfy the requirements of any zoning or other land use requirements that apply to the Condominium or any Adjacent Parcel from time to time. DVD may do this more than once and at any time before the Development Period ends.

29.1 LIMITS OF DVD'S RESERVED RIGHTS.

A. DVD must pay all of the immediate costs arising out of the use of DVD's Reserved Rights under this Section 29. DVD does not, however, have to pay the costs of the Condominium's ongoing compliance with any zoning and land use requirements that apply to the Condominium. The Condominium Association is responsible for ongoing compliance with all zoning and land use requirements, and must pay the cost to do so.

It is understood that ongoing costs are simply costs of owning property in Hawai'i. DVD is responsible for compliance with the zoning and land use requirements pertaining to the initial construction of any New Improvements and its initial remodeling of any existing Improvements, and must pay the cost to do so. DVD, however, has no obligation to comply with zoning or land use requirements that do not apply to DVD's initial construction of any New Improvements or its initial remodeling of any existing Improvements. If DVD chooses to do more than that, then it must also pay the cost of doing so.

B. Without the consent of the Lagoon Condominium Association, DVD may not use DVD's Reserved Rights under this Section 29 in a manner that materially and adversely prevents the use of the Vacation Homes located in Air Space Units H-5 and H-11 in the manner authorized in that certain instrument recorded as Land Court Document No. 3957907 (although such instrument is no longer in effect), as determined by DVD in its sole, absolute and unfettered discretion.

29.2 NATURE OF DVD'S RESERVED RIGHTS. Subject to the limits stated in Section 29.1, DVD's Reserved Rights under this Section 29 include the right to do anything necessary or convenient to satisfy the requirements of any zoning or land use requirements that apply to the Condominium or any Adjacent Parcel from time to time. For example, DVD has these rights:

A. It can do anything required by the zoning or land use laws. For example, the law may require that construction stop if historic, archaeological, or cultural sites are discovered. This would extend both the Development Period and the time period within which DVD must finish constructing New Improvements on the Condominium or any Adjacent Parcel, or remodeling existing Improvements.

B. It can enter into any agreements with the City and County of Honolulu or the State of Hawai'i, or any agency of either of them. It can also record those agreements so that they are binding on the Condominium, and it can do the things required by those agreements.

C. It can defend any challenge to any zoning or land use licenses and permits sought or obtained with respect to the Condominium. It can also enter into settlement agreements with anyone who challenges those zoning or land use licenses and permits or who otherwise intervenes in the licensing or permitting process, and do the things required by the settlements. It can also record those agreements so that they are binding on the Condominium, the Condominium Association, and/or the Unit Owners.

D. It can seek or agree to changes to the zoning or land use licenses and permits. However, DVD may not do so if the change would impose an unreasonable financial burden on the Condominium Association.

E. It can amend the Condominium Documents.

F. It can amend any recorded deed or other document conveying or encumbering a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) so that it conforms to the revised Condominium Documents. It can also record a new deed or conveyance document for that purpose.

G. It can use any other of DVD's Reserved Rights as may be necessary or convenient to satisfy any zoning or other land use requirements that apply to the Condominium from time to time. For example, DVD may sign, acknowledge, record and deliver documents and do other things in its own right and/or using its power of attorney under Section 30.3.

29.3 APPOINTMENT OF CONDOMINIUM ASSOCIATION FOR NOTICES. Each Unit Owner and every other Interested Person appoints the Condominium Association as its agent, and gives the Condominium Association a special power of attorney, to accept service of process and otherwise to receive and receipt for any notice to be given to the Unit Owners or other Interested Persons with respect to any zoning or land use matters relating to the Condominium or any Adjacent Parcel, or any proceedings relating to any of these things. Upon receiving service of process or any such notice, the Condominium Association must send a copy of it to each Unit Owner in the same manner that notice of Condominium Association meetings is given as provided in the Bylaws (or, in the case of Lagoon Unit Owners, as provided in Section 20.3B.8)), but any failure by the Condominium Association to do so shall not make the notice or service of process invalid. A Unit Owner will be responsible to provide a copy of any such notice to any Interested Person who has an interest through that Unit

Owner, but any failure by a Unit Owner to do so shall not make the notice or service of process invalid.

30. DVD'S RESERVED RIGHTS GENERALLY.

30.1 RELATIONSHIP TO INCREMENTAL OR PHASED DEVELOPMENT. DVD has adopted an incremental plan of development for the Condominium under which the Condominium will be developed in two or more stages. These stages are called "increments" or "phases." Some of DVD's Reserved Rights are or may be necessary or helpful to developing the Condominium in phases as described elsewhere in this Declaration. Even so, the use of DVD's Reserved Rights is not limited to the development of the Condominium in phases except to the extent that this Declaration expressly states otherwise.

30.2 NATURE OF DVD'S RESERVED RIGHTS. DVD may use DVD's Reserved Rights separately or in one or more combinations and at one or more times. DVD has no duty to use DVD's Reserved Rights. Nothing contained in the Condominium Documents can be deemed to be a representation that it will do so. For example, DVD has no duty to create any New Units, build any New Improvements, remodel any existing Improvements, and so on. Conversely, the use of these rights on one occasion does not limit or otherwise affect DVD's right to use them again from time to time. DVD's Reserved Rights are reserved and preserved to and may be used by DVD 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 Condominium or any part of it.

30.3 CONSENT; SPECIAL POWER OF ATTORNEY. DVD may use DVD'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 Condominium Association, any Unit Owner, any Mortgage Lender, or any other Interested Person.

A. When a Unit Owner or any other Interested Person acquires a Unit or any other interest in a Unit or the Condominium, such person automatically does each of these things:

1) It takes its interest in the Condominium subject to DVD's Reserved Rights, and each and every exercise and/or assignment of them.

2) It acknowledges, approves, consents to, agrees to and accepts:

(a) DVD's Reserved Rights and its use of them from time to time;

(b) That this may change the Condominium;

(c) That this may result in the recalculation of the Common Interest of some or all Units in some cases; and

(d) That DVD can sign, file and/or record any and all documents that DVD 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) It 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 DVD in its sole, absolute and unfettered discretion determines to be necessary or convenient to the use of DVD's Reserved Rights or to accomplish the purposes for which those rights were reserved (as determined by DVD in its sole, absolute and unfettered discretion). This promise includes but is not limited to the duty to sign, have notarized, deliver, and record a special power of attorney in the form attached as Exhibit F (with any changes needed to be able to record it).

4) It appoints DVD as its attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all things on its behalf. This means that DVD can act in the place of the Unit Owner and/or any other Interested Person. DVD can do anything that they could do, and they ratify, accept and confirm anything that DVD 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 Unit Owner or any other Interested Person.

(b) It includes "*full power of substitution*." This means that DVD can let someone else act in its place as a substitute attorney-in-fact.

(c) Each Unit Owner and every other Interested Person gives DVD this power of attorney whether or not it expressly says so in the deed, mortgage, or other document by which the Unit Owner or other Interested Person obtained any interest in the Condominium.

(d) It is a "*special power of attorney*." This means that DVD has the power to do only the things stated or intended by the Condominium Documents (as determined by DVD in its sole, absolute and unfettered discretion). This includes, however, the power to do anything else that DVD deems necessary or convenient to accomplish the stated or intended goal and anything incidental to it (as determined by DVD in its sole, absolute and unfettered discretion). Ambiguities must be resolved in favor of giving, not denying, DVD the power to act.

To be clear, and regardless of the preceding language of this Section 30.3, DVD intends and this Declaration should be

construed to provide, to the fullest extent permitted by law, that:

(1) Any amendment to the Condominium Documents made in connection with the use of DVD's Reserved Rights, and any other action taken by DVD using DVD's Reserved Rights, requires the vote or written consent of only DVD and does not require the vote or consent of any Unit Owner or any other Interested Person, and

(2) To the extent that the vote or written consent of any Unit Owner or other Interested Person is required, or if DVD deems it useful, then DVD may use this power of attorney to cast that vote or give that consent on behalf of that Unit Owner or other Interested Person.

B. When this Section 30.3 or any other Section of this Declaration dealing with DVD'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.

C. Certain parts of this Declaration permit DVD to record a new deed or conveyance document in connection with a change to the Condominium or the Condominium Documents. This is one way in that DVD can satisfy certain requirements of the Land Court. In such cases, it may be necessary for DVD to record a deed or other conveyance document from the Unit Owner back to DVD prior to recording the new deed or conveyance document from DVD to the Unit Owner. DVD has the authority to do so and may use its power of attorney under this Section 30.3 to sign any or all such documents as DVD deems necessary or useful in its sole discretion. A deed or other conveyance back to DVD, however, may only be used in connection with, and subject to the express limitations of this Declaration on, the exercise of DVD's Reserved Rights.

30.4 LIMITS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights in this Section 30 are subject to these terms and conditions:

A. DVD cannot use its power of attorney under Section 30.3A.4) to do any of these things:

1) It cannot give up (in legal terms, "waive or release") any right that a Unit Owner has, under the Condominium Law to cancel the purchase of a Unit.

2) It cannot give up (in legal terms, "waive or release") any right that a Unit Owner has, under the Time Share Act, to cancel the purchase of a Vacation Ownership Interest.

3) It cannot mortgage an Owner's Unit (if the Unit Owner owns the whole Unit), Vacation Ownership Interest, Fractional Ownership Interest or other undivided interest in a Unit.

4) It cannot otherwise encumber an Owner's Unit (if the Unit Owner owns the whole Unit), Vacation Ownership Interest, Fractional Ownership Interest or other undivided interest in a Unit unless this Declaration expressly permits it. For an example of express permission, see DVD's rights to grant utility easements and so on as provided in Section 7.4 or DVD's Reserved Rights to amend this Declaration or the other Condominium Documents.

B. DVD cannot use DVD's Reserved Rights in a way that prevents a Unit Owner from occupying his or her Unit or from having access to and from his or her Unit. This rule does not apply, however, to limits under any Vacation Plan Documents, Fractional Plan Documents, or the Master Declaration on the times when the Owner of a Vacation Interest or Fractional Interest can occupy his or her Unit or come onto the Condominium.

30.5 TRANSFER OF DVD'S RIGHTS.

A. If DVD signs and records a document that expressly transfers to someone else some or all of DVD's Reserved Rights, or any of DVD's other rights under the Condominium Documents, then that person will become "DVD" to the extent of the rights transferred. The new "DVD" can likewise transfer the rights it has. Each Unit Owner and other Interested Person, by acquiring a Unit or other interest in the Condominium, automatically consents to this and agrees to recognize the transferee as "DVD" under the Condominium Documents to the extent of the rights transferred.

B. DVD may also transfer its rights as collateral for a loan. If so, the lender will not have the rights of "DVD" until (i) it forecloses the loan, (ii) it holds the rights of DVD outright, and (iii) it records a document that says so. The lender will also have the rights of "DVD" if DVD assigns its rights to the lender, pursuant to Section 30.5A, in place of foreclosure, except as otherwise provided by the Condominium Law.

C. No deed, lease, mortgage, or other conveyance of any Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) will transfer any of DVD'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.

31. RECALCULATION OF COMMON INTERESTS.

Except where this Declaration says otherwise, if this Declaration requires that the Common Interest for two or more Units be recalculated, it will be determined as follows:

31.1 COMMON INTEREST. Each Unit will have an appurtenant undivided percentage interest in the Common Elements of the Condominium. The undivided percentage interest appurtenant to a particular Unit is based on the following fraction:

$$\frac{\text{The net living area of that Unit}}{\text{The sum of the net living areas for all Units in the Condominium}}$$

The percentage Common Interest appurtenant to a Unit is equal to the result of this fraction, rounded as provided in Section 31.4. Note that the term "net living area" is not limited to the area of a Unit that is suitable for occupancy. Rather the Hawai'i Condominium Regulations use the term "net living area" to refer to the floor area of a Unit.

31.2 CALCULATION OF NET LIVING AREA.

A. For purposes of Section 31.1, the net living area of each Standard Unit will be calculated in accordance with Exhibit C.

B. The boundaries of Air Space Units are defined by spatial coordinates rather than by reference to specific Improvements, and the interior area of each Air Space Unit will be based on measurements taken from the boundaries of the Air Space Unit regardless of whether the Unit includes any Improvements within its boundaries.

1) For purposes of Section 31.1 the net living area of Air Space Units other than Vacation Support Units for purposes of the Common Interest calculations shall be equal to one hundred percent (100%) of the interior area based on measurements taken from the boundaries of the Air Space Unit.

2) For purposes of Section 31.1 the net living area of Vacation Support Units for purposes of the Common Interest calculations shall be equal to twenty-five percent (25%) of the interior area based on measurements taken from the boundaries of the Vacation Support Unit.

C. DVD's architect calculated the initial net living area for each Unit and those areas are listed in Exhibit C. DVD can have a registered Hawai'i architect calculate the net living area of any newly created or changed Unit. The architect's calculations (subject to change if necessary when the "as built" certificate is filed for any Units) will be conclusive and binding upon all Unit Owners, and all other Interested Persons, unless the calculation is clearly and materially wrong.

31.3 UNITS IN FUTURE PHASES. When New Units are created, DVD has the right to reallocate the Common Interests among the existing Units and the New Units. This includes the right to change the Common Interests of existing Units. A change in the Common Interests may require that all existing deeds or conveyance documents be amended or replacement deeds or conveyance documents recorded. Since the Land is registered in the Land Court, a change in the Common Interest of existing Units might require issuance of new certificates of title. Since each Unit, each Vacation Ownership Interest and each Fractional Ownership Interest may have a separate certificate of title, this would be impractical, costly and time-consuming.

To avoid changing the Common Interest of existing Units, DVD has estimated the net living areas of certain future phases based on DVD's current plans for those phases (although these plans may change). The sum of the estimated net living areas for these potential future Units has been assigned to the Gazebo Unit (Unit 3001) as shown on Exhibit C, and the Common Interests have been calculated accordingly.

If and when DVD creates New Units, DVD has the right to reallocate a portion of the Common Interest of the Gazebo Unit to the New Units. It does this by reducing the fictional net living area of the Gazebo Unit by an amount equal to the net living area of the New Units. In effect, the net living area assigned to the New Units will be taken from the net living area of the Gazebo Unit, and the net living area of the Gazebo Unit will be reduced by that amount.

If at any time DVD 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 DVD may do either of the following things:

- DVD may revise the Common Interests so that the Common Interest for each Unit actually constructed will be determined in the manner provided in Sections 31.1 and 31.2. DVD may sign, acknowledge and record one or more amendments to this Declaration reflecting the changes to the Common Interests. DVD may also amend any previously recorded deed or other document conveying or encumbering a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) so that it conforms with the revised Declaration and/or to record a new deed or conveyance instrument for that purpose. DVD may do so in its own right and/or using its power of attorney under Section 30.3.
- DVD may record a deed or other conveyance document transferring the Gazebo Unit to a trustee in trust for the benefit of the Condominium Association. This would save the cost of amending this Declaration, any deeds or conveyance

documents that must be amended, and any Land Court Certificates of Title.

These rights are among DVD's Reserved Rights.

31.4 ROUNDING. It is important that the total of all Common Interests for all Units adds up to one hundred percent (100%). To make sure that this happens, DVD will round off the Common Interests to the nearest ten-thousandths of a percent (0.0001%). The Common Interests of one or more Units may be rounded up or down if it is necessary to reach a total of one hundred percent (100%), even if this results in identical Units having different Common Interests. DVD has absolute discretion in choosing the Units that will have their Common Interests rounded up or down, and in deciding whether to round them up or down by more than one ten-thousandths of a percent (0.0001%).

32. MASTER DECLARATION.

32.1 MASTER DECLARATION. DVD is developing a multi-use master planned resort project (the "Resort"), which will consist of retail, restaurant, hotel and timeshare components. The Resort shall also include certain Shared Areas, including roads, parking, support facilities, open space and other facilities.

The Condominium is one part of the Resort. The Lagoon Condominium, which is also a condominium, is part of the Resort as well. DVD also may develop other hotels, condominium projects, vacation ownership plans, time share plans, or fractional ownership plans in the Ko Olina Resort and include them in the Resort.

DVD contemplates that the Resort will have various facilities, some of which will be part of the Condominium and some of which will be part of the Lagoon Condominium. DVD has provided a way for the owners and occupants of both properties and any other projects included in the Resort to share the use of certain facilities located within the Resort, regardless of whether they are located in Condominium, the Lagoon Condominium, or elsewhere. DVD also wants to be sure that any improvements that may be developed on the Resort will be designed, constructed, used and maintained in conformity with the Disney Standard, to provide the means to update and enhance them over the years to keep up with modern trends for destination resorts, and to provide for the common use of and the sharing of expenses for the maintenance and repair of certain "Shared Areas." Finally, DVD intends to reserve the right to use some of these facilities for its own purposes.

For these and other reasons, DVD recorded the Master Declaration.

32.2 IMPOSITION OF STANDARDS. Among other things, the Master Declaration is intended to preserve and enhance the desirability and attractiveness of the Master Property and

to ensure that all permitted development on the Master Property will be designed, constructed and at all times operated, managed and maintained in compliance with all applicable laws and the Master Declaration, and in conformity with the Disney Standard, as determined by the Architectural Review Officer designated in or pursuant to the Master Declaration ("ARO") in its sole, absolute and unfettered discretion. To that end, all Open Areas, Shared Areas and Improvements (and any improvements of any Lagoon Units) will be subject at a minimum to the standards set in the Master Declaration and to the Disney Standard. The ARO and the Master Declarant shall have the right to require all Owners and the Condominium Association to comply with the Disney Standard, as determined by the ARO in its sole, absolute and unfettered discretion. The Condominium Association will have to pay, as a Common Expense, all costs for the Condominium to comply with the Disney Standard.

32.3 EXPENSES OF THE RESORT. The Improvements of the Condominium and the improvements of the Lagoon Condominium generally have been constructed as an integrated whole, although certain portions (for example, the restaurant building located in unit L-6 of the Lagoon Condominium) are separate from the main improvements of the Resort. It may be extremely difficult or impracticable to conduct cost accounting between the Condominium Association, the Lagoon Condominium Association, any Vacation Owners Association, any Fractional Owners Association the individual Owners of Units in this Condominium and the owners of units in the Lagoon Condominium with respect to the operation, maintenance and repair of the various components of the Resort. For example, the air conditioning system and electrical system serve the entire Resort and it is extremely difficult to isolate the share of the air conditioning system or electrical system used, e.g., to provide air conditioning or lighting in the hallways of the buildings. Moreover, the cost of requiring cost accounting as between the various associations, the Unit Owners, Lagoon Condominium unit owners, and other Interested Persons, would substantially increase the costs of administration to be borne by the various associations and other parties. Accordingly, and notwithstanding any provision of this Declaration to the contrary, the Master Declarant shall have the right to allocate the costs and expenses of the Resort in the manner provided in the Master Declaration. Any ambiguity in the Master Declaration as to which expenses may be so allocated by the Master Declarant must be resolved in favor of granting, not denying, the Master Declarant the right to make such allocations.

32.4 AMENDMENT. No matter what else the Condominium Documents say, no change to the Condominium Documents that materially and adversely changes, terminates, or otherwise impacts this Section 32 or any other rights or easements of the Master Declarant will be effective unless it is signed by the Master Declarant and, during the

Development Period, DVD. This Subsection 32.4 does not limit the exercise by DVD of DVD's Reserved Rights.

32.5 CONSENT OF MASTER DECLARANT. In the event that any provision of the Condominium Documents requires the consent or approval of the Master Declarant for any purpose, the Master Declarant shall have the right to grant or deny its consent or approval, may limit its consent or approval, and/or may establish conditions to granting its consent or approval, in its sole, absolute and unfettered discretion except to the extent expressly and explicitly otherwise provided in the Master Declaration.

33. DEVELOPMENT OF KO OLINA RESORT.

33.1 KO OLINA RESORT. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that the Condominium is part of Ko Olina Resort and that it is subject to and governed by the Ko Olina Documents.

33.2 KO OLINA ASSOCIATIONS. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that (a) the Ko Olina Resort Documents require that each Owner be a member of both the Ko Olina Community Association and the Ko Olina Resort Operators Association, (b) the Condominium Association must pay assessments to both the Ko Olina Community Association and the Ko Olina Resort Operators Association, and (c) the amounts paid are a Common Expense and each Owner must pay a Fair Share of it.

33.3 OBSTRUCTION OF VIEWS; NOISE; TRAFFIC. The owners of other property in Ko Olina Resort have the right to develop their land but do not have to do so. Each Owner understands, acknowledges, agrees and accepts that the views, if any, available from the Condominium or the Units may be obstructed, and that noise, dust, odors, vibrations, traffic and/or other nuisances in the vicinity of the Condominium may increase when (i) New Improvements are constructed on the Condominium, or (ii) any Adjacent Project is constructed, or (iii) any improvements are constructed elsewhere in Ko Olina Resort. 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 DVD and its Representatives, and each of their successors and assigns, and arising directly or indirectly out of or from such obstruction of views, additional noise, dust, odors, vibrations, traffic and/or other nuisances by reason of such further development.

34. MORTGAGES

34.1 NOTICE TO CONDOMINIUM ASSOCIATION. If a Unit Owner mortgages his or her interest in a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest), he or she must notify the Condominium Association of the name and address of the Mortgage Lender.

34.2 LENDER PROTECTION. Regardless of anything else stated in the Condominium Documents:

A. The Condominium Documents do not give a Unit Owner or anyone else priority over the rights of any Mortgage Lender under its mortgage in the case of a distribution to the Unit Owner of insurance or condemnation proceeds; provided, however, that this does not change the provision of the Declaration allocating proceeds as between DVD and the Unit Owners with respect to DVD's right to compensation or damages paid on account of loss of DVD's Reserved Rights.

B. No amendment to this Section 34.2 will affect the rights of any Mortgage Lender whose mortgage is recorded before the amendment unless the Mortgage Lender signs or approves (in legal terms, "joins in") the amendment in writing.

35. DISCLOSURES AND LIMITATIONS ON LIABILITIES.

35.1 GOLF COURSES. The Condominium is located near one or more golf courses and driving ranges. The Golf Course and driving range are NOT part of the Condominium.

A. Each Unit Owner and every other Interested Person understands, acknowledges, agrees and accepts that:

1) The proximity of the Condominium to the Golf Course creates inherent and potentially dangerous conditions and risks of personal injury and/or property damage to Unit Owners and anyone else present on the Condominium. For example, there is a risk of being struck by an errant golf ball (in addition to the risk of hearing profane speech in multiple languages and/or seeing overt demonstrations of anger, frustration, and dismay). There are various other risks as well, such as the risk that stray golf balls may dent or break the windows of vehicles going to and from the Condominium, startle persons on the Condominium, and so on.

2) Normal use and operation of the Golf Course may result in increased traffic, noise, gathering of crowds (especially if there is a tournament), trespassers, and related inconveniences or nuisances.

3) Operation, maintenance, repairs, and renovation of the Golf Course may include, for example,

mowing and trimming, irrigating, fertilizing, grading, plowing, hauling, storing, herbicide and pesticide spraying, water diversion, the existence of water hazards, and all other activities incidental to the ownership, operation, maintenance, repair, and periodic renovation of a golf course. These activities may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, particulates, insect infestations, vibrations and other substances and phenomena of every description (collectively, the "Golf Course By-Products") to be discharged, emitted, or transmitted over and upon the Condominium. The Golf Course By-Products may result in nuisances or hazards to persons or property including, for example, personal injury and property damage to Unit Owners and anyone else occupying or using the Condominium.

B. DVD, the Condominium Association, the Property Management Company, and each Unit Owner here and now gives notice of the activities and effects described above (the "Golf Activities") and of the risks of personal injury and/or property damage resulting from or incidental to the Golf Course Activities (the "Golf Course Risks"). **Each Interested Person and anyone else who is present on the Property:**

1) Assumes all risks of personal injury, death, or loss or damage to property resulting from or incidental to any of the Golf Course Activities or the Golf Course Risks, and

2) Gives up (in legal terms, "waives, releases and discharges") all rights, claims and actions that such person may have against the Protected Persons, now or in the future, for personal injury, death, or loss or damage to property arising from or related to the Golf Course Activities or the Golf Course Risks and agrees to indemnify the Protected Persons from any such rights, claims and actions, and any related costs, damages, losses and expenses including but not limited to legal fees and costs. The "Protected Persons" are (i) DVD and all of its affiliates (including any affiliates that may own, operate and/or manage one or more Golf Courses next to or near the Condominium), the Unit Owners, the Condominium Association, the Lagoon Condominium Association, the Property Management Company, the property management companies for the Lagoon Condominium Association, any Vacation Owners Association and any Fractional Owners Association, and the Fee Owner; (ii) the Representatives of each person listed in item (i); and (iii) the successors and assigns of each person listed in items (i) and (ii).

C. Deductibles payable on account of an insured loss caused by errant golf balls shall be the responsibility of the person who suffers the loss, without limitation of that person's right to recover from the Golf Course owner or

golfer as provided by law, but under no circumstances shall DVD, the Condominium Association, be responsible.

D. DVD makes no representation as to the continued existence, configuration, or use of the Golf Course. This includes, but is not limited to, the continued existence of any view planes across the Golf Course, the presence or absence of any plants or water features now or hereafter located on the Golf Course, and so on. It is possible that some or all of the land currently occupied by the Golf Course may be used for other purposes at some point in the future. This may include, for example, the development of low-rise or high-rise hotels or condominiums, or any other use permitted by law, now or in the future.

35.2 SUGAR CANE AND OTHER AGRICULTURAL OPERATIONS. Each Owner and every other Interested Person understands, acknowledges, agrees and accepts that (i) the Condominium is located on a site previously used and operated for farming sugar cane and for other agricultural operations, and (ii) the Condominium 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 Condominium. Each Owner also hereby acknowledges that the Hawai'i Right to Farm Act (Chapter 165 of the Hawai'i Revised Statutes) and Hawai'i law limit the circumstances under which farming operations may be deemed to be a nuisance. 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 DVD or the State of Hawai'i, 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.

35.3 SECURITY. The Condominium Association, DVD, the Master Declarant and/or the Property Management Company may, but need not, take steps designed to make the Association Property, the Condominium and/or the Master Property safer than it otherwise might be. The Condominium Association, the Master Declarant, the Property Management Company, the Fee Owner and The TWDC Companies (including but not limited to DVD, DVCHMC and BVTC), and each of their respective Representatives, are not in any way to be considered insurers or guarantors of safety or

security within the Association Property, the Condominium, or the Master Property, 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. The Condominium Association, the Master Declarant, the Property Management Company, the Fee Owner and The TWDC Companies (including but not limited to DVD, DVCHMC and BVTC) make no 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 Condominium, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Condominium or to any Unit; or (iv) will provide the detection or protection which it is designed or intended to provide. Each Unit Owner and every other Interested Person, including but not limited to each occupant of each Unit or any portion of a Unit, acknowledges, understands, and agrees that the Condominium Association, the Master Declarant, the Property Management Company, the Fee Owner and The TWDC Companies (including but not limited to DVD, DVCHMC and BVTC) are not insurers and each person present on the Condominium or the Master Property assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

35.4 WARRANTIES. DVD is the developer of the Condominium, but DVD is not the contractor or related to the contractor that is constructing the Condominium. DVD makes no warranties, express or implied, about the Units, the Condominium, or the Master Property (whether or not located within the Condominium), or about consumer products or anything else now or hereafter installed or contained in the Units, the Condominium, or the Master Property. 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 Units, the Condominium and/or the Master Property are sold by DVD "as is" and "where is," with all defects, whether visible or hidden, and whether known or not known. This means, among other things, that neither DVD nor any of its affiliates (including but not limited to DVCHMC, BVTC and any other of The TWDC Companies) 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. Each Unit Owner and every other

Interested Person, and all of their respective Guests, gives up (in legal terms, "waives and releases") any and all rights and claims such person (or such person's successors and assigns) may have, now or in the future, against DVD, its affiliates (including but not limited to DVCHMC, BVTC and any other of The TWDC Companies), their respective Representatives, and each of their respective successors and assigns, for (i) any defects in the Units, the Condominium, or the Master Property, or any consumer products or anything else installed or contained in the Units, the Condominium, or the Master Property, and (ii) for injury to persons or property arising from any such defects. This means that neither DVD nor any affiliate of DVD (including but not limited to any of The TWDC Companies) will 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 DVD (or by any of The TWDC Companies).

The provisions of this Section 35.4 shall also apply to any New Improvements added by DVD from time to time.

35.5 DISCLOSURES AS TO DISNEY BRAND. DVD has entered into certain agreements with TWDC and/or The TWDC Companies that provide DVD, among other things, with the rights to utilize the name "Disney," certain "Disney" caricatures, fanciful characters, logos or other trademarked symbols registered by one or more of The TWDC Companies (individually and collectively, the "Disney Brand") in sales and marketing materials. Each Owner agrees that neither use by DVD of the Disney Brand nor licensing of the Disney Brand to the Condominium or the Condominium Association, shall make TWDC or any of The TWDC Companies other than DVD: (1) a developer of, or seller of any interest in, or marketing or sales agent for, the Master Property or the Condominium, or (2) the entity offering or promoting the Condominium or any other product offered by DVD, DVCHMC or BVTC, including but not limited to any Vacation Ownership Interests and/or Fractional Ownership Interests. Each Owner waives (gives up) any claims, whether specific or not, that TWDC or The TWDC Companies, other than DVD, is liable or responsible as such developer, seller, and marketing and sales agent with respect to the Master Property or the Condominium. 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 Condominium Association nor any of the Unit Owners are intended third party beneficiaries of any contractual obligations between (i) TWDC and/or The TWDC Companies, and (ii) DVD,

DVCHMC and/or BVTC. Among other things, this means that the Condominium Association and the Unit Owners have no right to enforce any such contractual obligations.

36. TRANSFER OF COMMERCIAL UNITS TO CONDOMINIUM ASSOCIATION.

A Commercial Unit Owner has the right (but no duty) to deed or otherwise convey his or her Unit and its Common Interest to the Condominium Association or to the trustee of a trust where the Condominium Association is a beneficiary. The Unit Owner must give notice to the Condominium Association at least thirty (30) days in advance. The Condominium Association must accept the Unit and Common Interest or the beneficial interest in a trust. If the Unit Owner requests it, the Condominium Association must sign the deed or conveyance document or, in case of a trust, any document required to establish the trust or to transfer the beneficial interest to the Condominium Association. This Section cannot be amended without the consent of all Unit Owners of Commercial Units in the Condominium and each Mortgage Lender having a mortgage on a Commercial Unit.

37. AMENDMENT AND RESTATEMENT OF DECLARATION.

37.1 GENERAL.

A. GENERAL RULE. The Unit Owners may amend this Declaration by vote or written consent of at least sixty-seven percent (67%) of the Total Voting Interests. An amendment will take effect only after if it is signed by the proper officers of the Condominium Association and is recorded. The rules in this Section 37.1A apply except where this Declaration or the Condominium Law provide otherwise.

B. SUPER-MAJORITY VOTE. Despite what Section 37.1A 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 a proposal not to repair or rebuild the Condominium after it is damaged must be approved by eighty percent (80%) of the Total Voting Interests, then the vote of eighty percent (80%) of the Total Voting Interests is necessary to amend that provision despite what Section 37.1A says.

37.2 CHANGES BY DVD OR A UNIT OWNER. Despite what Section 37.1 says, Unit Owners who change or alter their Unit(s), the Common Elements and/or the Limited Common Elements pursuant to Section 18.2A may amend this Declaration and/or the Condominium Map as permitted by Section 18.4. The same rules apply to changes made by DVD pursuant to Section 18.2A or otherwise in the exercise of DVD's Reserved Rights. Neither the Unit Owner nor DVD needs the consent of anyone else who owns a Unit or interest in a Unit (for example, a Vacation Ownership

Interest or Fractional Ownership Interest), or any other Interested Person. It is not necessary for any officers of the Condominium Association to sign the amendment, but the amendment must be recorded to be effective.

37.3 DVD'S RESERVED RIGHTS TO AMEND.

A. Despite what Section 37.1 says, DVD'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 DVD first records a deed, other conveyance document or agreement of sale transferring a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest) to someone other than (i) DVD, (ii) any of The TWDC Companies, or (iii) any lender.

2) It may change them to file the "as-built" certification (with plans, if necessary or convenient) required by the Condominium Law. DVD may do this each time a phase or increment of the Condominium, whether remodeling or New Improvement, is completed. It may also do this at any other time required by law or permitted by this Declaration. DVD does not need the consent of anyone else who owns a Unit or interest in a Unit (for example, a Vacation Ownership Interest or Fractional Ownership Interest), or any other Interested Person.

3) It may change them to comply with the laws and regulations in effect in the State of Hawai'i, or the requirements of any government agency in Hawai'i.

4) It may change them to comply with the laws or regulations of any place (for example, the State of New York) or the requirements of any government agency (such as the California Department of Real Estate) in connection with the registration of the (i) Condominium, (ii) any Vacation Plan that includes one or more Units, (iii) any Fractional Plan that includes one or more Units, (iv) any Adjacent Project, or (v) the Disney Vacation Club® (if any Owner is a member), to permit the sale of Units, Vacation Interests, or Fractional Interests (or any Units, Vacation Interests, or Fractional Interests in an Adjacent Project) there.

5) It may change them to satisfy requests for changes made by any commercial lender loaning money to DVD, by any investor in mortgages initially made in favor of DVD, or by any title company licensed to do business in the State of Hawai'i.

6) It may change them to facilitate the operation and management of the Condominium, any Vacation Plan that includes one or more Units, any Fractional Plan that includes one or more Units, any Adjacent Project, or the Disney Vacation Club®; or

7) It may change them to correct any errors or mistakes reflected in any of the Condominium Documents. For example, DVD can amend this Declaration to correct a mistake in the legal description of the Land, to add any missing words, to delete words that should have been deleted, to state the correct Common Interest, and so on.

B. DVD may use these rights at any time and it may use them more than once. DVD may sign, record and deliver amendments in its own name and/or in the name of the Condominium Association, Unit Owners or other Interested Persons pursuant to its power of attorney under Section 30.3. It does not have to be signed or approved by anyone else.

37.4 LIMITS ON AMENDMENTS.

A. **CHANGES TO UNIT BOUNDARY, COMMON INTEREST OR USES.** Despite what Sections 37.1, 37.3A.4) and 37.3A.5) say, and except as otherwise provided in this Declaration, no amendment to this Declaration may materially and adversely: (1) decrease the size of a Unit, (2) change the location of the Unit, (3) change any exclusive easement appurtenant to the Unit, (4) change the Common Interest of the Unit, or (5) change the permitted uses and restrictions on the use of the Unit or its Limited Common Elements. This rule does not affect amendments made and/or recorded in connection with DVD's exercise of DVD's Reserved Rights. This rule does not apply to Units where the Unit Owner and each Mortgage Lender having a mortgage on the Unit signs the amendment. DVD cannot use its power of attorney under Section 30.3 to give this consent on behalf of a Unit Owner or its Mortgage Lender.

B. **CHANGES TO DVD'S RESERVED RIGHTS.** Regardless of anything else stated in the Condominium Documents, no amendment to any of the Condominium Document(s) that changes, terminates, or otherwise affects any of DVD's Reserved Rights, or any other rights or privileges of DVD under the Condominium Documents or the Master Declaration, will be effective unless DVD gives its written consent and signs the amendment, and the amendment is recorded.

C. **AIR SPACE UNITS H-5 AND H-11.** Without the written consent of DVD and the Lagoon Condominium Association, the Condominium Association shall adopt no amendment to any of the Condominium Documents (1) that (a) is inconsistent with the corresponding provisions of the Lagoon Condominium Documents, and (b) materially and adversely affects the rights of the owners and occupants of the Lagoon Condominium to use and enjoy Air Space Units H-5 and H-11 in the manner authorized in that certain instrument recorded as Land Court Document No. 3957907 (although such instrument is no longer in effect), as determined by DVD in its sole, absolute and unfettered discretion, or (2) that increases the proportionate share of the Common Expenses of the Condominium allocable to Air

Space Units H-5 and H-11. This Section 37.4C does not apply to, limit or restrict DVD's Reserved Rights.

37.5 RESTATEMENT. Whenever DVD amends this Declaration, the Articles of Incorporation or the Bylaws in the exercise of DVD's Reserved Rights, it may also restate this Declaration, the Articles of Incorporation and/or the Bylaws, and incorporate the amendment in the restated document. It may also replace the Condominium Map with a new one. Although Part VI of the Condominium Property Act does not apply to the Condominium, the Condominium Association may restate this Declaration, the Articles of Incorporation and/or the Bylaws in the same manner as provided in Part VI of the Condominium Property Act, just as though it applied.

38. MISCELLANEOUS.

38.1 SPECIAL POWER OF ATTORNEY. Whenever this Declaration, the Articles of Incorporation or the Bylaws provides that a person gives the Condominium Association or a Unit Owner a "power of attorney" or appoints the Condominium Association or a Unit Owner as "attorney-in-fact," the following rules apply (unless a particular section, like Section 30.3, 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 any 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 Condominium.

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.

38.2 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.

38.3 CHANGES IN THE LAW. If any law that applies to the Condominium changes after this Declaration and the Bylaws are recorded, the change in law will control over the provisions of the Declaration, the Articles of Incorporation or the Bylaws, but only to the extent that:

A. 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, or

B. The law permits the Condominium Association to elect to be subject to the law, and the Condominium Association elects to do so.

38.4 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 ignored or otherwise overlooked.

38.5 CAPTIONS; INTERPRETATION. DVD has tried to divide this Declaration into useful sections and to provide captions describing each section. DVD has also included a table of contents. The captions and table of contents are provided for convenience only. They do not define, limit or describe the scope or intent of the provisions of this Declaration. Unit Owners must read with care each and every part of this Declaration, not just the captions or the table of contents.

Where this Declaration or the other Condominium Documents say things like "for example", it means that there may be other examples besides the examples given. Likewise, when the Condominium Documents use language such as "among other things," "including," and similar terms and phrases, the effect of those Sections is not limited to the examples given unless it clearly says so.

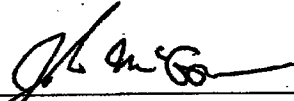
38.6 PRONOUNS. Pronouns (for example, "his" or "her") used in the Condominium Documents include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

38.7 COMPLIANCE WITH CODES. The Condominium is or will be in compliance with all zoning and building ordinances and codes, and all other permitting requirements pursuant to section 514B-5 of the Condominium Act.

[SIGNATURES ON NEXT PAGE]

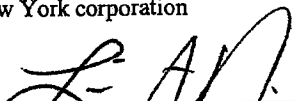
DVD and ABC have signed this Amended and Restated Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium on September 7, 2011. It will take effect when it is recorded.

DISNEY VACATION DEVELOPMENT, INC.,
a Florida corporation

By 
Name: John McGowan
Title: Secretary

ABC joins in this Declaration for the sole purpose of permitting DVD to comply with the requirements relating to the submission of the Land to a condominium property regime pursuant to the Act. ABC has not reviewed this Declaration for adequacy or compliance with law, and expressly disclaim any responsibility for this Declaration, the matters set forth herein, and/or any other documents or agreements relating to the Condominium, including, but not limited to, the Bylaws and any public report issued under the Condominium Property Act or any public report issued under Chapter 514B of the Hawai'i Revised Statutes relating to the Condominium or any disclosure statement issued under Chapter 514E of the Hawai'i Revised Statutes relating to the Condominium or any Vacation Plan established with respect to it. DVD, the Condominium Association, all Unit Owners, Mortgage Lenders, vendors and vendees under Agreements of Sale, tenants and occupants of Units and their employees, business invitees and any other persons who may use any part of the Condominium do so with the understanding that ABC has no liability hereunder, and each and every one of the foregoing shall be deemed to the fullest extent permitted by law to have waived as against ABC, and to have released ABC, as to any claim relating to the Condominium. No action taken by DVD or any other person pursuant to this Declaration shall be deemed to be the act of ABC, unless such action is expressly authorized or approved by ABC in writing in each instance. Notwithstanding anything provided to the contrary, under no circumstances will ABC have any liability for expenses under this Declaration except to the extent that ABC is a Unit Owner. In the event ABC is found to be liable in any claim relating to this Declaration, any recovery shall be limited to ABC's interest in the Land, and shall not extend to any other assets of ABC or the individual officers, directors, agents and employees of ABC.

ABC, INC.,
a New York corporation

By 
Name: Leigh A Nieman
Title: Assistant Secretary

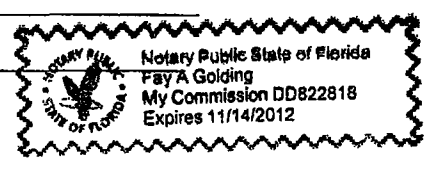
STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 7 day of September, 2011, before me personally appeared John McGowan 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.

Fay A. Golding
Name: FAY A. GOLDING

Notary Public, State of _____

My Commission expires: _____



STATE OF FLORIDA)
) ss:
COUNTY OF ORANGE)

On this 7 day of September, 2011, before me personally appeared Leigh A. Neiman 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.

Fay A. Golding
Name: FAY A. GOLDING

Notary Public, State of _____

My Commission expires: _____

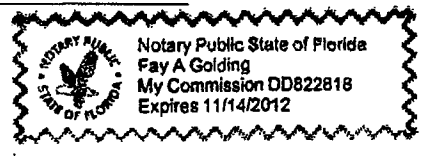


Exhibit A

(to Declaration of Condominium Property Regime)

Description of the Land

PARCEL FIRST (Portion of TMK (1) 9-1-057-034)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

Lot 4604-A, area 6.137 acres, more or less, as shown on Map 1325, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Transfer Certificate of Title No. 879,924, recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 2011-134261.

NOTE: Lot 4604-A shall have access over Lots 4633 and 4639, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069, and also over Lots 4597, 4599, 4600, 4601 and 4602, as shown on Map 450, as set forth by Land Court Order No. 92806, filed March 6, 1989.

PARCEL SECOND (Portion of TMK (1) 9-1-057-034)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

Lot 5345-A, area 5.553 acres, more or less, as shown on Map 1325, filed in said Office with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Transfer Certificate of Title No. 879,926, recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 2011-134263.

NOTE: Lot 5345-A shall have access to Farrington Highway across Lots 4633 and 4638, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069, and also over Lots 4745 and 4744, as shown on Map 476 filed with Land Court Application No. 1069, and also over Lots 4599, 4600 and 4602, as shown on Map 450 filed with Land Court Application No. 1069, as set forth by Land Court Order No. 96075, filed December 5, 1989.

SUBJECT HOWEVER TO THE FOLLOWING ENCUMBRANCES:

1. AS TO PARCELS FIRST AND SECOND ONLY:
 - a. Title to all mineral and metallic mines reserved to the State of Hawai'i.
 - b. CERTIFICATE AND AUTHORIZATION dated October 8, 1985, filed in said Office as Land Court Document No. 1328029, and also recorded in the Bureau of Conveyances of the State of Hawai'i in Book 19004, Page 123.

The foregoing Certificate and Authorization was amended by AMENDMENT TO CERTIFICATE AND AUTHORIZATION dated July 3, 1994, recorded in said Bureau as Document No. 94-120723.

c. UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated February 21, 1986, filed in said Office as Land Court Document No. 1354687.

The foregoing instrument was amended by RELEASE OF DEVELOPMENT AGREEMENT AND PARTIAL SATISFACTION OF UNILATERAL AGREEMENT dated November 12, 1993, filed in said Office as Land Court Document No. 2090355, and also recorded in said Bureau as Document No. 93-195382.

d. UNRECORDED AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT by and between the TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, "CE", and WEST BEACH ESTATES, a Hawai'i general partnership, "WBE", dated December 1, 1986.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM DEVELOPMENT AGREEMENT dated December 1, 1986, filed in said Office as Land Court Document No. 1419770.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement was amended by UNRECORDED FIRST AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated March 19, 1993.

The foregoing unrecorded First Amendment to Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM FIRST AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated April 7, 1994, filed in said Office as Land Court Document No. 2141539.

The interest of West Beach Estates in the foregoing Unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was assigned to KO OLINA COMPANY, LLC, a Delaware limited liability company, by ASSIGNMENT OF DEVELOPMENT AGREEMENT dated August 20, 1998, filed in said Office as Land Court Document No. 2479691.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was further amended by UNRECORDED SECOND AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated June 25, 1999.

The foregoing unrecorded Second Amendment to Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM OF SECOND AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated December 21, 1999, filed in said Office as Land Court Document No. 2600070.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Second Amendment, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649643.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was further amended by UNRECORDED THIRD AMENDMENT AND RESTATEMENT AND PARTIAL ASSIGNMENT OF KO OLINA RESORT DEVELOPMENT AGREEMENT dated August 29, 2007.

The foregoing unrecorded Third Amendment and Restatement was confirmed by SHORT FORM OF THIRD AMENDMENT AND RESTATEMENT AND PARTIAL ASSIGNMENT OF KO OLINA RESORT DEVELOPMENT AGREEMENT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649644.

e. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS dated December 1, 1986, filed in said Office as Land Court Document No. 1419771.

The foregoing Declaration was amended by instruments dated December 7, 1989, filed in said Office as Land Court Document No. 1702235, dated ----, filed in said Office as Land Court Document No. 2829644, and dated March 12, 2004, filed in said Office as Land Court Document No. 3083061.

Consent thereto by West Beach Estates, a Hawai'i general partnership, filed concurrently in said Office as Land Court Document No. 1702236.

Consent thereto by Ko Olina Company, LLC, Pacific Northwest, Ltd., Ko Olina Chapel, LLC, 300 Corporation, HRT, Ltd., Honolulu Limited, Ko Olina 300, LLC, Centex Homes, and Ko Olina Beach Lagoon Estates, LLC, filed concurrently in said Office as Land Court Document No. 3083062.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Declaration, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649643.

Certain rights of James Campbell Company LLC in the foregoing Declaration, were assigned to KO OLINA DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, by PARTIAL ASSIGNMENT AND MODIFICATION OF KO OLINA DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649645.

f. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in TRUSTEES' LIMITED WARRANTY DEED dated December 1, 1986, filed in said Office as Land Court Document No. 1419772.

The foregoing instrument was amended by AMENDMENT OF DEED dated May 8, 1991, filed in said Office as Land Court Document No. 1821776.

The foregoing instrument, as amended, was further amended by AGREEMENT FOR PARTIAL TERMINATION OF CONSTRUCTION EASEMENT AND RIGHT OF WAY AND RELEASE OF DEED RESTRICTION dated October 9, 1991, filed in said Office as Land Court Document No. 1857006.

g. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION dated December 1, 1986, filed in said Office as Land Court Document No. 1419773.

The foregoing Declaration was amended by instruments dated June 27, 1995, filed in said Office as Land Court Document No. 2249998, dated April 16, 1997, filed in said Office as Land Court Document No. 2377790, and dated September 24, 1999, filed in said Office as Land Court Document No. 2583045.

Consent to Amended Declaration of Covenants for Ko Olina Community Association and Agreement, dated June 27, 1995, filed in said Office as Land Court Document No. 2249999.

The interest of West Beach Estates in the foregoing Declaration, as amended, was assigned to KO OLINA DEVELOPMENT, LLC, a Delaware limited liability company, by ASSIGNMENT OF DECLARANT RIGHTS dated August 20, 1998, filed in said Office as Land Court Document No. 2479692.

AMENDED AND RESTATED DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION; CONSENT OF THE ESTATE OF JAMES CAMPBELL; CONSENT OF DECLARANT'S MORTGAGEE (herein called the "Ko Olina Declaration") dated March 13, 2006, filed in said Office as Land Court Document Nos. 3426805 through 3426807.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Amended and Restated Declaration, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT dated August 29, 2007, filed in said Office as Land Court Document No. 3649643.

Certain rights of James Campbell Company LLC in the foregoing Amended and Restated Declaration, were assigned to KO OLINA DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, by ASSIGNMENT OF RIGHTS UNDER AMENDED AND RESTATED DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649646.

h. AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 21-5.380 OF THE LAND USE ORDINANCE (LUO) dated June 14, 2006, filed in said Office as Land Court Document No. 3446051.

The foregoing instrument was amended by instrument filed in said Office as Land Court Document No. 3843447.

i. Terms, provisions, reservations, covenants, conditions and restrictions as contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGEMENT (ESTATE FOR YEARS) filed in said Office on October 5, 2007, as Land Court Document No. 3664877.

j. Terms, provisions, reservations, covenants, conditions and restrictions as contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGEMENT (REMAINDER INTEREST) filed in said Office on October 5, 2007, as Land Court Document No. 3664878.

k. Terms, provisions, reservations, covenants, conditions and restrictions as contained in DECLARATION OF RESTRICTIVE COVENANTS REGARDING USE; RESERVED POWER TO GRANT OR MODIFY EASEMENTS, filed in said Office on October 5, 2007, as Land Court Document No. 3664879.

l. The terms and provisions contained in SHORT FORM MEMORANDUM OF HOTEL PORTION LIMITED RIGHT OF FIRST OFFER (ESTATE FOR YEARS) by and between DISNEY VACATION DEVELOPMENT, INC.; a Florida corporation, KO OLINA PARCEL 15 LLC, KO OLINA PARCEL 13-1 LLC, KO OLINA PARCEL 13-2 LLC, and KO OLINA PARCEL 13-3 LLC, each a Hawai'i limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664882.

m. The terms and provisions contained in SHORT FORM MEMORANDUM OF HOTEL PORTION LIMITED RIGHT OF FIRST OFFER (REMAINDER INTEREST) by and between ABC, INC., a New York corporation, KO OLINA PARCEL 15 LLC, KO OLINA PARCEL 13-1 LLC, KO OLINA PARCEL 13-2 LLC, and KO OLINA PARCEL 13-3 LLC, each a Hawai'i limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664883.

n. Terms, provisions, reservations, covenants, conditions and restrictions as contained in DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VACATION AND

RECREATION EXPERIENCE PRESERVATION filed in said Office on October 5, 2007, as Land Court Document No. 3664884.

o. The terms and provisions contained in KO OLINA RESORT PARCEL 19 HEIGHT LIMITATION AGREEMENT by and between KO OLINA CHAPEL, LLC, a Hawai'i limited liability company, DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, and ABC, INC., a New York corporation, filed in said Office on October 5, 2007, as Land Court Document No. 3664885.

p. The terms and provisions contained in WAIVER OF GOLF TERMINATION RIGHTS by and between DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, ABC, INC., a New York corporation, and KO OLINA INTANGIBLES, LLC, a Delaware limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664889.

q. The terms and provisions contained in KO OLINA DEVELOPMENT LLC ESTOPPEL STATEMENT filed in said Office on October 5, 2007, as Land Court Document No. 3664890.

r. The terms and provisions contained in JAMES CAMPBELL COMPANY LLC ESTOPPEL STATEMENT filed in said Office on October 5, 2007, as Land Court Document No. 3664891.

s. The terms and provisions contained in KO OLINA DEVELOPMENT LLC ESTOPPEL STATEMENT REGARDING UNIT COUNTS filed in said Office on October 5, 2007, as Land Court Document No. 3664892.

t. The terms and provisions contained in SHORT FORM MEMORANDUM OF FLOOR AREA ALLOCATION AGREEMENT filed in said Office on April 3, 2009, as Land Court Document No. 3844930.

u. The terms and provisions contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGMENT (ESTATE FOR YEARS), filed in said Office on April 22, 2010, as Land Court Document No. 3957506.

v. Terms, provisions, reservations, covenants, conditions and restrictions as contained in DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR AULANI, A DISNEY RESORT & SPA, KO OLINA, HAWAII, dated April 12, 2010, filed in said Office on April 22, 2010, as Land Court Document No. 3957567, all rules and policies adopted pursuant to it, and any changes and additions made to any of them from time to time.

w. Terms, provisions, reservations, covenants, conditions and restrictions as contained in MASTER COTENANCY AGREEMENT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, filed in said Office on April 22, 2010, as Land Court Document No. 3957568 and all changes and additions made to it from time to time.

x. Terms, provisions, reservations, covenants, conditions and restrictions as contained in AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII CONDOMINIUM DECLARATION OF MERGER OF CONDOMINIUM PHASES dated April 12, 2010, filed in said Office on April 22, 2010, as Land Court Document No. 3957569.

2. AS TO PARCEL FIRST (LOT 4604-A) ONLY:

a. Easement 1926 for road access and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

b. Easement 1928 for electrical and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

c. A Grant of Easement for electrical and utility purposes over Easement 1928, in favor of Hawaiian Electric Company, Inc., a Hawai'i corporation, filed in said Office as Land Court Document No. 2338597.

3. AS TO PARCELS FIRST (LOT 4604-A) AND SECOND (LOT 5345-A) ONLY:

a. Easement 1922 for electrical and communication purposes as shown on Map 451, as set forth by Land Court Order No. 92806. The foregoing easement was amended by Land Court Order No. 101786.

b. Easement 1927 for road access and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

-NOTE:- THERE IS HEREBY OMITTED FROM ANY COVENANTS, CONDITIONS AND RESERVATIONS CONTAINED IN ANY INSTRUMENT DESCRIBED HEREIN, ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN, UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT OR RESTRICTION (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE, OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS.

End of Exhibit A

Exhibit B

(to Declaration of Condominium Property Regime)

Description of Lagoon Condominium Documents

The "Lagoon Documents," consist of the following documents and all changes and additions made to any of them from time to time:

(i) The Amended and Restated Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium Declaration of Condominium Property Regime, dated September 1, 2011, recorded in the Bureau of Conveyances of the State of Hawai'i substantially concurrently herewith, (herein with any amendments called the "**Lagoon Condominium Declaration**"), which said instrument amends and restates that certain Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium Declaration of Condominium Property Regime, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957908;

(ii) The Articles of Incorporation of the Ali'i Nui Villas Condominium Association, Inc., on file with the Florida Secretary of State;

(iii) The Amended and Restated Bylaws of the Ali'i Nui Villas Condominium Association, Inc., dated September 1, 2011, recorded in the Bureau of Conveyances of the State of Hawai'i substantially concurrently herewith (herein with any amendments called the "**Lagoon Condominium Association Bylaws**"), which instrument amends and restates those certain Bylaws of the Ali'i Nui Villas Condominium Association, Inc., dated April 12, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957909;

(iv) The rules and regulations adopted by or on behalf the Ali'i Nui Villas Condominium Association, Inc., (herein with any amendments called the "**Lagoon Condominium Rules**");

(v) The plans of the Lagoon Condominium recorded in the Bureau of Conveyances of the State of Hawai'i substantially concurrently herewith, (herein with any amendments called the "**Lagoon Condominium Map**"), which said plans amended and restated the plans of the Lagoon Condominium filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Condominium Map No. 2049; and

(vi) The Aulani, *Disney Vacation Club* ® Villas, Ko Olina, Hawai'i Condominium Declaration of Merger of Condominium Phases dated April 12, 2010, recorded as Land Court Document No. 3957569, (herein with any amendments called the "**Declaration of Merger**").

End of Exhibit B

Exhibit C

(to Declaration of Condominium Property Regime)

AIR SPACE UNITS

1. **AIR SPACE UNITS.** Unit H-1 through Unit H-13 are "Air Space Units." The boundaries of those Units are defined by spatial coordinates rather than by reference to specific Improvements. The approximate net living area for each Air Space Unit listed in Exhibit 1 to this Exhibit C is based on measurements taken from the boundaries of the Unit. In addition, the Condominium Regulations require that this Declaration report the net living area of any enclosed portion of the Unit and any lanai. These areas are determined as follows:

a. The net interior floor area of any enclosed portion of an Air Space Unit is based on measurements taken from the interior surface of the perimeter walls, windows and window frames, doors and their door frames. In all cases, floor areas were not reduced to account for interior walls, ducts, vents, shafts, stairways and so on located within the interior surfaces of the enclosed portion of the Air Space Unit.

b. The net lanai floor area of any lanai of an Air Space Unit is based on measurements taken from the interior surface of any walls, railings, support posts, or other physical Improvements used to mark the boundaries of the lanai. If the Condominium Map does not use walls, railings, support posts, or other physical Improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

c. To the extent that an Air Space Unit includes any enclosed area or lanai that is not located entirely within the boundaries of the Air Space Unit, then the area of any such additional space is based on measurements taken in the manner provided in Subsection 1.a (as to enclosed portions) and Subsection 1.b (as to lanais or other areas).

2. **UNIT BOUNDARIES.** The boundaries of the Air Space Units are as follows:

a. The vertical boundaries of an Air Space Unit consist of a series of imaginary vertical planes in the locations shown on the Condominium Map as the Unit's boundary lines. The vertical boundaries extend down to the point of intersection with the lower boundary of the Unit, and up to the point of intersection with the upper boundary of the Unit.

b. The upper boundary of an Air Space Unit consists of an imaginary horizontal plane in the location shown on the Condominium Map. The upper boundary extends in all directions to the point of intersection with the vertical boundaries.

c. The lower boundary extends in all directions to the point of intersection with the vertical boundaries. The location of the lower boundary of each of the Air Space Units is shown on the Condominium Map.

3. **THINGS THAT ARE PART OF THE AIR SPACE UNITS.** Except to the extent specifically excluded by Subsection 4, these things are part of each Air Space Unit:

a. All of the Land located within the boundaries of the Air Space Unit.

b. All buildings and other Improvements located within the boundaries of the Air Space Unit. This includes, but is not limited to:

c. All exterior and interior walls and partitions, doors and door frames, windows and window frames, floors, ceilings, roofs, crawl spaces, plenums, attics, and basements.

d. All foundations, footings, girders, beams, floor slabs, columns, and supports of any building or other Improvements located within the Air Space Unit.

e. All offices, dwelling or lodging rooms or apartments, stairways, meeting rooms, banquet rooms, exhibition halls, dining rooms, restaurants and bars, food and beverage preparation, handling, and storage facilities, bathrooms, and employee locker rooms and break rooms.

i. All lobby areas, elevators, elevator lobbies, walkways, corridors, entrances, entry ways and exits of each building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, service yards, loading docks, fire pump rooms, boiler rooms, telephone rooms, and chillers.

ii. All fixtures originally installed in any such buildings or other Improvements, and all replacements of those fixtures.

iii. All lanais, yards, grounds, walkways, walkway railings, water features, gardens, decorative rocks and other landscaping, and all refuse facilities located within the boundaries of the Air Space Unit.

iv. All roads, driveways, parking stalls and parking areas, access lanes, paved areas, ramps, fire lanes and loading areas located within the boundaries of the Air Space Unit.

v. 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 or beneath the Air Space Unit if they are used for or serve only that particular Air Space Unit.

vi. Anything else located within the boundaries of the Air Space Unit.

4. THINGS THAT ARE NOT PART OF THE AIR SPACE UNITS. These things are not part of an Air Space Unit:

a. 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 or beneath the Air Space Unit if they are used for or serve the Common Elements or more than one Unit.

All of these things are Common Elements. This is so regardless of the net living areas listed in Exhibit 1 to this Exhibit C and the way in which they were measured.

STANDARD UNITS

1. STANDARD UNITS. The Gazebo Unit (Unit 3001) is a Standard Unit. The approximate net living area of a Standard Unit consists of the net interior floor area plus, if the Unit has one or more lanais, the net lanai floor area as listed in Exhibit C.

a. The net interior floor areas listed in Exhibit C are based on measurements taken from the interior surface of the perimeter walls, windows and window frames, doors and their door frames. In all cases, floor areas were not reduced to account for interior walls, ducts, vents, shafts, stairways and so on located within those interior surfaces of the Unit.

b. All net lanai floor areas (if any) listed in Exhibit C are based on measurements taken from the boundaries of the Unit lanais.

2. BOUNDARIES OF STANDARD UNITS. The boundaries of the Standard Units are as follows:

a. **UNIT INTERIOR.** The boundaries of the Unit interior consist of (i) the centerline of all perimeter walls and floors that separate one Commercial Unit from another, (ii) the interior surface of all other perimeter walls, and (iii) the interior surface of all windows and window frames, doors and door frames, floors, and ceilings. If the Condominium Map does not use walls or other physical Improvements to mark the boundaries of the Unit interior, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

i. For purposes of this Subsection and Sections 3 and 4, the "ceiling" of any standard Commercial Unit (or part of a standard Commercial Unit) is the surface of the underside of the floor above it. If there is no floor

above it, then the "ceiling" will be the underside of the roofing structure above it. This means that the Commercial Units include any crawl space or plenum between the "ceiling" and any acoustic tiles or other ceiling system.

b. **LANAI.** The lanai boundaries consist of these things:

- i. The decorated or finished surfaces of the lanai floor.
- ii. The decorated or finished surfaces of the outside walls of the building that separate the lanai from the Unit interior.
- iii. The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Unit interior.
- iv. The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai. If the Condominium Map does not use walls or other physical Improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

v. An imaginary horizontal plane located just below the lowest point of and parallel to the underside of the floor of the lanai of the Unit on the next floor up, provided that:

A. If the underside of the lanai floor for the next Unit up consists of exposed support beams, then the boundary will consist of an imaginary horizontal plane located just below the lowest point of the exposed support beams, and parallel to the floor of the lanai of the Unit on the next floor up.

B. If there is no lanai on the next floor up, the boundary will be an imaginary horizontal plane located just below the lowest point of, and parallel to, the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above the lanai.

C. If there is no lanai floor or roofing system above the lanai, then the boundary will be an imaginary horizontal plane located parallel to and ten (10) feet above the lanai floor, but excluding from it any area occupied by other Improvements of the Condominium.

3. THINGS THAT ARE PART OF THE STANDARD UNITS. These things are part of each Standard Unit:

- a. All of the walls and partitions that are not load-bearing and that are located inside of the Unit's boundaries.
- b. All movable lanai doors and the door frames.
- c. All doors and door frames located inside of the Unit's boundaries.
- d. The inner decorated or finished surfaces of all boundary walls, windows and window frames, doors and their door frames, floors and ceilings.
- e. All fixtures originally installed in the Units and all replacements of those fixtures.

4. THINGS THAT ARE NOT PART OF THE STANDARD UNITS. These things are not part of the Standard Units:

a. The boundary walls (except for any part within the centerline of the boundary walls that separate one Commercial Unit from another), windows and window frames, doors and their door frames (except movable lanai doors and door frames), floors and ceilings. However the decorated or finished surfaces located within the Unit interior are part of the Unit.

b. Any load-bearing walls or columns inside of the Unit. However, the decorated or finished surfaces of all load-bearing walls or columns located within the Unit are part of the Unit.

c. The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Standard Unit.

d. 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 a Unit if they are used for or serve the Common Elements or more than one Unit.

e. Any Improvements located above the lanai. This would include, for example the underside of the lanai for a Unit on the next floor up, or the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above a lanai.

All of these things are Common Elements. This is so regardless of the net living areas listed in Exhibit 1 to this Exhibit C and the way in which they were measured.

Exhibit 1 to Exhibit C

IMPORTANT NOTE: ALL FLOOR AREAS FOR AIR SPACE AND STANDARD UNITS AS SHOWN IN THIS EXHIBIT OR IN EXHIBIT 1 TO THIS EXHIBIT ARE APPROXIMATE. DVD MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACTUAL AREA OF ANY PARTICULAR UNIT. THE AREAS OF PARTICULAR UNITS ARE LIKELY TO VARY.

The following Exhibit 1 lists the Units by unit number, unit type, and shows the net interior floor area (if applicable), net lanai floor area (if applicable), of the Units and Common Interest of each Unit.

1. AIR SPACE UNIT TYPE: There are thirteen (13) Air Space Units, identified as Units H-1, H-2, H-3, H-4, H-5, H-6, H-7, H-8, H-9, H-10, H-11, H-12 and H-13, each of which currently consists of a single air space within the boundaries as described in Exhibit C above and as shown on the Condominium Map for the Project. Each Air Space Unit may be further subdivided and improved in any manner and fashion consistent with and as allowed pursuant to Section 18.2A.1)(b) of the Declaration. The approximate maximum floor area of each Air Space Unit will ultimately be determined by the improvements constructed and installed therein pursuant to the provisions of Section 18.2 of the Declaration but the maximum on the ground footprint of the improvements constructed within the Air Space Unit and the assigned Common Interest of each of the Air Space Units is as follows:

<u>UNIT NO.</u>	<u>FOOTPRINT FLOOR AREA</u>	<u>NET LIVING AREA</u>	<u>COMMON</u>
<u>INTEREST</u>			
H-1	101,221.99 SQ. FT.	25,305.50 SQ. FT.	12.079352%
H-2	27,239.16 SQ. FT.	27,239.16 SQ. FT.	13.002368%
H-3	5,241.56 SQ. FT.	5,241.56 SQ. FT.	2.502012%
H-4	27,335.26 SQ. FT.	6,833.82 SQ. FT.	3.262060%
H-5	2,798.09 SQ. FT.	699.52 SQ. FT.	0.333911%
H-6	12,414.56 SQ. FT.	12,414.56 SQ. FT.	5.925979%
H-7	39,658.64 SQ. FT.	39,658.64 SQ. FT.	18.930696%
H-8	26,738.79 SQ. FT.	26,738.79 SQ. FT.	12.763521%
H-9	72,200.87 SQ. FT.	18,050.22 SQ. FT.	8.616109%
H-10	3,754.58 SQ. FT.	3,754.58 SQ. FT.	1.792215%
H-11	34,830.72 SQ. FT.	8,707.68 SQ. FT.	4.156533%
H-12	112,478.98 SQ. FT.	28,119.75 SQ. FT.	13.422708%
H-13	26,664.26 SQ. FT.	6,666.07 SQ. FT.	3.181986%

Note The maximum floor area of the improvements which can be constructed within each Air Space Unit shall be limited by the three dimensional air space created by the floor maximum building footprint as defined above and within the horizontal and vertical space established for each Air Space Unit pursuant to the terms of the Declaration and as shown on the Condominium Map. For purposes of determining the Common Interest of each Vacation Support Unit, the net living area of each Vacation Support Unit equals the interior area multiplied by twenty-five percent (25%).

2. **STANDARD UNITS:** There is one (1) Standard Unit, identified as Unit No. 3001 (the "Gazebo Unit"). Unit 3001 consists of a single loft space with the boundaries of a Standard Unit as described in Exhibit C above and as shown on the Condominium Map for the Project. The Gazebo Unit may be further subdivided and improved in any manner and fashion consistent with and as allowed pursuant to section 18.2(a)(1)(a) of the Declaration. The approximate net living area of the Gazebo Unit and the assigned Common Interest of each of the Gazebo Unit is as follows:

<u>UNIT NO.</u>	<u>NET LIVING FLOOR AREA</u>	<u>COMMON INTEREST</u>
3001	64 SQ. FT.	0.030550 %

Exhibit D

(to Declaration of Condominium Property Regime)

Limited Common Elements

THERE ARE NO LIMITED COMMON ELEMENTS.

End of Exhibit D

Exhibit E

Hotel Condominium Association Articles of Incorporation

**See Exhibit 8 of the Aulani, Disney Vacation Club Villas, Ko Olina Hawaii
Component Site Public Offering Statement**

Exhibit F

(to Declaration of Condominium Property Regime)

Form of Special Power of Attorney

RETURN BY MAIL () PICK-UP () TO:

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_____ pages

TMK Nos. (1) 9-1-057: 034 & 35

CPR No.: _____

SPECIAL POWER OF ATTORNEY

By signing below, you appoint DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, with its principal place of business and post office address at 1390 Celebration Blvd., Celebration, Florida 34747 ("*DVD*"), as your true and lawful attorney-in-fact to do any and all acts and things which DVD deems necessary or convenient to the exercise by DVD of DVD's Reserved Rights under the Declaration of Merger, Condominium Documents, Lagoon Condominium Documents, Master Declaration, any Vacation Plan Documents and/or any Fractional Plan Documents. Any capitalized terms not defined in this Special Power of Attorney will have the meaning given to them in the Condominium Declaration.

1. DEFINITIONS.

1.1 RECORD. In this document, "record", "recorded" and "recording" refer to recording in the Bureau of Conveyances of the State of Hawai'i or the Office of the Assistant Registrar of the Land Court of the State of Hawai'i, whichever is appropriate; provided that if Hawai'i law is amended to require that documents be filed elsewhere, then "record", "recorded" and "recording" will refer to such place to the extent required by law.

1.2 CONDOMINIUM. In this document, "Condominium" means the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium.

1.3 CONDOMINIUM DOCUMENTS. The "Condominium Documents" consist of: (1) the "Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium" recorded as Document No. _____ (the "*Condominium Declaration*"); (2) the Articles of Incorporation of the Ali'i Nui Hotel Condominium Association, Inc., a Florida corporation (3) the "Amended and Restated Bylaws of the Ali'i Nui Hotel Condominium Association, Inc." recorded as Document No. _____; (3) Condominium Map No. _____; (4) any Condominium Rules and Regulations; 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.

1.4 LAGOON CONDOMINIUM DOCUMENTS. The Condominium Documents consist of: (1) the "Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium" recorded as Document No. _____ (the "*Lagoon Condominium Declaration*"); (2) the

Articles of Incorporation of Ali'i Nui Villas Condominium Association, Inc."; (3) the "Amended and Restated Bylaws of Ali'i Nui Villas Condominium Association, Inc." recorded as Document No. _____; (4) Condominium Map No. ____; (5) any Condominium Rules and Regulations; and (5) any amendments and supplements to any of those documents. The description of the "Land" of the Lagoon Condominium contained in the Lagoon Condominium Declaration, as it may be amended from time to time, is hereby made a part of this document.

1.5 DECLARATION OF MERGER. In this document, "*Declaration of Merger*" means the Declaration of Merger of Condominium Phases, dated April 12, 2010, and recorded in the Land Court as Document No. 3957569, and any amendments to it.

2. DESCRIPTION OF RESERVED RIGHTS. DVD's RESERVED Rights include, but are not limited to, all of the following rights:

A. RIGHTS RESERVED UNDER THE CONDOMINIUM DOCUMENTS. The term "DVD's Reserved Rights" is defined in the Condominium Documents. That description is made a part of this power of attorney. With respect to the Condominium, DVD's Reserved Rights are set forth in the Condominium Declaration and Bylaws. For example, under the Condominium Documents, DVD has reserved the right to do, among other things, the following: (1) to annex into the Condominium and the condominium property regime any Adjacent Parcel and any Improvements on the Adjacent Parcel (Section 19); (2) to submit any Air Space Units owned by DVD to the Lagoon Condominium, (3) to create additional New Units and to designate Limited Common Elements appurtenant to any New Unit (Section 21); (4) to design, develop, install, build, add and complete New Improvements on the Land (including the right to construct one or more buildings and other Improvements within any Unit) (Section 22); (5) to subdivide the Land of the Condominium and/or to consolidate the Land of the Condominium with any Adjacent Parcel (Section 23); (6) to withdraw and delete from the Condominium, and from the condominium property regime, all or any part of the Possible Deletion Areas (Section 24) (7) to develop one or more Adjacent Projects on one or more Adjacent Parcels or Parcels and/or to merge any Adjacent Condominium with the Condominium pursuant to the Declaration of Merger (Section 25); (8) to convert all or any part of a Limited Common Element appurtenant to a Unit owned by DVD into one or more separate Units (Section 26); (9) to convert an part of any Unit owned by DVD into a Limited Common Element appurtenant to that Unit (Section 26); (10) to convert all or any part of any Unit owned by DVD or its Limited Common Elements into General Common Elements (Section 27); (11) to change the Units, the General Common Elements, the Limited Common Elements, and/or to amend the Condominium Documents as required to comply with any laws that apply to the Condominium, the Condominium Association, any Vacation Owners Association, any Fractional Owners Association or DVD (Section 28); (12) to do all things necessary or convenient to satisfy the requirements of any zoning or other land use requirements that apply to the Condominium or any Adjacent Parcel from time to time (Section 29) and (13) to recalculate Common Interest as required by the Condominium Documents (Section 31). Note: DVD's Reserved Rights may include rights not listed above.

B. RIGHTS RESERVED FOR ADDITION AND COMPLETION OF IMPROVEMENTS. DVD's Reserved Rights under Section 22 of the Condominium Declaration include, among others, the exclusive right to control, manage and conduct the design, development, construction, addition, remodeling, and completion of Improvements on the Condominium even after it deeds Vacation Ownership Interests, Fractional Ownership Interests or whole Units to other persons. DVD's Reserved Rights are described in more detail in Section 22.2 of the Condominium Declaration. They include, among others, the right: (1) to develop, construct and complete the buildings and other New Improvements, and to remodel the existing Improvements; (2) to remove, change, or add Common Elements, (3) to build and install Improvements that DVD intends to designate as Units or Limited Common Elements pursuant to the Condominium Declaration, (4) to connect New Improvements or remodeled Improvements to utilities of the Condominium and (5) to segregate the construction areas using signs, gates, walls, fences or other means. Further, DVD shall have the exclusive right to control, manage, arrange and conduct the design, development, construction, installation, addition and completion of the remodeling of existing Improvements even after it deeds or otherwise conveys Units, Vacation Ownership Interests, or Fractional Ownership Interests to others.

C. RIGHTS RESERVED UNDER THE MASTER DECLARATION. DVD is the "Declarant" under the Master Declaration. For purposes of this document, the term "DVD's Reserved Rights" is defined to include all rights reserved to DVD as the Declarant under the Master Declaration.

D. RIGHTS RESERVED UNDER THE LAGOON CONDOMINIUM DOCUMENTS. The term "DVD's Reserved Rights" is defined in the Lagoon Condominium Documents. That definition is made a part of this power of attorney. DVD has the reserved rights defined as "DVD's Reserved Rights" under the Lagoon Condominium Documents.

E. RIGHTS RESERVED UNDER THE DECLARATION OF MERGER. The term "*DVD's Reserved Rights*" is defined in the Declaration of Merger. That definition is made a part of this power of attorney. DVD has the reserved rights defined as "*DVD's Reserved Rights*" under the Declaration of Merger.

F. RIGHTS RESERVED UNDER THE VACATION PLAN DOCUMENTS. The term "DVD's Reserved Rights" is defined in the Vacation Plan Documents. That definition is made a part of this power of attorney. DVD has the reserved rights defined as "DVD's Reserved Rights" under the Vacation Plan Documents.

G. LIMITATIONS ON DVD'S RESERVED RIGHTS. DVD's Reserved Rights with respect to the Condominium are subject to the limitations stated in the Condominium Documents. DVD's Reserved Rights with respect to the Declaration of Merger are subject to the limitations stated in the Declaration of Merger. DVD's Reserved Rights with respect to the Master Declaration are subject to the limitations stated in the Master Declaration. DVD's Reserved Rights with respect to the Lagoon Condominium Documents are subject to the limitations stated in the Lagoon Condominium Documents. DVD's Reserved Rights with respect to the Vacation Plan Document are subject to the limitations stated in the Vacation Plan Documents. This power of attorney is subject to the same limits.

H. TRANSFER OF RESERVED RIGHTS. DVD may transfer some or all of its rights as "DVD" under the Condominium Documents, the Lagoon Condominium Documents, the Master Declaration, the Declaration of Merger or any Vacation Plan Documents or any Fractional Plan Documents. If so, you: (i) agree and consent to the transfer of the special rights of "DVD", and (ii) agree to recognize the person to whom the rights are transferred as "DVD" to the extent provided in the recorded document transferring those rights; and (iii) agree to recognize such person as "DVD" under this power of attorney.

3. NATURE OF THE POWER OF ATTORNEY.

You give and grant to DVD full power, authority and discretion to do and perform any and all acts and things whatsoever that DVD alone may deem necessary or convenient in connection with the exercise of the rights reserved by DVD under the Condominium Documents, the Lagoon Condominium Documents, the Declaration of Merger, the Master Declaration, any Vacation Plan Documents and/or any Fractional 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 DVD lawfully does or causes to be done using this power of attorney.

Without limiting the general description of DVD's powers and authority, you expressly give DVD full power to sign, deliver and record all documents that DVD deems necessary or convenient to the exercise of DVD's Reserved Rights. This includes but is not limited to signing and recording one or more amendments or supplements to the Condominium Documents, the Lagoon Condominium Documents, the Master Declaration, the Declaration of Merger, any Vacation Plan Documents or any Fractional 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. 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 DVD "full power of substitution." This means that DVD may substitute someone else for DVD as your attorney-in-fact.

By signing below, you agree to all of the things stated above.

"You"

Notary State of Hawai'i:

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

On this ___ day of _____, 20___, 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 CERTIFICATION: The foregoing in identified or described as Special Power of Attorney is dated _____, 20__ and contained ___ pages at the time of this acknowledgement/certification in First Circuit of the State of Hawai'i.

Name: _____
Notary Public, State of Hawai'i

My Commission expires: _____

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

On this ___ day of _____, 20___, 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 CERTIFICATION: The foregoing in identified or described as Special Power of Attorney is dated _____, 20__ and contained ___ pages at the time of this acknowledgement/certification in First Circuit of the State of Hawai'i.

Name: _____
Notary Public, State of Hawai'i

My Commission expires: _____

Notary Out-of-State:

STATE OF _____)
) ss:
COUNTY OF _____)

On this ____ day of _____, 20____, 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.

Name: _____
Notary Public, State of _____
My Commission expires: _____

STATE OF _____)
) ss:
COUNTY OF _____)

On this ____ day of _____, 20____, 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.

Name: _____
Notary Public, State of _____
My Commission expires: _____

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

DATE _____ TIME _____
DOCUMENT NO. _____

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

DATE _____ Doc A-51270609
DOCUMENT January 14, 2014 8:02 AM

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains _____ pages.

Tax Map Key Nos: (1) 9-1-057-034
CPR No. _____

FIRST AMENDMENT TO
AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR
*Aulani, A Disney Resort & Spa, Ko Olina,
Hawai'i
Condominium*

(With Covenants, Conditions and Restrictions, and
Grants and Reservations of Easements and Special Powers of Attorney)

FIRST AMENDMENT TO
AMENDED AND RESTATED

DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR

Aulani, A Disney Resort & Spa, Ko Olina, Hawai`i Condominium

This FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR AULANI, A DISNEY RESORT & SPA, KO OLINA, HAWAI`I CONDOMINIUM (this "Amendment") is made by DISNEY VACATION DEVELOPMENT, INC., a Florida corporation ("DVD").

INTRODUCTION

A. "Aulani, A Disney Resort & Spa, Ko Olina, Hawai`i Condominium" (the "Condominium") is a condominium project established pursuant to Chapter 514B, Hawaii Revised Statutes.

B. The Condominium was created by the following documents:

- Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai`i Condominium, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957905 (the "ORIGINAL DECLARATION");
- Bylaws of Ali`i Nui Hotel Condominium Association, Inc., dated April 12, 2010, recorded as Land Court Document No. 3957906 (the "ORIGINAL BYLAWS"), which Bylaws were established pursuant to the Article of Incorporation of Ali`i Nui Hotel Condominium Association, Inc., attached as Exhibit E to the Original Declaration (the "ORIGINAL ARTICLES OF INCORPORATION"); and
- Condominium Map No. 2048 (the "ORIGINAL CONDOMINIUM MAP").

C. Pursuant to a Voluntary Request for Deregistration recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-134265, the Land of the Condominium was deregistered from the operation of the Hawai`i Land Court and is no longer subject to Chapter 501, Hawai`i Revised Statutes.

D. DVD is the sole holder of DVD's Reserved Rights (as that term is defined in the Original Declaration), including various rights to revise or amend the Original Declaration, the Original Bylaws, the Original Articles of Incorporation and the Original Condominium Map. Pursuant to and in the exercise of DVD's Reserved Rights, DVD recorded the following documents:

- Amended and Restated Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai`i Condominium, dated September 7, 2011, recorded on September 16, 2011 in the Bureau of Conveyances of the State of Hawaii as Document Nos. 2011-150333 and 2011-150334 (the "DECLARATION");
- Amended and Restated Bylaws of Ali`i Nui Villas Condominium Association, Inc., dated September 7, 2011, recorded September 16, 2011 in the Bureau of Conveyances of the State of Hawaii as Document Nos. 2011-150335 and 2011-150336 (the "BYLAWS"), which Bylaws were established pursuant to the Article of Incorporation of Ali`i Nui Hotel Condominium Association, Inc. (Amended and Restated), attached as Exhibit E to the Declaration (the "ARTICLES OF INCORPORATION"); and
- The plans of the Condominium recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map No. 5025 (the "CONDOMINIUM MAP").

E. DVD is still the sole holder of DVD's Reserved Rights.

F. Pursuant to and in the exercise of DVD's Reserved Rights, DVD now desires to amend the Declaration and the Condominium Map to:

- Subdivide Unit H-6 into Units H-6A, H-6B and H-6C pursuant to and in the exercise of DVD's Reserved Rights under Section 18.2A.3) of the Declaration;
- Grant various easements, including but not limited to easements across Unit H-6A for access to and from Units H-6B and H-6C;
- Facilitate the submission of Air Space Units H-6B and H-6C to the Lagoon Condominium and to resolve any issues pertaining to the ownership of Air Space Units H-6A, H-6B and H-6C and any Improvements on or in them for purposes of clarifying any issues pertaining to insurance, casualty, condemnation, reconstruction, ownership, control and so on, of Air Space Units H-6A, H-6B and H-6C;
- Make various changes to the Declaration pursuant to and in the exercise of DVD's Reserved Rights under Section 37.3A.6) of the Declaration;
- Make various corrections to the Declaration and/or Condominium Map pursuant to and in the exercise of DVD's Reserved Rights under Section 37.3A.7) of the Declaration; and
- Amend the Declaration and Condominium Map as DVD deems necessary or appropriate, or as required by law, or as required or permitted by the Declaration.

AMENDMENT

DVD HERE AND NOW AMENDS THE DECLARATION AS FOLLOWS:

1. Pursuant to Section 37.3A. of the Declaration and using DVD's Reserved Rights, Section 31.2B. of the Declaration is amended to read as follows:

B. The boundaries of Air Space Units are generally defined by spatial coordinates rather than by reference to specific Improvements, and the interior area of each Air Space Unit will be based on measurements taken from the boundaries of the Air Space Unit regardless of whether the Unit includes any Improvements within its boundaries.

1) For purposes of Section 31.1 the net living area of Air Space Units other than Vacation Support Units for purposes of the Common Interest calculations shall be equal to one hundred percent (100%) of the interior area based on measurements taken from the boundaries of the Air Space Unit.

2) For purposes of Section 31.1 the net living area of Vacation Support Units for purposes of the Common Interest calculations shall be equal to twenty-five percent (25%) of the interior area based on measurements taken from the boundaries of the Vacation Support Unit.

3) If an Air Space Unit is subdivided into two or more Air Space Units pursuant to Section 18.2A.3), then:

(a) If the Air Space Unit is subdivided vertically (meaning that the upper and lower boundaries of the resulting Air Space Units are not altered, but the vertical boundaries are changed so as to produce two or more side-by-side Air Space Units within the footprint of the Air Space Unit being subdivided), then for purposes of applying Sections 31.2B.1) and 2), the net living area for each resulting Air Space Unit shall be based on measurements taken from the boundaries of that Air Space Unit.

(b) If the Air Space Unit is subdivided in any manner other than vertically (for example, if an Air Space Unit is split into two Air Space Units stacked one on top of the other), then for purposes of applying Sections 31.2B.1) and 2); the net living area of the Air Space Unit being subdivided shall be divided among the resulting Air Space Units in proportion to the volume of each such Air Space Unit as compared to the volume of the Air Space Unit being subdivided.

2. Pursuant to Section 18.2A.3) of the Declaration and using DVD's Reserved Rights, DVD here and now subdivides Unit H-6 into Units H-6A, H-6B and H-6C, as follows:

A. Section 1.11 of the Declaration is amended to read as follows:

1.11 "COMMERCIAL UNITS" means Units H-2, H-3, H-6A, H-7, H-8 and H-10, Unit 3001 (the Gazebo Unit), and any Additional Air Space Unit established pursuant to Section 22.5.

B. Section 4.1F. of the Declaration is amended to read as follows:

F. Air Space Units H-6A, H-6B and H-6C together will initially contain a fifteen (15) story building constructed principally of reinforced concrete, gypsum board, glass, and allied building materials.

C. Section 5.1 of the Declaration is amended to read as follows:

5.1 AIR SPACE UNITS. DVD hereby designates fifteen (15) condominium unit estates in the air spaces within the boundaries of the fifteen (15) Air Space Units indicated as Air Space Units. H-1 through H-5, Air Space Units, H-6A, H-6B and H-6C, and Air Space Units. H-7 through H-13, as more particularly shown on the Condominium Map and as described in this Declaration.

A. AIR SPACE UNIT NUMBERS AND LOCATIONS. The Condominium Map shows the location and unit number of each Air Space Unit.

B. AIR SPACE UNIT LAYOUTS AND AREA. The layout of each Air Space Unit is shown on the Condominium Map and the approximate floor area of each Air Space Unit is described in Exhibit C which is attached to and is a part of this Declaration.

C. ACCESS TO COMMON ELEMENTS. Each Air Space Unit has immediate access to a public street or highway, to Common Elements that lead over the grounds of the Condominium via walkways, driveways or roadways leading to a public street or highway, or to easements established in or pursuant to Section 7.1D for the use of corridors, walkways, driveways, or roadways leading to the grounds of the Condominium and to a public street or highway.

D. BOUNDARIES OF THE AIR SPACE UNITS. The boundaries of the Air Space Units are described in Exhibit C which is attached to and part of this Declaration.

D. Section 7.1D.1) of the Declaration is amended to read as follows:

1) In addition to any rights and easements that they may have under the Master Declaration, the Units have the following easements:

(a) Units H-1, H-2, H-3, H-4, H-5, H-6A, H-6B, H-6C, H-7, H-8, H-9, H-11 and 3001 each have the non-exclusive right and an easement to use the grounds, open areas, driveways and other Common Areas of Air Space Unit H-12 for the purpose of access to and from (i) Ali'i Nui Drive, and (ii) the parking facilities located in Units H-1 and H-9.

(b) Units H-2, H-3, H-4, H-5, H-6A, H-6B, H-6C, H-11 and 3001 each have the non-exclusive right and an easement to use a corridor within Unit H-7 for the purpose of going to and from Unit H-12 and Ali'i Nui Drive. The Owner of Unit H-7 has the right to designate and, from time to time, to change the location of the access corridor in its sole, absolute and unfettered discretion.

(c) Units H-2, H-3 and H-5 each have the non-exclusive right and an easement to use a corridor within Unit H-6A for the purpose of going to and from Units H-7, H-12 and Ali'i Nui Drive. The Owner of Unit H-6A has the right to designate and, from time to time, to change the location of the access corridor in its sole, absolute and unfettered discretion.

(d) Units H-3 and H-5 each have the non-exclusive right and an easement to use a corridor within Unit H-2 for the purpose of going to and from Units H-6A, H-7, H-12 and Ali'i Nui Drive. The Owner of Unit H-2 has the right to designate and, from time to time, to change the location of the access corridor in its sole, absolute and unfettered discretion.

(e) Unit H-8 has a non-exclusive right and an easement (i) across Units H-9 and H-11 for the purpose of going to and from Units H-7, H-12 and Ali'i Nui Drive, (ii) across Unit H-13 for the purpose of going to and from Kamoana Place (which right includes but is not limited to a right of access between Kamoana Place and the loading docks and other entries located within Unit H-8); and (iii) for use of the lanai at the conference center garden level for placement of tables, chairs and exhibits, and for other purposes associated with the conduct of conventions, meetings, social events (for example, proms) and other activities conducted in Unit H-8, including the provision of convention-related entertainment and/or networking events.

(f) Units H-10 and H-11 each have the non-exclusive right and an easement across Unit H-13 for the purpose of going to and from Kamoana Place.

(g) Unit H-2 has a non-exclusive right and an easement across Units H-1 for the purpose of going to and from Lagoon Condominium.

(h) Unit 3001 has a non-exclusive right and an easement across Unit H-4 for the purpose of going to and from Units H-7, H-12 and Ali'i Nui Drive.

(i) The Commercial Units each have the right and a non-exclusive easement across the Common Areas for the purposes of (i) going to and from parking facilities located in the Vacation Support Units and the Commercial Units, (ii) going to and from the Lagoon Condominium, and (iii) using and enjoying the Common Areas in accordance with their intended purposes as determined by the Master Declarant, in its sole, absolute and unfettered discretion, whether in "Open Areas" (as that term is defined in the Master Declaration), Shared Areas or otherwise.

(j) Units H-6B and H-6C each have non-exclusive rights and an easement: (i) to use a corridor on the ground floor of Unit H-6A for the purpose of going to and from the elevators and elevator lobbies located within Unit H-6A; (ii) to use a corridor on the fifth (5th) floor of Unit H-6A for the purpose of access between (A) Units H-6B or H-6C, and (B) the elevators and elevator lobbies located on the fifth (5th) floor of Unit H-6A; (iii) to use the elevators for access between the ground floor of Unit H-6A and the fifth (5th) floor of Unit H-6A; and (iv) to use the fire exits and any fire escape stairways located within Unit H-6A. The Owner of Unit H-6A has the right to designate and, from time to time, to change the location of the access corridor on the ground floor of Unit H-6A in its sole, absolute and unfettered discretion.

(k) Units H-6B and H-6C each have an easement to use the improvements of Unit H-6A designed for such purposes for utility services for, and support, maintenance and repair of Units H-6B. and H-6C, respectively

(l) Unit H-6A has easements (i) to use the improvements of Unit H-6B and H-6C designed for such purposes for utility services for, and support, maintenance and repair of Unit H-6A, and (ii) for access to and from the exterior of the Shared Building, including but not limited to the lanais Units H-6B and H-6C, and for the purposes of the performance of its obligations to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve and protect the Shared Areas of the Shared Building in accordance with Section 9.5A.1) of this Declaration.

E. The Condominium Map is amended as follows:

(1) Sheets 1, 2, 2a, 8, 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8h, 8i, 8j, 8k, 8l, 8m, 13, 15, 15a, 15b, 15c and 15d of the Condominium Map are deleted in their entirety and replaced with new sheets 1, 2, 2a, 8, 8a, 8b, 8c, 8d, 8e, 8f, 8g, 8h, 8i, 8j, 8k, 8l, 8m, 13, 15, 15a, 15b, 15c and 15d recorded with this Amendment; and

(2) Sheets 8h.1, 8.1 and 8.2, recorded with this Amendment, are here and now added to and shall become a part of the Condominium Map.

F. Exhibit C to the Declaration is deleted in its entirety, and Exhibit I which is attached to this Amendment is substituted in its place as the new Exhibit C.

3. Concurrently with the recordation of this Amendment, and pursuant to Section 20 of the Declaration and using DVD's Reserved Rights, DVD intends to submit Units H-6B and H-6C to the Lagoon Condominium by recording that certain Second Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium. Pursuant to Section 20.2E of the Declaration, and using DVD's Reserved Rights, DVD here and now amends the Declaration as follows, which amendments shall take effect upon the recording of that certain Second Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium:

A. Section 1.52 of the Declaration is amended to read as follows:

1.52 "LAGOON UNITS" means (i) Units H-1, H-4, H-5, H-6B, H-6C, H-9, H-11, H-12 and H-13, and (ii) any other Unit that is submitted to the Lagoon Condominium pursuant to Section 20.

B. Section 1.82 of the Declaration is amended to read as follows:

1.82 "VACATION SUPPORT UNITS" means (i) Units H-1, H-4, H-5, H-6B, H-6C, H-9, H-11, H-12 and H-13, and (ii) any other Unit that is submitted to the Lagoon Condominium pursuant to Section 20 unless the document or instrument submitting such Unit to the Lagoon Condominium indicates that such Unit will not constitute a part of the "Vacation Support Property" under the Lagoon Condominium Documents.

C. Section 1 of the Declaration is amended to add a new Section 1.85, to read as follows:

1.85 "SHARED BUILDING" means the fifteen (15) story building located in Air Space Units H-6A, H-6B and H-6C.

D. Section 9.5A. of the Declaration is amended to read as follows:

A. Each Owner must keep its Unit, and its Limited Common Elements, in good order and repair, and in a condition consistent with the Disney Standard. 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 Unit or its Limited Common Elements.

1) The responsibility to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve and protect the Shared Areas of the Shared Building in compliance with the provisions of this Declaration and/or the Master Declaration shall be the responsibility of the Owner of Unit H-6A. Under the Master Declaration, the costs and expenses thereof constitute a Shared Area Expense and shall be allocated in accordance with the provisions of the Master Declaration and Section 32.3 of this Declaration.

2) The Owner of Unit H-6A shall be responsible to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve and protect any portion of the Shared Building located within Unit H-6A other than (i) the Shared Areas, and (ii) any area located within the boundaries of Unit H-6B and/or H-6C. The costs and expenses thereof shall be paid by the Owner of Unit H-6A except to the extent otherwise provided in or pursuant to the Master Declaration.

3) The Owner of Unit H-6B shall be responsible to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve and protect any portion of the Shared Building comprising Unit H-6B other than (i) the Shared Areas, and (ii) anything that is part of Unit H-6A. The costs and expenses thereof shall be paid by the Owner of Unit H-6B except to the extent otherwise provided in or pursuant to the Master Declaration.

4) The Owner of Unit H-6C shall be responsible to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve and protect any portion of the Shared Building comprising Unit H-6C other than (i) the Shared Areas, and (ii) anything that is part of Unit H-6A. The costs and expenses thereof shall be paid by the Owner of Unit H-6C except to the extent otherwise provided in or pursuant to the Master Declaration.

E. Section 9.1B of the Declaration is amended to add a new Section 9.1B.7), to read as follows:

7) The improvements located within Units H-6B and H-6C may be owned, occupied, used, enjoyed, operated, maintained, repaired and replaced in accordance with the provision of the Lagoon Condominium Documents. **NO MATTER WHAT ELSE THE CONDOMINIUM DOCUMENTS SAY, THE IMPROVEMENTS OF THE LAGOON CONDOMINIUM LOCATED IN UNITS H-6-B AND H-6-C MAY BE USED:**

- (a) **FOR HOTEL OR TRANSIENT VACATION RENTAL PURPOSES;**
- (b) AS VACATION LODGINGS (FOR EXAMPLE, USE AS A WEEKEND RETREAT BY OWNERS AND THEIR GUESTS);
- (c) **IN A FRACTIONAL PLAN, TIME SHARE PLAN OR VACATION PLAN IF DVD CREATES THE PLAN OR IF DVD AUTHORIZES OR OTHERWISE CONSENTS TO THAT USE IN A RECORDED DOCUMENT.**

F. Section 12.4B.2)(a) of the Declaration is amended to read as follows:

(a) **AIR SPACE UNITS.** Since the building or buildings and improvements located within the boundaries or "envelope" of an Air Space Unit are part of the Unit, the Unit Owner of the Air Space Unit must pay all amounts that otherwise would be Building Expenses if the Unit was a Standard Unit.

(1) In the case of a Shared Building, the Unit Owners of the Air Space Units in which the building is located must pay all amounts that otherwise would be Building Expenses if the Unit was a Standard Unit. For purposes of the Master Declaration, the costs and expenses thereof shall constitute a Shared Area Expense and shall be allocated in accordance with the provisions of the Master Declaration and Section 32.3 of this Declaration.

G. Section 18.2A.1)(b) of the Declaration is amended to add a new Subsection 18.2A.1)(b)(4), to read as follows:

(4) In the case of the Shared Building, (i) the Owner of Unit H-6A may exercise any and all rights of the Unit Owner under Section 18.2A.1)(b)(1) with respect to any portion of the Shared Building not that is not part of Unit H-6B or Unit H-6C; (ii) the Owner of Unit H-6B may exercise any and all rights of the Unit Owner under Section 18.2A.1)(b)(1) only as to any portion of the Shared Building that is part of Unit H-6B; and (ii) the Owner of Unit H-6C may exercise any and all rights of the Unit Owner under Section 18.2A.1)(b)(1) only as to any portion of the Shared Building that is part of Unit H-6C.

H. Section 18.2B.2), 3) and 4) of the Declaration are amended to read as follows:

2) Authorizes any work or change by a Unit Owner or DVD that would jeopardize the soundness or safety of any part of the Condominium, or reduce the value of it; provided that in the case of the Air Space Units not containing a Shared Building, this refers only to the soundness or safety of the Property after completion of any activity undertaken pursuant to Section 18.2A.1)(b).

3) Authorizes any work or change by a Unit Owner (other than (i) DVD or (ii) the Owner of an Air Space Unit other than Unit H-6B or Unit H-6C) that would materially change the external appearance of the Condominium without the consent of the Board, the Master Declarant and, during the Development Period, DVD.

4) Authorizes any work or change to be performed by the Owner of an Air Space Unit at any time (as to the Owner of Unit H-6B or H-6C), or during the Development Period (as to the Owner of any other Air Space Unit), that would materially change the external appearance of the Condominium without the consent of DVD and the Master Declarant.

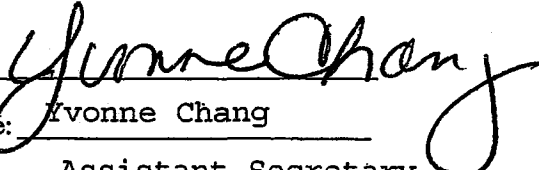
The Declaration, as amended by this Amendment, is here and now ratified and confirmed and remains in full force and effect.

DVD signed this Amendment effective as of December 19th 2013. DVD signed this Amendment on behalf of itself and also as attorney-in-fact for the Condominium Association, all Owners, their Mortgage Lenders, and all other Interested Persons pursuant to the power of attorney contained in Section 29.3 of the Declaration and the deed of each Vacation Ownership Interest.

[SIGNATURES ON NEXT PAGE]

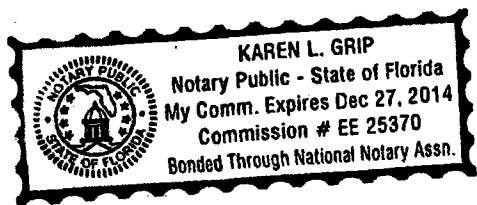
DVD signed this First Amendment to Amended and Restated Declaration of Condominium Property Regime For Aulani, a Disney Resort & Spa, Ko Olina, Hawai'i Condominium on December 19th 2013. It will take effect when it is recorded.

DISNEY VACATION DEVELOPMENT, INC.,
a Florida corporation, for itself and as attorney-
in-fact for all Unit Owners and other Interested Persons

By 
Name: Yvonne Chang
Title: Assistant Secretary

STATE OF Florida)
) ss:
COUNTY OF Osceola)

On this 19th day of December, 2013, before me personally appeared Yvonne Chang, 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.



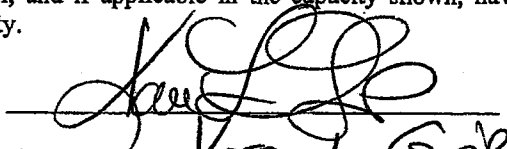

Name: Karen L. Grip
Notary Public, State of Florida
My Commission expires: December 27, 2014

Exhibit I

to

First Amendment to Amended and Restated Declaration of Condominium Property Regime For
Aulani, a Disney Resort & Spa, Ko Olina, Hawai'i Condominium

Exhibit C

(to Declaration of Condominium Property Regime)

AIR SPACE UNITS

1. **AIR SPACE UNITS.** Unit H-1 through and including H-5, Units H-6A, H-6B and H-6C, and Units H-7 through and including Unit H-13 are "Air Space Units." The approximate net living area for each Air Space Unit listed in Exhibit 1 to this Exhibit C is based on measurements taken from the boundaries of the Unit. In addition, the Condominium Regulations require that this Declaration report the net living area of any enclosed portion of the Unit and any lanai. These areas are determined as follows:

a. The net interior floor area of any enclosed portion of an Air Space Unit is based on measurements taken from the interior surface of the perimeter walls, windows and window frames, doors and their door frames. In all cases, floor areas were not reduced to account for interior walls, ducts, vents, shafts, stairways and so on located within the interior surfaces of the enclosed portion of the Air Space Unit.

b. The net lanai floor area of any lanai of an Air Space Unit is based on measurements taken from the interior surface of any walls, railings, support posts, or other physical Improvements used to mark the boundaries of the lanai. If the Condominium Map does not use walls, railings, support posts, or other physical Improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

c. To the extent that an Air Space Unit includes any enclosed area or lanai that is not located entirely within the boundaries of the Air Space Unit, then the area of any such additional space is based on measurements taken in the manner provided in Subsection 1.a (as to enclosed portions) and Subsection 1.b (as to lanais or other areas).

2. **UNIT BOUNDARIES.** The boundaries of the Air Space Units are as follows:

a. Units H-1 through and including H-5, and Units H-7 through and including H-13:

i. The vertical boundaries of an Air Space Unit consist of a series of imaginary vertical planes in the locations shown on the Condominium Map as the Unit's boundary lines. The vertical boundaries extend down to the point of intersection with the lower boundary of the Unit, and up to the point of intersection with the upper boundary of the Unit.

ii. The upper boundary of an Air Space Unit consists of an imaginary horizontal plane in the location shown on the Condominium Map. The upper boundary extends in all directions to the point of intersection with the vertical boundaries.

iii. The lower boundary extends in all directions to the point of intersection with the vertical boundaries. The location of the lower boundary of each of the Air Space Units is shown on the Condominium Map.

b. Units H-6B and H-6C:

i. The vertical boundaries of Air Space Units H-6B and H-6C consist of a series of imaginary vertical planes in the locations shown on the Condominium Map. The vertical boundaries extend down to the point of intersection with the lower boundary of the Unit, and up to the point of intersection with the upper boundary of the Unit.

ii. The upper boundaries of Units H-6B and H-6C consists of an imaginary horizontal plane in the location shown on the Condominium Map, which plane is located at a level that corresponds to the unfinished lower surface of the ceiling of the Accommodations contained within the respective Units. This plane marks the upper boundary not only in the enclosed portion of the Unit but also over the lanai. The upper boundary extends in all directions to the point of intersection with the vertical boundaries, and extends through any interior Improvements located within the boundaries of Unit H-6B or H-6C.

iii. The lower boundary of Units H-6B and H-6C consists of an imaginary horizontal plane in the location shown on the Condominium Map, which plane is located at a level that corresponds to the unfinished upper surface of the floor of the Accommodations (including the lanai) contained within the respective Units. The lower boundary extends in all directions to the point of intersection with the vertical boundaries.

c. Unit H-6A: Unit H-6A consists of the area within the following boundaries excluding, however, any portion of such area comprising Unit H-6B or Unit H-6C:

i. The vertical boundaries of Air Space Unit H-6A consist of a series of imaginary vertical planes in the locations shown on the Condominium Map as the Unit's boundary lines. The vertical boundaries extend down to the point of intersection with the lower boundary of the Unit, and up to the point of intersection with the upper boundary of the Unit.

ii. The upper boundary of an Air Space Unit consists of an imaginary horizontal plane in the location shown on the Condominium Map. The upper boundary extends in all directions to the point of intersection with the vertical boundaries.

iii. The lower boundary extends in all directions to the point of intersection with the vertical boundaries. The location of the lower boundary of each of the Air Space Units is shown on the Condominium Map.

3. THINGS THAT ARE PART OF THE AIR SPACE UNITS.

a. Units H-1 through and including H-5, and Units H-7 through and including H-13: Except to the extent specifically excluded by Subsection 4, these things are part of Units H-1 through and including H-5, and Units H-7 through and including H-13:

i. All of the Land located within the boundaries of the Air Space Unit.

ii. All buildings and other Improvements located within the boundaries of the Air Space Unit. This includes, but is not limited to:

A. All exterior and interior walls and partitions, doors and door frames, windows and window frames, floors, ceilings, roofs, crawl spaces, plenums, attics, and basements.

B. All foundations, footings, girders, beams, floor slabs, columns, and supports of any building or other Improvements located within the Air Space Unit.

C. All offices, dwelling or lodging rooms or apartments, stairways, meeting rooms, banquet rooms, exhibition halls, dining rooms, restaurants and bars, food and beverage preparation, handling, and storage facilities, bathrooms, and employee locker rooms and break rooms.

D. All lobby areas, elevators, elevator lobbies, walkways, corridors, entrances, entry ways and exits of each building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, service yards, loading docks, fire pump rooms, boiler rooms, telephone rooms, and chillers.

E. All fixtures originally installed in any such buildings or other Improvements, and all replacements of those fixtures.

F. All lanais, yards, grounds, walkways, walkway railings, water features, gardens, decorative rocks and other landscaping, and all refuse facilities located within the boundaries of the Air Space Unit.

G. All roads, driveways, parking stalls and parking areas, access lanes, paved areas, ramps, fire lanes and loading areas located within the boundaries of the Air Space Unit.

H. 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 or beneath the Air Space Unit if they are used for or serve only that particular Air Space Unit.

I. Anything else located within the boundaries of the Air Space Unit.

b. Units H-6B and H-6C: Except to the extent specifically excluded by Subsection 4, and except as otherwise provided in Subsection 3.c.(iii) through and including 3.c.(vi), these things are part of Units H-6B and H-6C, respectively:

i. All Improvements that are located within the boundaries of the Air Space Unit. This includes, but is not limited to:

A. All walls and partitions that are not load-bearing and that are located within the boundaries of the Air Space Unit.

B. All load-bearing walls, partitions, girders, beams, columns and supports of the Shared Building, if any, that are located within the boundaries of the Air Space Unit.

C. All movable lanai doors and door frames that are located within the boundaries of the Air Space Unit.

D. All other doors and door frames that are located within the boundaries of the Air Space Unit.

E. All entryway doors and door frames providing access to the interior of Unit H-6B or H-6C from the adjacent hallway located in Unit H-6A.

F. All windows and window frames that are located within the boundaries of the Air Space Unit.

G. The interior decorated or finished surface of all floors and ceilings corresponding to the imaginary horizontal planes comprising the upper and lower boundaries of the Air Space Unit, including but not limited to the decorated or finished surface of the floors and ceilings. This does not include the actual floors and ceilings used to establish the location of the planes constituting the upper and lower boundaries.

H. All fixtures originally installed within the Air Space Unit, and all replacements of those fixtures.

I. All lanais located within the boundaries of the Air Space Unit.

J. 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 the Air Space Unit if they are used for or serve only that particular Air Space Unit.

c. Units H-6A: Except to the extent specifically excluded by Subsection 4, these things are part of Unit H-6A:

i. All of the Land located within the boundaries of the Air Space Unit.

ii. All buildings and other Improvements located within the boundaries of the Air Space Unit. This includes, but is not limited to:

A. All exterior and interior walls and partitions, doors and door frames, windows and window frames, floors, ceilings, roofs, crawl spaces, plenums, attics, and basements.

B. All foundations, footings, girders, beams, floor slabs, columns, and supports of any building or other Improvements located within the Air Space Unit.

C. All offices, dwelling or lodging rooms or apartments, stairways, meeting rooms, banquet rooms, exhibition halls, dining rooms, restaurants and bars, food and beverage preparation, handling, and storage facilities, bathrooms, and employee locker rooms and break rooms.

D. All lobby areas, elevators, elevator lobbies, walkways, corridors, entrances, entry ways and exits of each building, all storage rooms, maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, service yards, loading docks, fire pump rooms, boiler rooms, telephone rooms, and chillers.

E. All fixtures originally installed in any such buildings or other Improvements, and all replacements of those fixtures.

F. All lanais, yards, grounds, walkways, walkway railings, water features, gardens, decorative rocks and other landscaping, and all refuse facilities located within the boundaries of the Air Space Unit.

G. All roads, driveways, parking stalls and parking areas, access lanes, paved areas, ramps, fire lanes and loading areas located within the boundaries of the Air Space Unit.

H. 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 or beneath the Air Space Unit if they are used for or serve only that particular Air Space Unit.

I. Anything else located within the boundaries of the Air Space Unit.

iii. The exterior surface of the walls facing the corridor and corresponding to the vertical planes comprising the boundaries of Units H-6B and H-6C, as described in Section 2.b.i.(a) and (b), above.

iv. The floors and ceilings corresponding to the imaginary horizontal planes comprising the upper and lower boundaries of Air Space Unit H-6B and H-6C.

v. Any improvements located above the lanais of Unit H-6B or H-6C. This would include, for example the underside of the lanai for Accommodations on the next floor up, or the underside of the roof and/or the support beams or other improvements comprising the roofing system located above the lanais of Air Space Units H-6B and H-6C.

vi. 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 Air Space Unit H-6B or H-6C if they are used for or serve more than one Air Space Unit but only Air Space Units H-6A, H-6B and/or H-6C.

4. THINGS THAT ARE NOT PART OF THE AIR SPACE UNITS. These things are not part of an Air Space Unit:

a. 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 or beneath an Air Space Unit (i) if they are used for or serve the Common Elements, or (ii) except as otherwise provided in Subsection

3.c.(vi), if they are used for or serve more than one Unit. All of the things described in this paragraph 4.b. are Common Elements. This is so regardless of the net living areas listed in Exhibit 1 to this Exhibit C and the way in which they were measured.

b. In the case of Units H-6B and H-6C:

i. The walls corresponding to the imaginary vertical planes comprising a portion of the boundaries of the Units except to the extent that they are located entirely within the boundaries of the Units. However the decorated or finished surfaces located within the Unit interior are part of the Unit.

ii. The floors and ceilings corresponding to the imaginary horizontal planes comprising the upper and lower boundaries of the Unit. However the decorated or finished surfaces located within the Unit interior are part of the Air Space Unit.

iii. Any improvements located above the lanais of the Air Space Unit. This would include, for example the underside of the lanai for Accommodations on the next floor up, or the underside of the roof and/or the support beams or other improvements comprising the roofing system located above the lanais of Air Space Units H-6B and H-6C.

All of the things described in this Section 4.b., above, are part of Air Space Unit H-6A. This is so regardless of the net living areas listed in Exhibit 1 to this Exhibit C and the way in which they were measured.

STANDARD UNITS

1. **STANDARD UNITS.** The Gazebo Unit (Unit 3001) is a Standard Unit. The approximate net living area of a Standard Unit consists of the net interior floor area plus, if the Unit has one or more lanais, the net lanai floor area as listed in Exhibit C.

a. The net interior floor areas listed in Exhibit C are based on measurements taken from the interior surface of the perimeter walls, windows and window frames, doors and their door frames. In all cases, floor areas were not reduced to account for interior walls, ducts, vents, shafts, stairways and so on located within those interior surfaces of the Unit.

b. All net lanai floor areas (if any) listed in Exhibit C are based on measurements taken from the boundaries of the Unit lanais.

2. **BOUNDARIES OF STANDARD UNITS.** The boundaries of the Standard Units are as follows:

a. **UNIT INTERIOR.** The boundaries of the Unit interior consist of (i) the centerline of all perimeter walls and floors that separate one Commercial Unit from another, (ii) the interior surface of all other perimeter walls, and (iii) the interior surface of all windows and window frames, doors and door frames, floors, and ceilings. If the Condominium Map does not use walls or other physical Improvements to mark the boundaries of the Unit interior, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

i. For purposes of this Subsection and Sections 3 and 4, the "ceiling" of any standard Commercial Unit (or part of a standard Commercial Unit) is the surface of the underside of the floor above it. If there is no floor above it, then the "ceiling" will be the underside of the roofing structure above it. This means that the Commercial Units include any crawl space or plenum between the "ceiling" and any acoustic tiles or other ceiling system.

b. **LANAI.** The lanai boundaries consist of these things:

i. The decorated or finished surfaces of the lanai floor.

ii. The decorated or finished surfaces of the outside walls of the building that separate the lanai from the Unit interior.

iii. The outside surface of any doors, door frames, windows and window frames that separate the lanai from the Unit interior.

iv. The interior decorated surface of any railings or support posts, and any other walls or other Improvements enclosing the lanai. If the Condominium Map does not use walls or other physical Improvements to mark the boundaries of the lanai, then the boundary will consist of an imaginary vertical plane in the location shown by a line drawn on the Condominium Map.

v. An imaginary horizontal plane located just below the lowest point of and parallel to the underside of the floor of the lanai of the Unit on the next floor up, provided that:

K. If the underside of the lanai floor for the next Unit up consists of exposed support beams, then the boundary will consist of an imaginary horizontal plane located just below the lowest point of the exposed support beams, and parallel to the floor of the lanai of the Unit on the next floor up.

L. If there is no lanai on the next floor up, the boundary will be an imaginary horizontal plane located just below the lowest point of, and parallel to, the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above the lanai.

M. If there is no lanai floor or roofing system above the lanai, then the boundary will be an imaginary horizontal plane located parallel to and ten (10) feet above the lanai floor, but excluding from it any area occupied by other Improvements of the Condominium.

3. THINGS THAT ARE PART OF THE STANDARD UNITS. These things are part of each Standard Unit:

a. All of the walls and partitions that are not load-bearing and that are located inside of the Unit's boundaries.

b. All movable lanai doors and the door frames.

c. All doors and door frames located inside of the Unit's boundaries.

d. The inner decorated or finished surfaces of all boundary walls, windows and window frames, doors and their door frames, floors and ceilings.

e. All fixtures originally installed in the Units and all replacements of those fixtures.

4. THINGS THAT ARE NOT PART OF THE STANDARD UNITS. These things are not part of the Standard Units:

a. The boundary walls (except for any part within the centerline of the boundary walls that separate one Commercial Unit from another), windows and window frames, doors and their door frames (except movable lanai doors and door frames), floors and ceilings. However the decorated or finished surfaces located within the Unit interior are part of the Unit.

b. Any load-bearing walls or columns inside of the Unit. However, the decorated or finished surfaces of all load-bearing walls or columns located within the Unit are part of the Unit.

c. The foundations, footings, girders, beams, floor slabs, supports, floors and ceilings surrounding each Standard Unit.

d. 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 a Unit if they are used for or serve the Common Elements or more than one Unit.

e. Any Improvements located above the lanai. This would include, for example the underside of the lanai for a Unit on the next floor up, or the underside of the roof and/or the support beams or other Improvements comprising the roofing system located above a lanai.

All of these things are Common Elements. This is so regardless of the net living areas listed in Exhibit 1 to this Exhibit C and the way in which they were measured.

Exhibit 1 to Exhibit C

IMPORTANT NOTE: ALL FLOOR AREAS FOR AIR SPACE AND STANDARD UNITS AS SHOWN IN THIS EXHIBIT OR IN EXHIBIT 1 TO THIS EXHIBIT ARE APPROXIMATE. DVD MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACTUAL AREA OF ANY PARTICULAR UNIT. THE AREAS OF PARTICULAR UNITS ARE LIKELY TO VARY.

The following Exhibit 1 lists the Units by unit number, unit type, and shows the net interior floor area (if applicable), net lanai floor area (if applicable), of the Units and Common Interest of each Unit.

1. **AIR SPACE UNIT TYPE:** There are fifteen (15) Air Space Units, identified as Units H-1, H-2, H-3, H-4, H-5, H-6A, H-6B, H-6C, H-7, H-8, H-9, H-10, H-11, H-12 and H-13, each of which currently consists of a single air space within the boundaries as described in Exhibit C above and as shown on the Condominium Map for the Project. Each Air Space Unit may be further subdivided and improved in any manner and fashion consistent with and as allowed pursuant to Section 18.2A.1)(b) of the Declaration. The approximate maximum floor area of each Air Space Unit will ultimately be determined by the improvements constructed and installed therein pursuant to the provisions of Section 18.2 of the Declaration but the maximum on the ground footprint of the improvements constructed within the Air Space Unit and the assigned Common Interest of each of the Air Space Units is as follows:

<u>UNIT NO.</u>	<u>FOOTPRINT FLOOR AREA</u>	<u>NET LIVING AREA</u>	<u>COMMON INTEREST</u>
H-1	101,221.99 SQ. FT.	25,305.50 SQ. FT.	12.079352%
H-2	27,239.16 SQ. FT.	27,239.16 SQ. FT.	13.002368%
H-3	5,241.56 SQ. FT.	5,241.56 SQ. FT.	2.502012%
H-4	27,335.26 SQ. FT.	6,833.82 SQ. FT.	3.262060%
H-5	2,798.09 SQ. FT.	699.52 SQ. FT.	0.333911%
H-6A	7,979.42 SQ. FT.*	7,979.42 SQ. FT.	5.904604%**
H-6B	1,102.49 SQ. FT.*	275.62 SQ. FT.	0.005316%**
H-6C	3,332.65 SQ. FT.*	833.16 SQ. FT.	0.016059%**
H-7	39,658.64 SQ. FT.	39,658.64 SQ. FT.	18.930696%
H-8	26,738.79 SQ. FT.	26,738.79 SQ. FT.	12.763521%
H-9	72,200.87 SQ. FT.	18,050.22 SQ. FT.	8.616109%
H-10	3,754.58 SQ. FT.	3,754.58 SQ. FT.	1.792215%
H-11	34,830.72 SQ. FT.	8,707.68 SQ. FT.	4.156533%
H-12	112,478.98 SQ. FT.	28,119.75 SQ. FT.	13.422708%
H-13	26,664.26 SQ. FT.	6,666.07 SQ. FT.	3.181986%

* At level 5 of the building located within Air Space Units H-6A, H-6B and H-6C. In addition, with respect to Unit H-6A, the footprint floor area at levels 1 through 4 and levels 6 through 15 is approximately 12,414.56 square feet. For Units H-6B and H-6C, the footprint floor area at all levels, except for level 5, is zero.

** Upon the subdivision of Unit H-6 into H-6A, H-6B and H-6C, the common interest for Unit H-6 has been divided among Units H-6A, H-6B and H-6C in accordance with Sections 18.2A3)(b) and 31.2B of the Declaration. In accordance with Section 31.2C of the Declaration, DVD had a registered Hawaii architect calculate the net living areas for units H-6A, H-6B and H-6C in accordance with Section 31.2B of the Declaration.

Note: The maximum floor area of the improvements which can be constructed within each Air Space Unit shall be limited by the three dimensional air space created by the floor maximum building footprint as defined above and within the horizontal and vertical space established for each Air Space Unit pursuant to the terms of the Declaration and as shown on the Condominium Map. For purposes of determining the Common Interest of each Vacation Support Unit, the net living area of each Vacation Support Unit equals the interior area multiplied by twenty-five percent (25%).

2. **STANDARD UNITS:** There is one (1) Standard Unit, identified as Unit No. 3001 (the "Gazebo Unit"). Unit 3001 consists of a single loft space with the boundaries of a Standard Unit as described in Exhibit C above and as shown on the Condominium Map for the Project. The Gazebo Unit may be further subdivided and improved in any manner and fashion consistent with and as allowed pursuant to section 18.2(a)(1)(a) of the Declaration. The approximate net living area of the Gazebo Unit and the assigned Common Interest of each of the Gazebo Unit is as follows:

<u>UNIT NO.</u>	<u>NET LIVING FLOOR AREA</u>	<u>COMMON INTEREST</u>
3001	64 SQ. FT.	0.030550 %

End of Exhibit C

(to Declaration of Condominium Property Regime)

End of Exhibit I

to

First Amendment to Amended and Restated Declaration of Condominium Property Regime For
Aulani, a Disney Resort & Spa, Ko Olina, Hawai'i Condominium

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AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS

FOR

Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS (the "Declaration") is made on the 7 day of September, 2011, by DISNEY VACATION DEVELOPMENT, INC., a Florida corporation ("Declarant"), whose address is 1390 Celebration Blvd., Celebration, Florida 34747, and by ABC, INC., a New York corporation ("Fee Owner") whose address is c/o The Walt Disney Company, 500 South Buena Vista Street, Burbank, California 91521-0179.

BACKGROUND

The Declarant is developing the property described on Exhibit A attached hereto (the "Master Property") as a multi-use master planned resort project (the "Resort") consisting of retail, restaurant, hotel and timeshare components.

The Master Property consists of Lots 4604-A, 4604-B, 5345-A and 5345-B, as shown on Map 1325 of Land Court Application No. 1069.

The Declarant established the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "Hotel Condominium") on Lots 4604-A and 5345-A of the Resort. The Hotel Condominium includes a hotel and related facilities. The Hotel Condominium was established when the Declarant and ABC recorded the following documents:

- ❖ Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957905 (the "Hotel Condominium Declaration");

- ❖ Bylaws of Ali'i Nui Hotel Condominium Association, Inc., dated April 12, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957906, which Bylaws were established pursuant to the Article of Incorporation of Ali'i Nui Hotel Condominium Association, Inc. (the "Hotel Condominium Association"), a Florida not-for-profit corporation established as the association of the condominium unit owners for the Hotel; and
- ❖ The plans of the Hotel Condominium filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Condominium Map No. 2048.

The Declarant established the Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Condominium (the "Vacation Ownership Condominium") on Lots 4604-B and 5345-B of the Resort and on an easement over portions of the Hotel Condominium. The Vacation Ownership Condominium was established when the Declarant and ABC recorded the following documents:

- ❖ Declaration of Condominium Property Regime For Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Condominium, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957908 (the "Vacation Ownership Condominium Declaration");
- ❖ Bylaws of Ali'i Nui Villas Condominium Association, Inc., dated April 12, 2010, recorded as Land Court Document No. 3957909, which Bylaws were established pursuant to the Article of Incorporation of Ali'i Nui Villas Condominium Association, Inc. (the "Vacation Ownership Condominium Association"), a Florida not-for-profit corporation established as the association of the condominium unit owners for the Vacation Ownership Condominium.
- ❖ The plans of the Vacation Ownership Condominium filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Condominium Map No. 2049.

The Declarant established the Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Vacation Ownership Plan (the "Plan"). The Plan consists of certain condominium units in the Vacation Ownership Condominium ("Vacation Units"). The Plan was established when DVD recorded the Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements, in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957910. Ali'i Nui Villas Vacation Owners Association, Inc., a Florida not-for-profit corporation (the "Vacation Owners Association"), is the association of the owners for the Plan.

Before recording the Hotel Condominium Declaration and the Vacation Ownership Condominium Declaration, Declarant (as the sole owner of an estate for years in the Master Property) and Fee Owner (as sole owner of the remainder interest in the Master Property) recorded that certain Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i, dated April 12, 2010, in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i as Document No. 3957567 (the "Original Declaration"). The Original Declaration establishes a framework for the operation of the Resort as an integrated whole regardless of the fact that the Resort actually consists of two condominium projects and a timeshare plan.

The Declarant reserved the right to annex into the Vacation Ownership Condominium certain condominium units of the Hotel Condominium. These condominium units are "air space units" meaning that the boundaries of the units are established by lines drawn on the condominium map of the Hotel Condominium. They include all of the space located within those boundaries regardless of whether the air space unit is filled with air, water, soil, rocks, land, improvements or anything else.

The Declarant intends to annex seven (7) air space units of the Hotel Condominium into the Vacation Ownership Condominium shortly after it records this Declaration. This means that those air space units will be part of the Hotel Condominium and also part of the Vacation Ownership Condominium at the same time. Subsequent to such annexation, all of the buildings of the Vacation Ownership Condominium containing Vacation Units will be located partly or entirely within both the Hotel Condominium and the Vacation Ownership Condominium. In addition, both parking structures for the Resort will be located within both the Hotel Condominium and the Vacation Ownership Condominium.

The improvements of the Hotel Condominium and the Vacation Ownership Condominium generally have been constructed as an integrated whole. It is impracticable and not economically feasible to conduct cost accounting between the Hotel Condominium Association, the Vacation Ownership Condominium Association, the Vacation Owners Association, the individual owners of units in the Hotel Condominium or in the Vacation Ownership Condominium with respect to the operation, maintenance and repair of the various components of the Resort. For example, the air conditioning system and electrical system serve the entire Resort and it is extremely difficult to isolate the share of the air conditioning system or utility services used, e.g., to provide air conditioning or lighting in the hallways or elevator lobbies of the buildings. Moreover, the cost of requiring cost accounting as between the various associations, and the owners of units in the two condominium projects, would substantially increase the costs of administration to be borne by the various associations and other parties.

In recognition of the fact that the Resort, although consisting of two separate condominium projects, is intended to be built and operated as a unified project, and pursuant to its amendment authority as set forth in Section 9.1 and Section 9.2 of Original Declaration, Declarant, with the consent of Fee Owner, is amending the Original Declaration as set forth in this Amended and Restated Master Declaration.

To make this document easier to read, Declarant is amending and restating the entire Original Declaration as set forth in this document. This document completely supersedes and replaces the Original Declaration.

NOW, THEREFORE, in consideration of the recitals set forth above and in furtherance of the reserved rights of Declarant set forth in the Original Declaration, Declarant does hereby amend and restate the Original Declaration in its entirety, and Fee Owner does hereby join in and consent to such amended and restated Original Declaration, as follows:

INTRODUCTION

Declarant is the owner of an estate for years in (“Declarant’s Estate”), and developer of, the property which is legally described on Exhibit A attached hereto (the “Master Property”) and Fee Owner is the owner of the remainder interest (“Fee Owner’s Remainder Interest”) in the Master Property, which Master Property is being developed by Declarant as a multi-use master planned resort project (the “Resort”); consisting of retail, restaurant, hotel and timeshare components. The Resort shall also include certain shared areas, including roads, parking, support facilities, open space, and other facilities. The Resort is located in Ko Olina Resort, a master planned resort community on the Island of Oahu in the State of Hawai‘i.

Declarant intends to develop one portion of the Resort as a vacation ownership resort and a condominium under Hawai‘i law (the “Vacation Ownership Master Parcel”) and to develop the other portion of the Resort as a hotel (the “Hotel Master Parcel”). Declarant contemplates that the Resort will have various amenities, some of which will be part of the Hotel Master Parcel and some of which will be part of the Vacation Ownership Master Parcel.

Declarant wants to be sure that the owners and guests of both the Vacation Ownership Master Parcel and Hotel Master Parcel may use some or all of these amenities.

Declarant also desires to provide for the preservation and enhancement of the desirability and attractiveness of the Master Property; to ensure that any improvements that may be developed on the Master Property will be designed, constructed, used and maintained in compliance with all applicable laws and this Master Declaration and in conformity with the overall theme, concept, atmosphere and high standards of quality which have come to be known and expected at Disney Resorts; to provide for the common use of and the sharing of expenses for the maintenance and repair of shared areas; and to permit the development of the shared areas and the alteration, renovation, removal, or modification of certain of the shared areas to integrate with, enhance and support the surrounding larger development of the Master Property and the Resort as a whole.

To accomplish this, Declarant desires to impose this Master Declaration on the Master Property, which includes the Vacation Ownership Master Parcel and the Hotel Master Parcel. This Declaration establishes the rules for Declarant, owners and guests of the Vacation Ownership Master Parcel and the Hotel Master Parcel to share the use of the shared areas and certain amenities of the Master Property, and maintain the quality of the Master Property and Resort as a whole; and establishes a means for sharing the costs and expenses of operating and maintaining those shared areas and amenities.

Fee Owner desires to join in this Master Declaration and submit Fee Owner's Remainder Interest in the Master Property to the terms, covenants, conditions, easements and restrictions of this Master Declaration so that all interests in the Master Property are subject to the Master Declaration.

NOW, THEREFORE, Declarant and Fee Owner jointly declare that all of the Master Property shall be held, transferred, sold, conveyed, leased, mortgaged, occupied and otherwise dealt with subject to the covenants, conditions, restrictions, reservations, easements, charges and liens, as set forth in this Master Declaration (as defined in Article I below), all of which are in furtherance of the foregoing purposes. Such covenants, conditions, restrictions, reservations, easements, charges and liens shall run with the Master Property, shall be binding upon all parties having or acquiring any right, title or interest in or lien upon the Master Property, their successors, assigns and legal representatives, and shall inure to the benefit of each and every person or entity from time to time, owning or holding an interest in or lien upon the Master Property or any portion of the Master Property.

I. DEFINITIONS. The following words when used in this Master Declaration shall have the following meanings:

"Accommodation" means a hotel, condominium or timeshare unit used for transient occupancy purposes, whether or not declared as part of a Condominium or Vacation Ownership Plan.

"Applicable Law" means any and all applicable statutes, common laws, judicial determinations, ordinances, requirements, orders, directions, rules and regulations having the force of law enacted or promulgated or issued by federal, state, regional, county or municipal governments or courts or by any of their respective departments, bureaus and offices or by any other governmental authorities with jurisdiction over the Master Property or the ownership, design, construction, reconstruction, alteration, renovation, restoration, replacement, zoning, use, land use, operation, management, condition (including environmental and non-environmental conditions), repair or maintenance of the Master Property. Applicable Law shall be determined as it is constituted on the date this Master Declaration is recorded, unless otherwise provided in this Master Declaration.

"Architectural Review Officer or ARO" means the person or persons designated by Declarant and further described in Article IV of this Master Declaration.

"Association" means any condominium, timeshare or other owners' association responsible for the maintenance and operation of any portion of the Master Property declared as Condominium Property, declared as Vacation Ownership Property or subject to subdivision restrictions or other similar restrictive documents pursuant to which an owners' association is created. With respect to those portions of the Master Property that an Association is responsible for maintaining and operating, that Association shall be the only representative authorized to act on behalf of a member or members of such Association, including any members who are owners of interests in property subject to a declaration of condominium, timeshare instrument or restrictive documents, with respect to such property and the provisions of this Master Declaration. In the event that more than one such Association exists, the Declarant shall have the right to determine, in its sole, absolute and unfettered discretion, the representation authority of each such Association. Whenever the governing board of the Association gives its acknowledgment, consent, understanding or agreement with respect to that portion of the Master Property that it is responsible for maintaining and operating and with respect to this Master Declaration, such acknowledgment, consent, understanding or agreement shall be deemed to also have been given by each member of such Association and shall be absolutely binding upon each such member. Nothing contained in this Master Declaration shall be deemed to relieve any individual member of an Association, as both a member of an Association and as an individual Owner, from the requirement of complying with any provision of this Master Declaration. Notwithstanding the foregoing, the term "Association" shall not mean or refer to the Ko Olina Community Association, Inc. or the Ko Olina Resort Operator's Association, Inc., both of which are Hawai'i nonprofit corporations, or any other associations established pursuant to that certain Amended and Restated Declaration of Covenants for Ko Olina Community Association" dated March 13, 2006, recorded May 10, 2006, as Doc. Nos. 3426805 through 3426807, as it is amended from time to time.

"Beach" means that portion of the Vacation Ownership Master Parcel adjacent to the lagoon and used as a beach, up to the common boundary between the Vacation Ownership Master Parcel and the Lagoon Parcel (TMK No (1) 9-1-057-003).

"Building Shared Components" means all of those Improvements, whether located on the Hotel Master Parcel or the Vacation Ownership Master Parcel, which service or support the Improvements on both the Hotel Master Parcel and Vacation Ownership Master Parcel and include, but are not limited to, roof membranes, roofs, Roof Drains, foundational elements, slabs, exterior and external walls, stucco finish, water proofing, sealants and caulking, load-bearing walls, party walls, shear walls, support beams, columns, masonry, patios, balconies, railings, terraces, and other structural support systems and devices, expansion joints, exterior glass windows, exterior doors, shafts, exterior light fixtures, Utility Services, wiring, conduits, chilled water risers, plumbing, lines, cables, pipes, HVAC systems, life/safety systems, building control system hardware, software, and computer stations, central security system, fire escapes, fire command center, fire panels, fire equipment room, emergency generator room, fire pump room, switch gear equipment, generator, fuel tank, fire pump and fire sprinkler systems, water pump, water distribution systems, piping systems, exfiltration systems, sewage collection system, Surface Water Management System, storm water drainage system, electrical systems, main electrical room (and appurtenant equipment), mechanical rooms, generators, lighting protection systems, communication systems (low voltage system), chiller, cooling tower, ducts, exhaust chases, smoke evacuation systems and ventilation chases, boilers, compressors, ducts, engines, equipment, and ventilation and other basic structural and support components, features or systems of, in, on or relating to Improvements and which are shared between the Improvements located on the Hotel Master Parcel and the Improvements located on the Vacation Ownership Master Parcel necessary to operate, maintain and support such Improvements, as well as the Shared Vertical Transportation located, constructed, or installed in the aforementioned Improvements, Master Parcels and buildings, but specifically excluding all personal property, fixtures, interior finishes, and other items or contents owned by or added, installed, or constructed therein by an Owner.

"Capital Improvement Expense" means a charge against each Owner and its Parcel, representing a portion of the costs incurred for construction, installation or replacement of any capital improvement to or for any portion of the Shared Areas (including the Building Shared Components), or any repair of such an Improvement amounting to a capital expenditure under generally accepted accounting principles. "Construction" herein does not refer to the initial construction of any portion of the Shared Area or other Improvements.

"Chapter 514E" means Chapter 514E (Timesharing Plans), Hawai'i Revised Statutes, as the same is constituted on the date that this Master Declaration is recorded or filed in the Land Court.

"Chapter 514B" means Chapter 514B (Condominiums), Hawai'i Revised Statutes, as the same is constituted on the date that this Master Declaration is recorded or filed in the Land Court.

"Condominium" means that form of ownership of real property which is created and established pursuant to Chapter 514B.

"Condominium Property" means any portion of the Master Property, or rights or interests in the Master Property, which is submitted to a recorded declaration of condominium in accordance with Chapter 514B. If any Condominium so created is a phased Condominium, all portions of the Master Property made subject to the condominium form of ownership by amendments or supplements to the declaration of condominium shall be deemed included within and a part of the Condominium Property, if and when such amendments or supplements are recorded.

"Designated Facilities" consist of such facilities as Declarant may specifically designate, from time to time, as **"Designated Facilities"** in its sole, absolute, and unfettered discretion. Such designation shall be made by the filing of record, from time to time, of an instrument referencing the provisions of this Master Declaration executed by Declarant and recorded or filed in the Land Court. At the time of the initial recording or filing of this Master Declaration, the lazy river and adjacent pool and related facilities and the caldera waterslides all as described and depicted on **Exhibit B** are Designated Facilities.

"Declarant" means Disney Vacation Development, Inc., a Florida corporation and an affiliate of The Walt Disney Company, a Delaware corporation, its successors and any assigns who take assignment of the rights and duties under this Master Declaration pursuant to a written instrument recorded or filed in the Land Court.

"Disney Standard" means a standard at least equal to the overall theme, concept, atmosphere and high standards of quality associated with the WALT DISNEY WORLD® Resort in Lake Buena Vista, Florida and the DISNEYLAND® Resort in Anaheim, California.

"Hotel Master Parcel" means and refers to all of the Master Property except the Vacation Ownership Master Parcel, and includes the Improvements located on the Hotel Master Parcel from time to time.

"Improvements" consist of all structures, buildings, infrastructure, and all appurtenant and related facilities, and Designated Facilities constructed and located from time to time on the Master Property, together with any and all additions to and replacements of the Master Property, and all other improvements now or hereafter located on the Master Property. Improvements shall include, but shall not be limited to, the Accommodations, Building Shared Components, Surface Water Management System, Streets and Roadways, Utility Services, fences, walls, lift stations and signage.

"Insurance Trustee" shall have the meaning set forth in Section 4.4.

"Land Court" shall mean the Office of Assistant Registrar of the Land Court of the State of Hawai'i; provided, however, that if all or any portion of the Master Property is withdrawn from the Land Court, then the term "Land Court" shall mean the Bureau of Conveyances of the State of Hawai'i as to the parcel so withdrawn; provided further that if Hawai'i law is amended to require that certain documents or instruments must be recorded in the Bureau of Conveyances of the State of Hawai'i even though the same pertain to land registered in the Land Court, then the term "Land Court" shall be deemed to refer to said Bureau of Conveyances of the State of Hawai'i to the extent provided by any such amendment of Hawai'i law.

"Master Declaration" means this Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions, as the same may be amended or supplemented from time to time.

"Master Property" means that certain real property lying and situated in Honouliuli, District of Ewa, Honolulu, City and County of Honolulu, State of Hawai'i, which real property is more particularly described in Exhibit A attached to this Master Declaration and by this reference incorporated in this Master Declaration, together with all Improvements on the Master Property. All references to the Master Property shall be deemed to apply to all portions and any portion of the Master Property whether or not such portions are separately owned, managed, or developed.

"Master Parcel" means each primary portion of the Master Property and the Improvements located thereon from time to time. The Master Property is contemplated to be divided into two (2) Master Parcels: the Vacation Ownership Master Parcel and the Hotel Master Parcel.

"Master Parcel Owner" means the Owner of a Master Parcel. Ali'i Nui Villas Condominium Association, Inc., a Florida not-for-profit corporation, shall be the Master Parcel Owner for the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium. Ali'i Nui Villas Condominium Association, Inc., a Florida not-for-profit corporation, shall be the Master Parcel Owner for the Hotel Master Parcel.

"Open Area" means those areas of open space located from time to time on the Master Property and that are not included within the Improvements.

"Owner" means the record owner of fee title or lessee, whether one or more persons or entities, in any portion of the Master Property. Owner shall not refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any alternative in lieu of foreclosure. As to any portion of the Master Property declared as Condominium Property, declared as Vacation Ownership Property or subject to subdivision restrictions or other similar restrictive documents pursuant to which an Association is created, such Association shall be deemed the Owner for that portion of the Master Property the Association is responsible to operate and maintain; provided however, that this definition shall not relieve any member of such Association as an owner of an interest subject to the declaration of condominium, timeshare instrument or restrictive documents from complying with the restrictions and conditions set forth in this Master Declaration. With respect to the provisions of this Master Declaration, each Association shall be the only representative authorized to act on behalf of the members of such Association, including any member of such Association who is also an owner of an interest in property that is subject to such subject to the declaration of condominium, timeshare instrument or restrictive documents. Whenever the governing board of the Association gives its acknowledgment, consent, understanding, or agreement with respect to this Master Declaration, or whenever any notice is served or delivered to such governing board pursuant to this Master Declaration, such acknowledgment, consent, understanding, agreement, service or delivery shall be deemed to also have been given or received by each member of the Association and shall be absolutely binding on each member.

"Parcel" means any portion of the Master Property.

"Pools" means any swimming pools and related facilities (*i.e.*, lazy river, pool slides, hot tubs, kiddie pools, interactive fountains, pool chairs, *etc.*) located on any portion of the Master Property, regardless of whether such pools and related facilities exist as of the date of this Master Declaration or are constructed subsequent to the date of this Master Declaration. The snorkel lagoon and habitat touch tank are not included as Pools.

"Prohibited Deletions" consist of those portions of the Master Property which may not be deleted from encumbrance by this Master Declaration, as provided in Paragraph 2.3.2, except as otherwise set forth in Paragraph 2.3.2.

"Roof Drains" mean and include those certain drainage pipes, lines, systems, and other related drainage devices or equipment which shall provide storm water drainage from the roofs and other impervious surfaces of the Improvements into the Surface Water Management System.

"Rules and Regulations" mean any rules and regulations promulgated and deemed advisable from time to time by Declarant or the ARO in their sole, absolute and unfettered discretion.

"Shared Area Expenses" means all costs and expenses of maintenance and operation of the Shared Areas, including the payment of insurance on the Shared Areas, and all expenses of repair, refurbishment, preservation, enhancement, or replacement of the Shared Areas including, without limitation, all Capital Improvement Expenses and reserves therefor, and all costs of labor, equipment, materials, insurance and landscaping related to the Shared Areas including, without limitation, all Capital Improvement Expenses and all costs related to services provided to or from the Shared Areas, including, without limitation, check in/check out services, concierge and valet services, housekeeping and janitorial services.

"Shared Areas" means those portions of the Master Property consisting of the Designated Facilities, any portions of Streets and Roadways, the Pools, any Open Areas, the Beach, sidewalks and pedestrian walkways, any portions of the Building Shared Components, security gates, interior hallways, entranceways, the Surface Water Management System, storm water drainage systems, water distribution systems and other Utility Service systems, trash compactors, trash dumpsters, delivery area and loading dock, lift stations, or any other Improvements (except Accommodations) that are commonly-used or integral to the structure, operation, use, or enjoyment of the Master Property as determined by the ARO, in its sole, absolute, and unfettered discretion, from time to time, and any of the following systems and equipment to the extent such systems and equipment serve both Master Parcels: building control system hardware, software, and computer stations, central security system, fire escapes, fire command center, fire panels, fire equipment room, emergency generator room, fire pump room, switch gear equipment, generator, fuel tank, fire pump and, fire sprinkler systems, water pump, water distribution systems, piping systems, exfiltration systems, sewage collection system, storm water drainage system; electrical systems, main electrical room (and appurtenant equipment), mechanical rooms, exterior lighting, generators, lighting protection systems, communication systems (low voltage system), HVAC shafts, chiller, cooling tower, exhaust chases, smoke evacuation systems and ventilation chases, boilers, pipes, compressors, conduits, ducts, engines, equipment, plumbing, and ventilating. The ARO shall have the right, in its sole, absolute, and unfettered discretion, to determine that any area (other than a Designated Facility) no longer needs to be a Shared Area. Shared Areas shall not include any Accommodations, but will include the Building Shared Components supporting such Accommodations. Shared Areas also will not include any facilities used for the conduct of a business, as offices, for commercial activities, or for profit-making ventures as determined by the ARO, in its sole, absolute, and unfettered discretion.

"Shared Vertical Transportation" means any Vertical Transportation extending vertically in, on, or through all or any portion of the Master Property that serves both Master Parcels.

"Streets and Roadways" means all ingress and egress infrastructure constructed upon or across the Master Property including streets, roadways, driveways, parking areas, paths and sidewalks.

"Surface Water Management System" means the surface water management system located on the Master Property consisting of any swales, inlets, culverts, retention ponds, outfalls, storm drains, pump stations, connecting pipes and similar systems used in connection with the retention, drainage and control of surface water.

“TWDC Companies” means The Walt Disney Company, a Delaware corporation, its successors and assigns, and all of its subsidiaries.

“Utility Services” means any kind of utilities servicing the Master Property whatsoever, including water, natural gas, cable television, telephone service, electricity, sewage and solid waste disposal and communications and any other similar public service or convenience facility supplied to any portion of the Master Property.

“Vacation Ownership Master Parcel” means and refers collectively to all portions of the Master Property that are located within Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai’i Condominium, and any additional property annexed hereto pursuant to Section 2.2.3 and designated in the instrument annexing the same as being a portion of the Vacation Ownership Master Parcel.

“Vacation Ownership Plan” means a timeshare plan created pursuant to Chapter 514E.

“Vacation Ownership Property” means any portion of the Master Property that is made subject to a Vacation Ownership Plan.

“Vertical Transportation” means any elevator cores and shafts and their walls and interiors; elevator and escalator machine rooms; elevator cabs; stairways; stairwells; elevator and escalator overruns, bulkheads, shafts, pits, tanks, pumps, motors, fans compressors, controls, and other related equipment; elevators; escalators; mechanical rooms containing any of the foregoing; and all related equipment, machinery, and devices, extending vertically in, on, or through all or any portion of the Master Property.

“Visible Area” means any portion of the Improvements (including any curtain wall, facade, window shades, blinds and other window covering, roof(s), or other area of the Improvements) visible from the exterior of such Improvements.

“Work” means any grading, site work, planting or removal of plants, trees, shrubs or other landscaping materials, or construction, installation or material modification of any Improvements. A modification shall be deemed material if it would involve a visible change or addition to the exterior of any Improvements if it would impact the structural integrity of any Improvement or, as to the interior of an Improvement, modifications which would not comply with the Master Declaration or Applicable Law, as it may exist from time to time. Work does not include non-structural changes to the interior of any Improvements.

II. PROPERTY SUBJECT TO THIS MASTER DECLARATION: ADDITIONS THERETO AND DELETIONS THEREFROM.

2.1 Master Property. The real property which is, and shall hereafter be, held, transferred, sold, conveyed, leased, mortgaged, occupied and otherwise dealt with subject to this Master Declaration is the Master Property.

2.2 Additions to Master Property. Declarant, from time to time, may, in its sole, absolute and unfettered discretion, cause additional real property to become subject to this Master Declaration; but under no circumstance shall Declarant be required to make such additions.

2.2.1 Other Declarant Property. No other real property owned by Declarant or Fee Owner shall in any way be affected by or become subject to this Master Declaration, except as specifically provided for in this Master Declaration, until such time, if ever, as such real property is added to the Master Property.

2.2.2 Development of Additions. Any real property to be hereafter added to the Master Property and to become subject to this Master Declaration shall be used or developed in such a manner to provide for the preservation and enhancement of the desirability and attractiveness of the overall real property subjected to this Master Declaration in the same manner as described for the Master Property.

2.2.3 Amendment to Master Declaration/Supplemental Declaration. Any additions to the Master Property authorized under this Master Declaration shall be made by the filing of record, from time to time, of an amendment to this Master Declaration or a supplemental Master Declaration of Covenants, Conditions, Easements and Restrictions, executed by Declarant or Fee Owner (if applicable) and any other owner of such property, which shall

extend the covenants, conditions, easements and restrictions contained in this Master Declaration to such property. Such amended Master Declaration or supplemental Master Declaration of Covenants, Conditions, Easements and Restrictions may contain such amendments or additional provisions as Declarant may deem necessary in its sole, absolute, and unfettered discretion. Declarant shall not be required to obtain the approval or consent of any Owner or any person claiming by, through, or under any Owner to add any property to the Master Property pursuant to this Section.

2.3 Deletions from Master Property.

2.3.1 Declarant Rights. Subject to any Prohibited Deletions, Declarant may, without the consent of any Owner or any person claiming by, through, or under any Owner, at any time delete any portion of the Master Property owned by Declarant from encumbrance by this Master Declaration by executing and filing of record a Notice of Deletion from Master Declaration of Covenants, Conditions, Easements and Restrictions. No Owner, or any entity claiming by, through, or under any Owner, shall have any right to claim detrimental reliance on this Master Declaration with regard to any portion of the Master Property deleted from this Master Declaration by Declarant pursuant to this Section.

2.3.2 Prohibited Deletions. Subject to Declarant's reserved rights in Paragraph 9.4.2 below, Declarant shall not delete, without approval of all Owners, any portion of the Master Property which deletion would result in the deletion of any Designated Facility from this Master Declaration. Declarant shall not delete, without the approval of all Owners, any portion of the Master Property which deletion would result in the elimination of all reasonable ingress and egress rights to a dedicated right of way granted pursuant to Paragraph 3.6.1 or the elimination of drainage or utility easement rights granted pursuant to Paragraph 3.4.13.

III. PROPERTY RIGHTS IN THE MASTER PROPERTY.

3.1 Title to Master Property. Nothing contained in this Master Declaration is intended to prohibit or in any manner restrict Declarant's or Fee Owner's ability to sell, transfer, convey, assign, lease, mortgage, encumber or otherwise dispose of any or all of their interests in all or a portion of the Master Property to any person. Declarant and Fee Owner acknowledge and understand that if any portion of the Master Property is developed as a leasehold Condominium, ownership of the condominium units, undivided interests in the condominium units or vacation ownership interests in the condominium units shall be real property interests for the term of the applicable lease. Nothing in this Master Declaration is intended to grant by implication any rights in or to the Master Property other than the rights specifically set forth in this Master Declaration.

3.2 Development Permitted. The Master Property may be developed for any lawful purpose, including the construction, use, operation, maintenance, repair and replacement of Improvements or Open Areas. All development of the Master Property shall be in accordance with this Master Declaration and Applicable Law. It is expressly contemplated that such development may involve the creation of one or more Condominiums, Vacation Ownership Plans, or a combination of the two. The development may also involve the continued operation and further creation of commercial or other profit making ventures, as may be designated by Declarant.

3.3 Declarant Rights in the Master Property.

3.3.1 Declarant Rights. Notwithstanding anything to the contrary contained in this Declaration, or within any other agreement, document, instrument or writing, Declarant shall have and reserves unto itself (and Fee Owner hereby grants to Declarant) non-exclusive use and access rights over, upon, under and across the Master Property (together with the right to assign all or any portion of such rights) including the right to: (i) erect, maintain, repair, replace, relocate and use electric and telephone poles, wires, cables, conduits, sewers, water mains, pipes, machinery, and other suitable equipment or improvement related thereto, whether public or private, used in connection with, or in any way related to, the production, transmission, conveyance, distribution or use of electricity, telephone, cable television, communications (voice, video or data), gas, sewer, water, storm water, security or any other public conveniences or utilities; (ii) plant, maintain, remove, relocate or replace any trees, bushes, shrubbery or other landscaping; (iii) perform any excavation, filling, digging, earth moving or grading activities; (iv) construct, maintain, repair, replace, relocate, remove, modify, support or alter Improvements and Open Areas of every kind or nature as may be permitted by Applicable Laws and this Master Declaration; provided that no such activities shall be conducted in a manner that causes a Vacation Ownership Plan to be in violation of the one-to-one use-right to use-night requirement of Chapter 514E; (v) landscape or otherwise do those acts necessary to maintain or enhance the aesthetic quality of the Master Property and

the Improvements and Open Areas to be developed on the Master Property; (vi) locate, construct, repair, maintain, replace or relocate wells, lift stations, pumping stations, tanks and any other facilities associated therewith; (vii) take any other similar action reasonably necessary to provide economical and safe utility installation on or about the Master Property and to maintain, at all times, high standards of health, safety and appearance; (viii) share in the license and easement rights granted to Owners pursuant to this Master Declaration; (ix) access and use, and allow its guests, invitees and licensees to access and use any Shared Area; (ix) conduct marketing, sales, and rental of Parcels owned by Declarant; (x) develop, construct, remodel, or otherwise do any and all acts necessary or desirable to develop the Master Property in any manner deemed desirable by Declarant or its designees from time to time; (xi) perform maintenance on and otherwise manage the Hotel Master Parcel (including, without limitation the Building Shared Components) in accordance with the provisions of this Master Declaration; (xii) employ or contract with a manager (which may be a TWDC Company) with respect to maintenance of the Hotel Master Parcel and Building Shared Components, and delegate its powers to committees, officers and employees; and to assign and delegate for the term of any management contract, any or all of its obligations, privileges and immunities under this Master Declaration; (xiii) control the appearance of the exterior of any Improvements located on the Master Property and the appearance of any Visible Area; and (xiv) otherwise do any and all acts necessary or desirable to develop the Master Property in any manner deemed desirable by Declarant and in Declarant's sole, absolute and unfettered discretion; provided, however, that such reservation and granting powers and rights shall not be considered to create, impose or imply any obligation of Declarant to provide any of the items listed in this Paragraph.

3.3.2 Right to Approve Name or Use of a Name. Prior to the use of any name to identify: (i) any Improvements constructed on the Master Property, including any Condominium or Vacation Ownership Plan; (ii) any person or entity having management duties with respect to any Improvement or any portion of the Master Property, including any Association or management company or any subsidiary or affiliate of any of the foregoing; or (iii) any commercial or non-commercial venture operated on the Master Property when such venture seeks to use the names approved for use in connection with the Master Property; such name or use shall be submitted to Declarant for its approval. Declarant may approve or disapprove of the name or the use of such name in its sole, absolute and unfettered discretion, and under such terms, conditions and limitations as Declarant determines in its sole, absolute and unfettered discretion. Declarant's consent to the name or the use of such name, if given, shall be set forth in writing, and shall only apply to the specific Improvements, person or entity to whom such approval is given.

3.3.3 Right to approve Condominium Declaration or Vacation Ownership Declaration, Additional Covenants and Restrictions, or any Amendments. Prior to the recording of any condominium declaration or vacation ownership declaration, additional covenants or restrictions on any portion of the Master Property, or amendment to any of the foregoing, such documents shall be submitted to Declarant for its written approval, in its sole discretion, and under such terms, conditions and limitations as Declarant determines in its sole discretion. Declarant has approved all of the condominium declarations, vacation ownership declarations and additional covenants and restrictions affecting the Master Property which are being filed substantially concurrently with this Declaration.

3.3.4 Streets and Roadways. Streets and Roadways shall be the sole and exclusive property of Declarant or the Owner of the property upon which such Streets and Roadways are constructed, as applicable; provided, however, that Declarant does reserve unto itself and grant to its guests, purchasers, invitees, licensees, and domestic help, to delivery, pickup, fire protection and emergency services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by Declarant or any Owner to serve the Master Property, holders of mortgage liens on such lands and such other persons as Declarant may from time to time designate, a license and right of enjoyment for reasonable ingress and egress over and across the Streets and Roadways and to any dedicated rights of way. Nothing contained in this Master Declaration shall require Declarant or any Owner to construct any Streets and Roadways other than as Declarant or such Owner may be required by any Applicable Law, and nothing contained in this Master Declaration shall prevent the construction and maintenance of Improvements or Open Area as described above on the Master Property.

3.3.5 Parking. Notwithstanding anything to the contrary contained in this Master Declaration, Declarant may regulate the use of the parking areas of the Hotel Master Parcel, if any, pursuant to rules and regulations promulgated by Declarant in its sole, absolute, and unfettered discretion. Declarant shall have the right to construct and operate a security gate on the portion of the Streets and Roadways located within the Hotel Master Parcel, if any, for the purpose of regulating access to the parking spaces, and to limit such access pursuant to reasonable rules and regulations promulgated by Declarant from time to time. In addition, either Master Parcel Owner shall be entitled to designate any portion or all of the parking facilities located on its Master Parcel as pay parking and charge a parking fee, determined in

such Master Parcel's sole discretion, for parking on such parking facilities provided that such parking fee shall be applied to all Owners and their guests and invitees on a non-discriminatory basis and the cost of maintaining, repairing and replacing such parking facilities shall not be a Shared Area Expense. It is specifically contemplated that valet parking services will be utilized and that the costs of such valet parking services will be a Shared Area Expense. Notwithstanding the foregoing, for parking structures located on the Vacation Ownership Master Parcel, the Vacation Ownership Condominium Association shall be entitled to (1) provide free access to the parking structures to its members and its members' guests and invitees and charge all others a parking fee in which event the cost of maintaining, repairing and replacing such parking structures shall not be a Shared Area Expense; and (2) provide fee-based valet parking services in which event such valet parking services shall not be a Shared Area Expense; provided that the amounts of such parking fee and valet parking fee are subject to Declarant's review and approval.

3.3.6 Water Areas. All water management, transportation or drainage facilities, including the Surface Water Management System, constructed or maintained on the Master Property shall not be dedicated or required for public use; provided, however, that Declarant may, without the consent and joinder of any Owner, dedicate or grant easements to any governmental entity for all or any part of such facilities as to which such governmental entity has agreed to maintain and service. It is expressly contemplated that erosion to the Shared Areas located adjacent to water management, transportation or drainage facilities (whether on the Master Property or not) may occur and that the maintenance, repair or replacement of such Shared Areas shall be a Shared Area Expense.

3.3.7 Utilities. Declarant reserves the right to grant such easements over, upon, under and across the Master Property, without the consent of any Owners, as are reasonably necessary to enable any company to provide Utility Services to the Master Property. Each Owner may grant such easements over, upon, under and across the portion of the Master Property owned by such Owner as are reasonably necessary to enable any company to provide Utility Services to the Master Property. Should an Improvement be constructed such that it encroaches upon a utility easement, such Improvement shall be removed to the extent necessary to ensure the continuation of uninterrupted service and to affect the maintenance, repair or replacement of any utilities within the easement, at the cost and expense of the owner of such Improvement.

3.3.8 Signage Easements. Declarant reserves exclusive, perpetual easements for the location, installation, erection, maintenance, use, operation, repair, replacement, or removal of signs, notices, other displays, or advertising on the exterior of any Improvements constructed on the Master Property, together with non-exclusive rights of ingress to and egress as may be necessary and appropriate to exercise the easements granted in this Section 3.3.8.

3.3.9 Sales and Marketing Easements. Declarant reserves non-exclusive, perpetual easements for the use, access, ingress, and egress over, through, under, over, and across the Master Property, as may be necessary and appropriate for marketing, sales, resales, and rental of units, commercial units, accommodations at other projects, or any other hospitality, realty, or consumer products, and for the purpose of leasing any accommodations that may or may not be part of the Master Property. Such rights may include the right to establish models; conduct property tours; conduct sales presentations; conduct closings; and to erect, post, maintain, and relocate signs, notices, advertisements, and other promotional information on the Master Property.

3.3.10 Rules and Regulations. Declarant or the ARO may promulgate such Rules and Regulations they deem advisable and the Owners and respective members, guests, lessees and invitees shall comply with said Rules and Regulations.

3.4 Shared Areas. The following provisions shall govern with respect to the use and operation of Shared Areas:

3.4.1 Easements. Non-exclusive easements are reserved in favor of Declarant and its respective guests, lessees and invitees and granted to Owners and their respective members, guests, lessees and invitees, across, under and through the applicable portions of the Master Property as are necessary and reasonable for support, ingress and egress and for the installation, maintenance, repair, replacement or operation of all Shared Areas. The Owners and their respective members, guests, lessees and invitees, shall also have a non-exclusive easement for the use and enjoyment of Shared Areas to the same extent as hotel guests staying within the Hotel Master Parcel. Notwithstanding the foregoing, (i) the Owner of any Parcel in the Hotel Master Parcel or any Parcel that does not contain any Shared Areas shall be entitled, in its sole, absolute and unfettered discretion, to close and/or discontinue use of any portion of the Hotel Master Parcel other than the Building Shared Components; and (ii) the Owners, other than the Owner of such Parcel, shall have

no rights in or to those portions of the Hotel Master Parcel that are not Shared Areas, including, without limitation, the restaurants, bars, spa, conference center and banquet and convention facilities located within the Master Property.

3.4.2 Encroachment Easements. Non-exclusive, perpetual easements appurtenant to each Master Parcel are reserved in favor of each Owner of a Master Parcel for minor encroachments of Improvements located on such Master Parcel in, onto, through, under or over the adjacent Master Parcel and Shared Areas which encroachments do not interfere with the use and operation of the other Master Parcel or Shared Areas and that are created by the construction, reconstruction, renovation, settling, or shifting of the Improvements, or other causes of movement and for overhangs. In exercising the rights under this Section 3.4.2, each Master Parcel Owner and its successors and assigns agree to indemnify Declarant and Owner of the Shared Areas from any losses, costs, damages, or expenses incurred by Declarant or such Owner, as the case may be, as a result of the exercise by the indemnifying party of its rights under this Section 3.4.2, unless such losses, costs, damages, or expenses are incurred as a result of the gross negligence or willful misconduct of such Owner or Declarant, as the case may be, or their successors and assigns.

3.4.3 Maintenance, Repair and Replacement Easements. Non-exclusive, perpetual easements appurtenant to each Master Parcel are reserved to Declarant for access and temporary encroachments by contractors and subcontractors (and the equipment and employees thereof) in, on, or through the adjacent Master Parcel or the Shared Areas to the extent reasonably necessary for Declarant to perform general and ongoing maintenance, repair and replacement work with respect to the Improvements and any appurtenant easement areas.

3.4.4 Support Easements. Declarant reserves to itself and grants to each Master Parcel Owner non-exclusive, perpetual easements appurtenant to each Master Parcel on, over, in, and through any portion of the adjacent Master Parcel and the Improvements now or hereafter constructed thereon, contributing to the structural support and integrity of a Master Parcel, including, but not limited to, contributing support provided by means of columns, caissons, beams, walls, ceilings, floors, foundations, footings, and load bearing structures now or hereafter located on the Master Parcels.

3.4.5 Ventilation Easements. Declarant reserves to itself and grants to each Master Parcel Owner non-exclusive, perpetual easements appurtenant to each Master Parcel for the passage, travel, transmission, or disposal of any air, exhaust fumes or vapors by means of any ventilation pipes, chutes, conduits, lines, or other devices or equipment located in, on, through, under, or over the portions of the adjacent Master Parcel.

3.4.6 Shared Vertical Transportation Maintenance Easements. Declarant reserves to itself and grants to each Master Parcel Owner non-exclusive, perpetual easements appurtenant to each Master Parcel in, on, or through the Shared Vertical Transportation located in and extending through a Master Parcel, together with non-exclusive easement rights to Declarant of ingress to and egress from a Master Parcel, necessary and appropriate to maintain, repair, or replace the Shared Vertical Transportation.

3.4.7 Shared Vertical Transportation Use Easements. Declarant reserves to itself and grants to the Master Parcel Owners non-exclusive, perpetual easements appurtenant to each Master Parcel in, over, and through the Shared Vertical Transportation located in and extending through portions of each Master Parcel, for the use of any Shared Vertical Transportation located in either of the Master Parcels, together with rights of ingress to and egress, necessary and appropriate for the use of such Shared Vertical Transportation.

3.4.8 Roof Drain Maintenance Easements. Declarant reserves to itself and grants to each Master Parcel Owner non-exclusive, perpetual easements appurtenant to each Master Parcel in, on, and through the portions of the adjacent Master Parcel to use, maintain, operate, repair, or replace the Roof Drains located in such Master Parcel Owner's Master Parcel, together with rights of ingress to and egress from the Hotel Master Parcel to exercise the easements contained in this Section 3.4.8.

3.4.9 Fire Escape Easements. Declarant reserves to itself (and its guests, lessees and invitees) and grants to the Master Parcel Owners (and their respective Owners, guests, lessees and invitees) non-exclusive, perpetual easements appurtenant to each Master Parcel, for emergency fire escape egress from each Master Parcel, in, over, across, or through those portions of each Master Parcel designed for emergency fire escape.

3.4.10 Emergency Access Easements. Declarant reserves to itself (and its guests, lessees and invitees) and grants to the Master Parcel Owners (and their respective members, guests, lessees and invitees) non-

exclusive, perpetual easements, rights, and privileges appurtenant to each Master Parcel of and for emergency ingress, egress, and access to, from, through or across portions of each Master Parcel, provided the Owner of the Master Parcel utilizing the easement shall use good faith efforts to limit any emergency ingress, egress and access within the other Master Parcel to those parts of such Master Parcel which are generally available for use by the Owners and occupants of the Accommodations within such Master Parcel (i.e., the lobby area, stairwells and common hallways).

3.4.11 Utility Easements. Declarant reserves to itself and grants to the Master Parcel Owners non-exclusive, perpetual easements appurtenant to each Master Parcel of and for ingress, egress, access, passage and use on, over, and across those portions of each Master Parcel which contain structures, lines, pipes, conduits, and other Improvements related to Utility Services that serve a Master Parcel, or the easement areas appurtenant to a Master Parcel, on an exclusive or non-exclusive basis for the purposes of using the same; provided, however, in exercising the rights granted under this Section 3.4.11, the Owner of a Master Parcel, and its successors and assigns agree to and do hereby indemnify the Owner of the other Master Parcel from any losses, costs, damages, and expenses incurred by Master Parcel Owner as a result of the exercise by an indemnifying party of its rights under this Section 3.4.11, unless such losses, costs, damages or expenses are incurred as a result of the gross negligence or willful misconduct of Master Parcel Owner or its successors and assigns.

3.4.12 Improvements or Alterations. No structural improvements or alterations to a Shared Area may be made which will jeopardize the structural integrity of the Shared Area without prior written approval of the ARO and Declarant. No Owner shall alter, modify, rearrange, relocate, replace, or remove any Improvement constructed or located on any Shared Area without the prior written approval of the ARO and Declarant. Subject to the limitations imposed on Declarant as set forth in Section 2.3, Declarant may alter, modify, rearrange, relocate, replace, or remove any Improvement constructed or located on Shared Areas owned by Declarant. To the extent that Declarant exercises its right to make such unilateral additions of facilities, amenities, or other similar Improvements to the Shared Areas, then such addition, alteration, modification, rearrangement, relocation, replacement, or removal shall be at Declarant's sole capital expense; provided, however, that the same may result in an increase of the Shared Area Expenses.

3.5 Easements for Reconstruction and Restoration of Building Shared Components. Declarant hereby declares, establishes, and reserves and grants to each Master Parcel Owner non-exclusive, perpetual easements on, over, in, or across any applicable portions of the Master Property, for access, temporary encroachments, staging, and the storage of various materials and equipment by and for Declarant's or Master Parcel Owner's agents, employees, contractors, and subcontractors during the reconstruction or restoration of any Improvements to the extent reasonably necessary to reconstruct or restore any Building Shared Components as required or permitted under this Master Declaration.

3.6 Grant of Easements to Owners. Each Owner shall enjoy the following non-exclusive easements over the Master Property, for as long as such Owner owns an interest in the Master Property, as appurtenances to such Owner's interest but subject to the provisions of this Master Declaration:

3.6.1 Streets and Roadways. Each Owner and their respective members, guests, lessees and invitees, shall have a non-exclusive easement over the Streets and Roadways and easements appurtenant thereto for the purposes of ingress and egress to and from dedicated rights of way. Each Owner and their respective members, guests, lessees and invitees, also shall have a non-exclusive easement for parking on any paved areas of the Master Property designated as parking areas; provided, however, that Declarant or the Master Parcel Owner of the Master Parcel containing such parking areas shall have the right to limit the Owners' and their respective members, guests, lessees and invitees, parking rights to designated areas and that the Master Parcel Owner of the Master Parcel upon which such parking areas are located is entitled to all profits derived from valet parking on such parking areas and further subject to the rights of each Master Parcel Owner to designate any portion or all of the parking facilities located on its Master Parcel as pay parking and charge a parking fee, determined in such Master Parcel Owner's sole discretion, for parking on such parking facilities provided that such parking fee shall be applied to all Owners and their guests and invitees on a non-discriminatory basis and the cost of maintaining, repairing and replacing such parking facilities shall not be a Shared Area Expense. Notwithstanding the foregoing, for parking structures and parking areas located on the Vacation Ownership Master Parcel, the condominium association for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium shall be entitled to (1) provide free access to the parking structures and parking areas to its members and its members' guests and invitees and charge all others a parking fee in which event the cost of maintaining, repairing and replacing such parking structures and parking areas shall not be a Shared Area Expense; and (2) provide fee-based valet parking services in which event such valet parking services shall not be a Shared Area Expense; provided that the

amounts of such parking fee and valet parking fee are subject to Declarant's review and approval. There shall at all times be provided paved parking areas (whether free or pay parking) meeting all building standards under Applicable Law for each building constructed on the Master Property including all buildings located on any Condominium Property or Vacation Ownership Property.

3.6.2 Drainage and Utilities. Each Owner shall have a non-exclusive easement for drainage onto the Master Property and an easement for all necessary access for Utility Services over, upon, under and across the Master Property.

3.7 Use of Easement Areas and No Liens. The Owner of property that is subject to any easements established, created, or reserved herein shall retain all right, title, and interest in and to such property subject to the easements herein established, created, or reserved incident to estate thereof of and for any and all purposes not inconsistent with the use of the easement areas as expressly permitted herein. All Work performed by or at the request of any person in any easement area as provided herein shall be performed in a manner which will not cause, suffer, or permit any lien, notice of lien, or claim of lien to attach to or encumber any such easement area. In the event such lien, notice of lien, or claim of lien is filed, the person at whose request the services were performed or the materials were supplied shall remove, or cause to be removed, or bond, or cause to be bonded, such lien, notice of lien, or claim of lien within fifteen (15) business days of the later of (i) the date of the filing of such lien, notice of lien, claim of lien, or (ii) demand to remove the same. If such person fails to remove, or cause to be removed, or bond, or cause to be bonded, such lien, notice of lien, or claim of lien as required herein, the Owner of the property which is the subject of the lien, notice of lien, or claim of lien, in addition to any other right or remedy it may have at law or in equity, may, but shall not be obligated to, remove such lien, notice of lien, or claim of lien by paying the amount claimed to be due. Within thirty (30) days after receiving written notice of the payment of the amount claimed to be due by such Owner, the person at whose request the services were performed or the materials were supplied shall reimburse such Owner all amounts paid by such Owner in connection with the removal of such lien, notice of lien, or claim of lien, including any and all reasonable costs and expenses (including attorney's fees) actually incurred by such Owner in conjunction with the same.

3.8 No Rights in Public Generally. The easements and rights created in this Article III do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public.

3.9 Liability for Use of Easements. The Master Parcel Owner through whom any Owner, occupant, employee, lessee, licensee or invitee is permitted to utilize the easements outlined in this Article III shall not be responsible for any and all damages or violations incurred or sustained as the result of the utilization of the easements created, granted, conveyed, or reserved in this Article III by such Owner, occupant, employee, lessee, licensee or invitee.

3.10 Scope of Easements. Each of the easements created by this Master Declaration shall (unless expressly provided herein to the contrary) be perpetual in duration and shall, both as to the benefits and the burdens thereof, run with the title to, and burden the title to, the property identified in the granting or reservation of a particular easement. The easements created by this Master Declaration are subject to a general reservation and right in Declarant (i) to locate within any pedestrian access easement area so-called "street furniture" including, without limitation, trash containers, signs, directories, security desks, kiosks, benches, chairs, public art, and other similar elements of aid to pedestrians in utilizing the Improvements, so long as such "street furniture" does not materially impede pedestrian access to and from any Improvements and the visibility of Improvements is not impaired and (ii) to make changes in the configuration and location of any of the easement areas so long as (a) the width of the easement areas, pedestrian access to the easement areas, or sidewalk areas, if any, located within the easement areas, are not materially reduced; (b) the visibility of any Improvements is not materially impaired; (c) the resulting easement areas provide essentially the same benefit to the other Owners and do not materially interfere with rights that such Owners previously maintained under this Master Declaration; (d) such changes are made at no expense to the other Owners and with the minimum possible interruption and interference to the other Owners and their respective licensees; and (e) such changes do not violate any Applicable Laws.

3.11 Extent of Owners' Rights and Easements. Except as expressly provided herein to the contrary, any right and easement created by any provision of this Master Declaration shall be subject to the following:

3.11.1 The right of Declarant, without the need to obtain the approval or written consent of any other Owner, to borrow money for the purpose of improving any of the Building Shared Components or Shared Areas located on any portions of the Master Property owned by Declarant, and in furtherance thereof, to mortgage, pledge or

hypothecate such property and assessments for Shared Area Expenses as security for money borrowed or debts incurred, provided that the rights of the mortgagee or secured party in any such case shall be subordinate to the rights and easements of the Owners under this Master Declaration, including their rights in the Building Shared Components and Shared Areas and the Owners' use of such rights. Further, any assessments that are pledged or hypothecated pursuant to this Section 3.11.1 shall be available for use and used only for the purpose for which assessments were levied, assessed and collected, and any such pledge or hypothecation of assessments shall be subordinate to the rights and easements of the Owners under this Master Declaration, including their rights in the Building Shared Components and Shared Areas and the Owner's use of such rights, and the rights of Owners to have the assessments for Shared Area Expenses used for the purpose for which they were levied or assessed.

3.11.2 The right of Declarant to reconstruct, replace or refinish any improvement upon or within the Building Shared Components or Shared Areas, subject to those conditions and limitations set forth elsewhere in this Master Declaration.

3.11.3 The right of the Declarant to restrict those portions of the Building Shared Components and Shared Areas to the use of Owners and occupants of Accommodations and invitees of Declarant as well as the right of Declarant to restrict the use of the Hotel Master Parcel (other than Shared Areas) to invitees of Declarant.

3.11.4 The rights and easements of Declarant and other matters provided elsewhere in this Master Declaration.

3.11.5 The right of Declarant to relocate and redefine the areas covered by such easements, subject to the specific limitations on such right set forth elsewhere in this Master Declaration.

3.11.6 Subject to the requirement that there be no Prohibited Deletions, the right of Declarant and the ARO to establish and enforce Rules and Regulations governing the use of such easements, and to limit or deny the Owners and their respective members, guests, lessees or invitees, access to designated portions of the Master Property owned by Declarant, charge use fees or otherwise regulate the use by the Owners and their respective members, guests, lessees and invitees, of the portions of the Master Property owned by Declarant pursuant to the Rules and Regulations; provided that Owners and their respective members, guests, lessees and invitees shall at all times have reasonable ingress and egress to any dedicated rights of way and use of Shared Areas.

3.11.7 The right of Declarant to suspend the enjoyment and use rights of any Owner for any period during which any monies due by the Owner under this Master Declaration remain unpaid.

3.11.8 Subject to the requirement that there be no Prohibited Deletions, the right of Declarant to transfer all or any part of its interest in the Master Property to any public agency, authority or utility company, Association, Owner or other person or entity, and subject to such conditions as Declarant determines in its sole, absolute and unfettered discretion.

3.11.9 Subject to the requirements that there be no Prohibited Deletions, the easements granted in this Master Declaration shall in no way prevent or limit Declarant's right to subsequently develop any portion of the Master Property for whatever purposes or uses Declarant chooses.

3.11.10 Unless specifically provided otherwise, the easements granted in this Master Declaration shall be non-exclusive and the Owners shall have no use priority over any other users of similar easements or over Declarant, its guests, lessees, invitees, successors and assigns.

3.11.11 All plats, restrictions, covenants, conditions, reservations, limitations, easements and other matters of record affecting the Master Property.

3.12 Surface Water Management System. The following provisions will govern the Surface Water Management System:

3.12.1 Declarant is responsible for operating and maintaining the Surface Water Management System.

3.12.2 Declarant shall also be responsible for successfully completing any wetland mitigation monitoring that may be required, including meeting all conditions associated with mitigation maintenance and monitoring as may be described in any applicable permit. In addition, no construction activities may be conducted on any portion of the Surface Water Management System. The appropriate governmental authority has the right to take enforcement measures, including a civil action or injunction and/or penalties against Declarant to compel Declarant to correct any outstanding problems with the Surface Water Management System. If Declarant ceases to exist, all of the Master Parcel Owners shall be jointly and severally responsible for operation and maintenance of the Surface Water Management System in accordance with the requirements of such governmental authority unless and until (i) the Surface Water Management System is conveyed to a local government agency or a non-profit corporation; or (ii) an alternate entity assumes responsibility for such operation and maintenance, which is acceptable to the water management district.

3.12.3 The Surface Water Management System is a Shared Area.

3.12.4 The costs and expenses of maintaining the Surface Water Management System will be a Shared Area Expense and the Condominium Association for any portion of the Master Parcel declared as a Condominium is responsible for assessing and collecting fees for the operation, maintenance, and replacement of the Surface Water Management System and for remitting the same to Declarant.

3.12.5 Any amendment proposed to this Master Declaration which would affect the Surface Water Management System, conservation areas, or water management portions of the Master Property shall be submitted to the appropriate governmental authority for review prior to finalization of the amendment, which shall determine if the proposed amendment will require a modification of any permits governing the Surface Water Management System. If a permit modification is necessary, the modification must be approved by the appropriate governmental authority prior to the amendment of this Master Declaration.

IV. INSURANCE.

4.1 Insurance. Except as otherwise provided herein, if it is necessary to obtain a blanket property insurance policy as to any Shared Area, such insurance policy shall insure against loss or damage caused by fire and other hazards and such other risks normally covered with respect to improvements similar in construction, location and use as the Improvements on the Master Property, including all perils normally covered by the standard "Special Perils" endorsement where such is available, including vandalism and malicious mischief. Declarant, Fee Owner and their parent, related, affiliated and subsidiary companies, shall be included as additional insureds in any commercial general liability policy obtained by or for the benefit of any Owner, and any additional premium as a result thereof shall be a Shared Expense.

4.2 Property Insurance. In recognition of the fact that the Resort, although consisting of multiple parcels, is intended to be built and operated as a unified project, Declarant shall be entitled to keep all Improvements located on the Master Property insured against loss or damage by fire, water, lightning, windstorm, hail, explosion, riot, damage from aircraft, collapse, and smoke damage, and such other risks, casualties and hazards as may from time to time be carried for similar buildings located at The Walt Disney World® Resort or the Disneyland® Resort, with "Special Perils", extended coverage, vandalism and malicious mischief endorsements in an amount equal to the full replacement value thereof less any applicable deductibles, the cost of which shall be a Shared Area Expense. Such property insurance shall also contain a Building Code or similar endorsement providing coverage for costs associated with compliance and conformance with applicable federal, state and local codes at the time of reconstruction. Any amount of a loss advanced by Declarant by reason of not being paid under any deductible provision or retained loss provision in any insurance policy shall be treated as a Shared Area Expense, but may be allocated among the Owners, to the extent reasonably practicable, based upon the extent of the loss. Notwithstanding the foregoing, Declarant may elect from time to time, in its sole, absolute and unfettered discretion, to obtain property insurance only for those portions of the Master Property owned by Declarant in which case, the Owner(s) of those portions of the Master Property not owned by Declarant shall be required to obtain such Property Insurance covering such Parcels.

All property insurance policies maintained by Owners other than Declarant shall provide that all monies for losses payable thereunder shall be paid to the Insurance Trustee. Such policies shall name as additional insureds (i) Declarant and Fee Owner and their parent, related, affiliated and subsidiary companies, (ii) every Owner, and (iii) each Association. At the request of any Owner, such policies shall contain standard mortgagee clauses in favor of any mortgagee of all or any portion of the Parcel owned by such Owner and/or any holder of a mortgage on a leasehold

interest in all or any portion of such Parcel, as their interests may appear, provided that the cost of adding any standard mortgagee clause shall be borne by the Owner requesting such addition. Nevertheless, all monies payable under such policies shall be payable in accordance with the provisions of this Master Declaration. Each such policy shall provide that the acts of any insured party shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under the policy. Each such policy shall contain waivers of subrogation for the benefit of Declarant and Fee Owner and their parent, related, affiliated and subsidiary companies, all Owners and Associations and waivers of any defense based on co-insurance or other insurance, and shall provide that such policies may not be cancelled or modified without at least thirty (30) days (ten (10) days in the event of a cancellation for non-payment of premium) prior written notice to all of the named insureds and Mortgagees.

4.3 Liability Insurance for Master Property. Each Owner shall maintain (a) commercial general liability insurance and automobile liability insurance protecting Declarant and its parent, related, affiliated and subsidiary companies and the Owners against claims for bodily injury, death or property damage occurring upon, in or about the Master Property, and (b) worker's compensation insurance to the extent required by law with respect to the Master Property and employers liability insurance with minimum limits of \$500,000 each accident. The expense of liability insurance maintained pursuant to this Section 4.3 shall be a Shared Area Expense. In no event, however, shall the policies for commercial general liability insurance required by clause (a) above afford protection for combined limits of less than \$15,000,000.00 in respect to any occurrence, and \$5,000,000 combined single limit for automobile liability, nor shall the amount of worker's compensation insurance policies required under clause (b) above be less than the amount required by applicable laws or regulations or the insurance policies for employers liability insurance be less than the limits described above. Each Owner's commercial general liability insurance shall name as additional insured parties, as their interests may appear and as applicable, (i) Declarant and its parent, related, affiliated and subsidiary companies, (ii) each of the Owners, (iii) at the request of any Owner, the managing agent of the Master Parcel owned by such Owner; (iv) at the request of any Owner, the partners, members, directors, officers and/or employees of such Owner; and (v) the directors and officers of each such Association. Each such policy, to the extent obtainable, shall provide that the acts of any insured party shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under the policy and each such policy shall contain waivers of subrogation (except in the case of worker's compensation and employer's liability policies) for the benefit of all additional insureds, and waivers of any defense based on coinsurance or other insurance, and shall provide that such policies may not be cancelled or modified without at least thirty (30) days (ten (10) days in the event of a cancellation for non-payment of premium) prior written notice to all of the insureds and Mortgagees. Any amount of a loss advanced by Declarant by reason of not being paid under any deductible provision or retained loss provision in any insurance policy shall be treated as a Shared Area Expense, but may be allocated among the Owners, to the extent reasonably practicable, based upon the extent of the loss. Notwithstanding the foregoing, Declarant may elect from time to time, in its sole, absolute and unfettered discretion, to obtain liability insurance in whole or in part for all or any portion of the Master Property owned by Owners other than Declarant in which case, such Owner(s) shall not be required to maintain such insurance but only to the extent such insurance is maintained by Declarant.

4.4 Insurance Trustee; Share of Proceeds. All insurance policies maintained by Owners are to be for the benefit of Declarant, the Owners, and any mortgagees as their interests may appear. All insurance policies maintained by Owners other than Declarant must provide that all proceeds covering property losses are to be paid to a named Insurance Trustee (referred to as the "Insurance Trustee") if Declarant so elects. Declarant shall be deemed to be the Insurance Trustee for all purposes under this Master Declaration if Declarant elects not to appoint an Insurance Trustee. If Declarant is not the Insurance Trustee, the Insurance Trustee will be a commercial bank with trust powers authorized to do business in Hawai'i or another entity acceptable to Declarant. The Insurance Trustee (other than Declarant) is not liable for payment of premiums or for the failure to collect any insurance proceeds. The duty of the Insurance Trustee is to receive such proceeds as are paid and hold the proceeds in trust for the purposes stated in this Master Declaration for the benefit of Declarant, the Owners, and distributed in accordance with Section 6.6.

4.5 Insurance for Associations and Unit Owners. In the event of the creation of a Condominium, the Owners of Accommodations may carry insurance for their own benefit, provided such required insurance shall contain waivers of subrogation for the benefit of all Owners and the Owners of Accommodations, and, further provided, that the liability of the carriers issuing the insurance obtained pursuant to this Article IV shall not be affected or diminished by reason of any such insurance carried by the owners of the individual Accommodations.

4.6 Disputes. In the event of a dispute concerning the Shared Areas or as to the cause of damage or the cost of replacement, repair, operation or maintenance of any Shared Area, the ARO shall make a determination that shall be binding on the parties. If the ARO declines to make a determination as to the cause of damage or the cost of replacement,

repair, operation or maintenance of any Shared Area, then an independent licensed engineer shall be retained by the disputing parties, the cost of which shall be borne equally by such parties, and whose determination shall be binding on the parties.

4.7 Right to Self-Insure. Notwithstanding anything in this Article IV to the contrary, Declarant may elect, from time to time, to self-insure all or any portion of the risks for which insurance is required under this Article IV, in which event Declarant shall be solely responsible for any costs or expenses incurred by the Owners as a result of casualty or other events for which Declarant has self-insured and which would have been covered by the insurance required under this Article IV if such insurance had been obtained. The provisions of this Section 4.7 shall not limit or reduce any Owner's obligation to obtain the insurance required by this Article IV with respect to the Owner's Parcel if Declarant directs the Owners to obtain such insurance (or as may be otherwise required by Applicable Law) and no Owner (other than Declarant) shall have the right to self-insure any such risk without the approval of Declarant, which may be granted or withheld in its sole, absolute and unfettered discretion.

V. ARCHITECTURAL REVIEW AND ARCHITECTURAL REVIEW OFFICER.

5.1 Architectural Review. No Improvements shall be located, constructed, erected, installed, placed, attached, affixed, or maintained upon the Master Property, nor shall any exterior addition to, change or alteration in the Improvements, be made, nor shall any tree removal or other landscaping changes be commenced or completed until the plans and specifications showing the nature, kind, shape, height, materials, color, approximate cost and location of the same shall have been submitted to and approved by the ARO, as set forth in this Article, in conformity with the Disney Standard, as determined by the ARO in its sole, absolute and unfettered discretion. Any repair, rebuilding, alteration or reconstruction on account of casualty or other damage on the Master Property shall be in accordance with this Master Declaration and with the original design and construction for the damaged Improvements or with new plans approved by the ARO. Prior to commencing any Work on a Parcel, an Owner shall submit to the ARO, and obtain the written approval of the ARO of, detailed plans for all proposed Work. Any change in the outward appearance of any Improvement including repainting in a different color, adding decorative sculptures, wrought iron grills, or the like shall also require approval by the ARO before any Work is commenced. Disapproval of plans, specifications or location may be based upon any grounds, including purely aesthetic considerations, which the ARO, in its sole, absolute and unfettered discretion deems sufficient. If the ARO fails to approve or disapprove such design and location within one hundred twenty (120) days after the plans and specifications have been submitted to it, approval will not be required and compliance with this Section will be deemed to have been granted.

5.2 Architectural Review Officer. Declarant, upon the recording of this Master Declaration, may designate one or more persons as the "Architectural Review Officer" or "ARO" in its sole, absolute, and unfettered discretion. To the extent Declarant does not so designate, Declarant shall act as the ARO. Declarant may increase or decrease the number of persons who make up the composition of the ARO from time to time.

5.3 Duties and Powers. The ARO shall have the following duties and powers:

5.3.1 The ARO shall have the right to adopt, promulgate, rescind, amend and revise rules and regulations governing architectural control; provided, however, such rules and regulations shall at all times remain consistent with the provisions of this Master Declaration;

5.3.2 The ARO shall have the right of specific approval or veto in its sole, absolute and unfettered discretion, and of all architectural, engineering, platting, planning and landscaping aspects of any Improvement as well as the general plan for development of any individual tract or parcel of land within the Master Property;

5.3.3 The ARO may appoint one or more persons to make preliminary review of all applications and report recommendations to the ARO for ARO action on the recommendations, which preliminary review shall be subject to regulations and limitations as the ARO deems advisable;

5.3.4 The ARO shall consider all matters submitted for approval as to the conformity of the design and location in relation to surrounding Improvements, topography and the Disney Standard, as determined by the ARO in its sole, absolute and unfettered discretion;

5.3.5 The ARO shall have the right to require the submission, for approval, of samples of building materials proposed or any other data or information necessary in its-review process; and

5.3.6 The ARO may require that a set of plans and specifications be submitted to the ARO prior to obtaining a building permit, which set of plans and specifications shall become the property of the ARO. The Work contemplated must be performed in accordance with the plans and specifications as approved.

5.4 Ownership of Plans; Modifications to Final Plans. The submitting Owner shall be the owner of the plans for all Improvements on the Owner's Parcel. The ARO shall be provided with a copy, for record purposes, of all final construction plans filed with any governmental authority. The ARO shall also be furnished with a complete set of "as-built" drawings upon the completion of construction of any Improvements. The ARO shall provide all copies in its possession of plans, "as-built" drawings, and construction plans filed with any governmental authority to Declarant, which shall maintain such plans and drawings on record for the review of any Owner. Any changes or revisions to the final plans shall be at Owner's sole cost and expense and shall be subject to the ARO's approval if such changes or revisions materially alter or modify aspects of the final plans over which the ARO had approval rights. If the nature or extent of such changes to the final plans are sufficiently material that, pursuant to Applicable Law, as it may exist from time to time, the Owner is required to submit such changes to the appropriate governmental authority for a plan revision and approval, the ARO shall be furnished with copies of any modifications to the final plans substantially concurrently with submission to the governmental authority.

5.5 Enforcement. Declarant shall provide written notice of any violation of the provisions of this Master Declaration, and failure to correct the violation within fifteen (15) business days after delivery of such notice shall give rise to Declarant's right to enter upon the Master Property, make such corrections or modifications as are necessary or remove anything in violation of the provisions of this Master Declaration, and charge the cost of such corrections or modifications to the entity responsible for the violation; provided, however, if such violation is not reasonably susceptible of cure within said 15-business day period, then if the cure is undertaken within said 15-business day and diligently prosecuted thereafter Declarant's rights under this Section 5.5 shall be deferred pending completion of such cure. Should Declarant be required or elect to enforce the provisions of this Master Declaration by legal action, the reasonable attorneys' fees; other professionals' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees, other professionals' fees and costs incurred on appeal of such judicial proceedings and those incurred in all bankruptcy and probate proceedings, shall be collectible from the breaching party.

5.5.1 If any Work is performed in violation of this Article V, or if any Improvements or alterations to Improvements, or any portions of any of the foregoing, do not substantially and materially conform to the approved plans for such alterations or Improvements and such non-conformity pertains to any aspect of the Improvements that were subject to the ARO's approval rights, the same shall be removed or reconstructed by Owner at Owner's cost if so required by the ARO, in addition to, and not in limitation of the other rights and remedies of the ARO under this Master Declaration.

5.5.2 Upon written request from the ARO, an Owner shall, at its own cost and expense, remove any non conforming Improvement on or in such Owner's Parcel and restore the Parcel or Improvements to substantially the same condition as existed prior to the construction of the nonconforming Improvement or undertake Work to construct or install a conforming Improvement. Should an Owner fail to remove and restore as required within fifteen (15) days after delivery of the written request or such longer period as may be necessary to restore or construct as provided above, the ARO shall have the right, but not the obligation, and an easement to enter the Parcel, to remove the nonconforming Improvement and restore the Parcel to substantially the same condition as previously existed or undertake such Work as is necessary to cause the non-conforming Improvement to conform to and be in compliance with the Master Declaration and the plans for such Improvement. Any such action shall not be deemed a trespass, and the ARO shall charge the reasonable cost of such corrections or modifications to the Owner responsible for the violation. Should the ARO be required or elect to enforce the provisions of this Section 5.5.2 by legal action, the reasonable attorneys' fees, other professionals' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees, other professionals' fees and costs incurred on appeal of such judicial proceedings and those incurred in all bankruptcy and probate proceedings, shall be collectible from the breaching party. Upon demand, the Owner of the Parcel upon which the nonconforming Improvement is located shall reimburse all reasonable costs incurred by the ARO in exercising its rights under this Section 5.5.2.

5.5.3 The ARO may preclude any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article V from continuing or performing any further activities within the Parcel in which such party is performing such activity; provided, however, this right shall not be utilized to preclude any Owner or its contractors, subcontractors, agents, or employees from performing further activities in the Master Property which are in compliance with the terms and provisions of this Article V. Neither the ARO, nor its officers, directors or agents shall be held liable to any person for exercising the rights granted by this Article V.

5.6 Exculpation of Declarant and ARO. Declarant and the ARO cannot and shall not be held responsible for any loss or damage to any person arising out of the approval of any plans and specifications or designs with respect to either construction errors or non-compliance with any Applicable Law. The approval hereunder of any plans submitted to it pursuant to this Master Declaration shall not be construed as approval or certification of the structural adequacy of the structures detailed therein or their conformity to applicable building codes or other legal requirements, it being agreed that Owner shall hold Declarant and the ARO harmless from all claims and liabilities arising therefrom. Neither the ARO, Declarant (in its capacity as the declarant hereunder but not in its capacity as the Owner of a Parcel) or their respective affiliates (nor their respective representatives, officers, directors, employees, or agents) shall have, assume or incur any responsibility for the adequacy of the plans or be subject to any liability or damages to an Owner or to any other person or party in the event such plans, or the design represented thereby, is deficient in any manner or for any mistake in judgment, negligence, misfeasance or nonfeasance related to or in connection with any such decision, approval or disapproval, including without limitation, any violation of Applicable Law, as it may exist from time to time, or any defect in the design or construction of any building, structure or other aspect of the Improvements constructed, erected, placed or installed pursuant to or in accordance with the approved plans for such Improvements. Plans, specifications and other materials submitted to and approved by the ARO shall not be reviewed or approved for their compliance with any Applicable Law, as it may exist from time to time. An Owner, or any third party, shall not be entitled to bring and shall not bring any action, proceeding or suit against the ARO, any member of the ARO, any Owner or Declarant for the purpose of recovering any damages or other relief in connection with the approval or disapproval of such plans, specifications or other materials.

5.7 Indemnity During Construction. Each Owner that is constructing Improvements shall indemnify, protect, defend and hold Declarant, Fee Owner, other Owners, any management company hired by the Association, and the ARO harmless from and against all claims, expenses, liabilities, loss, damage, and costs, including any actions or proceedings in connection therewith and including reasonable attorneys' and other professionals' fees, actually incurred in connection with, arising from, due to or as a result of the death of or any accident, injury, loss or damage caused to any person or loss or damage to the property of any person as shall occur on the indemnifying Owner's Parcel, to the extent such death, accident, injury, loss or damage was caused by such Owner or its agents, servants, employees, visitors, or guests, except claims that result from the gross negligence or willful misconduct of such indemnified Owner or ARO or the agents, servants, employees, visitors, or guests of such Owner or ARO. This Section 5.7 shall not be deemed or construed to refer to the construction of the initial Improvements of the Resort.

5.8 Permits and Approvals. Each Owner that is constructing Improvements shall be responsible for obtaining all governmental permits and for filing copies of the same with the ARO prior to commencement of any Work. Such Owner shall be responsible for payment of any application, impact, tap in, deposit, hookup, connection and similar fees and charges applicable to or a prerequisite for the issuance of any governmental permits, any utility connections, or other permits, authorizations or approvals necessary to the construction, occupancy and use of the proposed Improvements. Declarant, ARO and Owner shall cooperate in connection with applications for any and all such governmental permits.

5.9 Stormwater Design and Runoff. Each Master Parcel Owner shall ensure that any construction on its Master Parcel complies with all conditions imposed by any stormwater discharge permits applicable to such Master Parcel and/or the Master Property as a whole and shall employ best management practices during construction to prevent runoff sedimentation.

VI. REQUIREMENTS REGARDING OPERATION, MANAGEMENT AND MAINTENANCE OF OPEN AREAS, SHARED AREAS AND IMPROVEMENTS.

6.1 General Intent. It shall be the intent and purpose of this Master Declaration to preserve and enhance the desirability and attractiveness of the Master Property and to ensure that all permitted development on the Master Property will be designed, constructed and at all times operated, managed and maintained in compliance with all

Applicable Laws and this Master Declaration and in conformity with the Disney Standard, as determined by the ARO and Declarant in their sole, absolute and unfettered discretion. In this regard, Open Areas, Shared Areas and Improvements will be subject, at a minimum, to the standards set forth in this Master Declaration and to the Disney Standard. The ARO and Declarant shall have the right to require all Owners to comply with established maintenance, repair, replacement and management standards at least as good as the Disney Standard, as determined in their sole, absolute and unfettered discretion.

6.2 Open Areas and Improvements. In order to (i) fulfill the terms, provisions, covenants, conditions and restrictions contained in this Master Declaration and (ii) ensure that the Master Property is managed and maintained for the best recreation, use, enjoyment, welfare and benefit of Declarant or any Owner, there is imposed upon the persons or entities charged with the responsibility of operating, managing and maintaining the Open Areas, Shared Areas and Improvements developed on the Master Property, the specific duty and obligation to perform the following:

6.2.1 Maintain and care for the Open Areas so that such Open Areas are at all times neat, presentable and attractive, including completing such routine tasks as planting new flowers and shrubs, grass cutting, tree and plant trimming, sprinkling, fertilizing, spraying and the like and keeping the landscaped portion of the Open Areas free of weeds, tall grass, undergrowth, dead trees, dangerous or dead tree limbs, weeds, trash and rubbish, and any other unsightly objects, which such tasks may be required by the ARO to be performed on a daily basis;

6.2.2 Maintain, preserve and protect those portions of the Master Property designated or used for water transportation, water management and drainage purposes including, without limitation, maintenance and operation of the Surface Water Management System and any Improvements established within such areas and any efforts to control the levels of, chemically treat or otherwise alter any waters on the Master Property;

6.2.3 Maintain, operate, repair, alter, renovate, reconstruct and replace any and all Improvements placed or erected upon the Master Property so that such Improvements are at all times in good, clean, attractive and sanitary condition, order and repair; and maintain, operate, repair, alter, renovate, reconstruct and replace any and all Shared Areas so that such Shared Areas are at all times in good, clean, attractive and sanitary condition, order and repair and do not become in such a state of disrepair that the structural integrity of the Shared Area is jeopardized or that the appearance of the Shared Area becomes inconsistent with the surrounding area or the standard of care required under this Master Declaration. Any Shared Area that is partially or totally destroyed or damaged must be repaired or reconstructed except as ARO and Declarant agree otherwise.

6.3 Safety Standards. Nothing contained in this Master Declaration is intended to set any acceptable minimum safety or welfare standards and it shall remain the sole responsibility of the persons or entities charged with the responsibility for the operation, management, repair and maintenance of any portion of the Master Property to determine the minimum levels of safety or welfare standards for the Master Property or the relevant portions of the Master Property, which shall not be inconsistent with the provisions of this Master Declaration.

6.4 Responsibility for Operation, Management and Maintenance. The responsibility to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve and protect any Shared Area or Improvement not constituting a Shared Area shall be the responsibility of Declarant or if Declarant has conveyed or leased such Shared Area or Improvement or the property underlying such Shared Area or Improvement, then the Owner of such Shared Area or Improvement shall have that responsibility. It shall be the responsibility of the applicable Association to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve, and protect any Shared Area or other Improvement which is a common element of any Condominium Property or which is Vacation Ownership Property. If all or any portion of any Shared Area or Improvement is not cared for or operated as required by this Master Declaration, Declarant and each Owner shall have the right to enforce compliance with the requirements of this Master Declaration in the manner reserved for enforcement of the provisions of this Master Declaration as set forth in this Master Declaration.

6.5 Minimize Interference. All activities by or on behalf of any Owner in the use and occupancy of such Owner's Parcel, including, without limitation, maintenance repairs, replacement, alterations, renovation, reconstruction, or other work, shall be performed, insofar as possible, in a manner which minimizes interference with the use of any other Parcel.

6.6 Repair and Restoration.

6.6.1 Hotel Master Parcel. Except as set forth below, if any Improvement located on the Hotel Master Parcel containing Building Shared Components is damaged or destroyed by fire or other casualty, such damage or destruction shall be repaired and restored as promptly as is reasonably possible by, or under the supervision of, Declarant, or, at Declarant's election, in its sole, absolute and unfettered discretion, the Owner of the Hotel Master Parcel, if different than Declarant. Declarant, in accordance with the provisions of Sections 4.4 and 6.6.5, shall be entitled to withdraw any insurance proceeds held by the Insurance Trustee by reason of such damage, for application to the costs and expense of such repair and restoration. Notwithstanding the foregoing, if all or any part of the Hotel Master Parcel is damaged or destroyed by fire or other casualty, the Owner of the Hotel Master Parcel (with the approval of Declarant, which approval may be withheld in Declarant's sole, absolute and unfettered discretion) may elect not to repair or restore the Hotel Master Parcel; provided, however, that all Building Shared Components and any portion of the Hotel Master Parcel that is necessary for safe access, ingress and egress to and use of the Vacation Ownership Master Parcel for its intended purpose shall be repaired or restored.

6.6.2 Vacation Ownership Master Parcel. Except as set forth below, if any Improvements located on the Vacation Ownership Master Parcel containing Building Shared Components is damaged or destroyed by fire or other casualty, such damage or destruction shall be repaired and restored as promptly as is reasonably possible by, or under the supervision of Declarant, or, at Declarant's election, in its sole, absolute and unfettered discretion, the Owner of the Vacation Ownership Master Parcel, if different that Declarant. Declarant, in accordance with the provisions of Sections 4.4 and 6.6.5, shall be entitled to withdraw any insurance proceeds held by the Insurance Trustee by reason of such damage, for application to the costs and expense of such repair and restoration. Notwithstanding the foregoing, if all or any part of the Vacation Ownership Master Parcel is damaged or destroyed by fire or casualty, the Owner of the Vacation Ownership Master Parcel (with the approval of Declarant, which approval may be withheld in Declarant's sole, absolute and unfettered discretion) may elect not to repair or restore the Vacation Ownership Master Parcel; provided, however, that all Building Shared Components and any portion of the Vacation Ownership Master Parcel that is necessary for safe access, ingress and egress to and use of the Hotel Master Parcel for its intended purpose shall be repaired or restored.

6.6.3 Building Shared Components. Pursuant to Sections 6.6.1 and 6.6.2, all Building Shared Components damaged or destroyed by fire or other casualty shall be repaired and restored as promptly as reasonably possible unless both the Owner of the Hotel Master Parcel and the Owner of the Vacation Ownership Master Parcel mutually agree not to make such repairs or restorations and such agreement is approved by Declarant in its sole, absolute and unfettered discretion.

6.6.4 Repair and Restoration Procedures. The plans and specifications for any repair or restoration to be performed on any Improvements shall be prepared by an architect designated by the ARO. The plans and specifications for any repair or restoration shall be approved by the ARO. The contractor shall be chosen by the ARO. The contractor shall work under the administration of the architect and Declarant. The architect for a given repair or restoration is hereby authorized and directed to deliver such certifications and instructions to the Insurance Trustee, from time to time as such repair and restoration progresses, to obtain disbursement for application to the cost and expense of such repair and restoration of (a) the insurance proceeds and (b) any other monies for such repair or restoration, which may have been deposited with the Insurance Trustee. All instructions to the Insurance Trustee shall be made available by the Architect at reasonable times for inspection by Declarant.

6.6.5 Application of Insurance Proceeds and other Funds to Repair and Restore. All insurance proceeds paid in connection with a casualty shall be used to their full extent to fund restoration and repair hereunder if and to the extent that such repair or restoration is required to be made or elected to be made by the party that has the right to make such election. If the cost and expense of performing any repair and restoration provided for in this Section 6.6.5 shall exceed the amount of insurance proceeds paid under policies by reason of the damage being repaired and restored, then such excess cost and expense shall be borne by the Owners in proportion to the cost and expense of repairing and restoring the improvements within each of their respective Parcels. For the purpose of determining such proportions, the cost and expense of repairing and restoring any Building Shared Components shall be allocated by Declarant to the Owners in the proportion which shall be determined pursuant to Article VII. In any such instance of repair or restoration which is to be performed pursuant to this Section 6.6.5, if Declarant's estimate of the cost and expense of performing such repair or restoration (or, if a fixed cost construction contract shall have been executed providing for the performance of such repair and restoration, then the fixed costs so provided for, plus all other expenses estimated by an architect) exceeds the amount of insurance proceeds paid by reason of the damage which shall have necessitated such repair and

restoration, then Declarant shall determine and impose as a Shared Area Expense in accordance with Article VII upon each of the respective Owners of Parcels for their proportionate share of the amount of such excess cost and expense.

6.6.6 Application of Insurance Proceeds if No Repair or Restoration. If, pursuant to Sections 6.6.1, 6.6.2 or 6.6.3, Improvements damaged or destroyed by fire or other casualty are not repaired or restored, all insurance proceeds related to such damage or destruction shall first be applied by the Insurance Trustee to removing all debris resulting from such damage or destruction and making the Master Property safe and any remaining insurance proceeds shall be paid out by the Insurance Trustee to the Owners and their mortgagees, as their interests appear, in proportion to the amount such proceeds shall have been paid by the insurers for damage or destruction to Improvements within the respective Parcels of each of the Owners.

6.6.7 Cooperation. If, to perform any repair or restoration provided for in Section 6.6 it shall be necessary to obtain a variance, special permit or exception to or change in zoning or other laws ("variance") in order to repair or restore the Shared Building to its condition immediately prior to such damage, and if Declarant believes it is possible to obtain the variance, and so notifies the Owners in writing, then the Owners shall cooperate to obtain the variance. If architectural and/or legal services shall be necessary to obtain the variance, then Declarant shall retain an architect and/or attorney to perform such services. The legal and architectural fees and all other costs and expenses of applying for obtaining the variance shall be considered as a part of the cost and expense of carrying out the repair and restoration, and shall be a Shared Area Expense to the extent not covered by Insurance proceeds. There shall be no obligation to commence any repair or restoration if a variance is sought in accordance with this Section 6.6.7, while such variance is being diligently sought.

6.6.8 Modifications. If any repair or restoration to be performed pursuant to Section 6.6 cannot be carried out in compliance with the law, and if the variance is not obtained pursuant to the immediately preceding paragraph within six (6) months of the date of the casualty, then necessary adjustments shall be made in the plans and specifications for such repair and restoration so that the Improvements, as repaired and restored, shall comply with law. However, no substantial reduction, as determined by the ARO, in the floor area contained within a Parcel, or areas serving the Parcel, shall be made without the consent of the Parcel Owner who shall be affected by such reduction. If said Owner shall be unwilling to so consent, and if it shall not be feasible to make such adjustments without substantially reducing said floor areas, then such repair and restoration shall not be performed and any insurance proceeds, less costs and expenses paid or incurred in applying for the variance, shall be paid out by the Insurance Trustee to the Owners and their mortgagees, as their interests appear, in proportion to the amount such proceeds shall have been paid by the insurers for damage to improvements within the respective Parcels of each of the Owners.

6.7 Structural Support and Maintenance.

6.7.1 Structural Integrity. An Owner shall not undertake or permit to be undertaken any act which would adversely affect the structural safety or integrity of any portion of another Parcel. As a part of its review of any plans and specifications for any Improvements to be constructed on a Parcel, the ARO shall consider the impact and effect that the anticipated use, operation, and occupancy of such Improvements might have upon the structural safety and integrity of the other Parcels.

6.7.2 Reduction of Structural Support. If, for any reason, the structural support for or of any portion of any Parcel is hereafter reduced below the support required to maintain the structural safety or integrity of another Parcel, as determined by the ARO, in its sole, but reasonable discretion, substitute adequate structural support shall be provided, as set forth in this Article VI (the "Remedial Support Measures"). An architect selected by the ARO shall review and assess the extent of any such reduction and the need for or adequacy of any Remedial Support Measures, which Remedial Support Measures shall be constructed, installed, or performed in accordance with plans and specifications prepared by the architect selected by the ARO (the "Remedial Support Plans"). Such architect shall also estimate, if possible, the cost and time reasonably necessary to provide such Remedial Support Measures. Subject to the release and waiver of subrogation provisions contained in this Master Declaration, the costs and expenses associated with assessing, designing, constructing, installing, or performing such Remedial Support Measures shall be borne as follows: (a) to the extent such Remedial Support Measures are necessary as a result of or arising out of an identifiable Owner's acts or omissions, then such Owner (or Owners, if more than one, on the basis of relative fault) shall be responsible for all such costs and expenses; or (b) to the extent that the identity of the persons responsible for all such costs and expenses cannot be determined, then such costs and expenses shall be a Shared Area Expense.

6.7.3 Construction of Additional Support. If any Remedial Support Measures must be constructed, installed, or performed within the Master Property, Declarant shall construct, install, or perform the same in accordance with the Remedial Support Plans. The Remedial Support Measures shall be commenced promptly within a reasonable period of time under the circumstances and, upon commencement of such construction, shall be diligently pursued through completion.

6.7.4 Emergency Additional Structural Support. If delay in constructing or instituting the Remedial Support Measures would endanger the structural safety or integrity of Parcel, then, without regard to the identification of the party responsible for payment of such Remedial Support Measures (the "Responsible Party"), the Owner whose Parcel is impacted, may, upon not less than five (5) business days' advance written notice to any Owner whose Parcel will be affected by the Remedial Support Measure, provide Remedial Support Measures as and wherever may be required; provided, however, the Responsible Party shall nevertheless be liable for and shall pay any and all costs and expenses actually incurred as a result of the provision of the Remedial Support Measures.

6.7.5 Maintenance of Support Systems and Infrastructure for and With Respect to the Parcels. Notwithstanding anything in this Article VI to the contrary, Declarant shall be responsible for the general maintenance and repair of all structural support systems and infrastructure located within a given Parcel that provide support to and for the Improvements located on a different Parcel. No Owner shall undertake or permit to be taken any act which would adversely affect the structural safety or integrity of any Improvements or the structural support that the Owner's Parcel provides to any other Parcel.

6.8 Professional Management. In order to discharge any additional duties or obligations imposed under this Master Declaration, Declarant, any Owner or such other persons or entities which are, from time to time, charged with or responsible for the operation, management and maintenance of all or any portion of the Master Property may delegate all or any portion of such party's obligations to a professional property management company, which may include a subsidiary or an affiliate of Declarant.

VII. EXPENSES.

7.1 Expenses Associated with Non-Shared Areas. Declarant or any Owner, as the case may be, shall be solely responsible for all costs and expenses associated with the care, maintenance, reconstruction, restoration or repair contemplated under this Master Declaration of all Open Areas or Improvements developed, constructed or maintained on the portion of the Master Property owned by Declarant or such Owner, except as limited below by Section 7.2 for the Shared Areas and except as set forth in Section 7.3.

7.2 Shared Area Expenses. Declarant and each Owner, by the acceptance of a conveyance of all or a portion of the Master Property, covenants and agrees to share in the Shared Area Expenses to be fixed and collected from time to time as hereinafter provided.

7.2.1 Determination of Shared Area Expenses. Shared Area Expenses will be estimated on an annual basis by each Master Parcel Owner with respect to the Shared Areas located on the Master Parcel for such Master Parcel Owner and by Owners of certain Parcels within each Master Parcel that are separately owned or controlled as determined by the Declarant, and shall submit such estimate to Declarant for Declarant's review and approval. Upon receipt of such Shared Area Expenses from each such Master Parcel Owner or other Parcel Owner, Declarant shall determine each Owner's share of the total Shared Area Expenses. The Shared Area Expenses shall be apportioned between Owners in accordance with an allocation methodology that reasonably allocates in a fair and equitable manner the Shared Area Expenses between all Owners, as determined by Declarant in its sole, absolute and unfettered discretion. Any one or more of the following allocation methodologies may be used by Declarant in its sole, absolute and unfettered discretion: (i) number of arrivals; (ii) occupancy rates; (iii) room nights; (iv) guest population; (v) square footage of Accommodations; (vi) number of Accommodations declared in any Vacation Ownership Property; (vii) labor hours incurred in serving the Parcels; (viii) number of employees engaged to manage/operate the Parcels; and (ix) number of housekeeping hours incurred in maintaining the Parcels. In addition, Declarant may use, in its sole, absolute and unfettered discretion, different allocation methodologies to allocate different components of the Shared Area Expenses. Any other allocation methodology may be used by Declarant if, in Declarant's reasonable judgment, such allocation methodology allocates the Shared Area Expenses in a fair and equitable manner. The calculations of each Owner's share of the Shared Area Expense shall be made in accordance with generally accepted accounting principles.

7.2.2 Additional Shared Area Expenses. In addition to the annual Shared Area Expenses authorized by this Section, additional Shared Area Expenses may be required in any given year for the purpose of defraying, in whole or in part, any unexpected Shared Area Expense or the expense arising out of any construction or reconstruction (net of insurance proceeds after a casualty loss), refurbishment, renovation or unexpected repair or replacement of a Shared Area.

7.2.3 Shared Area Expense Budget. At least sixty (60) days prior to the end of each calendar year, Declarant shall deliver to each Owner a Shared Area Expense allocation with respect to such Owner's Parcel for the next calendar year. Each Owner that is an Association shall include such Shared Area Expense allocation in its estimated budgets and shall assess its individual members that share of the Shared Area Expenses applicable to each such member's ownership interest as determined by the Association's governing documents.

7.2.4 Annual Surplus or Deficit. Any monies collected in a given year in excess of Shared Area Expenses shall be carried forward and applied to the Shared Area Expenses of the next year. Any deficits incurred in a given year, which deficits are not eliminated by additional Shared Area Expenses, will be carried forward and included in the Shared Area Expenses charged for the next year.

7.2.5 Personal Obligation for Shared Area Expenses. The Shared Area Expenses, together with such interest on the Shared Area Expenses and costs of collection of the Shared Area Expenses, as provided below, shall be the personal obligation of the person who was the Owner of such property at the time when the Shared Area Expense was due. In the event that more than one such Association exists, the Declarant shall have the right to determine, in its sole, absolute and unfettered discretion, the responsibility of each such Association for collection and payment of sums allocated in accordance with Section 7.2.1 and 7.2.2. While each member shall be responsible for the payment of his or her share of the Shared Area Expenses, the failure of any member to pay his or her share of the Shared Area Expenses shall not relieve the Association from the obligation to timely pay the entire amount of the Shared Area Expenses due from the members of the Association.

7.2.6 Effect of Nonpayment.

a Personal Obligation of Owner; the Lien. If an Owner's share of the Shared Area Expenses are not paid when due, then such obligation shall become delinquent and shall, together with interest and the costs of collection on such obligation as provided below, be such Owner's personal obligation.

b Remedies. If an Owner's share of the Shared Area Expenses is not paid within thirty (30) days after the delinquency date, the obligation shall bear interest from the date of delinquency at the maximum rate permitted by Hawai'i law. Declarant may bring an action at law against the Owner personally obligated to pay the same, and there shall be added to the amount of such obligation the costs of collection including the preparing and filing the complaint in any such action. If a judgment is obtained, such judgment shall include interest on the obligation as above provided and a reasonable attorneys' fee or other professionals' fees, including those incurred in all probate and bankruptcy proceedings, to be fixed by the court together with the costs of the action. In addition, Declarant shall be entitled to deny access to Shared Areas to any Owner who is delinquent in the payment of the Owner's share of Shared Area Expenses for more than ninety (90) days after notice from Declarant to Owner.

c Association's Responsibility. To the extent that Shared Area Expenses are included in an Association's budget, each such Association shall be responsible for the administration and collection of the share of Shared Area Expenses due from members of such Association together with applicable interest, late charges and costs of collection (including costs and reasonable attorneys' fees and other professionals' fees). The Association shall collect Shared Area Expense obligations from their members as common expenses in the same manner and at the same time as they collect other common expenses from their members. The Association may utilize all the provisions of their respective declarations and exhibits thereto which pertain to the assessment and collection of common expenses of the Condominium Property or Vacation Ownership Property when collecting Shared Area Expenses payable hereunder. Notwithstanding the foregoing, for any Shared Area Expenses allocated to Parcels which are solely owned by Declarant, Declarant, and not the Association, shall be responsible for the administration and collection of Shared Area Expenses for those Parcels.

d No Avoidance of Shared Area Expenses. The liability for Shared Area Expenses may not be avoided by waiver of the use or enjoyment of the Master Property or by the abandonment of the Owner's property.

e Lien Against Association's Common Expense Fund. If any Association fails to pay when due the Shared Area Expenses due from its members, Declarant shall have a lien against that Association's common expense fund for payment of the unpaid Shared Area Expenses.

7.3 Sharing of Non-Shared Area Expenses. Certain goods, materials, services or operational or maintenance functions are, or may be, provided on a consolidated basis for or in connection with the administration, management, maintenance, repair, renovation or operation of both the Hotel Master Parcel and Vacation Ownership Master Parcel, or between or among more than one Parcel of the Master Property. These goods, materials, services or operational or maintenance functions cannot, or cannot easily or cost-effectively, be separately provided to the respective individual Parcels, and to require that they be accounted for on a cost account basis with regard to each Association, each Parcel, ownership interest or other persons in interest or as between the Master Parcels, would impose an unnecessary administrative burden and substantially increase the costs for providing such goods, materials, services or operational or maintenance functions. Consequently, costs and expenses of Utility Services, security services and certain other labor, materials, goods and services shall be obtained or provided on a consolidated basis for or in connection with the administration, management, maintenance, repair, renovation or operation of both the Hotel Master Parcel and Vacation Ownership Master Parcel, or between or among more than one Parcel of the Master Property, and shall be shared by the respective Owners on the same basis that expenses are allocated and shared for the Shared Areas as provided for in Section 7.2. The determination, procedures and obligations respecting the allocation and sharing of expenses pursuant to this Section 7.3 shall be governed by the provisions of Section 7.2 as if such expenses were Shared Area Expenses.

VIII. GENERAL RESTRICTIONS. In order to preserve and enhance the desirability and attractiveness of the Master Property and in furtherance of the general intent of this Master Declaration, the following general restrictions shall be applicable to the Master Property:

8.1 Permitted Use. The Master Property may be used from time to time during the term of this Master Declaration for any lawful purpose, subject to the provisions of this Master Declaration. It is expressly contemplated that all or a portion of the Master Property may be utilized for commercial purposes or may be declared as part of one or more Condominiums, Vacation Ownership Plans or both.

8.2 Mining or Drilling. There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise, undertaken within any portion of the Master Property without the specific consent of Declarant. Activities of Declarant or any Owner in dredging any lakes; creating, excavating or maintaining the Surface Water Management System, drainage or other facilities or easements; or installing wells, pumps or sprinkler systems for any portion of the Master Property, in compliance with Applicable Laws, shall not be deemed a mining, quarrying or drilling activity as contemplated in this Section 8.2.

8.3 Litter. In order to preserve the attractiveness and desirability of the Master Property and to ensure compliance with the Disney Standard, no garbage, trash, refuse, waste or rubbish shall be deposited, dumped or kept upon the Master Property except in closed containers, dumpsters or other garbage collection facilities suitable for such use and in compliance with all Applicable Laws. All centrally located containers, dumpsters and other garbage collection facilities shall be screened from view of casual passersby and shall at all times be kept in a clean condition with no noxious or offensive odors emanating therefrom. Individual waste receptacles located throughout the Master Property shall be designed and maintained in conformity with the overall care and maintenance standards set forth in this Master Declaration and in conformity with the Disney Standard, as determined by the ARO in its sole, absolute and unfettered discretion.

8.4 Signs.

8.4.1 No Signs. No sign shall be displayed or placed upon the Master Property by any Owner (other than Declarant), or Owner's guest, invitee or lessee without the prior written consent of the ARO.

8.4.2 Declarant Rights. Nothing contained in this Master Declaration shall prevent Declarant or any person designated by Declarant, from erecting or maintaining or allowing such commercial and display signs for development, sales, management or other purposes, provided such are in compliance with Applicable Law.

8.5 Aerials. No exterior radio or television mast, tower, pole, wire, aerial, satellite receiving stations or dish, antenna or appurtenances thereto, shall be erected on the Master Property, without the prior written approval of the ARO.

8.6 Electrical Interference. No electrical or electromagnetic signals, machinery, devices or apparatus of any sort shall be used or maintained on the Master Property which causes interference with any television or radio reception received or broadcast on any other portion of the Master Property without the approval of Declarant.

8.7 Household Pets and Livestock. No animals, household pets, livestock, or poultry of any kind shall be raised, bred, or kept on the Master Property unless approved by Declarant. This Section shall not apply to service animals as defined by the Americans with Disabilities Act, or to any animals being raised, bred or kept on the Master Property by Declarant or any of the TWDC Companies as part of the themeing and/or experience of the Resort.

8.8 Nuisances and Trespassing. No illegal, obnoxious or offensive activity shall be permitted or committed on any part of the Master Property, nor shall anything be permitted or done on the Master Property which is or may become a nuisance or a source of embarrassment, discomfort or annoyance to persons at or about the Master Property. No trash, garbage, rubbish, debris, waste material, or other refuse shall be deposited or allowed to accumulate or remain on any part of the Master Property. No fires for the burning of trash, leaves, clipping or other debris or refuse shall be permitted on any part of the Master Property except as required to develop all or a portion of the Master Property and as permitted by Applicable Law. It is expressly contemplated that the construction of Improvements as contemplated in Section 3.3.1 may result in noise or light levels in excess of levels typically occurring in areas consisting solely of residential Accommodations and may result in an obstruction of views. Nothing contained in this Master Declaration shall be deemed to prohibit such construction. It is expressly contemplated that portions of the Master Property and properties nearby the Master Property may be operated as commercial spaces containing hotels, restaurants, entertainment complexes or other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of levels typically occurring in areas consisting solely of residential Accommodations, including, without limitation, fireworks and concerts. Nothing contained within this Master Declaration shall be deemed to prohibit such commercial activity.

8.9 Subdividing. Declarant shall have the right in its sole, absolute and unfettered discretion to cause or permit the subdivision, platting or division of all or any part of the Master Property, subject to this Master Declaration and Applicable Law. No portion of the Master Property shall be subdivided, platted or divided by any persons claiming an interest in the Master Property by, through or under any Owner, without the prior written consent of Declarant.

8.10 No Chain-Link Fences. The installation of chain-link fences on the Master Property is prohibited, except temporarily in connection with construction work related to the development of the Master Property or with the approval of the ARO.

8.11 Casualties. If any Improvements are damaged or destroyed by fire, casualty or otherwise, the Owner or Owners of such Improvements shall promptly clear all debris resulting therefrom, and commence either to rebuild or repair the damaged or destroyed Improvements in accordance with the terms and provisions of this Master Declaration, or in the case of Open Areas, to grass over and landscape the land in a manner consistent with their pre-casualty condition and the surrounding area. If the Owner or Owners decide not to rebuild destroyed Improvements, the land previously underlying such Improvements shall be developed and maintained as Open Areas in accordance with this Master Declaration.

8.12 Repair, Rebuilding, Alteration and Reconstruction. Any repair, rebuilding, alteration or reconstruction on account of casualty or other damage on the Master Property shall be in accordance with this Master Declaration and

with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the ARO.

8.13 Vehicular Parking. No vehicle shall be parked on any part of the Master Property, except on areas designed for parking. No commercial vehicles shall be parked on the Master Property, except those present on business or with the approval of Declarant. No inoperative automobiles, trucks, trailers or other types of vehicles shall be allowed to remain on or adjacent to any portion of the Master Property for a period in excess of forty-eight (48) hours without the prior written approval of Declarant, unless concealed from public view. Nothing contained in this Section shall prohibit the parking of trailers, mobile homes or other temporary structures to be used as field construction offices by contractors in connection with construction work for the development of the Master Property.

8.14 Accessory Structures. No tent, shack, garage, trailer, barn or other temporary or accessory structures shall at any time be erected and used temporarily or permanently as a residence or for any other purpose, except as approved by the ARO; provided, however, temporary structures, mobile homes or field construction offices may be used by contractors in connection with construction work for the development of the Master Property, and other temporary or accessory structures may be used during time of emergency caused by fire or other casualty.

8.15 Hazardous Materials and Waste. In order to preserve and enhance the beauty, use and enjoyment of the Master Property, there shall be no possession, storage, use or handling of any hazardous materials on the Master Property, except in compliance with Applicable Law. To the extent that any hazardous waste is generated on or at the Master Property during the term of this Master Declaration, whether as a result of ongoing business or recreational activities or as a result of cleanup or remedial activities, it shall be the sole obligation of Declarant, the Owner, the management company or other person generating the hazardous waste to comply with Applicable Law relating to the generation, temporary collection and offsite disposition of any such hazardous waste.

8.16 Rules and Regulations. Declarant may, from time to time, promulgate, modify, or delete use restrictions and rules and regulations applicable to the Master Property, with or without the consent of any other person. Declarant may exempt certain Owners, Improvements, or portions of the Master Property from the use, restrictions, and rules and regulations applicable to the Master Property.

8.17 No Domiciliary Intent. No person or party may enter, stay or dwell upon or about the Master Property or any Accommodation constructed on the Master Property with the intent or desire to be or become a legal domiciliary of the State of Hawai'i or any political subdivision of the State of Hawai'i, and all such persons or parties shall and do waive, release and remise any such intent or desire. No person or party may enter, stay or dwell upon or about the Master Property or any Accommodation constructed on the Master Property with the intent that the same shall be or become that person's or party's principal dwelling, and such person or party shall maintain a principal dwelling at all times at a location other than within the confines of the Resort.

IX. AMENDMENT OF THIS MASTER DECLARATION.

9.1 By Declarant as to all Master Property. Except as otherwise provided in this Master Declaration, no amendment may be made to this Master Declaration by Declarant as to all or any portion of the Master Property without the prior written consent of all Owners and mortgagees of record if such amendment would prejudice or impair to any material extent the rights of the Owners as a whole. Notwithstanding the foregoing, Declarant may amend this Master Declaration, at any time and from time to time, as to all or any portion of the Master Property unilaterally and without the consent of any Owner or other person claiming an interest in the Master Property by, through or under any Owner in the following situations: if such amendment is necessary to bring any provision of this Master Declaration into compliance with any Applicable Law; if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any property subject to this Master Declaration; if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans encumbering any property subject to this Master Declaration; if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans encumbering any property subject to this Master Declaration; if such amendment is necessary for the purpose of curing any error, ambiguity in or inconsistency between or among the provisions contained in this Master Declaration; if such amendment is necessary to allow the development or expansion of the Condominium Property or Vacation Ownership Plan; to allow the development of other resort accommodations or commercial or other profit-making ventures as

contemplated under this Master Declaration; or if Declarant determines such amendment is necessary; provided, however, that such amendment does not prejudice or impair to any material extent the rights of the Owners as a whole.

9.2 By Declarant as to Portions of Master Property Held by Declarant. For so long as Declarant and Fee Owner together or separately hold fee title in any portion of the Master Property, Declarant shall have and reserves to itself, in addition to those rights specified in Section 9.1. above, the sole and exclusive right with regard to such portions of the Master Property held by Declarant to take the following actions at any time and from time to time unilaterally and without the consent of any Owner or any other person claiming an interest in the Master Property by, through or under any Owner:

9.2.1 To amend, modify or grant exceptions or variances from any of the use restrictions set forth in this Master Declaration.

9.2.2 To add or delete portions of the Master Property as otherwise provided in this Master Declaration.

9.2.3 To include in any contract, deed, lease agreement or other instrument hereafter made, any additional covenants, conditions and restrictions deemed desirable by Declarant.

9.3 By an Owner as to Portions of the Master Property Not Held by Declarant. This Master Declaration may be amended by any Owner, as may be required from time to time; provided, however, that no such amendment shall be effective without the prior written consent of Declarant and all other Owners and mortgagees of record.

9.4 Designated Facilities, Ingress and Egress Easement, and Drainage and Utility Easement.

9.4.1 Neither Declarant nor any Owner shall amend this Master Declaration, without approval of Declarant and all Owners, if such amendment would result in the elimination of: (i) access, use, or enjoyment of any Designated Facility from this Master Declaration, subject to rules and regulations as are deemed advisable from time to time by Declarant in its sole, absolute, and unfettered discretion, and subject to Declarant's reserved rights set forth in Paragraph 9.4.2; (ii) all reasonable ingress and egress rights to a dedicated right of way granted pursuant to Paragraph 3.6.1; or (iii) drainage and utility easement rights granted pursuant to Paragraph 3.6.2. No Owner shall alter, modify, rearrange, relocate, or replace any Designated Facility without the approval of Declarant.

9.4.2 Notwithstanding any provision in this Master Declaration to the contrary, Declarant may, at Declarant's expense, alter, modify, rearrange, relocate, replace, or remove any Designated Facility; provided, however, no amendment may, without the approval of all Owners, result in the alteration, modification, rearrangement, relocation, or replacement of the Designated Facility in such a manner that such Designated Facility or any replacement Designated Facility no longer provides substantially the same use, function, or experience as the existing Designated Facility, as Declarant determines in its sole, absolute, and unfettered discretion.

9.5 Recording of Amendments or Supplements; No Reliance. Any amendment or supplement to this Master Declaration shall become effective immediately upon recordation in the Land Court or otherwise as permitted in this Master Declaration. No Owner or any persons claiming by, through, or under any Owner shall have any right to claim detrimental reliance upon this Master Declaration with regard to any amendments to this Master Declaration effected by Declarant pursuant to this Article.

X. REMEDIES.

10.1 Violations. Declarant, any Owner or any Association shall each have the right to enforce, by proceeding at law or in equity, whether in an action for damages, injunctive relief or both, all covenants, conditions, restrictions, reservations, easements, charges and liens now or hereafter imposed by the provisions of this Master Declaration. In addition to the enforcement provisions provided in this Master Declaration, whenever there shall have been built, or there shall exist on the Master Property, or any portion of it, any Improvement or condition which is in violation of this Master Declaration, Declarant shall have the right, but not the obligation, to enter upon the property where such violation exists and summarily to abate and remove, reconstruct or repair, or remedy the same, all at the expense of the person responsible therefor, which expense shall be due and payable by such person to Declarant on demand. Such entry and abatement or removal shall not be deemed a trespass or make Declarant liable in any way to any

person, firm, corporation or other entity for any damages on account of such entry, abatement or removal. All costs incurred in abating or removing, reconstructing or repairing or remedying as contemplated in this Section shall become a charge and continuing lien against the non-complying party's interest, if any, in the Master Property as well as an individual and personal obligation of such breaching party.

10.2 Easement for Enforcement. In furtherance of the enforcement provisions provided for in this Master Declaration, Declarant reserves an easement over the Master Property for the purpose of enforcing the provisions in this Master Declaration, and may go upon any portion of the Master Property to remove or remedy any violations of these provisions. If Declarant, after notice to a person of any violation and such person's continued failure to cure the same, does in fact exercise its right to cure violations, all costs incident to said action by Declarant shall become a charge and continuing lien against the non-complying party's interest, if any, in the Master Property as well as an individual and personal obligation of such breaching person. Nothing in this Section shall be construed to require Declarant to take any action.

10.3 Costs of Enforcement. Should Declarant, any Owner or any Association find it necessary to employ an attorney or institute legal action against any party to enforce any provisions of this Master Declaration, the non-complying party shall pay all costs in connection with such action, including court costs and reasonable attorneys' fees and other professionals' fees for pretrial, trial, and appellate proceedings, whether or not judicial proceedings are involved and including those incurred in any bankruptcy or probate proceedings. All such costs shall become a charge and continuing lien against the non-complying party's interest, if any, in the Master Property, as well as an individual and personal obligation of such breaching party.

XI. MISCELLANEOUS.

11.1 Approvals. Wherever the consent or approval of Declarant or any Owner is required to be obtained, no act requiring such consent or approval shall be commenced or undertaken until after a request in writing seeking the required approval has been submitted to Declarant or such Owner, as applicable. Unless specified to the contrary, if Declarant or the Owner fails to act on any such written request within the period required for response or, if no response period is provided, within sixty (60) days after the same has been submitted to it, the consent or approval of Declarant or the Owner to the particular action sought in such written request shall be conclusively and irrefutably presumed. However, no act shall be taken by or on behalf of the person or persons submitting such written request that violates any of the provisions of this Master Declaration.

11.2 Expiration of Declarant's Estate. Upon the expiration or earlier termination of Declarant's Estate, all rights, duties and obligations of Declarant hereunder shall automatically vest in and be held by Fee Owner or Fee Owners' successor in title.

11.3 Limited Effect of Certain Liens and Encumbrances.

11.3.1 Declarant's and Fee Owner's Interest. Neither Declarant's interest nor Fee Owner's interest in the Master Property shall be subjected to liens or encumbrances of any nature, including mortgages, mechanics' and materialman's liens or other liens arising pursuant to Applicable Law, by reason of any act or omission of any other person, including the construction, alteration, repair, renovation, restoration, replacement or reconstruction of any Improvements on the Master Property or any other act or omission by or on behalf of any Owner or Association or any person claiming by, through, or under an Owner or Association. All persons dealing with any Owner, any Association or any person claiming by, through, or under any Owner or any Association are placed on notice that such persons shall not look to Declarant's credit or assets for payment or satisfaction of any obligations incurred in connection with such construction, alteration, repair, restoration, replacement or reconstruction. No person other than Declarant or Fee Owner, as appropriate, has the power, right or authority to subject Declarant's or Fee Owner's interest in the Master Property or in any Improvements to any mortgage, mechanic's or materialman's lien or claim of lien. If a lien, a claim of lien or an order for the payment of money shall be imposed against the Master Property or any Improvements on the Master Property on account of work performed, or alleged to have been performed, for or on behalf of an Owner, Association or any person claiming by, through, or under an Owner or Association, the person for or on behalf of which the work was performed or alleged to have been performed shall, within thirty (30) days after written notice of the imposition of such lien, claim or order, cause the Master Property and the Improvements to be released from such lien, claim or order by the payment of the obligation secured thereby or by furnishing a bond or by any other method prescribed or permitted by Applicable Law. If a lien is released, the person obtaining the release shall thereupon furnish Declarant with a written

instrument of release or otherwise in form for recording or filing in the Land Court, Bureau of Conveyances of the State of Hawai'i, or other applicable public records, sufficient to establish the release as a matter of record.

11.3.2 Right to Contest Liens. Declarant, Fee Owner, any Owner, any Association or any person claiming by, through, or under Declarant, any Owner or any Association, as applicable, may, at its option, contest the validity of any lien or claim of lien if such person shall have first posted an appropriate and sufficient bond in favor of the claimant or paid the appropriate sum into court, if permitted by law, and thereby obtained the release of the Master Property and the improvements from such lien. If judgment is obtained by the claimant of any lien, such person shall pay the same immediately after the time for appeal from such judgment has expired without appeal having been taken or after such judgment has otherwise become final. Such person shall, at its own expense, defend the interests of itself and Declarant in any and all such suits; provided, however, that Declarant may, at its election, engage its own counsel and assert its own defenses, in which event such person shall cooperate with Declarant and make available to Declarant all information and data which Declarant deems necessary or desirable for such defense.

11.4 Taxes and Assessments. During the term of this Master Declaration, Declarant or each Owner (or an Association on behalf of Owners), as applicable, shall timely pay and discharge, or shall arrange for the timely payment or discharge of, all taxes (including sales and use taxes on rents), property taxes and assessments or other governmental impositions and charges of every kind and nature whatsoever, which shall or may during the term be charged, laid, levied, assessed, imposed, become due and payable or liens upon, or that arise in connection with the use, occupancy or possession of, or grow due or payable out of or for, the portion of the Master Property owned by Declarant or such Owner or any interest in the Master Property, so that no such liens, charges, assessments or impositions shall be payable by Declarant or any other Owner (or any Association on behalf of Owners) by virtue of its interest in the Master Property.

11.5 Condemnation.

11.5.1 Right to Terminate Master Declaration. If the Master Property shall be taken or condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu of eminent domain, or if a portion of the Master Property or the Improvements shall be so taken or condemned such that the portion remaining is not sufficient and suitable for any other use permitted by this Master Declaration, then, with the consent of Declarant, this Master Declaration shall cease and terminate as of the date on which the condemning authority takes possession.

11.5.2 Continuation of Master Declaration. If a portion of the Master Property or the Improvements is taken, and the remaining portion can be adapted and used for the conduct of Declarant or an Owner's operations, then this Master Declaration shall continue in full force and effect as to the remaining portion.

11.5.3 Temporary Taking. If the temporary use (but not title) of the Master Property or any Improvements is taken, this Master Declaration shall remain in full force and effect.

11.5.4 Judicial Determination. If any interested party cannot agree in respect of any matters to be determined under this Section, a determination shall be requested of the court having jurisdiction over the taking, and if said court will not accept such matters for determination, any party may have the matters determined by a court having jurisdiction over the parties.

11.6 Condemnation Proceeds.

11.6.1 Payment to Insurance Trustee. Any awards for damage, direct and consequential, resulting from the taking, other than a temporary taking, by the exercise of the power of eminent domain, by any sovereign, municipality or other public or private authority, of all or any part of the Master Property or the easements or other appurtenances thereto shall be paid to the Insurance Trustee.

11.6.2 Allocation of Awards. The awards received by the Insurance Trustee pursuant to Section 11.6.1 shall be allocated by the ARO among the Owners in that proportion which the damage to each Owner's Parcel and to all easements and other appurtenances thereto shall bear to the damage to all of the Parcels and the easements and other appurtenances thereto, taking into account the allocations provided for in Article VI and the award shall be distributed by the Insurance Trustee to the respective Owners (or to any lessee or Mortgagee as their interests may appear in accordance with such allocation, subject, however, to the provisions of this Section 11.6. If the damages to each

Owner's Parcel and the easements and other appurtenances thereto shall have been determined by a court of law or equity in connection with the taking proceeding, then, subject to any right of appeal, such determination shall be conclusive as to the proportions of the total award to be allocated to each of the Owners pursuant to this Section 11.6.2, in lieu of application of the preceding sentence. Notwithstanding the foregoing, all condemnation proceeds allocated to any Owner shall first be paid to the Insurance Trustee, for utilization pursuant to Section 11.6.3 in funding repair and restoration, and Section 11.6.3 and 11.6.4 shall control the timing and amount of any subsequent distribution to the Owners.

11.6.3 Repair and Restoration Following Condemnation. If the taking authority shall take a portion of the Improvements within only one Parcel and if such taking does not include any Building Shared Component or any facilities within such Parcel which serve or benefit the Owner of another Parcel, then, the repair and restoration of such improvements shall be performed by the Owner of such improvements, and such Owner shall be entitled to withdraw, for application to the cost of said repair and restoration, that portion (which may be 100%) of any condemnation award or awards paid to the Insurance Trustee by reason of such taking which shall have been allocated to the Owner of such improvements pursuant to Section 11.6.2.

In the event of a taking, if the provisions of the preceding paragraph shall not be applicable, then, the repair and restoration of any damage to the Building Shared Components occasioned by such taking shall be performed by Declarant on behalf of all of the Owners. The plans and specifications for such repair and restoration shall be approved by the ARO. The ARO may require the contractor and subcontractors to maintain such insurance and bonding as it deems advisable. The contractor shall be approved by the ARO. The contractor shall work under the administration of the architect and Declarant. Declarant is hereby authorized, empowered and directed to instruct the Insurance Trustee from time to time as such repair and restoration progress, to disburse in accordance with the architect's certificate the condemnation award or awards paid to the Insurance Trustee pursuant to Section 11.6.1 by reason of the taking and any other monies deposited with the Insurance Trustee pursuant to Section 11.6.4, for application to the cost and expense of such repair and restoration. Each such instruction given by Declarant, to the Insurance Trustee to disburse funds for such cost and expense shall be accompanied by a statement of the architect setting forth the portion of such cost and expense which is to be borne by each of the respective Owners pursuant to the allocation provided for in Section 11.6.4. The Insurance Trustee shall charge each Owner's portion of such cost and expense against the portion of the condemnation award or awards allocated to such Owner pursuant to Section 11.6.2.

11.6.4 Allocation of Costs of Repair and Restoration. All condemnation awards paid to the Insurance Trustee shall first be used to fund all repair and restoration to be performed under Section 11.6.3. To the extent the condemnation awards paid into the Insurance Trustee are insufficient to fully fund any repair and restoration to be performed under Section 11.6.3, or if there are no such awards, the cost and expense of performing the repair and restoration provided for in Section 11.6.3 shall be borne by the respective Owners as a Shared Area Expense.

11.6.5 Substantial Taking. For the purpose of Section 11.6.6 and generally in this Master Declaration, "Substantial Taking" of the Building Shared Components shall be defined as follows: (i) If greater than or equal to 50% of the replacement value of the Building Shared Components is destroyed by such a condemnation occurring during the period commencing with the initial recordation of this Master Declaration and terminating thirty (30) years thereafter ("Initial Period"); (ii) If greater than or equal to 35% of the replacement value of the Building Shared Components is destroyed by a condemnation occurring at any time during the period commencing with the end of the Initial Period and terminating ten (10) years thereafter ("Second Period"); (iii) If an amount greater than or equal to 25% of the replacement value of the Building Shared Components is destroyed by a condemnation occurring at any time during the period commencing with the end of the Second Period.

11.6.6 Limitations on Repair or Restoration by Declarant. In the event that any condemnation results in a Substantial Taking of the Building Shared Components, Declarant shall have the option not to proceed with repair or restoration of the Building Shared Components, notwithstanding any obligation Declarant might otherwise have to repair or restore under Section 11.6.3. Declarant shall elect whether to exercise such option on or before the ninetieth (90th) day following the date the order establishing the amount of the condemnation award becomes final, and shall deliver written notice to the Owners and the Insurance Trustee of any election by it to exercise such option. In such event, the condemnation proceeds paid to the Insurance Trustee from the condemnation shall be disbursed by the Insurance Trustee to the Owners whose Parcel has been taken, or their Mortgagee(s), as their interests may appear, for utilization in demolition of the Building Shared Components or such other purposes as Declarant and any such other Owner and/or such Mortgagee(s) may reasonably determine.

11.7 Force Majeure. If the performance by any person obligated under this Master Declaration (excluding monetary obligations) is limited, delayed or prevented in whole or in part by Applicable Law or action adopted or taken by any federal, state or local governmental authority and not attributable to an act or omission of said party, or by any Acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics, war, civil disorders, strikes or other labor difficulties, shortages or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within said party's control, whether or not specifically mentioned in this Master Declaration, said person shall be excused, discharged and released of performance to the extent such performance or obligation (excluding any monetary obligation) is so limited, delayed or prevented by such occurrence without liability of any kind.

11.8 Assignments. Declarant shall have the sole and exclusive right at any time to transfer and assign to any person, firm or corporation, partnership, limited liability company or other entity, any or all rights, powers, easements, privileges, authorities and reservations given to or reserved by Declarant or any obligation imposed upon Declarant by any part, section or paragraph of this Master Declaration as to all or a portion of the Master Property. Such transfer or assignment shall be evidenced by a writing, such as a memorandum of Ground Lease or a deed of conveyance from Declarant to a successor in title to all or a portion of the Master Property, recorded in the Land Court, which such writing shall specifically indicate Declarant's intent to transfer and assign any or all rights, powers, easements, privileges, authorities and reservations given to or reserved by Declarant or any obligation imposed upon Declarant hereunder.

11.9 Termination. Unless sooner terminated as provided in this Master Declaration, this Master Declaration shall run with and bind the land until Declarant and all Owners owning an interest in the Master Property (including Declarant as applicable) agree in writing that it shall terminate.

11.10 No Representations. Each Owner shall inspect and examine the Master Property and shall not rely on any representations or warranties as to the condition of the Master Property (except with respect to any express representations or warranties that Declarant may provide in a writing signed by Declarant authorizing reliance). Prior to the commencement of any construction on the Master Property, an Owner shall conduct such tests of the subsurface and soil conditions as the Owner may deem necessary or desirable to ascertain the existence of any hazards as well as the suitability of the Master Property for the contemplated development and shall furnish such fill and take such other steps as may be required prior to the commencement of construction, all in accordance with Applicable Laws. Neither Fee Owner nor Declarant shall have any liability because of, or as a result of, the existence (either upon the commencement of the term of this Master Declaration or at any time during the term) of any subsurface or soil or hazardous condition, either at the Master Property or land adjacent thereto, which might affect an Owner's construction or otherwise cause an Owner or any person claiming by, through or under an Owner to suffer or incur any damage, loss, fine, penalty, liability, cost or expense.

11.11 Notices. Except as may be otherwise provided in this Master Declaration, any notice, demand, request, consent, approval or communication under this Master Declaration shall be in writing and shall be deemed duly given or made: (i) when deposited, postage prepaid, in the United States mail, certified or registered mail with a return receipt requested, addressed to the person at the last known address of the person; (ii) when delivered personally to the person at the last known address of the person; (iii) when deposited with a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the person at the last known address; or (iv) when delivered by facsimile transmission with confirmed receipt of transmission. A person may designate a different address for receiving notices hereunder by notice to the other persons giving notice. All notices required to be given to Owners who own property declared as Condominium Property, declared to a Vacation Ownership Plan or subject to subdivision restrictions or other similar restrictive documents pursuant to which an Association is created, shall be deemed given in accordance with this Master Declaration when delivered to such Association in accordance with this Section. Such Association is authorized to receive all notices required to be given to the members of the Association by the provisions of this Master Declaration. Any notice, demand, request, consent, approval or communication under this Master Declaration to be given to Declarant under this Master Declaration shall be given at the address noted above unless a notice of an alternative address is provided pursuant to the provisions of this Section 11.11.

11.12 Severability. If any covenant, condition, restriction, term or provision of this Master Declaration to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Master Declaration, or the application of such covenant, condition, restriction, term or provision to persons whose circumstances are other than

those as to which it is held invalid and unenforceable, shall not be affected thereby and shall remain in full force and effect.

11.13 Headings. The paragraph, section and article headings contained in this Master Declaration are for reference purposes only and shall not in any way affect the meaning, content or interpretation of this Master Declaration.

11.14 No Waiver. The rights of Declarant, any Owner or any Association under this Master Declaration shall be cumulative and not exclusive of any other right or available remedy. Declarant's, any Owner's or any Association's pursuit of any one or more of the rights or remedies provided for in Article X shall not preclude pursuit of any other right, remedy or remedies provided in this Master Declaration or any other right, remedy or remedies provided for or allowed by law or in equity, separately or concurrently or in any combination. Declarant's, any Owner's or any Association's pursuit of any one or more of its rights or remedies shall not constitute an election of remedies excluding the election of another right, remedy or other remedies, or a forfeiture or waiver of any right or remedy or of any damages or other sums accruing to Declarant, such Owner or Association by reason of any obligated person's failure to fully and completely keep, observe, perform, satisfy and comply with all of the covenants, conditions and restrictions set forth in this Master Declaration. No action taken by or on behalf of Declarant, Owner or Association shall be construed to be an acceptance of a surrender of this Master Declaration. Declarant's, an Owner's or Association's forbearance in pursuing or exercising one or more of its or their rights or remedies, or the failure of Declarant, an Owner or Association to enforce any of the covenants, conditions and restrictions set forth in this Master Declaration or to promptly pursue and exercise any right or remedy contained in this Master Declaration, shall not be deemed or construed to constitute a waiver of any other right or remedy or any waiver of the further enforcement of the provision or the exercise of the right or remedy that was the subject of the forbearance or failure. No waiver by Declarant, an Owner or Association of any right or remedy on one occasion shall be construed as a waiver of that right or remedy on any subsequent occasion or as a waiver of any other right or remedy then or thereafter existing. No failure of Declarant, an Owner or Association to pursue or exercise any of their respective powers, rights or remedies or to insist upon strict and exact compliance by any obligated person with this Master Declaration, and no custom or practice at variance with the terms of this Master Declaration, shall constitute a waiver by Declarant, such Owner or Association of the right to demand strict and exact compliance with all terms and conditions of this Master Declaration. No termination of this Master Declaration shall affect Declarant's, an Owner's or Association's right to collect any monetary amounts due to it for the period prior to termination.

11.15 The Rule Against Perpetuities. If any provision of this Master Declaration would violate the Rule Against Perpetuities or any other rule or law relating to the period that these restrictions may be imposed on the Master Property, such provision will remain in effect for a period of ninety (90) years from the effective date of this Master Declaration.

11.16 Governing Law; Waiver of Jury Trial; Venue. This Master Declaration shall be governed by, and shall be construed in accordance with, the laws of the State of Hawai'i. Declarant, any Owner, Association and all other persons who may acquire any right, title, interest, lien or encumbrance in or to all or any part of the Master Property subsequent or subordinate to this Master Declaration waive any right any of them may now or hereafter have under Applicable Law to a trial by jury with respect to any suit or legal action which may be commenced by any of them against any of the others concerning the interpretation, construction, validity, enforcement or performance of this Master Declaration or any other agreement or instrument executed in connection with this Master Declaration. If any such suit or legal action is commenced by any of them, each of them agrees, consents and submits to the personal jurisdiction of the local state courts for the City and County of Honolulu, State of Hawai'i, with respect to such suit or legal action, and each of them 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 of them 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.

11.17 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.

11.18 Estoppel Certificates. Each Owner agrees, within fifteen (15) days after written request by any other Owner, to execute and deliver to such Owner or to any existing or prospective purchaser, Mortgagee or lessee designated

by such Owner, a certificate in recordable form stating to the best of its knowledge: (a) whether or not there is any existing default hereunder by any Owner in the payment of any sum of money owing to the Owner executing such certificates; (b) whether or not there is any existing default by any Owner with respect to which a notice of default has been given or received by the Owner executing such certificate and if there is any such default, specifying the nature and extent thereof; (c) whether or not there are any sums which the Owner executing such certificate is entitled to receive or demand from any other Owner hereunder, and if there is any such sum specifying the nature and extent thereof; (d) whether or not Declarant has performed or caused to be performed, or is then performing or causing to be performed, any maintenance or other work, the cost of which Declarant may be entitled to charge in whole or in part to any Owner but has not yet charged to such other Owner, and if there be any such maintenance or other work, specifying the nature and extent thereof; (e) whether or not Declarant has performed or caused to be performed, or is then performing or causing to be performed, any maintenance or other work, specifying the nature and extent thereof; (f) whether or not there are any set-offs, defenses or counterclaims then being asserted or otherwise known against enforcement of any obligations hereunder which are to be performed by the Owner executing such certificate, and, if so, the nature and extent thereof; (g) whether or not any Owner has given any notice to the Owner executing such certificate making a demand or claim hereunder which has not yet been discharged or otherwise resolved, or given any notice of a dispute, and if so, a copy of any such notice shall be delivered with the certificate; (h) whether or not there is any pending dispute involving the Owner executing such certificate which has been submitted for arbitration hereunder, and if so, specifying the nature of the dispute; and (i) whether or not there is any ruling or decision involving the Owner executing such certificate within the ninety (90) days preceding the date of such certificate, and if so, identifying such ruling or decision. In the event of the recording of the Condominium Declarations, any such certificates which are required of the Owners within a Parcel submitted to condominium ownership shall be given by the president or vice president of the Association.

[SIGNATURES ON THE FOLLOWING PAGE.]

EXHIBIT A

MASTER PROPERTY

All of those certain parcels of land situate at Honouliuli, District of Ewa, Honolulu, City and County of Honolulu, State of Hawai'i, described as follows:

PARCEL FIRST (KO OLINA PARCEL 13A) (Portion of TMK 9-1-057-034)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 4604-A, area 6.137 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,924, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-134261.

Note: Lot 4604-A shall have access over Lots 4633 and 4639, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application 1069 and also over Lots 4597, 4599, 4600, 4601, and 4602, as shown on Map 450, as set forth by Land Court Order No. 92806, filed March 6, 1989.

PARCEL SECOND (KO OLINA PARCEL 13B) (Portion of TMK 9-1-057-035)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 4604-B, area 4.531 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,925, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-134262.

Note: Lot 4604-B shall have access over Lots 4633 and 4639, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069 and also over Lots 4597, 4599, 4600, 4601 and 4602 as shown on Map 450 as set forth by Land Court Order No. 92806, filed March 6, 1989.

PARCEL THIRD (KO OLINA PARCEL 15A) (TMK 9-1-057-034)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 5345-A, area 5.553 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,926, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-134263.

Note: Lot 5345-A shall have access to Farrington Highway across Lots 4633 and 4638, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 from Land Court Application 1069 and Lots 4745 and 4744, as shown on Map 476 filed with Land Court Application No. 1069, and Lots 4599, 4600, and 4602, as shown on Map 450 filed with Land Court Application No. 1069, as set forth by Land Court Order No. 96075, filed December 5, 1989.

PARCEL FOURTH (KO OLINA PARCEL 13A) (Portion of TMK 9-1-057-035)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 5345-B, area 4.995 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,927, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-134264.

Note: Lot 5345-B shall have access to Farrington Highway across Lots 4633 and 4638, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 from Land Court Application No. 1069 and Lots 4745 and 4744, as shown on Map 476 filed with Land Court Application No. 1069, and Lots 4599, 4600, and 4602, as shown on Map 450 filed with Land Court Application No. 1069, as set forth by Land Court Order No. 96075, filed December 5, 1989.

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Title to all mineral and metallic mines reserved to the State of Hawai'i.
2. The terms and provisions contained in the Certificate and Authorization recorded October 11, 1985 in the Bureau of Conveyances of the State of Hawai'i as Book 19004 Page 123 and also filed in said Office as Land Court Document No. 1328029.

Amendment to Certificate and Authorization recorded July 20, 1994 in said Bureau as Document No. 94-120723.

3. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Unilateral Agreement and Declaration of Conditional Zoning filed February 25, 1986 in said Office as Land Court Document No. 1354687.

The foregoing Agreement was amended by instrument recorded November 24, 1993 in said Bureau as Document No. 93-195382 and also filed in said Office as Land Court Document No. 2090355.

4. The terms and provisions contained in the Short Form Development Agreement filed December 2, 1986 in said Office as Land Court Document No. 1419770.

Short Form of First Amendment to Amended and Restated Ko Olina Resort Development Agreement filed May 4, 1994 in said Office as Land Court Document No. 2141539.

The foregoing Development Agreement was assigned to Ko Olina Company, LLC, a Delaware limited liability company, by instrument filed August 20, 1998 in said Office as Land Court Document No. 2479691.

Short Form of Second Amendment to Amended and Restated Ko Olina Resort Development Agreement filed January 6, 2000 in said Office as Land Court Document No. 2600070.

The interest of the Trustees Under the Will and of the Estate of James Campbell, Deceased, was assigned to James Campbell Company LLC, a Delaware limited liability company, by Assignment of Rights Ko Olina Resort filed August 30, 2007 in said Office as Land Court Document No. 3649643.

Short Form Third Amendment and Restatement and Partial Assignment of Ko Olina Resort Development Agreement filed August 30, 2007 in said Office as Land Court Document No. 3649644.

5. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, *sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability*, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Declaration of Covenants, Conditions and Restrictions filed December 2, 1986 in said Office as Land Court Document No. 1419771.

The foregoing Declaration was amended by instruments filed January 29, 1990, August 7, 2002 and March 15, 2004 as Land Court Document Nos. 1702235, 2829644 and 3083061, respectively, of Official Records.

The interest of the Trustees Under the Will and of the Estate of James Campbell, Deceased, was assigned to James Campbell Company LLC, a Delaware limited liability company, by Assignment of Rights Ko Olina Resort recorded August 30, 2007 as Land Court Document No. 3649643 of Official Records.

Partial Assignment and Modification of Ko Olina Declaration of Conditions, Covenants and Restrictions in favor of Ko Olina Development Company, LLC, a Delaware limited liability company, recorded August 30, 2007 as Land Court Document No. 3649645 of Official Records.

6. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Trustees' Limited Warranty Deed recorded December 2, 1986 as Land Court Document No. 1419772 of Official Records.

The foregoing was amended by instruments recorded May 22, 1991 and October 10, 1991 as Land Court Document Nos. 1821776 and 1857006 of Official Records.

7. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Declaration of Covenants for Ko Olina Community Association recorded December 2, 1986 as Land Court Document No. 1419773 of Official Records.

The foregoing Declaration was amended by instruments recorded July 19, 1995, April 28, 1997 and October 20, 1999 as Land Court Document Nos. 2249998, 2377790 and 2583045, respectively, of Official Records.

Assignment of Declarant's Rights in favor of Ko Olina Development Company, LLC, a Delaware limited liability company, by instrument recorded August 20, 1998 as Land Court Document No. 2479692 of Official Records.

Amended and Restated Declaration of Covenants for Ko Olina Community Association recorded May 10, 2006 as Land Court Document No. 3426805 of Official Records.

The interest of the Trustees Under the Will and of the Estate of James Campbell, Deceased, was assigned to James Campbell Company LLC, a Delaware limited liability company, by Assignment of Rights Ko Olina Resort recorded August 30, 2007 as Land Court Document No. 3649643 of Official Records.

Assignment of Rights Under Amended and Restated Declaration of Covenants for Ko Olina Community Association in favor of Ko Olina Development Company, LLC, a Delaware limited liability company, recorded August 30, 2007 as Land Court Document No. 3649646 of Official Records.

8. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) recorded June 28, 2006 as Land Court Document No. 3446051, as amended, of Official Records.

The foregoing Agreement was amended by instrument recorded March 31, 2009 as Land Court Document No. 3843447 of Official Records.

9. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Limited Warranty Deed with Acknowledgement (Estate for Years) recorded October 5, 2007 as Land Court Document No. 3664877 of Official Records.
10. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Limited Warranty Deed with Acknowledgement (Remainder Interest) recorded October 5, 2007 as Land Court Document No. 3664878 of Official Records.
11. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Declaration of Restrictive Covenants Regarding Use; Reserved Power to Grant or Modify Easements recorded October 5, 2007 as Land Court Document No. 3664879 of Official Records.
12. The terms and provisions contained in the Short Form Memorandum of Hotel Portion Limited Right of First Offer (Estate for Years) made by and between Disney Vacation Development, Inc., a Florida corporation, Ko Olina Parcel 15 LLC, Ko Olina Parcel 13-1 LLC, Ko Olina Parcel 13-2 LLC, and Ko Olina Parcel 13-3 LLC, each a Hawai'i limited liability company, recorded October 5, 2007 as Land Court Document No. 3664882 of Official Records.
13. The terms and provisions contained in the Short Form Memorandum of Hotel Portion Limited Right of First Offer (Remainder Interest) made by and between ABC, Inc., a New York corporation, Ko Olina Parcel 15 LLC, Ko Olina Parcel 13-1 LLC, Ko Olina Parcel 13-2 LLC, and Ko Olina Parcel 13-3 LLC, each a Hawai'i limited liability company, recorded October 5, 2007 as Land Court Document No. 3664883 of Official Records.
14. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawai'i Revised Statutes, as contained in the Declaration of Covenants, Conditions and Restrictions for Vacation and Recreation Experience Preservation recorded October 5, 2007 as Land Court Document No. 3664884 of Official Records.
15. The terms and provisions contained in the Ko Olina Resort Parcel 19 Height Limitation Agreement made by and between Ko Olina Chapel, LLC, a Hawai'i limited liability company, Disney Vacation Development, Inc., a Florida corporation, and ABC, Inc., a New York corporation, recorded October 5, 2007 as Land Court Document No. 3664885 of Official Records.

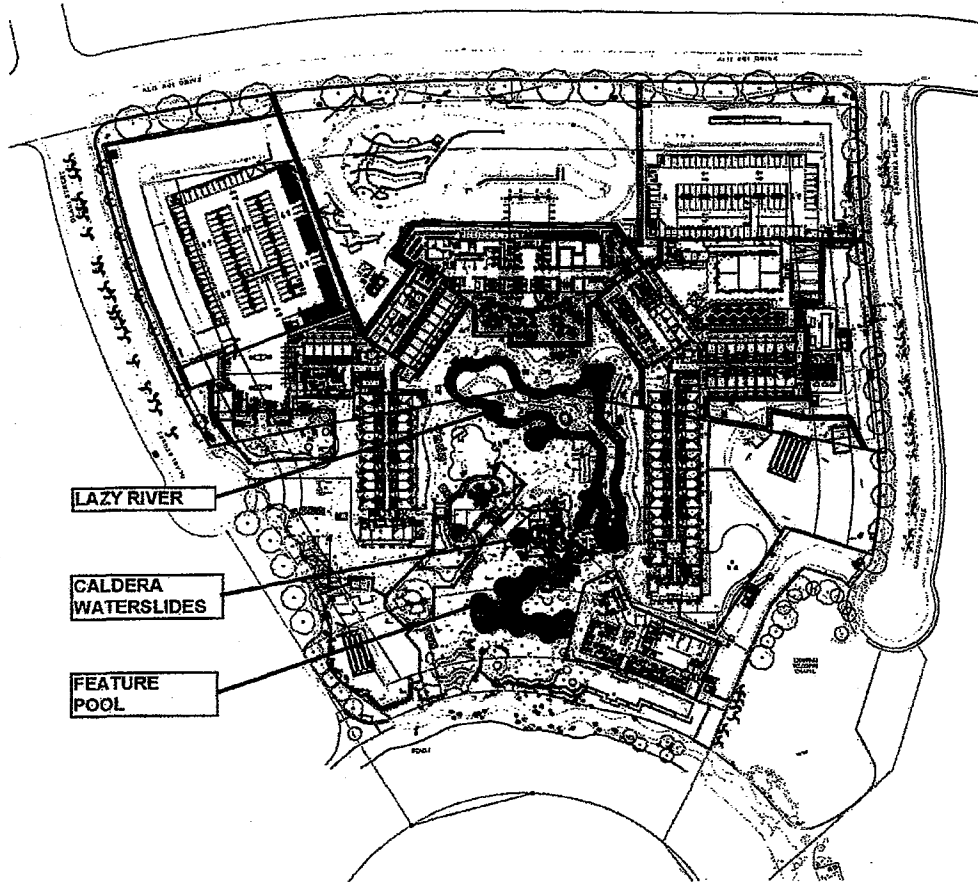
16. The terms and provisions contained in the Waiver of Golf Termination Rights made by and between Disney Vacation Development, Inc., a Florida corporation, ABC, Inc., a New York corporation, and Ko Olina Intangibles, LLC, a Delaware limited liability company, recorded October 5, 2007 as Land Court Document No. 3664889 of Official Records.
17. The terms and provisions contained in the Ko Olina Development LLC Estoppel Statement recorded October 5, 2007 as Land Court Document No. 3664890 of Official Records.
18. The terms and provisions contained in the James Campbell Company LLC Estoppel Statement recorded October 5, 2007 as Land Court Document No. 3664891 of Official Records.
19. The terms and provisions contained in the Ko Olina Development LLC Estoppel Statement Regarding Unit Counts recorded October 5, 2007 as Land Court Document No. 3664892 of Official Records.
20. The terms and provisions contained in the Short Form Memorandum of Floor Area Allocation Agreement recorded April 3, 2009 as Land Court Document No. 3844930 of Official Records.
21. AS TO PARCEL FIRST (LOT 4604-A) ONLY:
 - a. Easement 1926 for road access and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.
 - b. Easement 1928 for electrical and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.
 - c. A Grant of Easement for electrical and utility purposes over Easement 1928, in favor of Hawaiian Electric Company, Inc., a Hawai'i corporation, recorded as Land Court Document No. 2338597 of Official Records.
22. AS TO PARCEL SECOND (LOT 4604-B) ONLY:
 - a. Easement 1918 for communication lines and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.
 - b. Easement 1925 for shoreline access purposes as shown on Map 451, as set forth by Land Court Order No. 92806.
23. AS TO PARCELS FIRST (LOT 4604-A) AND THIRD (LOT 5345-A) ONLY:
 - a. Easement 1922 for electrical and communication purposes as shown on Map 451, as set forth by Land Court Order No. 92806. The foregoing Easement was amended by Land Court Order No. 101786.
 - b. Easement 1927 for road access and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.
24. AS TO PARCELS SECOND (LOT 4604-B) AND FOURTH (LOT 5345-B) ONLY:
 - a. Easement 2130 shoreline parkway purposes as shown on Map 474 as set forth by Land Court Order No. 93926.
 - b. Easement 2282 for open space parkway purposes as shown on Map 497, as set forth by Land Court Order No. 96075.
 - c. A Grant of Easement for public access and utility purposes over Easement 2130, in favor of The City and County of Honolulu, a Hawai'i municipal corporation, recorded December 21, 1993 as Land Court Document No. 2099737 of Official Records.

25. Terms, provisions, reservations, covenants, conditions and restrictions contained in (i) that certain Limited Warranty Deed With Acknowledgement (Remainder Interest), recorded as Land Court Document No. 3664878, (ii) that certain Limited Warranty Deed With Acknowledgement (Estate for Years), recorded as Land Court Document No. 3664877, and (iii) that certain Limited Warranty Deed With Acknowledgement (Estate for Years), recorded as Land Court Document No. 3957506.

EXHIBIT B

DESIGNATED FACILITIES

The "Designated Facilities" consist of the lazy river and adjacent pool and related facilities, and the caldera waterslides, all of which are located as shown below:



103904837.5

**ARTICLES OF INCORPORATION
OF ALI'I NUI VACATION OWNERS ASSOCIATION, INC.**

All terms used in these Articles of Incorporation of ALI'I NUI VACATION OWNERS ASSOCIATION, INC. (the "Articles") shall have the same meaning as the identical terms used in the Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements (the "Declaration"), unless the context otherwise requires.

ARTICLE I - Name

The name of the corporation shall be ALI'I NUI VACATION OWNERS ASSOCIATION, INC. (the "Vacation Owners Association").

ARTICLE II - Purposes

1. The purpose for which the Vacation Owners Association is organized is to manage, operate and maintain a vacation ownership plan, to be known as Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i Vacation Ownership Plan (the "Vacation Ownership Plan" or just the "Plan"). The Plan has been established with respect to certain condominium units located in Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i Condominium (the "Condominium"), in accordance with the Declaration of Condominium Property Regime of Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i Condominium (the "Condominium Declaration"), the Master Cotenancy Agreement Declaration of Covenants, Conditions and Restrictions (the "Master Cotenancy Agreement"), and the Declaration of Covenants, Conditions, Easements And Restrictions For Aulani, A Disney Resort & Spa, Ko Olina, Hawaii (the "Master Declaration").

2. The Vacation Owners Association shall have no capital stock and shall make no distribution of income or profit to its members, directors or officers.

ARTICLE III - Powers

1. Except to the extent of any conflict with these Articles, the Declaration, the Membership Agreement, the DVC Resort Agreement or law, the Vacation Owners 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 Vacation Owners Association in the Declaration, these Articles or the Bylaws;

b. The powers, duties and obligations of a corporation not-for-profit under the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes;

c. The powers, duties and obligations of an association of time share owners as provided in the Chapter 514E, Hawai'i Revised Statutes and Chapter 16-106, Hawai'i Administrative Rules; and

d. Any other duties and obligations or imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Vacation Owners Association under the Declaration, these Articles, the Bylaws, the Membership Agreement or the DVC Resort Agreement, or that otherwise promote the general benefit of the Owners, including but not limited to the following:

(1) To adopt a budget and make and collect assessments against Owners to defray the costs of the Plan.

- (2) To use the proceeds of assessments in the exercise of its powers and duties.
- (3) To maintain, manage, repair, replace and operate the Plan and the Vacation Property.
- (4) To reconstruct improvements after casualty and construct further improvements to the Vacation Property.
- (5) To promulgate and amend the rules and regulations respecting the use of the Vacation Property.
- (6) To enforce by legal means the provisions of the various Plan Documents.
- (7) To contract for the maintenance and management of the Vacation Property and the Vacation Owners Association, and to delegate to such contractor all powers and duties of the Vacation Owners Association in such regard except such as are specifically required by Hawai'i law or the various Plan Documents to have approval of the Board or the Owners. Notwithstanding any provisions contained in these Articles to the contrary, it is the intent of these Articles that the Board shall not have the power to independently terminate the Property Management Agreement except as explicitly set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms.
- (8) To operate and manage or assign the operation or management of any reservation system created for the Plan. Notwithstanding any provisions contained in these Articles to the contrary, it is the intent of these Articles that the Board shall not have the power to independently terminate the Membership Agreement or the DVC Resort Agreement except as explicitly set forth in the Membership Agreement or the DVC Resort Agreement, respectively.
- (9) To acquire title to and hold, convey or mortgage non-Vacation Property and Vacation Property in accordance with the Declaration.

2. All funds and the titles to all property acquired by the Vacation Owners Association and the proceeds thereof shall be held only for the benefit of the Owners in accordance with the provisions of the Plan Documents.

3. The powers of the Vacation Owners Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration, the Master Cotenancy Agreement, the Condominium Documents and the Master Declaration.

ARTICLE IV - Owners

The qualifications of Owners, the manner of their admission to the Vacation Owners Association, and voting by Owners shall be as follows:

1. Each Owner of an Ownership Interest shall be a member of this Vacation Owners Association, and no other persons or entities shall be entitled to membership. Each Unit shall be entitled to a percentage vote in the Vacation Owners Association equal to the Common Interest appurtenant to that Unit, as set forth in the Condominium Declaration. The vote for each Unit shall be cast by its Voting Representative, who shall be one of the Owners of the Unit. The Voting Representative for each Unit shall be named in a Voting Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Vacation Owners Association.

2. Changes in membership in the Vacation Owners Association shall be established by the recording a deed or other instrument establishing a change of record title to an Ownership

Interest in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i, as required by Hawai'i law. The Vacation Owners Association shall register a change in membership upon delivery to the Vacation Owners Association of (i) a Notice of Transfer in the form required by the Declaration, (ii) payment of all unpaid Assessments due, and (iii) payment of any service charge for registration charged by the Plan Manager in accordance with the Declaration. The new Owner designated by such instrument shall thereby become a member of the Vacation Owners Association. The membership of the prior Owner shall be thereby terminated.

3. The share of Owners in the funds and assets of the Vacation Owners Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to their Ownership Interest.

ARTICLE V - Directors

1. The affairs of the Vacation Owners Association will be managed by a board of directors of not less than three (3) nor more than seven (7) directors as shall be determined by the Bylaws, and in the absence of such determination the board of directors shall consist of five (5) directors.

2. Directors of the Vacation Owners Association shall be appointed or elected at the annual Owners' meeting in the manner determined by the Bylaws.

ARTICLE VI - Officers

The affairs of the Vacation Owners Association shall be administered by a president, a vice president, a secretary, a treasurer, and as many assistant vice presidents, assistant secretaries and assistant treasurers as the Board shall from time to time determine. Such officers shall be elected by the Board at its first meeting following the annual Owners' meeting. Officers shall serve without compensation at the pleasure of the Board. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of president and vice president shall not be held by the same person, nor shall the offices of president and secretary or assistant secretary or treasurer or assistant treasurer be held by the same person.

ARTICLE VII - Indemnification

Every director and every officer of the Vacation Owners Association shall be indemnified by the Vacation Owners Association against all expenses and liabilities, including, without limitation, attorneys' and other professionals' fees, reasonably incurred by or imposed upon such officer or director in connection with any proceeding to which he or she may be a party, or in which such officer or director may become involved by reason of his or her being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board has approved such settlement and reimbursement as being in the best interests of the Vacation Owners Association. The foregoing indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VIII - Bylaws

The Bylaws shall be adopted by the Board and may be altered, amended or rescinded as provided in the Bylaws.

ARTICLE IX - Amendments

Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

2. Until the election of directors at the first annual Owners meeting, proposal of an amendment and approval thereof shall require the affirmative action of three-fourths (3/4) of the entire membership of the Board, and no meeting of the Owners or any approval thereof is required.

3. After the election of directors at the first annual Owners meeting, a resolution approving a proposed amendment may be proposed by either the Board or by the Owners, and after being proposed and approved by one of such bodies, requires the approval of the other body. Except as otherwise provided herein, such approvals must be by not less than three-fourths (3/4) of the entire membership of the Board and by vote of not less than a three-fourths (3/4) of the Voting Interests of the Vacation Owners Association at a duly called meeting of the Vacation Owners Association.

4. Once adopted, an amendment shall be effective when filed with the Secretary of State of the State of Florida and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i in accordance with Hawai'i law.

5. Notwithstanding the foregoing, these Articles may be amended by Disney Vacation Development, Inc., a Florida corporation ("DVD"), if necessary, to make the same consistent or compatible with the provisions of the Declaration, the Condominium Declaration, the Master Cotenancy Agreement or the Master Declaration, to conform these Articles to meet the requirements of any governmental entity or statute, as may be in the best interests of the Vacation Owners Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the project and to expand or enhance the Vacation Ownership Plan or the Disney Vacation Club.

ARTICLE X - Term

The term of the Vacation Owners Association shall be the life of the Plan plus such additional period as shall be necessary to wind up the affairs of the Vacation Owners Association upon termination of the Plan. The Vacation Owners Association shall be terminated by the termination of the Plan in accordance with the Declaration and shall thereupon wind up all of its affairs.

ARTICLE XI - Special Meetings

Special Owners' meetings shall be held whenever called by the president or vice president or by a majority of the Board and must be called by such officers upon receipt of a written request from Owners of fifty percent (50%) of the Total Voting Interests, unless otherwise provided by law.

ARTICLE XII - Incorporator

The name and address of the incorporator of the corporation is as follows: John M. McGowan, 1375 Buena Vista Drive, 4th Floor North, Lake Buena Vista, Florida 32830-1000.

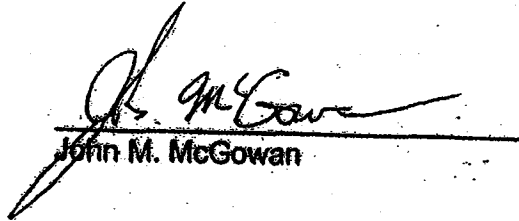
ARTICLE XIII - Registered Agent

The Vacation Owners Association hereby appoints Jeffrey H. Smith, as its Registered Agent to accept service of process within the State of Florida, with the Registered Office located at 1375 Buena Vista Drive, 4th Floor North, Lake Buena Vista, Florida 32830-1000.

ARTICLE XIV - Principal Office

The mailing address of the principal office of the Vacation Owners Association is 1390 Celebration Boulevard, Celebration, Florida 34747.

IN WITNESS WHEREOF the Incorporator has affixed his signature this 14 day of April, 2010.



John M. McGowan

REGISTERED AGENT CERTIFICATE

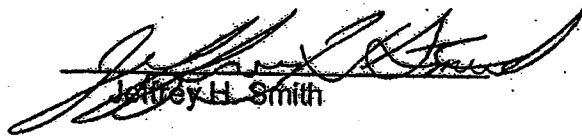
Pursuant to the Florida Not-For-Profit Corporation Act, the following is submitted, in compliance with said statute:

That ALI'NUI VACATION OWNERS ASSOCIATION, INC., with its registered office as indicated in the Articles of Incorporation, has named Jeffrey H. Smith, located at said registered office, as its registered agent to accept service of process and perform such other duties as are required in the State of Florida.

ACKNOWLEDGMENT:

Having been named to accept service of process and serve as registered agent for the above-stated Corporation at the place designated in this Certificate, the undersigned hereby accepts to act in this capacity, and agrees to comply with the provision of said statute relative to keeping open said office, and further states that he is familiar with Section 617.0501, Florida Statutes.

Dated: April 14, 2010


Jeffrey H. Smith

**ARTICLES OF INCORPORATION
OF ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC.
(Amended and Restated)**

All terms used in these Articles of Incorporation of ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC. (the "Articles") shall have the same meaning as the identical terms used in the Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium (the "Declaration"), unless the context otherwise requires.

ARTICLE I - Name

The name of the corporation shall be ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC. (the "Condominium Association").

ARTICLE II - Purposes

1. The purpose for which the Condominium Association is organized is to be the unit owners association required by Chapter 514B, Hawai'i Revised Statutes, for a condominium, to be known as the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium (the "Condominium").

2. The Condominium Association shall have no capital stock and shall make no distribution of income or profit to its members, directors or officers.

ARTICLE III - Powers

1. Except to the extent of any conflict with these Articles, the Declaration or any applicable law, the Condominium 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 Condominium Association in the Declaration, these Articles or the Bylaws;

b. The powers, duties and obligations of a corporation not-for-profit under the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes;

c. The powers, duties and obligations of an association of condominium unit owners as provided in the Chapter 514B, Hawai'i Revised Statutes and Chapter 16-107, Hawai'i Administrative Rules; provided that neither the Condominium nor the Condominium Association shall be subject to Part VI of the Condominium Property Act except to the extent that Chapter 514B requires compliance with Section 514B-132, Hawai'i Revised Statutes; and

d. Any other duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Condominium Association under the Declaration, these Articles or the Bylaws, or that otherwise promote the general benefit of the Owners, including but not limited to the following:

SECRETARY OF STATE
121 N. HASTINGS STREET, FLORENCE, FL 32433
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(1) To adopt a budget and make and collect Assessments against Owners to defray the costs of the Condominium.

(2) To use the proceeds of Assessments in the exercise of its powers and duties.

(3) To maintain, manage, repair, replace and operate the Property.

(4) To reconstruct improvements after casualty and construct further improvements to the Property.

(5) To promulgate and amend the Condominium Rules and Regulations respecting the use of the Property.

(6) To enforce by legal means the provisions of the various Condominium Documents.

(7) To contract for the management of the Condominium, and to delegate to such contractor all powers and duties of the Condominium Association except such as are specifically required by Hawai'i law or the various Condominium Documents to have approval of the Board or the Owners. Notwithstanding any provisions contained in these Articles to the contrary, it is the intent of these Articles that the Board shall not have the power to independently terminate the Property Management Agreement except as explicitly set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms.

(8) To maintain, manage, repair, replace and operate the property of the single condominium resulting from a merger of this Condominium with another independent and separate condominium pursuant to the merger provisions of the Declaration and the Declaration of Merger.

(9) To acquire title to and hold, convey or mortgage property in accordance with the Declaration.

2. All funds and the titles to all property acquired by the Condominium Association and the proceeds thereof shall be held only for the benefit of the Owners in accordance with the provisions of the Condominium Documents.

3. The powers of the Condominium Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration, the Master Cotenancy Agreement and the Master Declaration.

ARTICLE IV - Owners

The qualifications of Owners, the manner of their admission to the Condominium Association, and voting by Owners shall be as follows:

1. All Owners shall be members of the Condominium Association, and no other persons or entities shall be entitled to membership. Each Unit shall be entitled to a percentage vote in the Condominium Association equal to the Common interest appurtenant to that Unit as set forth in the Declaration, or in any amendment to the Declaration. The vote for each Unit shall be cast by its Voting Representative. Voting Representatives for Units owned by more than one person or by a corporation or other entity shall be cast by the Voting Representative named in a Voting

Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Condominium Association.

2. Changes in membership in the Condominium Association shall be established by the recording of a deed or other instrument establishing a change of record title in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i, as required by Hawai'i law. The Condominium Association shall register a change in membership upon delivery to the Condominium Association of (i) a Notice of Transfer in the form required by the Declaration, (ii) payment of all unpaid Assessments due, and (iii) payment of any service charge for registration charged by the Property Management Company in accordance with the Declaration. The new Owner designated by such instrument shall thereby become a member of the Condominium Association. The membership of the prior Owner shall be thereby terminated.

3. The share of Owners in the funds and assets of the Condominium Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to their Unit.

ARTICLE V - Directors

1. The affairs of the Condominium Association will be managed by a board of directors of not less than three (3) nor more than seven (7) directors as shall be determined by the Bylaws, and in the absence of such determination the board of directors shall consist of three (3) directors.

2. Directors of the Condominium Association shall be appointed or elected at the annual Owners' meeting in the manner determined by the Bylaws.

ARTICLE VI - Officers

The affairs of the Condominium Association shall be administered by a president, a vice president, a secretary, a treasurer, and as many assistant vice presidents, assistant secretaries and assistant treasurers as the Board shall from time to time determine. Such officers shall be elected by the Board at its first meeting following the annual Owners' meeting. Officers shall serve without compensation at the pleasure of the Board. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of president and vice president shall not be held by the same person, nor shall the offices of president and secretary or assistant secretary or treasurer or assistant treasurer be held by the same person.

ARTICLE VII - Indemnification

Every director and every officer of the Condominium Association shall be indemnified by the Condominium Association against all expenses and liabilities, including, without limitation, attorneys' and other professionals' fees, reasonably incurred by or imposed upon such officer or director in connection with any proceeding to which he or she may be a party, or in which such officer or director may become involved by reason of his or her being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her

duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board has approved such settlement and reimbursement as being in the best interests of the Condominium Association. The foregoing indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VIII - Bylaws

The Bylaws shall be adopted by the Board and may be altered, amended or rescinded as provided in the Bylaws.

ARTICLE IX - Amendments

Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. Until the election of directors at the first annual Owners meeting, proposal of an amendment and approval thereof shall require the affirmative action of three-fourths (3/4) of the entire membership of the Board, and no meeting of the Owners or any approval thereof is required.
3. After the election of directors at the first annual Owners meeting, a resolution approving a proposed amendment may be proposed by either the Board or by the Owners, and after being proposed and approved by one of such bodies, requires the approval of the other body. Except as otherwise provided herein, such approvals must be by not less than three-fourths (3/4) of the entire membership of the Board and by vote of not less than a three-fourths (3/4) of the Voting Interests of the Condominium Association at a duly called meeting of the Condominium Association.
4. Once adopted, an amendment shall be effective when filed with the Secretary of State of the State of Florida and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i in accordance with Hawai'i law.
5. Notwithstanding the foregoing, these Articles may be amended by Disney Vacation Development, Inc., a Florida corporation ("DVD"), if necessary, to make the same consistent or compatible with the provisions of the Declaration, the Master Cotenancy Agreement, the Master Easement or the Master Declaration, to conform these Articles to meet the requirements of any governmental entity or statute, as may be in the best interests of the Condominium Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the Condominium and to expand or enhance any Vacation Ownership Plan or Fractional Ownership Plan established with respect to the Condominium, or the Disney Vacation Club.

ARTICLE X - Term

The term of the Condominium Association shall be the life of the Condominium plus such additional period as shall be necessary to wind up the affairs of the Condominium Association upon termination of the condominium property regime. The Condominium Association shall be terminated by the termination of the condominium property regime in accordance with the Declaration and shall thereupon wind up all of its affairs.

ARTICLE XI - Special Meetings

Special Owners' meetings shall be held whenever called by the president or vice president or by a majority of the Board and must be called by such officers upon receipt of a written request from Owners of fifty percent (50%) of the Total Voting Interests, unless otherwise provided by law.

ARTICLE XII - Incorporator

The name and address of the incorporator of the corporation is as follows: John M. McGowan, 1375 Buena Vista Drive, 4th Floor North, Lake Buena Vista, Florida 32830-1000.

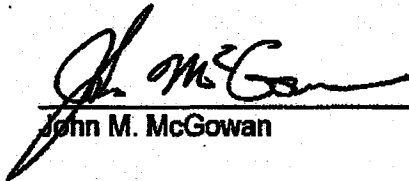
ARTICLE XIII - Registered Agent

The Condominium Association hereby appoints Jeffrey H. Smith, as its Registered Agent to accept service of process within the State of Florida, with the Registered Office located at 1375 Buena Vista Drive, 4th Floor North, Lake Buena Vista, Florida 32830-1000.

ARTICLE XIV - Principal Office

The mailing address of the principal office of the Condominium Association is 1390 Celebration Boulevard, Celebration, Florida 34747.

IN WITNESS WHEREOF the incorporator has affixed his signature this 19 day of March, 2010.



John M. McGowan

REGISTERED AGENT CERTIFICATE

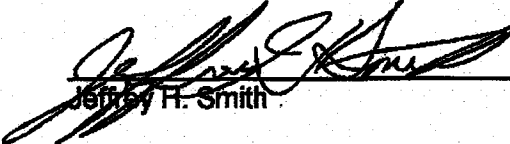
Pursuant to the Florida Not-For-Profit Corporation Act, the following is submitted, in compliance with said statute:

That ALI' I NUI VILLAS CONDOMINIUM ASSOCIATION, INC., with its registered office as indicated in the Articles of Incorporation, has named Jeffrey H. Smith, located at said registered office, as its registered agent to accept service of process and perform such other duties as are required in the State of Florida.

ACKNOWLEDGMENT:

Having been named to accept service of process and serve as registered agent for the above-stated Corporation at the place designated in this Certificate, the undersigned hereby accepts to act in this capacity, and agrees to comply with the provision of said statute relative to keeping open said office, and further states that he is familiar with Section 617.0501, Florida Statutes.

Dated: March 19, 2010.


Jeffrey H. Smith

**ARTICLES OF INCORPORATION
OF ALI'I NUI HOTEL CONDOMINIUM ASSOCIATION, INC.
(Amended and Restated)**

All terms used in these Articles of Incorporation of ALI'I NUI HOTEL CONDOMINIUM ASSOCIATION, INC. (the "Articles") shall have the same meaning as the identical terms used in the Declaration of Condominium Property Regime of Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "Declaration"), unless the context otherwise requires.

ARTICLE I - Name

The name of the corporation shall be ALI'I NUI HOTEL CONDOMINIUM ASSOCIATION, INC. (the "Condominium Association").

ARTICLE II - Purposes

1. The purpose for which the Condominium Association is organized is to be the owners association required by Chapter 514B, Hawai'i Revised Statutes, for a condominium to be known as Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium ("Condominium").

2. The Condominium Association shall have no capital stock and shall make no distribution of income or profit to its members, directors or officers.

ARTICLE III - Powers

1. Except to the extent of any conflict with these Articles, the Declaration or any applicable law, the Condominium 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 Condominium Association in the Declaration, these Articles or the Bylaws;

b. The powers, duties and obligations of a corporation not-for-profit under the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes;

c. The powers, duties and obligations of an association of condominium unit owners as provided in the Chapter 514B, Hawai'i Revised Statutes and Chapter 16-107, Hawai'i Administrative Rules; provided that neither the Condominium nor the Condominium Association shall be subject to Part VI of the Condominium Property Act except to the extent that Chapter 514B requires compliance with Section 514B-132, Hawai'i Revised Statutes; and

d. Any other duties and obligations imposed on it by law and any powers granted to it by law or that are necessary or helpful to carry out the functions of the Condominium Association under the Declaration, these Articles or the Bylaws, or that otherwise promote the general benefit of the Owners, including but not limited to the following:

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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(1) To adopt a budget and make and collect Assessments against Owners to defray the costs of the Condominium.

(2) To use the proceeds of Assessments in the exercise of its powers and duties.

(3) To maintain, manage, repair, replace and operate the Property.

(4) To reconstruct improvements after casualty and construct further improvements to the Property.

(5) To promulgate and amend the Condominium Rules and Regulations respecting the use of the Property.

(6) To enforce by legal means the provisions of the various Condominium Documents.

(7) To contract for the management of the Condominium, and to delegate to such contractor all powers and duties of the Condominium Association except such as are specifically required by Hawai'i law or the various Condominium Documents to have approval of the Board or the Owners. Notwithstanding any provisions contained in these Articles to the contrary, it is the intent of these Articles that the Board shall not have the power to independently terminate the Property Management Agreement except as explicitly set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms.

(8) To maintain, manage, repair, replace and operate the property of the single condominium resulting from a merger of this Condominium with another independent and separate condominium pursuant to the merger provisions of the Declaration and the Declaration of Merger.

(9) To acquire title to and hold, convey or mortgage property in accordance with the Declaration.

2. All funds and the titles to all property acquired by the Condominium Association and the proceeds thereof shall be held only for the benefit of the Owners in accordance with the provisions of the Condominium Documents.

3. The powers of the Condominium Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration, the Master Cotenancy Agreement and the Master Declaration.

ARTICLE IV - Owners

The qualifications of Owners, the manner of their admission to the Condominium Association, and voting by Owners shall be as follows:

1. All Owners shall be members of the Condominium Association, and no other persons or entities shall be entitled to membership. Each Unit shall be entitled to a percentage vote in the Condominium Association equal to the Common Interest appurtenant to that Unit as set forth in the Declaration, or in any amendment to the Declaration. The vote for each Unit shall be cast by its Voting Representative. Voting Representatives for Units owned by more than one person or by a corporation or other entity shall be cast by the Voting Representative named in a Voting

Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Condominium Association.

2. Changes in membership in the Condominium Association shall be established by the recording of a deed or other instrument establishing a change of record title in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i, as required by Hawai'i law. The Condominium Association shall register a change in membership upon delivery to the Condominium Association of (i) a Notice of Transfer in the form required by the Declaration, (ii) payment of all unpaid Assessments due, and (iii) payment of any service charge for registration charged by the Property Management Company in accordance with the Declaration. The new Owner designated by such instrument shall thereby become a member of the Condominium Association. The membership of the prior Owner shall be thereby terminated.

3. The share of Owners in the funds and assets of the Condominium Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to their Unit.

ARTICLE V - Directors

1. The affairs of the Condominium Association will be managed by a board of directors of not less than three (3) nor more than seven (7) directors as shall be determined by the Bylaws, and in the absence of such determination the board of directors shall consist of three (3) directors.

2. Directors of the Condominium Association shall be appointed or elected at the annual Owners' meeting in the manner determined by the Bylaws.

ARTICLE VI - Officers

The affairs of the Condominium Association shall be administered by a president, a vice president, a secretary, a treasurer, and as many assistant vice presidents, assistant secretaries and assistant treasurers as the Board shall from time to time determine. Such officers shall be elected by the Board at its first meeting following the annual Owners' meeting. Officers shall serve without compensation at the pleasure of the Board. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of president and vice president shall not be held by the same person, nor shall the offices of president and secretary or assistant secretary or treasurer or assistant treasurer be held by the same person.

ARTICLE VII - Indemnification

Every director and every officer of the Condominium Association shall be indemnified by the Condominium Association against all expenses and liabilities, including, without limitation, attorneys' and other professionals' fees, reasonably incurred by or imposed upon such officer or director in connection with any proceeding to which he or she may be a party, or in which such officer or director may become involved by reason of his or her being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her

duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board has approved such settlement and reimbursement as being in the best interests of the Condominium Association. The foregoing indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VIII - Bylaws

The Bylaws shall be adopted by the Board and may be altered, amended or rescinded as provided in the Bylaws.

ARTICLE IX - Amendments

Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. Until the election of directors at the first annual Owners meeting, proposal of an amendment and approval thereof shall require the affirmative action of three-fourths (3/4) of the entire membership of the Board, and no meeting of the Owners or any approval thereof is required.
3. After the election of directors at the first annual Owners meeting, a resolution approving a proposed amendment may be proposed by either the Board or by the Owners, and after being proposed and approved by one of such bodies, requires the approval of the other body. Except as otherwise provided herein, such approvals must be by not less than three-fourths (3/4) of the entire membership of the Board and by vote of not less than a three-fourths (3/4) of the Voting Interests of the Condominium Association at a duly called meeting of the Condominium Association.
4. Once adopted, an amendment shall be effective when filed with the Secretary of State of the State of Florida and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i in accordance with Hawai'i law.
5. Notwithstanding the foregoing, these Articles may be amended by Disney Vacation Development, Inc., a Florida corporation ("DVD"), if necessary, to make the same consistent or compatible with the provisions of the Declaration, the Master Cotenancy Agreement, the Master Easement or the Master Declaration, to conform these Articles to meet the requirements of any governmental entity or statute, as may be in the best interests of the Condominium Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the Condominium.

ARTICLE X - Term

The term of the Condominium Association shall be the life of the Condominium plus such additional period as shall be necessary to wind up the affairs of the Condominium Association upon termination of the condominium property regime. The Condominium Association shall be

REGISTERED AGENT CERTIFICATE

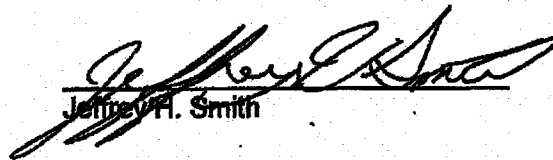
Pursuant to the Florida Not-For-Profit Corporation Act, the following is submitted, in compliance with said statute:

That ALI' I NUI HOTEL CONDOMINIUM ASSOCIATION, INC., with its registered office as indicated in the Articles of Incorporation, has named Jeffrey H. Smith, located at said registered office, as its registered agent to accept service of process and perform such other duties as are required in the State of Florida.

ACKNOWLEDGMENT:

Having been named to accept service of process and serve as registered agent for the above-stated Corporation at the place designated in this Certificate, the undersigned hereby accepts to act in this capacity, and agrees to comply with the provision of said statute relative to keeping open said office, and further states that he is familiar with Section 617.0501, Florida Statutes.

Dated: March 19, 2010


Jeffrey H. Smith

BYLAWS
OF
ALI'I NUI VACATION OWNERS ASSOCIATION, INC.,
a corporation not-for-profit under the laws of the State of Florida

The terms used in these Bylaws of Ali'i Nui Vacation Owners Association, Inc. (the "**Bylaws**") shall have the same meaning as the identical terms used in the Ko Olina – Disney Vacation Club Resort Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements (the "**Declaration**"), unless the context otherwise requires.

I. IDENTITY

These are the Bylaws of ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida (the "**Vacation Owners Association**"), and under the Articles of Incorporation (the "**Articles**") which were filed in the office of the Secretary of State of the State of Florida. The Vacation Owners Association has been organized for the purpose of administering the Ko Olina – Disney Vacation Club Resort Vacation Ownership Plan (the "**Vacation Ownership Plan**" or just the "**Plan**"). The Plan has been established with respect to certain Condominium Units located in Ko Olina – Disney Vacation Club Resort Condominium (the "**Condominium**"), in accordance with the Declaration, the Ko Olina – Disney Vacation Club Resort Declaration of Condominium Property Regime (the "**Condominium Declaration**"), the Master Cotenancy Agreement Declaration of Covenants, Conditions and Restrictions (the "**Master Cotenancy Agreement**"), and the Declaration of Covenants, Conditions, Easements And Restrictions For Disney Vacation Club Resort and Spa, Ko Olina, Hawai'i (the "**Master Declaration**").

1. The office of the Vacation Owners Association shall be at 1390 Celebration Boulevard, Celebration, Florida 34747, or at such other place as may be designated by the board of directors of the Vacation Owners Association (the "**Board**") from time to time.
2. The fiscal year of the Vacation Owners Association shall be the calendar year.
3. The seal of the Vacation Owners Association shall bear the name of the Vacation Owners Association, the word "Florida," the words "Corporation Not-for-Profit," and the year of incorporation.

II. OWNERS' MEETINGS

1. The annual Owners' meeting shall be held at such time, place and date as may be designated by the Board, for the purpose of electing directors and of transacting any other business authorized to be transacted by the Owners. At the election of the Board, and to the extent permitted by applicable law, such annual Owners' meeting may be held jointly with the annual Owners' meetings of the Condominium Association and other condominium associations and/or vacation owner associations that are DVC Resorts.
2. As set forth in Article XI of the Articles, special Owners' meetings shall be held whenever called by the president or vice president of the Vacation Owners Association, or by a majority of the Board, and must be called by such officers upon receipt of a written request from Owners of fifty percent (50%) of the Total Voting Interests, unless otherwise provided by law. Unless otherwise set forth in the notice of special meeting, as provided for above, all special meetings shall be held in Orange County, Florida.
3. Notice of all Owners' meetings stating the time, place and agenda for which the meeting is called shall be given by the president or secretary of the Vacation Owners Association, unless waived in writing. Such notice shall be sent in writing to each Owner at the Owner's address or e-mail address as it appears on the books of the Vacation

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Owners Association and shall be sent by mail, facsimile (upon confirmation of receipt) or e-mail to each Owner not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Any notice by e-mail shall only be valid if the Owner has first consented electronically to the use of e-mail for notice purposes demonstrating that the Owner has the ability to access the notice by e-mail. Any consent to receive notice by e-mail is effective until revoked by the Owner. An affidavit executed by the secretary attesting to the mailing or the post office certificate of mailing shall be retained in the records of the Vacation Owners Association as proof of such mailing. In addition, a notice of the meeting shall be posted at a conspicuous place on the Condominium, which location shall be duly adopted by rule by the Board upon notice to the Owners, at least fourteen (14) days prior to said meeting. In lieu of any physical posting of notice, the Board may adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and agenda on a closed-circuit television system serving the Vacation Owners Association at least four (4) times every broadcast hour each day notice is required. Owners may waive notice of specific meetings and may take action by written agreement without meetings, and any Owner's attendance at a meeting shall constitute a waiver of the notice of that meeting. Mortgagees shall, upon prior written request, be entitled to receive notice of all Owners' meetings. Failure to provide such notice shall not invalidate any action taken at an otherwise properly noticed meeting. Where Assessments against Owners are to be considered for any reason at an Owners' meeting, the notice shall contain a statement that Assessments will be considered and shall specify the nature of any such Assessment.

4. The presence in person or by proxy of Voting Representatives representing a Majority of the Total Voting Interests eligible to vote shall constitute a quorum, and decisions shall be made by the vote of a Majority of the Voting Interests at a meeting at which a quorum is present.

5. Each Unit shall be entitled to a percentage vote in the Vacation Owners Association equal to the Common Interest appurtenant to that Unit, as set forth in the Condominium Declaration, as compared to the sum of the Common Interests appurtenant to all of the Units in the Plan. The vote for each Unit shall be cast by its Voting Representative. The Voting Representative for each Unit shall be named in a Voting Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Vacation Owners Association. The Voting Certificate shall provide that all notices or other information required to be delivered to Owners by the Vacation Owners Association shall be delivered by the Vacation Owners Association to the Voting Representative; provided, however, that the Voting Certificate shall require the Voting Representative to provide the Owners of a Unit with all notices required by the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes, or by Chapter 514E, Hawai'i Revised Statutes or Chapter 16-106, Hawai'i Administrative Rules. Each Voting Certificate shall be valid until revoked by a subsequent Voting Certificate. In the event that a Voting Certificate is not on file with respect to a Unit, the vote of the Owners of such Unit shall not be considered in determining the requirements for a quorum nor for any other purposes. By execution of a deed for purchase of an Ownership Interest in a Unit in the Condominium or otherwise acquiring title to an Ownership Interest, the Owners of a Unit shall evidence their joinder in the Master Cotenancy Agreement, which Agreement shall be recognized by the Vacation Owners Association as the Voting Certificate for that Unit, and nothing herein shall affect the terms and conditions of the Voting Certificate established in the Master Cotenancy Agreement for each Unit.

6. Votes may be cast in person or by proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof and must be filed with the secretary at or before the appointed time of the meeting. Each proxy shall specifically set forth the name of the person voting by proxy, the name of the person authorized to vote the proxy, and the date the proxy was given. Each proxy shall contain the date, time and place of the meeting for which the proxy is given. In addition, limited proxies shall set forth those items on which the holder of the proxy may vote and the manner in which the vote is to be cast. In no event shall any proxy be valid for a period of longer than ninety (90) days after the date of the first meeting, and any adjournments thereof, for which the proxy was given. Every proxy shall be revocable at any time at the pleasure of the Owner executing it. If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in the Owner's place. If such provision is not made, substitution is not authorized. Proxies or written consents on votes may be received by e-mail

and utilized for votes of the Vacation Owners Association; provided, however, that the e-mail signature is authorized through use of a password, cryptology software or other reasonable means and proof of such authentication is made available to the Board.

7. Approval or disapproval of an Owner upon any matter, whether or not the subject of a Vacation Owners Association meeting, shall be by the same person, corporation or other entity who would cast the vote of such Owner if in a Vacation Owners Association meeting.

8. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

9. The presiding officer of all Owners' meetings shall be the president of the Vacation Owners Association. In the absence of the president, the vice-president of the Vacation Owners Association shall preside.

10. The order of business at annual Owners' meetings and, as far as practicable at all other Owners' meetings, shall be:

- | | |
|--|---------------------------|
| A. Call to order. | F. Report of committees. |
| B. Calling of the roll and certifying of proxies. | G. Election of directors. |
| C. Proof of notice of meeting or waiver of notice. | H. Unfinished business. |
| D. Reading and disposal of any unapproved minutes. | I. New business. |
| E. Report of officers. | J. Adjournment. |

Notwithstanding the foregoing, if any item listed above is not relevant to a particular meeting, as determined by the Board in its sole, absolute and unfettered discretion, such item shall not be required to be addressed at that particular meeting.

11. For so long as Disney Vacation Development, Inc., a Florida corporation ("DVD"), holds Units or Ownership Interests in Units for sale in the ordinary course of business, none of the following actions may be taken without the prior approval in writing by DVD:

- A. Assessment of DVD as the Owner of Units or Ownership Interests in Units for capital improvements.
- B. Any action by the Vacation Owners Association that would be detrimental to the sale of Units or Ownership Interests in Units by DVD.
- C. Any other action by the Vacation Owners Association for which the Plan Documents require the written approval of DVD.

III. DIRECTORS

1. The affairs of the Vacation Owners Association shall be managed by a board of directors who shall be members of the Vacation Owners Association, excepting that the first Board and their successors appointed by the remaining directors (in the event of vacancies occurring before the first election of a majority of directors by Owners) need not be members and excepting that any directors appointed or elected by DVD as developer or as Voting Representative need not be members. The initial Board shall consist of five (5) directors, and thereafter the membership of the Board shall consist of not less than three (3) nor more than seven (7) directors. The Board may from time to time increase or decrease the number of persons to serve on the Board; provided, however, that the Board shall always consist of an odd number of directors. Where Ownership Interests are owned by corporations, the officers, directors, employees or other appointed representatives of said corporations shall be eligible to serve on the Board on behalf of the corporation.

2. Election of directors shall be conducted in the following manner:

A. Members of the Board shall be elected by a plurality of the votes cast at an annual Owners' meeting. There shall be no cumulative voting. The Board may appoint a search committee for the purpose of locating and encouraging qualified persons to become candidates.

B. Vacancies in the Board may be filled by the remaining directors subject to the provisions of Paragraph 2(C) of this Article. A director appointed to fill a vacancy in office shall serve the remainder of the term of the office which the departing director held.

C. The initial directors shall be appointed by DVD and shall serve until the first election of directors, and any vacancies in office occurring before the first election shall be filled by the remaining directors. In the event there are no remaining directors, any such vacancies shall be filled by DVD.

3. At the first annual Owner's meeting, the majority of those directors receiving the most votes shall serve for a two (2) year term and the remaining directors shall serve for a one (1) year term. Thereafter, each director's service shall extend for a two (2) year period and thereafter until a successor is duly elected and qualified or until the director is removed in the manner elsewhere provided.

4. The first meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the first meeting shall be necessary providing a quorum shall be present.

5. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings shall be given to each director, personally by fax upon confirmation of receipt, or by mail or e-mail at least three (3) days prior to the date set forth for such meeting unless such notice is waived. Notice of all meetings of the Board shall be posted in a conspicuous place on the Condominium for the benefit of Owners at least forty-eight (48) hours in advance of such meeting, except in an emergency. In lieu of any physical posting of notice, the Board may adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and agenda on a closed-circuit television system serving the Vacation Owners Association at least four (4) times every broadcast hour each day notice is required. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one (1) of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Upon notice to the Owners, the Board shall, by duly adopted rule, designate a specific location on the Condominium upon which all notices of Board meetings shall be posted. All meetings of the Board shall be open to all Owners. All Owners shall have the right to speak at meetings of the Board with reference to designated agenda items; however, the Board may adopt reasonable rules governing the frequency, duration, and manner of Owner statements.

6. Special meetings of the Board may be called by the chairperson of the Board or the president of the Vacation Owners Association and must be called by the secretary of the Vacation Owners Association at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally, by fax upon confirmation of receipt, by mail facsimile (upon confirmation of receipt) or e-mail, which notice shall set forth the time, place and purpose of the meeting.

7. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Any director's attendance at a meeting shall constitute a waiver of the notice of that meeting.

8. A quorum at Board meetings shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board, approved by a majority of votes present at a meeting at which a quorum is present, shall constitute the acts of the Board, except as specifically otherwise provided in the Declaration. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. Once a quorum is present, the meeting may resume and any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. The presiding officer of Board meetings shall be the president of the Vacation Owners Association. In the absence of the president, the members of the Board who are present shall elect a chairperson to preside.
10. Directors' fees, if any, shall be determined by the Owners, and no director shall receive a fee prior to the election of the Board by the Owners at the first annual Owner's meeting.
11. Anything to the contrary contained herein notwithstanding, any director appointed by DVD may be removed by DVD at any time. Upon such removal, DVD shall immediately appoint a replacement director and notify the remaining directors, if any, of such removal and appointment.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Vacation Owners Association shall be exercised by the Board, including, but not limited to, those existing under common law, statutes and the Plan Documents. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Declaration governing the use of the Vacation Property, and shall include the following:

1. To adopt a budget and to make and collect Assessments against Owners to defray the costs of the Plan.
2. To use the proceeds of Assessments in the exercise of its powers and duties.
3. To maintain, manage, repair, replace and operate the Plan and the Vacation Property, including, but not limited to, obtaining and maintaining adequate insurance to protect the Vacation Owners Association and the Vacation Property.
4. To reconstruct improvements after casualty and to construct further improvements to the Vacation Property.
5. To make and amend rules and regulations respecting the use of the Vacation Property.
6. To enforce by legal means the provisions of the Plan Documents.
7. To contract for the maintenance and management of the Vacation Property and the Vacation Owners Association, and to delegate to such contractor all powers and duties of the Vacation Owners Association in such regard except such as are specifically required by Hawai'i law or the various Plan Documents to have approval of the Board or the Owners. Notwithstanding any provisions contained in these Bylaws to the contrary, it is the intent of these Bylaws that the Board shall not have the power to independently terminate the Property Management Agreement except as explicitly set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms.
8. To pay taxes and assessments which are liens against any part of the Vacation Property, and to assess the same against the Owner subject to such liens.
9. To pay the cost of all power, water, sewer and other utility services rendered to the Vacation Property and not billed directly to an Owner or paid by the Condominium Association.
10. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Vacation Owners Association, including, but not limited to, accountants and attorneys.
11. To bond any or all employees, officers and directors of the Vacation Owners Association, for which the Vacation Owners Association shall bear the costs.
12. To maintain, manage, repair, replace and operate the property of the single condominium resulting from a merger of this Condominium with another independent and separate condominium pursuant to the merger provisions of the Condominium Declaration and the Declaration of Merger.

13. To maintain all books and records concerning the Vacation Property and the Vacation Ownership Plan including, but not limited to, the maintenance of a complete list of the names, addresses and e-mail addresses of all Owners.

14. To operate and administer or assign the operation and administration of any reservation system created for the Plan, and to amend or revise the reservation system as is necessary from time to time. Notwithstanding any provisions contained in these Bylaws to the contrary, it is the intent of these Bylaws that the Board shall not have the power to independently terminate the Membership Agreement or DVC Resort Agreement except as explicitly set forth in the Membership Agreement or the DVC Resort Agreement, respectively.

15. To acquire title to and hold, convey or mortgage non-Vacation Property and Vacation Property, including, but not limited to, Association Property, in accordance with the Declaration.

16. To convey a portion of the interest of the Units in the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansions or other public purposes, whether negotiated or as a result of eminent domain proceedings.

V. OFFICERS

1. The executive officers of the Vacation Owners Association shall be a president, a vice president, a secretary, and a treasurer, all of whom may be directors of the Vacation Owners Association and who shall be elected annually by the Board at any meeting. Any person may hold two or more offices, the duties of which are not incompatible; provided that the president shall not also be the vice president, secretary or treasurer, or assistant secretary or assistant treasurer. The Board shall from time to time elect such other officers and designate their powers and duties as the Board determines necessary to manage the affairs of the Vacation Owners Association.

2. The president shall be the chief executive officer of the Vacation Owners Association. The president shall have all of the powers and duties which are usually vested in the office of president including, but not limited to, the power of appointing committees from among the Owners from time to time, as the president may in the president's discretion determine appropriate, to assist in the conduct of the affairs of the Vacation Owners Association.

3. The vice president shall, in the absence or disability of the president, exercise the powers and duties of the president. The vice president shall also generally assist the president and exercise such other powers and perform such other duties as shall be prescribed by the Board.

4. The secretary shall keep the minutes of the proceedings of the Board and the Owners in a book available for inspection at any reasonable time by the directors or Owners, or their authorized representatives. The Vacation Owners Association shall retain these minutes for a period of not less than seven (7) years. The secretary shall attend to the giving and serving of all notices required by law. The secretary shall have custody of the seal of the Vacation Owners Association and affix the same to instruments requiring a seal when duly signed.

5. The treasurer shall have custody of all property of the Vacation Owners Association including, but not limited to, financial records, funds, securities and evidences of indebtedness. The treasurer shall keep the financial records of the Vacation Owners Association and shall keep the Assessment rolls, the accounts of the Owners, and the books of the Vacation Owners Association in accordance with good accounting practices. The treasurer shall perform all other duties incident to the office of treasurer of an association and as may be required by the directors or the president of the Vacation Owners Association.

6. The compensation of all employees of the Vacation Owners Association shall be fixed by the Board. This provision shall not preclude the Board from employing a director or an officer as an employee of the Vacation Owners Association nor from contracting with a director for the management of the Vacation Ownership Plan.

VI. FISCAL MANAGEMENT

The provisions for fiscal management of the Vacation Owners Association set forth in the Declaration and the Articles shall be supplemented by the following:

1. Assessments.

A. The Board shall fix and determine from time to time the sum or sums necessary and adequate for all costs and expenses designated as Plan Expenses from time to time by the Board, or under the provisions of the Declaration. The Board is specifically empowered, on behalf of the Vacation Owners Association, to make and collect Assessments and to lease, maintain, repair and replace the Vacation Property. The Board shall have the power, on behalf of the Vacation Owners Association, to lease or rent the Vacation Property in accordance with the provisions of the Declaration. Funds for the payment of Plan Expenses shall be assessed against the Owners in the manner provided in the Declaration. Assessments for Units shall be due on the fifteenth day of January each year and shall be considered delinquent if payment has not been received before the fourteenth day of February each year, unless otherwise ordered by the Board. Special Assessments, should such be required by the Board, shall be levied in the same manner as provided for Regular Assessments, and shall be payable in the manner determined by the Board. If an Owner shall be in default in the payment of any Assessment due on the Owner's Ownership Interest, the Vacation Owners Association shall have all collection rights available to it under the Declaration or under Chapter 514E, Hawai'i Revised Statutes, and Chapter 16-106, Hawai'i Administrative Rules.

B. The Assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such an account shall designate the name and address of the Owners or Owner, the dates and amounts in which the Assessments come due, the amounts paid upon the account and the balance due upon Assessments. Assessments shall be made against Owners in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. In the absence of a determination by the Board as to the frequency of Assessments, Assessments shall be due and payable annually. The personal liability of an Owner for Assessments shall survive the termination of such Owner's membership in the Vacation Owners Association.

C. Any Owner shall have the right, as provided in the Declaration, to require a certificate from the Vacation Owners Association showing the amount of unpaid Assessments against such Owner with respect to the Owner's Ownership Interest. A Mortgage Lender shall have the same right as to any Ownership Interest upon which it holds a mortgage. Any person who relies upon such certificate shall be protected thereby to the extent provided in the Declaration.

D. Notice of any meeting at which Assessments against Owners are to be considered, whether a meeting of the Board or of the Owners, shall specifically contain a statement that Assessments will be considered and the nature of such Assessments.

2. Budget.

A. The Board shall adopt an Estimated Budget consisting of an operating budget and a capital reserves budget for each calendar year which shall contain estimates of the cost of performing the functions of the Vacation Owners Association and estimates of the revenue received by the Vacation Owners Association. The proposed annual operating budget of Plan Expenses shall be detailed, shall show the amounts budgeted, by accounts and expense classifications, and shall contain any other information required by the Declaration, Chapter 514E, Hawai'i Revised Statutes or Chapter 16-106, Hawai'i Administrative Rules. The capital reserves budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula that is based upon estimated remaining useful life, taking into account deferred maintenance, and estimated replacement cost of each reserve item. These reserve accounts may be waived, or less adequate reserves established, by vote of

a Majority of the Voting Interests, voting in person or by proxy, at a duly called meeting of the Vacation Owners Association. The Estimated Budget shall include proposed Assessments against each Owner, together with an annual total of Assessments, and the following items, if applicable:

- | | |
|---|---|
| (a) Administration of the Vacation Owners Association. | (l) Operating Capital. |
| (b) Management fees. | (j) Reserves. |
| (c) Maintenance. | (k) Fees payable to any governmental entities, if applicable. |
| (d) Rent for recreational and other commonly used facilities. | (l) The costs and expenses of the Club, including, but not limited to, the DVC Reservation Component, that are attributed to the Vacation Ownership Plan. |
| (e) Taxes upon Association Property. | (m) Other expenses. |
| (f) Taxes upon leased areas. | |
| (g) Insurance. | |
| (h) Security provisions. | |

B. Copies of the proposed budget and proposed Assessments shall be transmitted to each Owner at least fourteen (14) days prior to the meeting at which the proposed budget is to be considered, together with a notice of the meeting which shall state the time and place of the meeting. The meeting shall be open to all Owners. If the Estimated Budget is subsequently amended before the Assessments are made, a copy of the amended Estimated Budget or a description of any changes in the adopted Estimated Budget and a disclosure regarding the Owner's rights to receive a copy of the adopted Estimated Budget shall be furnished to each Owner.

3. The Board may impose Special Assessments and Personal Assessments in accordance with the requirements of the Declaration.

4. The depository of the Vacation Owners Association shall be such bank or other institution as permitted by Chapter 514E, Hawai'i Revised Statutes or Chapter 16-106, Hawai'i Administrative Rules, as shall be designated from time to time by the Board and from which the monies in such accounts shall be withdrawn only by checks signed by such persons as are authorized by the Board.

5. The Plan Manager, or the Board if there is no Plan Manager, shall arrange for an annual independent audit of the Vacation Owners Association's financial accounts conducted by a public accountant (as "public accountant" is defined in Chapter 466, Hawai'i Revised Statutes) in accordance with generally accepted auditing standards. Upon request, a copy of the audit shall be provided to the Director of the Department of Commerce and Consumer Affairs of the State of Hawai'i, to any member of the Vacation Owners Association, and any prospective purchaser. The audit report shall include such information as provided by Chapter 514E, Hawai'i Revised Statutes or rules adopted by the Director of the Department of Commerce and Consumer Affairs of the State of Hawai'i pursuant to Chapter 91, Hawai'i Revised Statutes.

6. The Board shall obtain a fidelity bond or fidelity insurance as required by the Declaration. The amount of such bonds shall be determined in accordance with the Declaration, Chapter 514E, Hawai'i Revised Statutes and Chapter 16-106, Hawai'i Administrative Rules. The premiums on such bonds shall be paid by the Vacation Owners Association as a Plan Expense.

VII. PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Vacation Owners Association proceedings when not in conflict with the Plan Documents or with the statutes of the State of Hawai'i or the Florida Not For Profit Corporation Act.

VIII. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. Until the election of directors at the first annual Owner's meeting, proposal of an amendment to these Bylaws and approval thereof shall require the affirmative action of two-thirds (2/3) of the entire membership of the Board, and no meeting of the Owners nor any approval thereof is required.
3. After the election of directors at the first annual Owner's meeting, an amendment may be proposed by either the Board or by the membership of the Vacation Owners Association, and after being proposed and approved by one of such bodies, it must be approved by the other. Except as otherwise provided herein, a resolution adopting a proposed amendment must receive approval of not less than two-thirds (2/3) of the votes of the entire membership of the Board and vote of not less than a Majority of the Voting Interests of the Vacation Owners Association at a duly called meeting of the Vacation Owners Association. Directors and Owners not present at the meeting considering the amendment may express their approval in writing within ten (10) days after such meeting.
4. These Bylaws shall be amended by DVD, if necessary, to make the same consistent or compatible with the provisions of the Declaration, the Condominium Declaration, the Master Cotenancy Agreement or the Master Declaration, to conform these Bylaws to meet the requirements of any governmental entity or statute, as may be in the best interests of the Vacation Owners Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the project and to expand or enhance the Vacation Ownership Plan or the Disney Vacation Club.
5. An amendment when adopted or made shall become effective only after being recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text double underlined, and words to be deleted shall be lined through. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it is not necessary to use double underlining and lining as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language "Substantial rewording of Bylaw. See Bylaw . . . for present text." Nonmaterial errors or omissions in the Bylaw amendment process shall not invalidate an otherwise properly promulgated amendment.

IX. SEVERABILITY AND CONFORMITY TO STATE LAW

These Bylaws are to be governed by and construed according to Chapter 514E, Hawai'i Revised Statutes, Chapter 16-106, Hawai'i Administrative Rules, and the laws of the State of Florida. If it should appear that any of the provisions hereof are in conflict with the Declaration, the Condominium Declaration, the Master Cotenancy Agreement, the Master Declaration, Chapter 514E, Hawai'i Revised Statutes, Chapter 16-106, Hawai'i Administrative Rules, or any rule of law or statutory provision of the State of Florida, as of the date of the recording of the Declaration, then such provisions of these Bylaws shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to the Declaration, the Condominium Declaration, the Master Cotenancy Agreement, the Master Declaration or such rule of law.

X. MANDATORY NON-BINDING ARBITRATION

Internal disputes arising from the operation of the Plan among DVD, the Vacation Owners Association, the Owners, their respective agents and assigns, or any or all of them, must be submitted first for resolution through non-binding arbitration pursuant to Florida law.

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

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Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains 22 pages.

Tax Map Key: (1) 9-1-057-035

Aulani, Disney Vacation Club[®] Villas,
Ko Olina, Hawai'i Condominium

AMENDED AND RESTATED BYLAWS
OF ALI'I NUI VILLAS CONDOMINIUM, ASSOCIATION, INC.

**AMENDED AND RESTATED
BYLAWS
OF
ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC.,
a corporation not-for-profit under the laws of the State of Florida**

These Amended and Restated Bylaws of Ali'i Nui Villas Condominium Association, Inc. (herein, as the same may be amended or supplemented from time to time, called the "**Bylaws**"), are made by Disney Vacation Development, Inc., a Florida corporation ("**DVD**"), pursuant to Article VIII, Section 4 of those certain Bylaws of Ali'i Nui Villas Condominium Association, Inc., dated April 12, 2010, recorded as Land Court Document No. 3957909 (the "**Original Bylaws**"). These Bylaws entirely supersede and replace the Original Bylaws. The terms used in these Bylaws shall have the same meaning as the identical terms used in the Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium recorded concurrently herewith (herein, as the same may be amended or supplemented from time to time, called the "**Declaration**"), unless the context otherwise requires.

I. IDENTITY

1. These are the Bylaws of ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida (the "**Condominium Association**"), and under the Articles of Incorporation of Ali'i Nui Villas Condominium Association, Inc. (herein, as the same may be amended or supplemented from time to time, called the "**Articles**") which were filed in the office of the Secretary of State of the State of Florida. The Condominium Association has been organized for the purpose of being the unit owners association required by Chapter 514B, Hawai'i Revised Statutes, for a condominium to be known as the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i Condominium (the "**Condominium**"). The Condominium consists of the Land described in Exhibit A which is attached to and part of this document, and the Improvements located on the Land. Regardless of anything stated in or that may be inferred from any provision of these Bylaws (including but not limited to any reference to the Condominium Property Act or Condominium Regulations), neither the Condominium nor the Condominium Association shall be subject to Part VI of the Condominium Property Act except to the extent that Chapter 514B requires compliance with Section 514B-132, Hawai'i Revised Statutes.
2. The office of the Condominium Association shall be at 1390 Celebration Boulevard, Celebration, Florida 34747, or at such other place as may be designated by the board of directors of the Condominium Association (the "**Board**") from time to time.
3. The fiscal year of the Condominium Association shall be the calendar year.
4. The seal of the Condominium Association shall bear the name of the Condominium Association, the word "Florida," the words "Corporation Not-for-Profit," and the year of incorporation.

II. OWNERS' MEETINGS

1. The annual Owners' meeting shall be held at such time, place and date as may be designated by the Board, for the purpose of electing directors and of transacting any other business authorized to be transacted by the Owners. At the election of the Board, and to the extent permitted by applicable law, such annual Owners' meeting may be held jointly with the annual Owners' meetings of any Vacation Owners Association or Fractional Owners Association, and other condominium associations and/or vacation owner associations that are DVC Resorts.

2. As set forth in Article XI of the Articles, special Owners' meetings shall be held whenever called by the president or vice president of the Condominium Association, or by a majority of the Board, and must be called by such officers upon receipt of a written request from Owners of fifty percent (50%) of the Total Voting Interests, unless otherwise provided by law. Unless otherwise set forth in the notice of special meeting, as provided for above, all special meetings shall be held in Orange County, Florida.

3. Notice of all Owners' meetings stating the time, place and agenda for which the meeting is called shall be given by the president or secretary of the Condominium Association, unless waived in writing. Such notice shall be sent in writing to each Owner at the Owner's address or e-mail address as it appears on the books of the Condominium Association and shall be sent by mail, facsimile (upon confirmation of receipt) or e-mail to each Owner not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Any notice by e-mail shall only be valid if the Owner has first consented electronically to the use of e-mail for notice purposes demonstrating that the Owner has the ability to access the notice by e-mail. Any consent to receive notice by e-mail is effective until revoked by the Owner. An affidavit executed by the secretary attesting to the mailing or the post office certificate of mailing shall be retained in the records of the Condominium Association as proof of such mailing. In addition, a notice of the meeting shall be posted at a conspicuous place on the Condominium, which location shall be duly adopted by rule by the Board upon notice to the Owners, at least fourteen (14) days prior to said meeting. In lieu of any physical posting of notice, the Board may adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and agenda on a closed-circuit television system serving the Condominium Association at least four (4) times every broadcast hour each day notice is required. Owners may waive notice of specific meetings and may take action by written agreement without meetings, and any Owner's attendance at a meeting shall constitute a waiver of the notice of that meeting. Mortgagees shall, upon prior written request, be entitled to receive notice of all Owners' meetings. Failure to provide such notice shall not invalidate any action taken at an otherwise properly noticed meeting. Where Assessments against Owners are to be considered for any reason at an Owners' meeting, the notice shall contain a statement that Assessments will be considered and shall specify the nature of any such Assessment.

4. The presence in person or by proxy of Voting Representatives representing a Majority of the Total Voting Interests eligible to vote shall constitute a quorum, and decisions shall be made by the vote of a Majority of the Voting Interests at a meeting at which a quorum is present.

5. Each Unit shall be entitled to a percentage vote in the Condominium Association equal to the Common Interest appurtenant to that Unit as set forth in the Declaration, or in any amendment to the Declaration. The vote for each Unit shall be cast by its Voting Representative. Voting Representatives for Units owned by more than one person or by a corporation or other entity shall be cast by the Voting Representative named in a Voting Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Condominium Association. The Voting Certificate shall provide that all notices or other information required to be delivered to Owners by the Condominium Association shall be delivered by the Condominium Association to the Voting Representative; provided, however, that the Voting Certificate shall require the Voting Representative to provide the Owners of a Unit with all notices required by the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes, or by Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules. Each Voting Certificate shall be valid until revoked by a subsequent Voting Certificate. In the event that a Voting Certificate is not on file with respect to a Unit owned by more than one person or by a corporation or other entity, the vote of such Unit shall not be considered in determining the requirements for a quorum nor for any other purposes. By execution of a deed for purchase of a Unit in the Condominium or otherwise acquiring title to any interest in a Unit, including but not limited to a Vacation Ownership Interest or Fractional Ownership Interest, the Owners of a Unit shall evidence their joinder in the Master Cotenancy Agreement, which Agreement shall be recognized by the Condominium Association as the Voting Certificate for that Unit, and nothing herein shall affect the terms and conditions of the Voting Certificate established in the Master Cotenancy Agreement for each Unit.

6. Votes may be cast in person or by proxy.

A. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof and must be filed with the secretary at or before the appointed time of the meeting.

B. Each proxy shall specifically set forth the name of the person voting by proxy, the name of the person authorized to vote the proxy, and the date the proxy was given. Each proxy shall contain the date, time and place of the meeting for which the proxy is given. In addition, limited proxies shall set forth those items on which the holder of the proxy may vote and the manner in which the vote is to be cast.

C. In no event shall any proxy be valid for a period of longer than ninety (90) days after the date of the first meeting, and any adjournments thereof, for which the proxy was given. Every proxy shall be revocable at any time at the pleasure of the Owner executing it.

D. If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in the Owner's place. If such provision is not made, substitution is not authorized.

E. Proxies or written consents on votes may be received by e-mail and utilized for votes of the Condominium Association; provided, however, that the e-mail signature is authorized through use of a password, cryptology software or other reasonable means and proof of such authentication is made available to the Board.

F. A person buying a Unit, Vacation Ownership Interest and/or Fractional 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. The provisions of Subsections 6.A., B. and C. do not apply to voting rights transferred by an agreement of sale.

G. 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 Subsection 6.G., and the person to whom the voting rights are transferred is called the "proxy holder". If a true copy of a mortgage or other instrument transferring or pledging an Owner's voting rights is filed with the secretary as required by Section 6.A. before an Association meeting or vote by ballot, only the proxy holder may vote in person or by proxy at that meeting or on that ballot. 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 and on all later votes by ballot until someone files with the secretary satisfactory evidence that the pledge has ended or has been released. The provisions of Subsections 6.A., B. and C. do not apply to voting rights transferred by a pledge.

7. Approval or disapproval of an Owner upon any matter, whether or not the subject of a Condominium Association meeting, shall be by the same person, corporation or other entity who would cast the vote of such Owner if in a Condominium Association meeting.

8. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

9. The presiding officer of all Owners' meetings shall be the president of the Condominium Association. In the absence of the president, the vice-president of the Condominium Association shall preside.

10. The order of business at annual Owners' meetings and, as far as practicable at all other Owners' meetings, shall be:

- | | |
|--|---------------------------|
| A. Call to order. | F. Report of committees. |
| B. Calling of the roll and certifying of proxies. | G. Election of directors. |
| C. Proof of notice of meeting or waiver of notice. | H. Unfinished business. |
| D. Reading and disposal of any unapproved minutes. | I. New business. |
| E. Report of officers. | J. Adjournment. |

Notwithstanding the foregoing, if any item listed above is not relevant to a particular meeting, as determined by the Board in its sole, absolute and unfettered discretion, such item shall not be required to be addressed at that particular meeting.

11. For so long as DVD holds Units, Vacation Ownership Interests and/or Fractional Ownership Interests for sale in the ordinary course of business, none of the following actions may be taken without the prior approval in writing by DVD:

- A. Assessment of DVD as the Owner of Units, Vacation Ownership Interests and/or Fractional Ownership Interests in Units for capital improvements.
- B. Any action by the Condominium Association that would be detrimental to the sale of Units, Vacation Ownership Interests and/or Fractional Ownership Interests by DVD.
- C. Any other action by the Condominium Association for which the Condominium Documents require the written approval of DVD.

III. DIRECTORS

1. The affairs of the Condominium Association shall be managed by a board of directors who shall be members of the Condominium Association, excepting that the first Board and their successors appointed by the remaining directors (in the event of vacancies occurring before the first election of directors at an annual Owners meeting) need not be members and excepting that any directors appointed or elected by DVD as developer or as Voting Representative need not be members. The initial Board shall consist of five (5) directors, and thereafter the membership of the Board shall consist of not less than three (3) nor more than seven (7) directors. The Board may from time to time increase or decrease the number of persons to serve on the Board; provided, however, that the Board shall always consist of an odd number of directors. Where Units, Vacation Ownership Interests and/or Fractional Ownership Interests are owned by corporations, the officers, directors, employees or other appointed representatives of said corporations shall be eligible to serve on the Board on behalf of the corporation.

2. Election of directors shall be conducted in the following manner:

A. Members of the Board shall be elected by a plurality of the votes cast at an annual Owners' meeting. There shall be no cumulative voting. The Board may appoint a search committee for the purpose of locating and encouraging qualified persons to become candidates.

B. Vacancies on the Board may be filled by the remaining directors subject to the provisions of Section 2(C) of this Article. A director appointed to fill a vacancy in office shall serve the remainder of the term of the office which the departing director held.

C. The initial directors shall be appointed by DVD and shall serve until the first election of directors, and any vacancies in office occurring before the first election shall be filled by the remaining directors. In the event there are no remaining directors, any such vacancies shall be filled by DVD.

3. At the first annual Owner's meeting, the majority of those directors receiving the most votes shall serve for a two (2) year term and the remaining directors shall serve for a one (1) year term. Thereafter, each director's service shall extend for a two (2) year period and thereafter until a successor is duly elected and qualified or until the director is removed in the manner elsewhere provided.

4. The first meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the first meeting shall be necessary providing a quorum shall be present.

5. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings shall be given to each director, personally, by fax upon confirmation of receipt, or by mail or e-mail at least three (3) days prior to the date set forth for such meeting unless such notice is waived. Notice of all meetings of the Board shall be posted in a conspicuous place on the Property for the benefit of Owners at least forty-eight (48) hours in advance of such meeting, except in an emergency. In lieu of any physical posting of notice, the Board may adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and agenda on a closed-circuit television system serving the Condominium Association at least four (4) times every broadcast hour each day notice is required. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one (1) of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Upon notice to the Owners, the Board shall, by duly adopted rule, designate a specific location on the Property upon which all notices of Board meetings shall be posted. All meetings of the Board shall be open to all Owners. All Owners shall have the right to speak at meetings of the Board with reference to designated agenda items; however, the Board may adopt reasonable rules governing the frequency, duration, and manner of Owner statements.

6. Special meetings of the Board may be called by the chairperson of the Board or the president of the Condominium Association and must be called by the secretary of the Condominium Association at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally, by fax upon confirmation of receipt, by mail or e-mail, which notice shall set forth the time, place and purpose of the meeting.

7. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Any director's attendance at a meeting shall constitute a waiver of the notice of that meeting.

8. A quorum at Board meetings shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board, approved by a majority of votes present at a meeting at which a quorum is present, shall constitute the acts of the Board, except as specifically otherwise provided in the Declaration. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. Once a quorum is present, the meeting may resume and any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. The presiding officer of Board meetings shall be the president of the Condominium Association. In the absence of the president, the members of the Board who are present shall elect a chairperson to preside.

10. Directors' fees, if any, shall be determined by the Owners, and no director shall receive a fee prior to the election of the Board by the Owners at the first annual Owner's meeting.

11. Notwithstanding anything to the contrary contained herein, any director appointed by DVD may be removed by DVD at any time. Upon such removal, DVD shall immediately appoint a replacement director and notify the remaining directors, if any, of such removal and appointment.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Condominium Association shall be exercised by the Board, including, but not limited to, those existing under common law, statutes and the Condominium Documents. Such powers and duties

of the Board shall be exercised in accordance with the provisions of the Declaration governing the use of the Property, and shall include the following:

1. To adopt a budget and to make and collect Assessments against Owners to defray the costs of the Condominium.
2. To use the proceeds of Assessments in the exercise of its powers and duties.
3. To maintain, manage, repair, replace and operate the Property, including, but not limited to, obtaining and maintaining adequate insurance to protect the Condominium Association and the Property.
4. To reconstruct improvements after casualty and to construct further improvements to the Property.
5. To make and amend the Condominium Rules and Regulations respecting the use of the Property.
6. To enforce by legal means the provisions of the Condominium Documents.
7. To contract for the management of the Condominium and to delegate to such contractor all powers and duties of the Condominium Association except such as are specifically required by Hawai'i law or the various Condominium Documents to have approval of the Board or the Owners. Notwithstanding any provisions contained in these Bylaws to the contrary, it is the intent of these Bylaws that the Board shall not have the power to independently terminate the Property Management Agreement except as explicitly set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms.
8. To pay taxes and assessments which are liens against any part of the Condominium, including any assessments imposed pursuant to the Ko Olina Documents, and to assess the same against the Owners subject to such liens.
9. To pay the cost of all power, water, sewer and other utility services rendered to the Condominium and not billed directly to an Owner or paid by the Condominium Association.
10. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Condominium Association, including, but not limited to, accountants and attorneys.
11. To bond any or all employees, officers and directors of the Condominium Association, for which the Condominium Association shall bear the costs.
12. To maintain, manage, repair, replace and operate the property of the single condominium resulting from a merger of this Condominium with another independent and separate condominium pursuant to the merger provisions of the Declaration and the Declaration of Merger.
13. To maintain all books and records concerning the Condominium, including, but not limited to, the maintenance of a complete list of the names, addresses and e-mail addresses of all Owners.
14. To acquire title to and hold, convey or mortgage, lease or rent property in accordance with the Declaration.
15. To convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansions or other public purposes, whether negotiated or as a result of eminent domain proceedings.
16. To accept title to any real or personal property transferred or leased to it by DVD.
17. To buy, lease, or otherwise acquire the use of one or more Units or other real property for use by the

Condominium Association for Condominium Association purposes, including among other things, for use as a manager's apartment, in accordance with the Declaration.

V. OFFICERS

1. The executive officers of the Condominium Association shall be a president, a vice president, a secretary, and a treasurer, all of whom may be directors of the Condominium Association and who shall be elected annually by the Board at any meeting. Any person may hold two or more offices, the duties of which are not incompatible; provided that the president shall not also be the vice president, secretary or treasurer, or assistant secretary or assistant treasurer. The Board shall from time to time elect such other officers and designate their powers and duties as the Board determines to be necessary to manage the affairs of the Condominium Association.
2. The president shall be the chief executive officer of the Condominium Association. The president shall have all of the powers and duties which are usually vested in the office of president including, but not limited to, the power of appointing committees from among the Owners from time to time, as the president may in the president's discretion determine to be appropriate, to assist in the conduct of the affairs of the Condominium Association.
3. The vice president shall, in the absence or disability of the president, exercise the powers and duties of the president. The vice president shall also generally assist the president and exercise such other powers and perform such other duties as shall be prescribed by the Board.
4. The secretary shall keep the minutes of the proceedings of the Board and the Owners in a book available for inspection at any reasonable time by the directors or Owners, or their authorized representatives. The Condominium Association shall retain these minutes for a period of not less than seven (7) years. The secretary shall attend to the giving and serving of all notices required by law. The secretary shall have custody of the seal of the Condominium Association and affix the same to instruments requiring a seal when duly signed.
5. The treasurer shall have custody of all property of the Condominium Association including, but not limited to, financial records, funds, securities and evidences of indebtedness. The treasurer shall keep the financial records of the Condominium Association and shall keep the Assessment rolls, the accounts of the Owners, and the books of the Condominium Association in accordance with good accounting practices. The treasurer shall perform all other duties incident to the office of treasurer of an association and as may be required by the directors or the president of the Condominium Association.
6. The compensation of all employees of the Condominium Association shall be fixed by the Board. This provision shall not preclude the Board from employing a director or an officer as an employee of the Condominium Association nor from contracting with a director for the management of the Condominium.

VI. FISCAL MANAGEMENT

The provisions for fiscal management of the Condominium Association set forth in the Declaration and the Articles shall be supplemented by the following:

1. Assessments.

A. The Board shall fix and determine from time to time the sum or sums necessary and adequate for all costs and expenses designated as Common Expenses from time to time by the Board, or under the provisions of the Declaration. The Board is specifically empowered, on behalf of the Condominium Association to make and collect Assessments and to lease, maintain, repair and replace the Common Elements and Limited Common Elements of the Condominium. The Board shall have the power, on behalf of the Association, to lease Common Elements of the Condominium in accordance with the provisions of the Declaration. Funds for the payment of

Common Expenses shall be assessed against the Owners in the manner provided in the Declaration. Assessments for Units shall be due on the fifteenth day of January each year and shall be considered delinquent if payment has not been received before the fourteenth day of February each year, unless otherwise ordered by the Board. Special Assessments, should such be required by the Board, shall be levied in the same manner as provided for Regular Assessments, and shall be payable in the manner determined by the Board. If an Owner shall be in default in the payment of any Assessment due, the Condominium Association shall have all collection rights available to it under the Declaration or under Chapter 514B, Hawai'i Revised Statutes, and Chapter 16-107, Hawai'i Administrative Rules.

B. The Assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such an account shall designate the name and address of the Owners or Owner, the dates and amounts in which the Assessments come due, the amounts paid upon the account and the balance due upon Assessments. Assessments shall be made against Owners in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. In the absence of a determination by the Board as to the frequency of Assessments, Assessments shall be due and payable annually. The personal liability of an Owner for Assessments shall survive the termination of such Owner's membership in the Condominium Association.

C. Any Owner shall have the right, as provided in the Declaration, to require a certificate from the Condominium Association showing the amount of unpaid Assessments against such Owner with respect to the Owner's interest in a Unit in the Condominium. A Mortgage Lender shall have the same right as to any interest in the Condominium upon which it holds a mortgage. Any person who relies upon such certificate shall be protected thereby to the extent provided in the Declaration.

D. Notice of any meeting at which Assessments against Owners are to be considered, whether a meeting of the Board or of the Owners, shall specifically contain a statement that Assessments will be considered and the nature of such Assessments.

2. Budget.

A. The Board shall adopt an Estimated Budget consisting of an operating budget and a capital reserves budget for each calendar year which shall contain estimates of the cost of performing the functions of the Condominium Association and estimates of the revenue received by the Condominium Association. The proposed annual operating budget of Common Expenses shall be detailed, shall show the amounts budgeted, by accounts and expense classifications, and shall contain any other information required by the Declaration, Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules. The capital reserves budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include things such as roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula that is based upon estimated remaining useful life, taking into account deferred maintenance, and estimated replacement cost of each reserve item and in accordance with the rules set forth in Chapter 16-107, Hawai'i Administrative Rules, as amended. These reserve accounts may be waived, or less adequate reserves established, by vote of a Majority of the Voting Interests, voting in person or by proxy, at a duly called meeting of the Condominium Association; provided that the requirements for reserve amounts set forth in Chapter 514B, Hawai'i Revised Statutes and Chapter 16-107, Hawai'i Administrative Rules are met. The Estimated Budget shall include proposed Assessments against each Owner, together with an annual total of Assessments, and the following items, if applicable:

- | | |
|---|---|
| (a) Administration of the Condominium Association. | (i) Operating Capital. |
| (b) Management fees. | (j) Reserves. |
| (c) Maintenance. | (k) Fees payable to any governmental entities, if applicable. |
| (d) Rent for recreational and other commonly used facilities. | (l) Assessments due pursuant to the Ko Olina Documents |
| (e) Taxes upon Association Property. | (m) Other expenses. |
| (f) Taxes upon leased areas. | |
| (g) Insurance. | |
| (h) Security provisions. | |

B. Copies of the proposed budget and proposed Assessments shall be transmitted to each Owner at least fourteen (14) days prior to the meeting at which the proposed budget is to be considered, together with a notice of the meeting which shall state the time and place of the meeting. The meeting shall be open to all Owners. If the Estimated Budget is subsequently amended before the Assessments are made, a copy of the amended Estimated Budget or a description of any changes in the adopted Estimated Budget and a disclosure regarding the Owner's rights to receive a copy of the adopted Estimated Budget shall be furnished to each Owner.

3. The Board may impose Special Assessments and Personal Assessments in accordance with the requirements of the Declaration.

4. The depository of the Condominium Association shall be such bank or other institution as permitted by Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules, as shall be designated from time to time by the Board and from which the monies in such accounts shall be withdrawn only by checks signed by such persons as are authorized by the Board.

5. The Property Management Company, or the Board if there is no Property Management Company, shall arrange for an annual independent audit of the Condominium Association's financial accounts conducted by a public accountant (as "public accountant" is defined in Chapter 466, Hawai'i Revised Statutes) in accordance with generally accepted auditing standards. Upon request, a copy of the audit shall be provided to the Director of the Department of Commerce and Consumer Affairs of the State of Hawai'i, to any member of the Condominium Association, and any prospective purchaser. The audit report shall include such information as provided by Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules.

6. The Board shall obtain a fidelity bond or fidelity insurance as required by the Declaration. The amount of such bonds shall be determined in accordance with the Declaration, Chapter 514B, Hawai'i Revised Statutes and Chapter 16-107, Hawai'i Administrative Rules. The premiums on such bonds shall be paid by the Condominium Association as a Common Expense.

VII. PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Condominium Association proceedings when not in conflict with the Condominium Documents or with the statutes of the State of Hawai'i or the Florida Not For Profit Corporation Act.

VIII. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

2. Until the election of directors at the first annual Owner's meeting, proposal of an amendment to these Bylaws and approval thereof shall require the affirmative action of two-thirds (2/3) of the entire membership of the Board, and no meeting of the Owners nor any approval thereof is required.
3. After the election of directors at the first annual Owner's meeting, an amendment may be proposed by either the Board or by the membership of the Condominium Association, and after being proposed and approved by one of such bodies, it must be approved by the other. Except as otherwise provided herein, a resolution adopting a proposed amendment must receive approval of not less than two-thirds (2/3) of the votes of the entire membership of the Board and vote of not less than a Majority of the Voting Interests of the Condominium Association at a duly called meeting of the Condominium Association. Directors and Owners not present at the meeting considering the amendment may express their approval in writing within ten (10) days after such meeting.
4. These Bylaws shall be amended by DVD, if necessary, to make the same consistent or compatible with the provisions of the Declaration, the Master Cotenancy Agreement or the Master Declaration, to conform these Bylaws to meet the requirements of any governmental entity or statute, as may be in the best interests of the Condominium Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the Condominium and to expand or enhance any Vacation Ownership Plan or Fractional Ownership Plan established with respect to the Condominium, or the Disney Vacation Club.
5. An amendment when adopted or made shall become effective only after being recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text double underlined, and words to be deleted shall be lined through. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it is not necessary to use double underlining and lining as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language "Substantial rewording of Bylaw. See Bylaw . . . for present text." Nonmaterial errors or omissions in the Bylaw amendment process shall not invalidate an otherwise properly promulgated amendment.

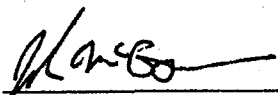
IX. SEVERABILITY AND CONFORMITY TO STATE LAW

These Bylaws are to be governed by and construed according to Chapter 514B, Hawai'i Revised Statutes, Chapter 16-107, Hawai'i Administrative Rules, and the laws of the State of Florida. If it should appear that any of the provisions hereof are in conflict with the Declaration, the Master Cotenancy Agreement, the Master Declaration, Chapter 514B, Hawai'i Revised Statutes, Chapter 16-107, Hawai'i Administrative Rules, or any rule of law or statutory provision of the State of Florida, as of the date of the recording of the Declaration, then such provisions of these Bylaws shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to the Declaration, the Master Cotenancy Agreement, the Master Declaration or such rule of law.

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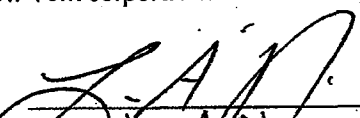
DVD signed these AMENDED AND RESTATED BYLAWS OF ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC. on September 7, 2011. They will take effect when they are recorded.

DISNEY VACATION DEVELOPMENT, INC.,
a Florida corporation, for itself and as attorney-in-fact
for all Unit Owners and other Interested Persons

By 
Name: John McGowan
Title: Secretary

ABC joins in these Bylaws for the sole purpose of permitting DVD to comply with the requirements relating to the submission of the Land to a condominium property regime pursuant to the Condominium Property Act. ABC has not reviewed these Bylaws for adequacy or compliance with law, and expressly disclaim any responsibility for these Bylaws, the matters set forth herein, and/or any other documents or agreements relating to the Condominium, including, but not limited to, the Declaration and any public report issued under the Condominium Property Act relating to the Condominium or any disclosure statement issued under Chapter 514E of the Hawai'i Revised Statutes relating to the Condominium or any Vacation Plan established with respect to it. DVD, the Condominium Association, all Unit Owners, Mortgage Lenders, vendors and vendees under Agreements of Sale, tenants and occupants of Units and their employees, business invitees and any other persons who may use any part of the Condominium do so with the understanding that ABC has no liability hereunder, and each and every one of the foregoing shall be deemed to the fullest extent permitted by law to have waived as against ABC, and to have released ABC, as to any claim relating to the Condominium. No action taken by DVD or any other person pursuant to these Bylaws shall be deemed to be the act of ABC, unless such action is expressly authorized or approved by ABC in writing in each instance. Notwithstanding anything provided to the contrary, under no circumstances will ABC have any liability for expenses under these Bylaws except to the extent that ABC is a Unit Owner. In the event ABC is found to be liable in any claim relating to these Bylaws, any recovery shall be limited to ABC's interest in the Land, and shall not extend to any other assets of ABC or the individual officers, directors, agents and employees of ABC.

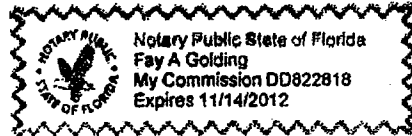
ABC, INC.,
a New York corporation

By 
Name: Leigh A. Newman
Title: Assistant Secretary

STATE OF FLORIDA)
COUNTY OF ORANGE) ss:

On this 7 day of September, 2011, before me personally appeared John McGowan, Disney Vacation Development, Inc., 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.

Fay A. Golding
Name: Fay A. Golding, Notary Public, State of Florida
My Commission expires: _____



STATE OF FLORIDA)
COUNTY OF ORANGE) ss:

On this 7 day of September, 2011, before me personally appeared LEIGH A. NIEMAN, ABC, Inc., 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.

Fay A. Golding
Name: Fay A. Golding, Notary Public, State of Florida
My Commission expires: _____



Exhibit A

(to Amended and Restated Bylaws of Ali'i Nui Villas Condominium Association, Inc.)

Description of the Land

All of those certain parcels of land situate at Honouliuli, District of Ewa, Honolulu, City and County of Honolulu, State of Hawai'i, described as follows:

PARCEL FIRST (Portion of TMK (1) 9-1-057-035)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

Lot 4604-B, area 4.531 acres, more or less, as shown on Map 1325, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Transfer Certificate of Title No. 879,925, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-134262.

NOTE: Lot 4604-B shall have access over Lots 4633 and 4639, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069, and also over Lots 4597, 4599, 4600, 4601 and 4602, as shown on Map 450, as set forth by Land Court Order No. 92806, filed March 6, 1989.

PARCEL SECOND (Portion of TMK (1) 9-1-057-035)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

Lot 5345-B, area 4.995 acres, more or less, as shown on Map 1325, filed in said Office with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Transfer Certificate of Title No. 879,927, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011- 134264.

NOTE: Lot 5345-B shall have access to Farrington Highway across Lots 4633 and 4638, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069, and also over Lots 4745 and 4744, as shown on Map 476 filed with Land Court Application No. 1069, and also over Lots 4599, 4600 and 4602, as shown on Map 450 filed with Land Court Application No. 1069, as set forth by Land Court Order No. 96075, filed December 5, 1989.

PARCEL THIRD (TMK (1) 9-1-057-034; CPR NOS. SHOWN BELOW)

Those certain seven (7) condominium units listed in the following table:

1. CPR No.	2. Unit No.	3. Common Interest	4. Certificate of Title No.	5. Bureau of Conveyances Document No. for Certificate of Title
1	H-1	20.546787%	879924 & 879926	2011-134261 & 2011-134263

4	H-4	5.548713%	879924 & 879926	2011-134261 & 2011-134263
5	H-5	0.567977%	879924 & 879926	2011-134261 & 2011-134263
9	H-9	14.655866%	879924 & 879926	2011-134261 & 2011-134263
11	H-11	7.070197%	879924 & 879926	2011-134261 & 2011-134263
To be assigned.	H-12	22.831814%	879924 & 879926	2011-134261 & 2011-134263
To be assigned.	H-13	5.412508%	879924 & 879926	2011-134261 & 2011-134263

Each of said seven (7) condominium units is listed on a separate line in the table set forth above, and each such condominium unit is more particularly described as follows:

FIRST:

The condominium unit identified by the unit number listed in Column 2 of the table shown above (the "**Hotel Condominium Unit**") in the condominium property regime known as "Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium" (herein called the "**Hotel Condominium**"), (i) as established by and described in that certain Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated September 1, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-~~15077~~ (herein, with any amendments and supplements thereto, called the "**Hotel Condominium Declaration**"), which said instrument amended and restated that certain Declaration of Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957905, and (ii) as shown on the plans of the Hotel Condominium recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map No. ~~6025~~ (herein with any amendments called the "**Hotel Condominium Map**"), to which reference is hereby made and which said plans amended and restated the plans of the Hotel Condominium filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map No. 2048.

TOGETHER WITH the following appurtenant easements:

1. The right to use the limited common elements, if any, described in the Hotel Condominium Declaration as being appurtenant to the Hotel Condominium Unit together with such other persons, if any, having the right to use the same;
2. Nonexclusive easements for use of the common elements of the Hotel Condominium designed for such purposes for ingress to, egress from, utility services for, and support, maintenance and repair of the Hotel Condominium Unit; in the other common elements of the Hotel Condominium for use according to their respective purposes, subject always to the exclusive use of the limited common elements (if any) as provided in the Hotel Condominium Declaration; and in all other units and limited common elements (if any) abutting the Hotel Condominium Unit, for support;
3. Nonexclusive easements across certain other condominium units of the Hotel Condominium for ingress to and egress from the Hotel Condominium Unit to the extent provided in Section 7.1.D. of the Hotel Condominium Declaration, as more particularly provided in the Hotel Condominium Declaration;
4. Nonexclusive easements for use of portions of certain other condominium units of the Hotel Condominium to the extent that the same comprise "Common Area," as that term is defined in the Hotel Condominium

Declaration, as more particularly described in the Hotel Condominium Declaration; and

5. If the Hotel Condominium Unit or its limited common elements (if any) now or later encroaches on any other unit, common elements or limited common elements of the Hotel Condominium, 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 Hotel Condominium, minor encroachments of any parts of the common elements or units or limited common elements of the Hotel Condominium 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 units of the Hotel Condominium as they arise in the manner set forth in the preceding paragraph, now or hereafter existing thereon;

2. Easements for access to the Hotel Condominium Unit from time to time during reasonable hours as may be necessary for the operation of the Hotel Condominium or for making emergency repairs therein to prevent damage to the common elements or to another unit or units of the Hotel Condominium or for the installation, repair or replacement of any common elements of the Hotel Condominium;

3. Nonexclusive easements across the Hotel Condominium Unit for ingress to and egress from certain other condominium units of the Hotel Condominium to the extent provided in Section 7.1.D. of the Hotel Condominium Declaration;

4. Nonexclusive easements for use of any portion of the Hotel Condominium Unit to the extent that the same comprises "Common Area," as that term is defined in the Hotel Condominium Declaration, as more particularly described in the Hotel Condominium Declaration;

5. Nonexclusive easements through the Hotel Condominium Unit appurtenant to the common elements of the Hotel Condominium and to all other condominium units of the Hotel Condominium for support, maintenance and repair of the common elements, limited common elements and other condominium units of the Hotel Condominium; and

6. All easements, rights and interests granted or reserved in the Hotel Condominium Declaration and/or the Master Declaration, including but not limited to the easements, rights and interests granted or reserved in Sections 7.1 and/or 7.2 of the Hotel Condominium Declaration, or now or hereafter granted pursuant to Sections 7.3 and/or 7.4 of the Hotel Condominium Declaration.

SECOND:

An undivided percentage interest appurtenant to the Hotel Condominium Unit, equal to percentage interest specified in Column 3 of the table shown above, in all common elements of the Hotel Condominium, including the land, as described in the Hotel Condominium Declaration, or such other percentage interest as hereafter may be established for the Hotel Condominium Unit by any amendment of the Hotel Condominium Declaration, as tenant in common with the other owners of condominium units in the Hotel Condominium. The land of the Hotel Condominium is described in the Hotel 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 Hotel Condominium Declaration, (ii) that certain Aulani, *Disney Vacation Club*[®] Villas, Ko Olina, Hawai'i Condominium Declaration of Merger of Condominium Phases, dated April 12, 2010, and recorded as Land Court Document No. 3957569, (herein with any amendments called the "**Declaration of Merger**"), and/or (iii) that certain Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i, dated September 7, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-15033v (herein, with any amendments and supplements thereto, called the "**Master Declaration**"), which said instrument amended and restated that certain Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i dated April 12, 2010, and recorded as Land Court Document No. 3957567, but **SUBJECT TO, AS TO FIRST AND SECOND**, the easements, encumbrances, restrictions, covenants, agreements,

obligations, conditions, exceptions, reservations, and other provisions set forth in:

1. The Master Declaration;
2. That certain Master Cotenancy Agreement Declaration of Covenants, Conditions and Restrictions, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on April 22, 2010, as Document No. 3957568 (herein with any amendments called the "Master Cotenancy Agreement");
3. The Declaration of Merger;
4. The Hotel Condominium Declaration, the Articles of Incorporation of the Ali'i Nui Hotel Condominium Association, Inc., a Florida not-for-profit corporation (herein, with any amendments and supplements thereto, called the "Hotel Condominium Association Articles"), the Amended and Restated Bylaws of Ali'i Nui Hotel Condominium Association, Inc., dated September 7, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-15035 (herein, with any amendments and supplements thereto, called the "Hotel Condominium Association Bylaws"), which said instrument amended and restated those certain Bylaws of Ali'i Nui Hotel Condominium Association, Inc., dated April 12, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957906, and any rules and regulations adopted by or on behalf the Ali'i Nui Hotel Condominium Association, Inc. (herein, with any amendments and supplements thereto, called the "Hotel Condominium Rules"), as any of the same may be amended from time to time, and the Hotel Condominium Map, to which reference is hereby made; and
5. All easements, rights and interests granted or reserved in the Declaration with respect to the "Vacation Support Property" and/or the "New Common Elements", including but not limited to the easements, rights and interests granted or reserved in Sections 7.1 and/or 7.2 of the Declaration, or now or hereafter granted pursuant to Sections 7.3 and/or 7.4 of the Declaration.

BEING THE PREMISES described in the Certificate of Title Numbers listed in Column 4 of the table shown above, which Certificate of Title was recorded in the Bureau of Conveyances of the State of Hawaii as shown in Column 5 of the table shown above.

SUBJECT, AS TO PARCELS FIRST, SECOND AND THIRD, HOWEVER, TO THE FOLLOWING ENCUMBRANCES:

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. **AS TO PARCELS FIRST, SECOND AND THIRD:**
 - a. Title to all mineral and metallic mines reserved to the State of Hawai'i.
 - b. **CERTIFICATE AND AUTHORIZATION** dated October 8, 1985, filed in said Office as Land Court Document No. 1328029, and also recorded in the Bureau of Conveyances of the State of Hawai'i in Book 19004, Page 123.

The foregoing Certificate and Authorization was amended by **AMENDMENT TO CERTIFICATE AND AUTHORIZATION** dated July 3, 1994, recorded in said Bureau as Document No. 94-120723.
 - c. **UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING** dated February 21, 1986, filed in said Office as Land Court Document No. 1354687.

The foregoing instrument was amended by **RELEASE OF DEVELOPMENT AGREEMENT AND PARTIAL SATISFACTION OF UNILATERAL AGREEMENT** dated November 12, 1993, filed in said Office as Land Court Document No. 2090355, and also recorded in said Bureau as Document No. 93-195382.

d. UNRECORDED AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT by and between the TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, "CE", and WEST BEACH ESTATES, a Hawai'i general partnership, "WBE", dated December 1, 1986.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM DEVELOPMENT AGREEMENT dated December 1, 1986, filed in said Office as Land Court Document No. 1419770.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement was amended by UNRECORDED FIRST AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated March 19, 1993.

The foregoing unrecorded First Amendment to Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM FIRST AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated April 7, 1994, filed in said Office as Land Court Document No. 2141539.

The interest of West Beach Estates in the foregoing Unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was assigned to KO OLINA COMPANY, LLC, a Delaware limited liability company, by ASSIGNMENT OF DEVELOPMENT AGREEMENT dated August 20, 1998, filed in said Office as Land Court Document No. 2479691.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was further amended by UNRECORDED SECOND AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated June 25, 1999.

The foregoing unrecorded Second Amendment to Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM OF SECOND AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated December 21, 1999, filed in said Office as Land Court Document No. 2600070.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Second Amendment, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649643.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was further amended by UNRECORDED THIRD AMENDMENT AND RESTATEMENT AND PARTIAL ASSIGNMENT OF KO OLINA RESORT DEVELOPMENT AGREEMENT dated August 29, 2007.

The foregoing unrecorded Third Amendment and Restatement was confirmed by SHORT FORM OF THIRD AMENDMENT AND RESTATEMENT AND PARTIAL ASSIGNMENT OF KO OLINA RESORT DEVELOPMENT AGREEMENT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649644.

e. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS dated December 1, 1986, filed in said Office as Land Court Document No. 1419771.

The foregoing Declaration was amended by instruments dated December 7, 1989, filed in said Office as Land Court Document No. 1702235, dated -----, filed in said Office as Land Court Document No. 2829644, and dated March 12, 2004, filed in said Office as Land Court Document No. 3083061.

Consent thereto by West Beach Estates, a Hawai'i general partnership, filed concurrently in said Office as Land Court Document No. 1702236.

Consent thereto by Ko Olina Company, LLC, Pacific Northwest, Ltd., Ko Olina Chapel, LLC, 300 Corporation, HRT, Ltd., Honolulu Limited, Ko Olina 300, LLC, Centex Homes, and Ko Olina Beach Lagoon Estates, LLC, filed concurrently in said Office as Land Court Document No. 3083062.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Declaration, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649643.

Certain rights of James Campbell Company LLC in the foregoing Declaration, were assigned to KO OLINA DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, by PARTIAL ASSIGNMENT AND MODIFICATION OF KO OLINA DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649645.

f. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in TRUSTEES' LIMITED WARRANTY DEED dated December 1, 1986, filed in said Office as Land Court Document No. 1419772.

The foregoing instrument was amended by AMENDMENT OF DEED dated May 8, 1991, filed in said Office as Land Court Document No. 1821776.

The foregoing instrument, as amended, was further amended by AGREEMENT FOR PARTIAL TERMINATION OF CONSTRUCTION EASEMENT AND RIGHT OF WAY AND RELEASE OF DEED RESTRICTION dated October 9, 1991, filed in said Office as Land Court Document No. 1857006.

g. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION dated December 1, 1986, filed in said Office as Land Court Document No. 1419773.

The foregoing Declaration was amended by instruments dated June 27, 1995, filed in said Office as Land Court Document No. 2249998, dated April 16, 1997, filed in said Office as Land Court Document No. 2377790, and dated September 24, 1999, filed in said Office as Land Court Document No. 2583045.

Consent to Amended Declaration of Covenants for Ko Olina Community Association and Agreement, dated June 27, 1995, filed in said Office as Land Court Document No. 2249999.

The interest of West Beach Estates in the foregoing Declaration, as amended, was assigned to KO OLINA DEVELOPMENT, LLC, a Delaware limited liability company, by ASSIGNMENT OF DECLARANT RIGHTS dated August 20, 1998, filed in said Office as Land Court Document No. 2479692.

AMENDED AND RESTATED DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION; CONSENT OF THE ESTATE OF JAMES CAMPBELL; CONSENT OF DECLARANT'S MORTGAGEE (herein called the "Ko Olina Declaration") dated March 13, 2006, filed in said Office as Land Court Document Nos. 3426805 through 3426807.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Amended and Restated Declaration, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT dated August 29, 2007, filed in said Office as Land Court Document No. 3649643.

Certain rights of James Campbell Company LLC in the foregoing Amended and Restated Declaration, were assigned to KO OLINA DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, by ASSIGNMENT OF RIGHTS UNDER AMENDED AND RESTATED DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649646.

h. AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 21-5.380 OF THE LAND USE ORDINANCE (LUO) dated June 14, 2006, filed in said Office as Land Court Document No. 3446051.

The foregoing instrument was amended by instrument filed in said Office as Land Court Document No. 3843447.

i. Terms, provisions, reservations, covenants, conditions and restrictions as contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGEMENT (ESTATE FOR YEARS) filed in said Office on October 5, 2007, as Land Court Document No. 3664877.

j. Terms, provisions, reservations, covenants, conditions and restrictions as contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGEMENT (REMAINDER INTEREST) filed in said Office on October 5, 2007, as Land Court Document No. 3664878.

k. Terms, provisions, reservations, covenants, conditions and restrictions as contained in DECLARATION OF RESTRICTIVE COVENANTS REGARDING USE; RESERVED POWER TO GRANT OR MODIFY EASEMENTS, filed in said Office on October 5, 2007, as Land Court Document No. 3664879.

l. The terms and provisions contained in SHORT FORM MEMORANDUM OF HOTEL PORTION LIMITED RIGHT OF FIRST OFFER (ESTATE FOR YEARS) by and between DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, KO OLINA PARCEL 15 LLC, KO OLINA PARCEL 13-1 LLC, KO OLINA PARCEL 13-2 LLC, and KO OLINA PARCEL 13-3 LLC, each a Hawai'i limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664882.

m. The terms and provisions contained in SHORT FORM MEMORANDUM OF HOTEL PORTION LIMITED RIGHT OF FIRST OFFER (REMAINDER INTEREST) by and between ABC, INC., a New York corporation, KO OLINA PARCEL 15 LLC, KO OLINA PARCEL 13-1 LLC, KO OLINA PARCEL 13-2 LLC, and KO OLINA PARCEL 13-3 LLC, each a Hawai'i limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664883.

n. Terms, provisions, reservations, covenants, conditions and restrictions as contained in DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VACATION AND RECREATION EXPERIENCE PRESERVATION filed in said Office on October 5, 2007, as Land Court Document No. 3664884.

o. The terms and provisions contained in KO OLINA RESORT PARCEL 19 HEIGHT LIMITATION AGREEMENT by and between KO OLINA CHAPEL, LLC, a Hawai'i limited liability company, DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, and ABC, INC., a New York corporation, filed in said Office on October 5, 2007, as Land Court Document No. 3664885.

p. The terms and provisions contained in WAIVER OF GOLF TERMINATION RIGHTS by and between DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, ABC, INC., a New York corporation, and KO OLINA INTANGIBLES, LLC, a Delaware limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664889.

q. The terms and provisions contained in KO OLINA DEVELOPMENT LLC ESTOPPEL STATEMENT filed in said Office on October 5, 2007, as Land Court Document No. 3664890.

r. The terms and provisions contained in JAMES CAMPBELL COMPANY LLC ESTOPPEL STATEMENT filed in said Office on October 5, 2007, as Land Court Document No. 3664891.

s. The terms and provisions contained in KO OLINA DEVELOPMENT LLC ESTOPPEL STATEMENT REGARDING UNIT COUNTS filed in said Office on October 5, 2007, as Land Court Document No. 3664892.

t. The terms and provisions contained in SHORT FORM MEMORANDUM OF FLOOR AREA ALLOCATION AGREEMENT filed in said Office on April 3, 2009, as Land Court Document No. 3844930.

u. The terms and provisions contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGMENT (ESTATE FOR YEARS), filed in said Office on April 22, 2010, as Land Court Document No. 3957506.

v. Terms, provisions, reservations, covenants, conditions and restrictions as contained in AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR AULANI, A DISNEY RESORT & SPA, KO OLINA, HAWAII, dated September 7, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150337, which said instrument amended and restated that certain Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawaii, dated April 12, 2010, filed in said Office on April 22, 2010, as Land Court Document No. 3957567, all rules and policies adopted pursuant to it, and any changes and additions made to any of them from time to time.

w. Terms, provisions, reservations, covenants, conditions and restrictions as contained in MASTER COTENANCY AGREEMENT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS dated April 12, 2010, filed in said Office on April 22, 2010, as Land Court Document No. 3957568 and all changes and additions made to it from time to time.

x. Terms, provisions, reservations, covenants, conditions and restrictions as contained in AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII CONDOMINIUM DECLARATION OF MERGER OF CONDOMINIUM PHASES dated April 12, 2010, filed in said Office on April 22, 2010, as Land Court Document No. 3957569.

4. AS TO PARCEL FIRST (LOT 4604-B) ONLY:

a. Easement 1918 for communication lines and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

b. Easement 1925 for shoreline access purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

5. AS TO PARCELS FIRST (LOT 4604-B) AND SECOND (LOT 5345-B) ONLY:

a. Easement 2130 shoreline parkway purposes as shown on Map 474 as set forth by Land Court Order No. 93926.

b. Easement 2282 for open space parkway purposes as shown on Map 497, as set forth by Land Court Order No. 96075.

c. A Grant of Easement for public access and utility purposes over Easement 2130, in favor of The City and County of Honolulu, a Hawaii municipal corporation, filed December 21, 1993 as Land Court Document No. 2099737.

6. AS TO PARCELS FIRST (LOT 4604-B), SECOND (LOT 5345-B) AND THIRD:

a. Terms, provisions, reservations, covenants, conditions and restrictions as contained in that certain Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawaii Condominium, dated September 7, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150337, which said instrument amended and restated that certain Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawaii Condominium, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957908.

b. The plans of the Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawaii Condominium recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map No. 2024, which said plans amended and restated the plans of the Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawaii Condominium filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map No. 2049.

7. AS TO PARCEL THIRD:

a. Terms, provisions, reservations, covenants, conditions and restrictions of the Hotel Condominium Declaration, the Hotel Condominium Association Articles, the Hotel Condominium Association Bylaws, the Hotel

Condominium Map and the Hotel Condominium Rules (herein together referred to as the "Hotel Documents"), including but not limited to:

(1) As to Units H-1 and H-9, a possibility of reverter in and to any "Additional Air Space Units" established pursuant to Section 22.5 of the Hotel Condominium Declaration (as the quoted term is defined in the Hotel Condominium Declaration); and

(2) All other of "DVD's Reserved Rights" under the Hotel Documents (as the quoted term is defined in the Hotel Condominium Declaration).

b. All of the encumbrances described in Exhibit "A" to the Hotel Condominium Declaration, each of which is incorporated herein by this reference.

-NOTE:- THERE IS HEREBY OMITTED FROM ANY COVENANTS, CONDITIONS AND RESERVATIONS CONTAINED IN ANY INSTRUMENT DESCRIBED HEREIN, ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN, UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT OR RESTRICTION (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE, OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS.

End of Exhibit A

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

BUREAU OF CONVEYANCES

Doc 2011-150335(-2011-150336) -
SEP 16, 2011 12:00 PM -

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains 19 pages.

Tax Map Key: (1) 9-1-057-034

Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium

AMENDED AND RESTATED BYLAWS

OF ALI'I NUI HOTEL CONDOMINIUM, ASSOCIATION, INC.

**AMENDED AND RESTATED
BYLAWS
OF
ALI'I NUI HOTEL CONDOMINIUM ASSOCIATION, INC.,**
a corporation not-for-profit under the laws of the State of Florida

These Amended and Restated Bylaws of Ali'i Nui Hotel Condominium Association, Inc. (herein, as the same may be amended or supplemented from time to time, called the "**Bylaws**"), are made by Disney Vacation Development, Inc., a Florida corporation ("**DVD**"), pursuant to Article VIII, Section 4 of those certain Bylaws of Ali'i Nui Hotel Condominium Association, Inc., dated April 12, 2010, recorded as Land Court Document No. 3957906 (the "**Original Bylaws**"). These Bylaws entirely supersede and replace the Original Bylaws. The terms used in these Bylaws shall have the same meaning as the identical terms used in the Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium recorded concurrently herewith (herein, as the same may be amended or supplemented from time to time, called the "**Declaration**"), unless the context otherwise requires.

I. IDENTITY

1. These are the Bylaws of ALI'I NUI HOTEL CONDOMINIUM ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida (the "**Condominium Association**"), and under the Articles of Incorporation of Ali'i Nui Hotel Condominium Association, Inc. (herein, as the same may be amended or supplemented from time to time, called the "**Articles**") which were filed in the office of the Secretary of State of the State of Florida. The Condominium Association has been organized for the purpose of being the unit owners association required by Chapter 514B, Hawai'i Revised Statutes, for a condominium to be known as Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "**Condominium**"). The Condominium consists of the Land described in Exhibit A which is attached to and part of this document, and the Improvements located on the Land. Regardless of anything stated in or that may be inferred from any provision of these Bylaws (including but not limited to any reference to the Condominium Property Act or Condominium Regulations), neither the Condominium nor the Condominium Association shall be subject to Part VI of the Condominium Property Act except to the extent that Chapter 514B requires compliance with Section 514B-132, Hawai'i Revised Statutes.
2. The office of the Condominium Association shall be at 1390 Celebration Boulevard, Celebration, Florida 34747, or at such other place as may be designated by the board of directors of the Condominium Association (the "**Board**") from time to time.
3. The fiscal year of the Condominium Association shall be the calendar year.
4. The seal of the Condominium Association shall bear the name of the Condominium Association, the word "Florida," the words "Corporation Not-for-Profit," and the year of incorporation.

II. OWNERS' MEETINGS

1. The annual Owners' meeting shall be held at such time, place and date as may be designated by the Board, for the purpose of electing directors and of transacting any other business authorized to be transacted by the Owners. At the election of the Board, and to the extent permitted by applicable law, such annual Owners' meeting may be held jointly with the annual Owners' meetings of any Vacation Owners Association or Fractional Owners Association, and other condominium associations and/or vacation owner associations that are DVC Resorts.

2. As set forth in Article XI of the Articles, special Owners' meetings shall be held whenever called by the president or vice president of the Condominium Association, or by a majority of the Board, and must be called by such officers upon receipt of a written request from Owners of fifty percent (50%) of the Total Voting Interests, unless otherwise provided by law. Unless otherwise set forth in the notice of special meeting, as provided for above, all special meetings shall be held in Orange County, Florida.

3. Notice of all Owners' meetings stating the time, place and agenda for which the meeting is called shall be given by the president or secretary of the Condominium Association, unless waived in writing. Such notice shall be sent in writing to each Owner at the Owner's address or e-mail address as it appears on the books of the Condominium Association and shall be sent by mail, facsimile (upon confirmation of receipt) or e-mail to each Owner not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Any notice by e-mail shall only be valid if the Owner has first consented electronically to the use of e-mail for notice purposes demonstrating that the Owner has the ability to access the notice by e-mail. Any consent to receive notice by e-mail is effective until revoked by the Owner. An affidavit executed by the secretary attesting to the mailing or the post office certificate of mailing shall be retained in the records of the Condominium Association as proof of such mailing. In addition, a notice of the meeting shall be posted at a conspicuous place on the Condominium, which location shall be duly adopted by rule by the Board upon notice to the Owners, at least fourteen (14) days prior to said meeting. In lieu of any physical posting of notice, the Board may adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and agenda on a closed-circuit television system serving the Condominium Association at least four (4) times every broadcast hour each day notice is required. Owners may waive notice of specific meetings and may take action by written agreement without meetings, and any Owner's attendance at a meeting shall constitute a waiver of the notice of that meeting. Mortgagees shall, upon prior written request, be entitled to receive notice of all Owners' meetings. Failure to provide such notice shall not invalidate any action taken at an otherwise properly noticed meeting. Where Assessments against Owners are to be considered for any reason at an Owners' meeting, the notice shall contain a statement that Assessments will be considered and shall specify the nature of any such Assessment.

4. The presence in person or by proxy of Voting Representatives representing a Majority of the Total Voting Interests eligible to vote shall constitute a quorum, and decisions shall be made by the vote of a Majority of the Voting Interests at a meeting at which a quorum is present.

5. Each Unit shall be entitled to a percentage vote in the Condominium Association equal to the Common Interest appurtenant to that Unit as set forth in the Declaration, or in any amendment to the Declaration. The vote for each Unit shall be cast by its Voting Representative. Voting Representatives for Units owned by more than one person or by a corporation or other entity shall be cast by the Voting Representative named in a Voting Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Condominium Association. The Voting Certificate shall provide that all notices or other information required to be delivered to Owners by the Condominium Association shall be delivered by the Condominium Association to the Voting Representative; provided, however, that the Voting Certificate shall require the Voting Representative to provide the Owners of a Unit with all notices required by the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes, or by Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules. Each Voting Certificate shall be valid until revoked by a subsequent Voting Certificate. In the event that a Voting Certificate is not on file with respect to a Unit owned by more than one person or by a corporation or other entity, the vote of such Unit shall not be considered in determining the requirements for a quorum nor for any other purposes. By execution of a deed for purchase of a Unit in the Condominium or otherwise acquiring title to any interest in a Unit, including but not limited to a Vacation Ownership Interest or Fractional Ownership Interest, the Owners of a Unit shall evidence their joinder in the Master Cotenancy Agreement, which Agreement shall be recognized by the Condominium Association as the Voting Certificate for that Unit, and nothing herein shall affect the terms and conditions of the Voting Certificate established in the Master Cotenancy Agreement for each Unit.

6. Votes may be cast in person or by proxy.

A. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof and must be filed with the secretary at or before the appointed time of the meeting.

B. Each proxy shall specifically set forth the name of the person voting by proxy, the name of the person authorized to vote the proxy, and the date the proxy was given. Each proxy shall contain the date, time and place of the meeting for which the proxy is given. In addition, limited proxies shall set forth those items on which the holder of the proxy may vote and the manner in which the vote is to be cast.

C. In no event shall any proxy be valid for a period of longer than ninety (90) days after the date of the first meeting, and any adjournments thereof, for which the proxy was given. Every proxy shall be revocable at any time at the pleasure of the Owner executing it.

D. If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in the Owner's place. If such provision is not made, substitution is not authorized.

E. Proxies or written consents on votes may be received by e-mail and utilized for votes of the Condominium Association; provided, however, that the e-mail signature is authorized through use of a password, cryptography software or other reasonable means and proof of such authentication is made available to the Board.

F. A person buying a Unit, Vacation Ownership Interest and/or Fractional 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. The provisions of Subsections 6.A., B. and C. do not apply to voting rights transferred by an agreement of sale.

G. 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 Subsection 6.G., and the person to whom the voting rights are transferred is called the "proxy holder". If a true copy of a mortgage or other instrument transferring or pledging an Owner's voting rights is filed with the secretary as required by Section 6.A. before an Association meeting or vote by ballot, only the proxy holder may vote in person or by proxy at that meeting or on that ballot. 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 and on all later votes by ballot until someone files with the secretary satisfactory evidence that the pledge has ended or has been released. The provisions of Subsections 6.A., B. and C. do not apply to voting rights transferred by a pledge.

7. Approval or disapproval of an Owner upon any matter, whether or not the subject of a Condominium Association meeting, shall be by the same person, corporation or other entity who would cast the vote of such Owner if in a Condominium Association meeting.

8. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

9. The presiding officer of all Owners' meetings shall be the president of the Condominium Association. In the absence of the president, the vice-president of the Condominium Association shall preside.

10. The order of business at annual Owners' meetings and, as far as practicable at all other Owners' meetings, shall be:

- | | |
|--|---------------------------|
| A. Call to order. | F. Report of committees. |
| B. Calling of the roll and certifying of proxies. | G. Election of directors. |
| C. Proof of notice of meeting or waiver of notice. | H. Unfinished business. |
| D. Reading and disposal of any unapproved minutes. | I. New business. |
| E. Report of officers. | J. Adjournment. |

Notwithstanding the foregoing, if any item listed above is not relevant to a particular meeting, as determined by the Board in its sole, absolute and unfettered discretion, such item shall not be required to be addressed at that particular meeting.

11. For so long as DVD holds Units, Vacation Ownership Interests and/or Fractional Ownership Interests for sale in the ordinary course of business, none of the following actions may be taken without the prior approval in writing by DVD:

- A. Assessment of DVD as the Owner of Units, Vacation Ownership Interests and/or Fractional Ownership Interests in Units for capital improvements.
- B. Any action by the Condominium Association that would be detrimental to the sale of Units, Vacation Ownership Interests and/or Fractional Ownership Interests by DVD.
- C. Any other action by the Condominium Association for which the Condominium Documents require the written approval of DVD.

III. DIRECTORS

1. The affairs of the Condominium Association shall be managed by a board of directors who shall be members of the Condominium Association, excepting that the first Board and their successors appointed by the remaining directors (in the event of vacancies occurring before the first election of directors at an annual Owners meeting) need not be members and excepting that any directors appointed or elected by DVD as developer or as Voting Representative need not be members. The initial Board shall consist of three (3) directors, and thereafter the membership of the Board shall consist of not less than three (3) nor more than seven (7) directors. The Board may from time to time increase or decrease the number of persons to serve on the Board; provided, however, that the Board shall always consist of an odd number of directors. Where Units, Vacation Ownership Interests and/or Fractional Ownership Interests are owned by corporations, the officers, directors, employees or other appointed representatives of said corporations shall be eligible to serve on the Board on behalf of the corporation.

2. Election of directors shall be conducted in the following manner:

A. Members of the Board shall be elected by a plurality of the votes cast at an annual Owners' meeting. There shall be no cumulative voting. The Board may appoint a search committee for the purpose of locating and encouraging qualified persons to become candidates.

B. Vacancies on the Board may be filled by the remaining directors subject to the provisions of Section 2(C) of this Article. A director appointed to fill a vacancy in office shall serve the remainder of the term of the office which the departing director held.

C. The initial directors shall be appointed by DVD and shall serve until the first election of directors, and any vacancies in office occurring before the first election shall be filled by the remaining directors. In the event there are no remaining directors, any such vacancies shall be filled by DVD.

3. At the first annual Owner's meeting, the majority of those directors receiving the most votes shall serve for a two (2) year term and the remaining directors shall serve for a one (1) year term. Thereafter, each director's service shall extend for a two (2) year period and thereafter until a successor is duly elected and qualified or until the director is removed in the manner elsewhere provided.

4. The first meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the first meeting shall be necessary providing a quorum shall be present.
5. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings shall be given to each director, personally, by fax upon confirmation of receipt, or by mail or e-mail at least three (3) days prior to the date set forth for such meeting unless such notice is waived. Notice of all meetings of the Board shall be posted in a conspicuous place on the Property for the benefit of Owners at least forty-eight (48) hours in advance of such meeting, except in an emergency. In lieu of any physical posting of notice, the Board may adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and agenda on a closed-circuit television system serving the Condominium Association at least four (4) times every broadcast hour each day notice is required. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one (1) of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Upon notice to the Owners, the Board shall, by duly adopted rule, designate a specific location on the Property upon which all notices of Board meetings shall be posted. All meetings of the Board shall be open to all Owners. All Owners shall have the right to speak at meetings of the Board with reference to designated agenda items; however, the Board may adopt reasonable rules governing the frequency, duration, and manner of Owner statements.
6. Special meetings of the Board may be called by the chairperson of the Board or the president of the Condominium Association and must be called by the secretary of the Condominium Association at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally, by fax upon confirmation of receipt, by mail or e-mail, which notice shall set forth the time, place and purpose of the meeting.
7. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Any director's attendance at a meeting shall constitute a waiver of the notice of that meeting.
8. A quorum at Board meetings shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board, approved by a majority of votes present at a meeting at which a quorum is present, shall constitute the acts of the Board, except as specifically otherwise provided in the Declaration. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. Once a quorum is present, the meeting may resume and any business which might have been transacted at the meeting as originally called may be transacted without further notice.
9. The presiding officer of Board meetings shall be the president of the Condominium Association. In the absence of the president, the members of the Board who are present shall elect a chairperson to preside.
10. Directors' fees, if any, shall be determined by the Owners, and no director shall receive a fee prior to the election of the Board by the Owners at the first annual Owner's meeting.
11. Notwithstanding anything to the contrary contained herein, any director appointed by DVD may be removed by DVD at any time. Upon such removal, DVD shall immediately appoint a replacement director and notify the remaining directors, if any, of such removal and appointment.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Condominium Association shall be exercised by the Board, including, but not limited to, those existing under common law, statutes and the Condominium Documents. Such powers and duties

of the Board shall be exercised in accordance with the provisions of the Declaration governing the use of the Property, and shall include the following:

1. To adopt a budget and to make and collect Assessments against Owners to defray the costs of the Condominium.
2. To use the proceeds of Assessments in the exercise of its powers and duties.
3. To maintain, manage, repair, replace and operate the Property, including, but not limited to, obtaining and maintaining adequate insurance to protect the Condominium Association and the Property.
4. To reconstruct improvements after casualty and to construct further improvements to the Property.
5. To make and amend the Condominium Rules and Regulations respecting the use of the Property.
6. To enforce by legal means the provisions of the Condominium Documents.
7. To contract for the management of the Condominium and to delegate to such contractor all powers and duties of the Condominium Association except such as are specifically required by Hawai'i law or the various Condominium Documents to have approval of the Board or the Owners. Notwithstanding any provisions contained in these Bylaws to the contrary, it is the intent of these Bylaws that the Board shall not have the power to independently terminate the Property Management Agreement except as explicitly set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms.
8. To pay taxes and assessments which are liens against any part of the Condominium, including any assessments imposed pursuant to the Ko Olina Documents, and to assess the same against the Owners subject to such liens.
9. To pay the cost of all power, water, sewer and other utility services rendered to the Condominium and not billed directly to an Owner or paid by the Condominium Association.
10. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Condominium Association, including, but not limited to, accountants and attorneys.
11. To bond any or all employees, officers and directors of the Condominium Association, for which the Condominium Association shall bear the costs.
12. To maintain, manage, repair, replace and operate the property of the single condominium resulting from a merger of this Condominium with another independent and separate condominium pursuant to the merger provisions of the Declaration and the Declaration of Merger.
13. To maintain all books and records concerning the Condominium, including, but not limited to, the maintenance of a complete list of the names, addresses and e-mail addresses of all Owners.
14. To acquire title to and hold, convey or mortgage, lease or rent property in accordance with the Declaration.
15. To convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansions or other public purposes, whether negotiated or as a result of eminent domain proceedings.
16. To accept title to any real or personal property transferred or leased to it by DVD.

17. To buy, lease, or otherwise acquire the use of one or more Units or other real property for use by the Condominium Association for Condominium Association purposes, including among other things, for use as a manager's apartment, in accordance with the Declaration.

V. OFFICERS

1. The executive officers of the Condominium Association shall be a president, a vice president, a secretary, and a treasurer, all of whom may be directors of the Condominium Association and who shall be elected annually by the Board at any meeting. Any person may hold two or more offices, the duties of which are not incompatible; provided that the president shall not also be the vice president, secretary or treasurer, or assistant secretary or assistant treasurer. The Board shall from time to time elect such other officers and designate their powers and duties as the Board determines to be necessary to manage the affairs of the Condominium Association.
2. The president shall be the chief executive officer of the Condominium Association. The president shall have all of the powers and duties which are usually vested in the office of president including, but not limited to, the power of appointing committees from among the Owners from time to time, as the president may in the president's discretion determine to be appropriate, to assist in the conduct of the affairs of the Condominium Association.
3. The vice president shall, in the absence or disability of the president, exercise the powers and duties of the president. The vice president shall also generally assist the president and exercise such other powers and perform such other duties as shall be prescribed by the Board.
4. The secretary shall keep the minutes of the proceedings of the Board and the Owners in a book available for inspection at any reasonable time by the directors or Owners, or their authorized representatives. The Condominium Association shall retain these minutes for a period of not less than seven (7) years. The secretary shall attend to the giving and serving of all notices required by law. The secretary shall have custody of the seal of the Condominium Association and affix the same to instruments requiring a seal when duly signed.
5. The treasurer shall have custody of all property of the Condominium Association including, but not limited to, financial records, funds, securities and evidences of indebtedness. The treasurer shall keep the financial records of the Condominium Association and shall keep the Assessment rolls, the accounts of the Owners, and the books of the Condominium Association in accordance with good accounting practices. The treasurer shall perform all other duties incident to the office of treasurer of an association and as may be required by the directors or the president of the Condominium Association.
6. The compensation of all employees of the Condominium Association shall be fixed by the Board. This provision shall not preclude the Board from employing a director or an officer as an employee of the Condominium Association nor from contracting with a director for the management of the Condominium.

VI. FISCAL MANAGEMENT

The provisions for fiscal management of the Condominium Association set forth in the Declaration and the Articles shall be supplemented by the following:

1. Assessments.

A. The Board shall fix and determine from time to time the sum or sums necessary and adequate for all costs and expenses designated as Common Expenses from time to time by the Board, or under the provisions of the Declaration. The Board is specifically empowered, on behalf of the Condominium Association to make and collect Assessments and to lease, maintain, repair and replace the Common Elements and Limited Common Elements of the Condominium. The Board shall have the power, on behalf of the Association, to lease Common

Elements of the Condominium in accordance with the provisions of the Declaration. Funds for the payment of Common Expenses shall be assessed against the Owners in the manner provided in the Declaration. Assessments for Units shall be due on the fifteenth day of January each year and shall be considered delinquent if payment has not been received before the fourteenth day of February each year, unless otherwise ordered by the Board. Special Assessments, should such be required by the Board, shall be levied in the same manner as provided for Regular Assessments, and shall be payable in the manner determined by the Board. If an Owner shall be in default in the payment of any Assessment due, the Condominium Association shall have all collection rights available to it under the Declaration or under Chapter 514B, Hawai'i Revised Statutes, and Chapter 16-107, Hawai'i Administrative Rules.

B. The Assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such an account shall designate the name and address of the Owners or Owner, the dates and amounts in which the Assessments come due, the amounts paid upon the account and the balance due upon Assessments. Assessments shall be made against Owners in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. In the absence of a determination by the Board as to the frequency of Assessments, Assessments shall be due and payable annually. The personal liability of an Owner for Assessments shall survive the termination of such Owner's membership in the Condominium Association.

C. Any Owner shall have the right, as provided in the Declaration, to require a certificate from the Condominium Association showing the amount of unpaid Assessments against such Owner with respect to the Owner's interest in a Unit in the Condominium. A Mortgage Lender shall have the same right as to any interest in the Condominium upon which it holds a mortgage. Any person who relies upon such certificate shall be protected thereby to the extent provided in the Declaration.

D. Notice of any meeting at which Assessments against Owners are to be considered, whether a meeting of the Board or of the Owners, shall specifically contain a statement that Assessments will be considered and the nature of such Assessments.

2. Budget.

A. The Board shall adopt an Estimated Budget consisting of an operating budget and a capital reserves budget for each calendar year which shall contain estimates of the cost of performing the functions of the Condominium Association and estimates of the revenue received by the Condominium Association. The proposed annual operating budget of Common Expenses shall be detailed, shall show the amounts budgeted, by accounts and expense classifications, and shall contain any other information required by the Declaration, Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules. The capital reserves budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include things such as roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula that is based upon estimated remaining useful life, taking into account deferred maintenance, and estimated replacement cost of each reserve item and in accordance with the rules set forth in Chapter 16-107, Hawai'i Administrative Rules, as amended. These reserve accounts may be waived, or less adequate reserves established, by vote of a Majority of the Voting Interests, voting in person or by proxy, at a duly called meeting of the Condominium Association; provided that the requirements for reserve amounts set forth in Chapter 514B, Hawai'i Revised Statutes and Chapter 16-107, Hawai'i Administrative Rules are met. The Estimated Budget shall include proposed Assessments against each Owner, together with an annual total of Assessments, and the following items, if applicable:

- (a) Administration of the Condominium Association.
- (b) Management fees.
- (c) Maintenance.
- (d) Rent for recreational and other commonly used facilities.
- (e) Taxes upon Association Property.
- (f) Taxes upon leased areas.
- (g) Insurance.
- (h) Security provisions.
- (i) Operating Capital.
- (j) Reserves.
- (k) Fees payable to any governmental entities, if applicable.
- (l) Assessments due pursuant to the Ko Olina Documents
- (m) Other expenses.

B. Copies of the proposed budget and proposed Assessments shall be transmitted to each Owner at least fourteen (14) days prior to the meeting at which the proposed budget is to be considered, together with a notice of the meeting which shall state the time and place of the meeting. The meeting shall be open to all Owners. If the Estimated Budget is subsequently amended before the Assessments are made, a copy of the amended Estimated Budget or a description of any changes in the adopted Estimated Budget and a disclosure regarding the Owner's rights to receive a copy of the adopted Estimated Budget shall be furnished to each Owner.

3. The Board may impose Special Assessments and Personal Assessments in accordance with the requirements of the Declaration.

4. The depository of the Condominium Association shall be such bank or other institution as permitted by Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules, as shall be designated from time to time by the Board and from which the monies in such accounts shall be withdrawn only by checks signed by such persons as are authorized by the Board.

5. Unless waived by a majority vote of all Owners taken at an Association meeting, the Property Management Company, or the Board if there is no Property Management Company, shall arrange for an annual independent audit of the Condominium Association's financial accounts conducted by a public accountant (as "public accountant" is defined in Chapter 466, Hawai'i Revised Statutes) in accordance with generally accepted auditing standards. Upon request, a copy of the audit shall be provided to the Director of the Department of Commerce and Consumer Affairs of the State of Hawai'i, to any member of the Condominium Association, and any prospective purchaser. The audit report shall include such information as provided by Chapter 514B, Hawai'i Revised Statutes or Chapter 16-107, Hawai'i Administrative Rules.

6. Unless waived by a majority vote of all Owners taken at an Association meeting, the Board shall obtain a fidelity bond or fidelity insurance as required by the Declaration. The amount of such bonds shall be determined in accordance with the Declaration, Chapter 514B, Hawai'i Revised Statutes and Chapter 16-107, Hawai'i Administrative Rules. The premiums on such bonds shall be paid by the Condominium Association as a Common Expense.

VII. PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Condominium Association proceedings when not in conflict with the Condominium Documents or with the statutes of the State of Hawai'i or the Florida Not For Profit Corporation Act.

VIII. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. Until the election of directors at the first annual Owner's meeting, proposal of an amendment to these Bylaws and approval thereof shall require the affirmative action of two-thirds (2/3) of the entire membership of the Board, and no meeting of the Owners nor any approval thereof is required.
3. After the election of directors at the first annual Owner's meeting, an amendment may be proposed by either the Board or by the membership of the Condominium Association, and after being proposed and approved by one of such bodies, it must be approved by the other. Except as otherwise provided herein, a resolution adopting a proposed amendment must receive approval of not less than two-thirds (2/3) of the votes of the entire membership of the Board and vote of not less than a Majority of the Voting Interests of the Condominium Association at a duly called meeting of the Condominium Association. Directors and Owners not present at the meeting considering the amendment may express their approval in writing within ten (10) days after such meeting.
4. These Bylaws shall be amended by DVD, if necessary, to make the same consistent or compatible with the provisions of the Declaration, the Master Cotenancy Agreement or the Master Declaration, to conform these Bylaws to meet the requirements of any governmental entity or statute, as may be in the best interests of the Condominium Association, and as it may deem appropriate, in its sole, absolute and unfettered discretion, to carry out the purposes of the Condominium and to expand or enhance any Vacation Ownership Plan or Fractional Ownership Plan established with respect to the Condominium, or the Disney Vacation Club.
5. An amendment when adopted or made shall become effective only after being recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i or the Bureau of Conveyances of the State of Hawai'i. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text double underlined, and words to be deleted shall be lined through. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it is not necessary to use double underlining and lining as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language "Substantial rewording of Bylaw. See Bylaw . . . for present text." Nonmaterial errors or omissions in the Bylaw amendment process shall not invalidate an otherwise properly promulgated amendment.

IX. SEVERABILITY AND CONFORMITY TO STATE LAW

These Bylaws are to be governed by and construed according to Chapter 514B, Hawai'i Revised Statutes, Chapter 16-107, Hawai'i Administrative Rules, and the laws of the State of Florida. If it should appear that any of the provisions hereof are in conflict with the Declaration, the Master Cotenancy Agreement, the Master Declaration, Chapter 514B, Hawai'i Revised Statutes, Chapter 16-107, Hawai'i Administrative Rules, or any rule of law or statutory provision of the State of Florida, as of the date of the recording of the Declaration, then such provisions of these Bylaws shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to the Declaration, the Master Cotenancy Agreement, the Master Declaration or such rule of law.

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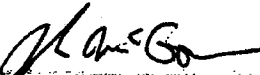
DVD signed these AMENDED AND RESTATED BYLAWS OF ALI'I NUI HOTEL CONDOMINIUM ASSOCIATION, INC. on September 7, 2011. They will take effect when they are recorded.

DISNEY VACATION DEVELOPMENT, INC.,
a Florida corporation

By

Name:

Title:



John McGowan

Secretary

ABC joins in these Bylaws for the sole purpose of permitting DVD to comply with the requirements relating to the submission of the Land to a condominium property regime pursuant to the Condominium Property Act. ABC has not reviewed these Bylaws for adequacy or compliance with law, and expressly disclaim any responsibility for these Bylaws, the matters set forth herein, and/or any other documents or agreements relating to the Condominium, including, but not limited to, the Declaration and any public report issued under the Condominium Property Act relating to the Condominium or any disclosure statement issued under Chapter 514E of the Hawai'i Revised Statutes relating to the Condominium or any Vacation Plan established with respect to it. DVD, the Condominium Association, all Unit Owners, Mortgage Lenders, vendors and vendees under Agreements of Sale, tenants and occupants of Units and their employees, business invitees and any other persons who may use any part of the Condominium do so with the understanding that ABC has no liability hereunder, and each and every one of the foregoing shall be deemed to the fullest extent permitted by law to have waived as against ABC, and to have released ABC, as to any claim relating to the Condominium. No action taken by DVD or any other person pursuant to these Bylaws shall be deemed to be the act of ABC, unless such action is expressly authorized or approved by ABC in writing in each instance. Notwithstanding anything provided to the contrary, under no circumstances will ABC have any liability for expenses under these Bylaws except to the extent that ABC is a Unit Owner. In the event ABC is found to be liable in any claim relating to these Bylaws, any recovery shall be limited to ABC's interest in the Land, and shall not extend to any other assets of ABC or the individual officers, directors, agents and employees of ABC.

ABC, INC.,
a New York corporation

By

Name:

Title:



Leigh A. Nieman

Assistant Secretary

STATE OF FLORIDA)
COUNTY OF ORANGE) ss:

On this 7 day of September 2011, before me personally appeared John McGowan, Disney Vacation Development, Inc., 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.

Fay A. Golding
Name: Fay A. Golding Notary Public, State of Florida
My Commission expires: _____



STATE OF FLORIDA)
COUNTY OF ORANGE) ss:

On this 7 day of September, 2011, before me personally appeared LEIGH A. NIEMAN, ABC, Inc., 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.

Fay A. Golding
Name: Fay A. Golding Notary Public, State of Florida
My Commission expires: _____



Exhibit A

(to Amended and Restated Bylaws of Ali'i Nui Hotel Condominium Association, Inc.)

Description of the Land

PARCEL FIRST (Portion of TMK (1) 9-1-057-034)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

Lot 4604-A, area 6.137 acres, more or less, as shown on Map 1325, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Transfer Certificate of Title No. 879,924, recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 2011-134261.

NOTE: Lot 4604-A shall have access over Lots 4633 and 4639, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069, and also over Lots 4597, 4599, 4600, 4601 and 4602, as shown on Map 450, as set forth by Land Court Order No. 92806, filed March 6, 1989.

PARCEL SECOND (Portion of TMK (1) 9-1-057-034)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

Lot 5345-A, area 5.553 acres, more or less, as shown on Map 1325, filed in said Office with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Transfer Certificate of Title No. 879,926, recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 2011-134263.

NOTE: Lot 5345-A shall have access to Farrington Highway across Lots 4633 and 4638, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069, and also over Lots 4745 and 4744, as shown on Map 476 filed with Land Court Application No. 1069, and also over Lots 4599, 4600 and 4602, as shown on Map 450 filed with Land Court Application No. 1069, as set forth by Land Court Order No. 96075, filed December 5, 1989.

SUBJECT HOWEVER TO THE FOLLOWING ENCUMBRANCES:

1. The lien of real property taxes not yet due and owing.
2. AS TO PARCELS FIRST AND SECOND:
 - a. Title to all mineral and metallic mines reserved to the State of Hawai'i.
 - b. CERTIFICATE AND AUTHORIZATION dated October 8, 1985, filed in said Office as Land Court Document No. 1328029, and also recorded in the Bureau of Conveyances of the State of Hawai'i in Book 19004, Page 123.

The foregoing Certificate and Authorization was amended by AMENDMENT TO CERTIFICATE AND AUTHORIZATION dated July 3, 1994, recorded in said Bureau as Document No. 94-120723.

c. UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated February 21, 1986, filed in said Office as Land Court Document No. 1354687.

The foregoing instrument was amended by RELEASE OF DEVELOPMENT AGREEMENT AND PARTIAL SATISFACTION OF UNILATERAL AGREEMENT dated November 12, 1993, filed in said Office as Land Court Document No. 2090355, and also recorded in said Bureau as Document No. 93-195382.

d. UNRECORDED AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT by and between the TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, "CE", and WEST BEACH ESTATES, a Hawai'i general partnership, "WBE", dated December 1, 1986.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM DEVELOPMENT AGREEMENT dated December 1, 1986, filed in said Office as Land Court Document No. 1419770.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement was amended by UNRECORDED FIRST AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated March 19, 1993.

The foregoing unrecorded First Amendment to Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM FIRST AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated April 7, 1994, filed in said Office as Land Court Document No. 2141539.

The interest of West Beach Estates in the foregoing Unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was assigned to KO OLINA COMPANY, LLC, a Delaware limited liability company, by ASSIGNMENT OF DEVELOPMENT AGREEMENT dated August 20, 1998, filed in said Office as Land Court Document No. 2479691.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was further amended by UNRECORDED SECOND AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated June 25, 1999.

The foregoing unrecorded Second Amendment to Amended and Restated Ko Olina Resort Development Agreement was confirmed by SHORT FORM OF SECOND AMENDMENT TO AMENDED AND RESTATED KO OLINA RESORT DEVELOPMENT AGREEMENT dated December 21, 1999, filed in said Office as Land Court Document No. 2600070.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Second Amendment, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649643.

The foregoing unrecorded Amended and Restated Ko Olina Resort Development Agreement, as amended, was further amended by UNRECORDED THIRD AMENDMENT AND RESTATEMENT AND PARTIAL ASSIGNMENT OF KO OLINA RESORT DEVELOPMENT AGREEMENT dated August 29, 2007.

The foregoing unrecorded Third Amendment and Restatement was confirmed by SHORT FORM OF THIRD AMENDMENT AND RESTATEMENT AND PARTIAL ASSIGNMENT OF KO OLINA RESORT DEVELOPMENT AGREEMENT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649644.

e. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS dated December 1, 1986, filed in said Office as Land Court Document No. 1419771.

The foregoing Declaration was amended by instruments dated December 7, 1989, filed in said Office as Land Court Document No. 1702235, dated ----, filed in said Office as Land Court Document No. 2829644, and dated March 12, 2004, filed in said Office as Land Court Document No. 3083061.

Consent thereto by West Beach Estates, a Hawai'i general partnership, filed concurrently in said Office as Land Court Document No. 1702236.

Consent thereto by Ko Olina Company, LLC, Pacific Northwest, Ltd., Ko Olina Chapel, LLC, 300 Corporation, HRT, Ltd., Honolulu Limited, Ko Olina 300, LLC, Centex Homes, and Ko Olina Beach Lagoon Estates, LLC, filed concurrently in said Office as Land Court Document No. 3083062.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Declaration, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649643.

Certain rights of James Campbell Company LLC in the foregoing Declaration, were assigned to KO OLINA DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, by PARTIAL ASSIGNMENT AND MODIFICATION OF KO OLINA DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649645.

f. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in TRUSTEES' LIMITED WARRANTY DEED dated December 1, 1986, filed in said Office as Land Court Document No. 1419772.

The foregoing instrument was amended by AMENDMENT OF DEED dated May 8, 1991, filed in said Office as Land Court Document No. 1821776.

The foregoing instrument, as amended, was further amended by AGREEMENT FOR PARTIAL TERMINATION OF CONSTRUCTION EASEMENT AND RIGHT OF WAY AND RELEASE OF DEED RESTRICTION dated October 9, 1991, filed in said Office as Land Court Document No. 1857006.

g. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION dated December 1, 1986, filed in said Office as Land Court Document No. 1419773.

The foregoing Declaration was amended by instruments dated June 27, 1995, filed in said Office as Land Court Document No. 2249998, dated April 16, 1997, filed in said Office as Land Court Document No. 2377790, and dated September 24, 1999, filed in said Office as Land Court Document No. 2583045.

Consent to Amended Declaration of Covenants for Ko Olina Community Association and Agreement, dated June 27, 1995, filed in said Office as Land Court Document No. 2249999.

The interest of West Beach Estates in the foregoing Declaration, as amended, was assigned to KO OLINA DEVELOPMENT, LLC, a Delaware limited liability company, by ASSIGNMENT OF DECLARANT RIGHTS dated August 20, 1998, filed in said Office as Land Court Document No. 2479692.

AMENDED AND RESTATED DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION; CONSENT OF THE ESTATE OF JAMES CAMPBELL; CONSENT OF DECLARANT'S MORTGAGEE (herein called the "Ko Olina Declaration") dated March 13, 2006, filed in said Office as Land Court Document Nos. 3426805 through 3426807.

The interest of the Trustees under the Will and of the Estate of James Campbell in the foregoing Amended and Restated Declaration, was assigned to JAMES CAMPBELL COMPANY LLC, a Delaware limited liability company, by UNRECORDED OMNIBUS ASSIGNMENT dated January 22, 2007.

The foregoing unrecorded Omnibus Assignment was confirmed by ASSIGNMENT OF RIGHTS KO OLINA RESORT dated August 29, 2007, filed in said Office as Land Court Document No. 3649643.

Certain rights of James Campbell Company LLC in the foregoing Amended and Restated Declaration, were assigned to KO OLINA DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, by ASSIGNMENT OF RIGHTS UNDER AMENDED AND RESTATED DECLARATION OF COVENANTS FOR KO OLINA COMMUNITY ASSOCIATION effective as of August 29, 2007, filed in said Office as Land Court Document No. 3649646.

h. AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 21-5.380 OF THE LAND USE ORDINANCE (LUO) dated June 14, 2006, filed in said Office as Land Court Document No. 3446051.

The foregoing instrument was amended by instrument filed in said Office as Land Court Document No. 3843447.

i. Terms, provisions, reservations, covenants, conditions and restrictions as contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGEMENT (ESTATE FOR YEARS) filed in said Office on October 5, 2007, as Land Court Document No. 3664877.

j. Terms, provisions, reservations, covenants, conditions and restrictions as contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGEMENT (REMAINDER INTEREST) filed in said Office on October 5, 2007, as Land Court Document No. 3664878.

k. Terms, provisions, reservations, covenants, conditions and restrictions as contained in DECLARATION OF RESTRICTIVE COVENANTS REGARDING USE; RESERVED POWER TO GRANT OR MODIFY EASEMENTS, filed in said Office on October 5, 2007, as Land Court Document No. 3664879.

l. The terms and provisions contained in SHORT FORM MEMORANDUM OF HOTEL PORTION LIMITED RIGHT OF FIRST OFFER (ESTATE FOR YEARS) by and between DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, KO OLINA PARCEL 15 LLC, KO OLINA PARCEL 13-1 LLC, KO OLINA PARCEL 13-2 LLC, and KO OLINA PARCEL 13-3 LLC, each a Hawai'i limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664882.

m. The terms and provisions contained in SHORT FORM MEMORANDUM OF HOTEL PORTION LIMITED RIGHT OF FIRST OFFER (REMAINDER INTEREST) by and between ABC, INC., a New York corporation, KO OLINA PARCEL 15 LLC, KO OLINA PARCEL 13-1 LLC, KO OLINA PARCEL 13-2 LLC, and KO OLINA PARCEL 13-3 LLC, each a Hawai'i limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664883.

n. Terms, provisions, reservations, covenants, conditions and restrictions as contained in DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VACATION AND RECREATION EXPERIENCE PRESERVATION filed in said Office on October 5, 2007, as Land Court Document No. 3664884.

o. The terms and provisions contained in KO OLINA RESORT PARCEL 19 HEIGHT LIMITATION AGREEMENT by and between KO OLINA CHAPEL, LLC, a Hawai'i limited liability company, DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, and ABC, INC., a New York corporation, filed in said Office on October 5, 2007, as Land Court Document No. 3664885.

p. The terms and provisions contained in WAIVER OF GOLF TERMINATION RIGHTS by and between DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, ABC, INC., a New York corporation, and KO OLINA INTANGIBLES, LLC, a Delaware limited liability company, filed in said Office on October 5, 2007, as Land Court Document No. 3664889.

q. The terms and provisions contained in KO OLINA DEVELOPMENT LLC ESTOPPEL STATEMENT filed in said Office on October 5, 2007, as Land Court Document No. 3664890.

r. The terms and provisions contained in JAMES CAMPBELL COMPANY LLC ESTOPPEL STATEMENT filed in said Office on October 5, 2007, as Land Court Document No. 3664891.

s. The terms and provisions contained in KO OLINA DEVELOPMENT LLC ESTOPPEL STATEMENT REGARDING UNIT COUNTS filed in said Office on October 5, 2007, as Land Court Document No. 3664892.

t. The terms and provisions contained in SHORT FORM MEMORANDUM OF FLOOR AREA ALLOCATION AGREEMENT filed in said Office on April 3, 2009, as Land Court Document No. 3844930.

u. The terms and provisions contained in LIMITED WARRANTY DEED WITH ACKNOWLEDGMENT (ESTATE FOR YEARS), filed in said Office on April 22, 2010, as Land Court Document No. 3957506.

v. Terms, provisions, reservations, covenants, conditions and restrictions as contained in AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR AULANI, A DISNEY RESORT & SPA, KO OLINA, HAWAII, dated September 7, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150337, which said instrument amended and restated that certain Declaration of Covenants, Conditions, Easements and Restrictions for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i, dated April 12, 2010, filed in said Office on April 22, 2010, as Land Court Document No. 3957567, all rules and policies adopted pursuant to it, and any changes and additions made to any of them from time to time.

w. Terms, provisions, reservations, covenants, conditions and restrictions as contained in MASTER COTENANCY AGREEMENT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, filed in said Office on April 22, 2010, as Land Court Document No. 3957568 and all changes and additions made to it from time to time.

x. Terms, provisions, reservations, covenants, conditions and restrictions as contained in AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII CONDOMINIUM DECLARATION OF MERGER OF CONDOMINIUM PHASES dated April 12, 2010, filed in said Office on April 22, 2010, as Land Court Document No. 3957569.

3. AS TO PARCEL FIRST (LOT 4604-A) ONLY:

a. Easement 1926 for road access and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

b. Easement 1928 for electrical and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

c. A Grant of Easement for electrical and utility purposes over Easement 1928, in favor of Hawaiian Electric Company, Inc., a Hawai'i corporation, filed in said Office as Land Court Document No. 2338597.

4. AS TO PARCELS FIRST (LOT 4604-A) AND SECOND (LOT 5345-A):

a. Easement 1922 for electrical and communication purposes as shown on Map 451, as set forth by Land Court Order No. 92806. The foregoing easement was amended by Land Court Order No. 101786.

b. Easement 1927 for road access and utility purposes as shown on Map 451, as set forth by Land Court Order No. 92806.

5. AS TO PARCELS FIRST (LOT 4604-A) AND SECOND (LOT 5345-A):

a. Terms, provisions, reservations, covenants, conditions and restrictions as contained in that certain Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated September 7, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-150337, which said instrument amended and restated that certain Declaration of

Condominium Property Regime For Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium, dated April 20, 2010, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3957905.

b. The plans of the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map No. ~~5025~~ which said plans amended and restated the plans of the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map No. 2048.

NOTE:- THERE IS HEREBY OMITTED FROM ANY COVENANTS, CONDITIONS AND RESERVATIONS CONTAINED IN ANY INSTRUMENT DESCRIBED HEREIN, ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN, UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT OR RESTRICTION (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE, OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS.

Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i
2014 Dues Assessments

Association	Annual Dues Per Vacation Point (all amounts expressed in 2014 dollars)
Al'i Nui Vacation Owners Association, Inc.	
Operating	\$3.6054
Reserve	\$0.6177
Al'i Nui Villas Condominium Association, Inc.	
Operating	\$1.6373
Reserve	\$0.1662
Real Property Taxes	\$0.4112
TOTAL	\$6.4378

Ali'i Nui Vacation Owners Association, Inc.

Estimated Operating Budget For January 1, 2014 Through December 31, 2014

203 Vacation Homes

Revenue Components	2014 Annual Budget	2014 Annual Budget (Per Vacation Point)
Member Late Fees and Interest	\$23,784	\$0.0048
Breakage Income	1,120,777	0.2263
Member Annual Dues Assessment	17,859,948	3.6054
TOTAL REVENUES AND INCOME	\$19,004,509	\$3.8365

Cost Components

Administration and Front Desk	\$4,356,185	\$0.8795
Annual Audit	15,029	0.0030
Master Association Fees	254,060	0.0513
DVC Reservation Component	16,897	0.0034
General Excise Tax	992,887	0.2004
Housekeeping	3,896,467	0.7867
Income Taxes	319,672	0.0645
Insurance	314,946	0.0636
Legal	1,045	0.0002
Maintenance	1,944,190	0.3925
Management Fee	2,335,210	0.4714
Member Activities	83,792	0.0169
Resort Access Fee	1,113,814	0.2248
Security	461,741	0.0932
Utilities	2,898,574	0.5851
TOTAL OPERATING EXPENSES	\$19,004,509	\$3.8365

Estimated Capital Reserves Budget For January 1, 2014 Through December 31, 2014

Replacement Fund Components	203 Vacation Homes	
	2014 Annual Budget	2014 Annual Budget (Per Vacation Point)
Capital Reserves	\$3,064,696	\$0.6187
Interest Income	(5,050)	(0.0010)
TOTAL CAPITAL RESERVES BUDGET	\$3,059,646	\$0.6177

Capital Reserve Analysis For The Year Ended December 31, 2013

Replacement Fund Components	Estimated Fund Balance as of December 31, 2013	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs 203 Vacation Homes
Roof Replacement/Repair				\$ -
Interior Refurbishment		1 - 24	1 - 22	32,363,600
External Building Painting				-
Common Element Renovation				-
Pavement Resurfacing				-
Capital Reserves	\$5,050,392			
TOTAL	\$5,050,392			\$32,363,600

Ali'i Nui Villas Condominium Association, Inc.

Estimated Operating Budget For January 1, 2014 Through December 31, 2014

Revenue Components	Total	Air Space Units	Standard Commercial Units	203 Vacation Homes	
				Vacation Ownership Units	2014 Annual Budget (Per Vacation Point)
Member Late Fees and Interest	\$11,613	\$104	\$539	\$10,970	\$0.0010
Condominium Commercial Facilities Revenue	4,931,135	44,286	228,690	4,658,159	0.4044
Shared Area Income	3,771,515	33,872	174,910	3,562,733	0.3093
Developer Contribution Agreement	1,279,187	11,489	59,324	1,208,374	0.1049
Member Annual Dues Assessment	19,947,290	153,542	934,774	18,858,974	1.6373
TOTAL REVENUES AND INCOME	\$29,940,740	\$243,293	\$1,398,237	\$28,299,210	\$2.4569

Cost Components

Administration	\$796,850	\$7,157	\$36,955	\$752,738	\$0.0654
Annual Audit	15,029	135	697	14,197	0.0012
Master Association Fees	203,571	1,828	9,441	192,302	0.0167
General Excise Tax	391,619	3,517	18,162	369,940	0.0321
Custodial	2,174,697	7,250	105,993	2,061,454	0.1790
Income Taxes	188,186	1,690	8,727	177,769	0.0154
Insurance	479,347	4,305	22,231	452,811	0.0393
Legal	1,045	9	48	988	0.0001
Maintenance	2,306,253	10,613	110,405	2,185,235	0.1897
Management Fee	2,552,895	19,706	119,492	2,413,697	0.2096
Member Activities	11,762,594	105,639	545,511	11,111,444	0.9647
Security	344,932	3,098	15,997	325,837	0.0283
Utilities	2,170,722	19,494	100,672	2,050,556	0.1780
Hotel Condominium Assessment	363,844	3,268	16,874	343,702	0.0298
Shared Area Expenses	6,189,156	55,584	287,033	5,846,540	0.5076
TOTAL OPERATING EXPENSES	\$29,940,740	\$243,293	\$1,398,237	\$28,299,210	\$2.4569

Estimated Capital Reserves Budget For January 1, 2014 Through December 31, 2014

Replacement Fund Components	Total	Air Space Units	Standard Commercial Units	203 Vacation Homes	
				Vacation Ownership Units	2014 Annual Budget (Per Vacation Point)
Capital Reserves	\$2,134,616	\$15,904	\$99,149	\$2,019,563	\$0.1753
Hotel Condominium Assessment	16,166	145	750	15,271	0.0013
Shared Area Expense	105,161	944	4,877	99,340	0.0086
Interest Income	(7,199)	(65)	(334)	(6,800)	(0.0006)
Shared Area Income	(225,515)	(2,024)	(10,459)	(213,032)	(0.0184)
TOTAL CAPITAL RESERVES BUDGET	\$2,023,229	\$14,904	\$93,984	\$1,914,342	\$0.1662

Capital Reserve Analysis For The Year Ended December 31, 2013

Replacement Fund Components	Estimated Fund Balance as of December 31, 2013	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Roof Replacement/Repair		15 - 27	12 - 24	\$3,215,484
Interior Refurbishment				-
External Building Painting		7 - 10	5 - 8	1,944,313
Common Element Renovation		3 - 30	1 - 28	24,353,446
Pavement Resurfacing		4 - 20	2 - 17	356,741
Shared Area Expenses		5 - 30	3 - 28	1,799,008
Capital Reserves	<u>\$7,073,787</u>			
TOTAL	<u>\$7,073,787</u>			<u>\$31,668,992</u>

Budget Notes For 2014 Estimated Operating And Reserve Budgets For

**Ali'i Nui Vacation Owners Association ("Vacation Owners Association")
Ali'i Nui Villas Condominium Association, Inc. ("Vacation Ownership Condominium Association")**

These budget notes are for the 2014 Estimated Operating and Reserve Budgets for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium (the "**Vacation Ownership Condominium**" or "**Condominium**"), and Aulani, *Disney Vacation Club Villas*®, Ko Olina, Hawai'i Vacation Ownership Plan ("**Vacation Ownership Plan**" or "**Plan**"). All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Amended and Restated Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium (the "**Vacation Ownership Condominium Declaration**"), or the *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements (the "**Vacation Ownership Plan Declaration**"), as applicable. The budgets have been prepared on an accrual basis. See also Additional Budget Notes.

Aulani Description

The overall property comprising the Aulani Resort is subject to an Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions (the "**Master Declaration**") and contains: (i) the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "**Hotel Condominium**") and (ii) the Vacation Ownership Condominium which includes units subject to the Vacation Ownership Plan. In addition, the Hotel Condominium and Vacation Ownership Condominium include (i) properties that are subject to separate ownership and control (e.g., Commercial Units); and (ii) areas (e.g., support walls, roofs, building systems, sidewalks and amenities) that are commonly-used or integral to the structure, operation, use, or enjoyment of the Aulani Resort as a whole even though such areas are located on portions of the property that are under separate ownership and control (the "**Shared Areas**"). See Additional Budget Note 2.

Description of Revenue Components (applicable to both the Plan and Condominium Budgets except where noted):

1. **Member Late Fees and Interest** – All delinquent Annual Dues payments are subject to a late fee of \$25 per Ownership Interest, plus interest up to the maximum rate permitted by law (currently 12 percent) accrued on the amount outstanding from the original due date.
2. **Breakage Income** - As stated in the Plan Documents, Disney Vacation Club Hawai'i Management Company, LLC ("DVCHMC") rents, during the Breakage Period, certain accommodations that have not been reserved by Members. The Vacation Owners Association is entitled to receive, as breakage income, the proceeds of such rentals not to exceed 2.5 percent of the aggregate of (i) the Vacation Ownership Plan Estimated Operating Budget and Capital Reserve Budget less non-assessment revenue, plus (ii) the share of the Condominium Estimated Operating Budget and Capital Reserve Budget assessed to Owners in the Plan less non-assessment revenue. This revenue component is only included in the Plan Budget.
3. **Condominium Commercial Facilities Revenue** – The Common Elements of the Vacation Ownership Condominium include parking garages, cabanas and beach facilities that generate revenue. The revenue generated from these facilities (less a separate management fee to DVCHMC of 10% of the revenues, plus tax, as compensation for operating the facilities) is used to offset Common Expenses of the Vacation Ownership Condominium. This revenue component is only applicable to the Condominium Budget.
4. **Shared Area Income** - Shared Area income consist of funds received from the owners of interests or parcels in the Resort that are not part of the Vacation Ownership Condominium as their share of the Shared Area Expenses for the Shared Areas located as part of the Vacation Ownership Condominium. See Additional Budget Note 2. This revenue component is only applicable to the Condominium Budget.

5. Developer Contribution - See discussion of Developer Contribution Agreement for Condominium Association under the heading General Notes, below. This revenue component is only applicable to the Condominium Budget.
6. Member Annual Dues Assessment - The amounts assessed to Owners under the Plan budget or Condominium budget, as applicable.

Description of Cost Components (applicable to both the Plan and Condominium Budgets except where noted):

1. Administration and Front Desk – Administrative costs of resort management, including operating supplies and equipment rental and operational, IT and administrative support, plus, in the case of the Vacation Ownership Plan, front desk operations and bell services.
2. Annual Audit - Fee for the independent audit of each of the Association's financial statements.
3. Master Association Fees - Fees paid to Ko Olina Community Association, Inc. and the Ko Olina Resort Operators Association, Inc. for security, maintenance, landscaping and other services for the Ko Olina Resort.
4. DVC Reservation Component - Fee paid to Buena Vista Trading Company for providing the exchange component of the Club central reservation system. This cost component is only applicable to the Plan Budget.
5. Custodial - Cost of cleaning public areas - only applicable to the Condominium Budget.
6. Housekeeping - Cost of cleaning Vacation Homes and cost of disposable amenities placed in each Vacation Home. Also includes the purchase, replacement and cleaning of linens and towels. This cost component is only applicable to the Plan Budget.
7. Income Taxes – Federal and state income taxes. Condominium and vacation owners associations may not claim non-profit status for federal income tax purposes under current regulations.
8. Insurance - Cost of insurance premiums for property coverage, general liability, workers' compensation, crime and Director's and Officer's liability.
9. Legal - Cost of legal counsel regarding association business.
10. Maintenance - Cost of interior and exterior maintenance and repairs of the Common Elements of the Condominiums and of Units included in the Vacation Ownership Plan not paid for out of replacement reserves. Also includes landscaping, pest control and fire alarm monitoring.
11. Management Fee - Fee paid to DVCHMC for providing management services to each of the Associations according to the Property Management Agreement for each Association. The fee is equal to 12 percent of the total Estimated Operating and Capital Reserve Budgets, less non-assessment revenue, of each Association exclusive of the management fee itself.
12. Shared Area Expenses - The Member's share of the Shared Area Expenses charged through the Vacation Ownership Condominium Association, for the Shared Areas that are not included in the Vacation Ownership Condominium. This cost component is only applicable to the Condominium Budget.
13. Member Activities - Cost of recreation operations, certain Member activities and events at the Resort. Cost of quarterly Member newsletter, annual Association meetings and printing and postage for Association legal mailings.
14. Resort Access Fee - Fee paid to Ko Olina Club, LLC for providing to Members certain rights of access to and benefits associated with certain Ko Olina Resort entertainment facilities and services. This cost component is only applicable to the Plan Budget.

15. Security - Cost of security for the Resort.
16. Utilities - Cost of electricity, gas, water, sewer, solid waste disposal and cable television.
17. Hotel Condominium Assessment - The assessment billed to the Vacation Ownership Condominium Association by the Ali'i Nui Hotel Condominium Association, Inc. for the Vacation Ownership Condominium Association's share of the common expenses of the Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium. See those Budgets for more details. This cost component is only applicable to the Condominium Budget.
18. General Excise Tax - State tax that is a privilege tax imposed on business activity in the State of Hawai'i and the City and County of Honolulu. The estimated total tax due to the State of Hawai'i and the City and County of Honolulu on the items of expenses and revenues that are subject to the tax.

General Notes:

Developer Subsidy (guarantee) for Plan Assessments - Pursuant to a Limited Subsidy Agreement between DVD and the Vacation Owners Association, DVD has agreed that each Purchaser and Owner will pay an annual assessment for operating expenses of the Vacation Ownership Plan of \$3,6054 per Vacation Point through December 31, 2014 (exclusive of real property taxes). DVD will pay the difference between the actual costs incurred in operating the Plan (excluding real property taxes) and the sum of the amount of operating assessments assessed to all Owners other than DVD with respect to such operating costs (excluding real property taxes) and income from other sources. Provided DVD timely performs its obligation under the Limited Subsidy Agreement, DVD's payments thereunder to the Vacation Owners Association shall satisfy fully its obligation to pay assessments attributable to each Ownership Interest owned by DVD. Notwithstanding the foregoing, any expenses incurred as a result of (i) any new category of imposition that comes into effect after the date of the Limited Subsidy Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in transient accommodation taxes and any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses, will be assessed against all Owners owning Ownership Interests, their successors or assigns, including DVD. The Limited Subsidy Agreement shall automatically be renewed for successive one-year periods with respect to the estimated annual operating expense assessment for the Plan (as it may be adjusted from year to year) for each such successive one-year period unless DVD elects to terminate the agreement upon thirty (30) days prior written notice. DVD reserves the right to discontinue offering this subsidized operating assessment in the future. This developer subsidy is limited to Plan assessments and does not apply to Condominium assessments.

Removal of Build-out Subsidy - In previous years, DVD provided a subsidy (the "Build-out Subsidy") to all owners of the Vacation Ownership Condominium and Plan so that assessments paid by owners would be the same as if such assessments were based on a fully built-out resort of 460 Vacation Homes operating at sustained occupancy levels. The subsidy was calculated based on the difference between the total estimated expenses (on a per Vacation Point basis), at full build-out and when the overall resort is operating at sustained occupancy levels, and the total estimated expenses for the budget year (on a per Vacation Point basis). However, because the Aulani Resort will have already reached sustained occupancy levels for the budget year 2014, the amount of a build-out subsidy for 2014 would be zero and, therefore, no build-out subsidy is included in the 2014 budget.

Developer Contribution Agreement for Condominium Assessments - As permitted by Section 12.10B of the Condominium Declaration, Disney Vacation Development, Inc. ("DVD") has agreed to provide a developer contribution to the 2014 Condominium Association Estimated Operating Budget in the amount of \$0.1049 per Vacation Point. This contribution addresses the initial increase in expenses arising from certain enhancements to the Condominium, including the addition of a new pool and pool deck for use by the owners and occupants of the Resort. As a consequence of this contribution, each Member's share of the 2014 operating assessment for the Condominium Association will be calculated by multiplying the number of Vacation Points associated with the Member's Ownership Interest by

\$1.6373 per Vacation Point. DVD does not make any commitment that it will elect to provide this developer contribution to the Condominium Association in budget years beyond December 31, 2014. If DVD does not determine, in its sole discretion, to provide this developer contribution to the budget in future years, the Member's share of the assessment will be increased accordingly. This developer subsidy is limited to the Condominium assessments and does not apply to Plan assessments.

See also Additional Budget Notes.

Budget Notes For Estimated Capital Reserves

1. **Funds Covered** – The annual budgets for Capital Reserves covers funds set aside for the repair or replacement of major items pertaining to the Vacation Homes and Common Elements with a useful life of greater than one year. The interest earned on these funds remains in the Capital Reserves accounts and is not absorbed into the Operating Budgets.
2. **Shared Area Income** – Shared Area income consist of funds received from the owners of interests or parcels in the Resort that are not part of the Vacation Ownership Condominium and is their share for Capital Reserves for the Shared Areas located in the Vacation Ownership Condominium. Shared Area Income reduces the amount of the reserve assessment payable by Owners. See Additional Budget Note 2.
3. **Developer Subsidy (guarantee) for Plan Assessments** - Pursuant to a Limited Subsidy Agreement between DVD and the Vacation Owners Association, each Purchaser and Owner will pay an annual assessment for Plan reserve expenses of \$0.6177 per Vacation Point through December 31, 2014. DVD will pay the difference between the actual amount budgeted for Plan reserve assessments and the sum of the amount of Plan reserves assessments collected from all Owners and income from other sources to be applied against reserve assessments. Notwithstanding the foregoing, any expenses incurred as a result of (i) any new category of imposition that comes into effect after the date of this Agreement which is levied or assessed by any local, county, state or federal government, no matter how characterized, or (ii) any increase in transient accommodation taxes and any Special Assessments for capital expenditures, insurance policy deductibles, underinsured losses, or uninsured losses, will be assessed against all Owners owning Ownership Interests, their successors or assigns, including DVD. The Limited Subsidy Agreement shall automatically be renewed for successive one-year periods with respect to the estimated annual reserve assessment for the Plan (as it may be adjusted from year to year) for each such successive one-year period unless DVD elects to terminate the agreement upon thirty (30) days prior written notice. DVD reserves the right to discontinue offering this subsidized reserves assessment in the future. This developer subsidy is limited to Plan assessments and does not apply to Condominium assessments.

Additional Budget Notes

1. **2014 Dollars** - All costs are stated in 2014 dollars unless otherwise indicated.
2. **Expenses Generally and Cost Sharing** - As a general rule, each owner of a Unit in the Condominium or the Hotel Condominium (or the owners association's on such owner's behalf) must account for, and is liable to pay, expenses attributable to such owner's interest or parcel separate from owners of the other interests or parcels. However, pursuant to the Master Declaration each owner is responsible for a share of the expenses and reserves for Shared Areas ("**Shared Area Expenses**") whether or not such Shared Areas are part of the property owned by such owner. The Shared Area Expenses are allocated and shared pursuant to the Master Declaration. Further, pursuant to the Master Declaration and the Property Management Agreements, certain goods, materials, services, labor or operational or maintenance functions are or may be provided on a consolidated basis to the entire Resort ("**Shared Services**") and those expenses are allocated and shared by the

various owners on the same basis that expenses are allocated and shared for the Shared Areas (“**Shared Service Expenses**”). If an Association was required to obtain such Shared Services solely for its members, the operating costs for that Association could increase. As an example, Administration, Insurance, Maintenance, Security and Utilities are Shared Service Expenses.

3. **Books and Records** - The books and records for the Associations are maintained at: 1390 Celebration Boulevard, Celebration, Florida 34747. The person responsible for the upkeep and custodianship of the books and records of each Association is the Treasurer of each Association (407) 566-3000.
4. **Related Party Transactions** -

Ali'i Nui Vacation Owners Association (“Vacation Owners Association” or “Association”):

DVD is a Florida corporation and a subsidiary of The Walt Disney Company (“TWDC”), a Delaware corporation. DVD acquired a term-of-years interest in certain property, located in Ko Olina, Hawai'i. DVD developed the Condominium on the property, and sells Ownership Interests in Condominium Units, as part of the Vacation Ownership Plan. Unless otherwise extended, the term-for-years interest will expire on January 31, 2062, and vest to the benefit of ABC, Inc., a New York corporation. ABC, Inc. is also a subsidiary of TWDC.

Certain directors or officers of DVD or DVCHMC serve on the Board or as officers of the Association. Certain directors or officers of the Associations are also employees of TWDC or its affiliates.

During the period from January 1, 2012 through December 31, 2012, DVD entered into a limited subsidy agreement with the Association. Pursuant to the agreement, DVD agreed to pay to the Association: (1) an amount equal to the difference between the actual amount budgeted for reserve assessments for such fiscal year and the actual sum of the amount of reserve assessments collected from all owners and other income from other sources to be applied against such reserve assessments, and (2) an amount equal to the difference between the actual costs (exclusive of ad valorem real estate taxes) incurred in operating the Vacation Plan and the sum of all amounts assessed to owners other than DVD with respect to such operating costs (exclusive of ad valorem real estate taxes) and other income from other sources to be applied against such operating costs.

The obligation under this agreement for the year ended December 31, 2012 was as follows:

	<u>Operating</u>	<u>Replacement</u>	<u>Total</u>
2012 common expenses and replacement funding	\$21,114,238	\$ 1,587,857	\$22,702,095
Annual dues from owners other than DVD	(3,661,795)	(510,061)	(4,171,856)
Annual dues from DVD	(11,005,393)	(1,077,796)	(12,083,189)
Revenue from other sources	<u>(1,042,141)</u>	-	<u>(1,042,141)</u>
DVD obligation under the guarantee	5,404,909	-	5,404,909
Due from DVD as of January 1, 2012	1,163,189	-	1,163,189
Net payments from DVD and expenses paid on Association's behalf	<u>(5,307,059)</u>	-	<u>(5,307,059)</u>
Due from DVD as of December 31, 2012	<u>\$1,261,039</u>	-	<u>\$1,261,039</u>

DVCHMC, a Florida limited liability company, is the manager of each Association and is also a subsidiary of TWDC.

Management fees payable to DVCHMC are 12 percent of the total operating and reserve budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee. Management fees incurred during the year ended December 31, 2012, were \$2,638,872.

DVCHMC has entered into an agreement with the Association whereby DVCHMC may operate a resort hotel operation with respect to the rental of unreserved accommodations in the Condominium. Gross proceeds, resulting from the rental of unreserved accommodations, are retained by the Association up to an amount equal to 2.5 percent of the adjusted operating and reserve budget, as defined, in each calendar year, as breakage revenue. During the year ended December 31, 2012, the Association received \$1,035,301 in breakage revenues.

Substantially all operating expenses have been allocated to the Associations from DVCHMC, and certain operating expenses have been rendered by or incurred through other TWDC entities.

Amounts due to or from DVCHMC are payable in full and due on demand. As of December 31, 2012, the amount due to DVCHMC for allocable expenses was \$1,842,350.

Related Party Transactions -

Ali'i Nui Villas Condominium Association, Inc. ("Vacation Ownership Condominium Association"):

DVD is a Florida corporation and a subsidiary of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired a term-of-years interest in certain property, located in Ko Olina, Hawai'i. DVD developed the Condominium on the property, and sells Ownership Interests in Condominium Units, as part of the Vacation Ownership Plan. Unless otherwise extended, the term-for-years interest will expire on January 31, 2062, and vest to the benefit of ABC, Inc., a New York corporation. ABC, Inc. is also a subsidiary of TWDC.

Certain directors or officers of DVD or DVCHMC serve on the Board or as officers of the Association. Certain directors or officers of the Associations are also employees of TWDC or its affiliates.

During the year ended December 31, 2012, DVD subsidized the operations of the Association for common expenses incurred in the amount of \$6,843,765. As of December 31, 2012, the amount due from DVD related to the subsidy was \$1,197,225.

During the year ended December 31, 2012, DVD annual dues paid to the Association were \$8,044,358.

DVCHMC, a Florida corporation, is the manager of the Association and is also a subsidiary of TWDC.

Management fees payable to DVCHMC are 12 percent of the total operating and reserve budget exclusive of non-assessment revenues, ad valorem taxes, and the management fee. Management fees incurred during the period ended December 31, 2012, were \$1,631,252.

Substantially all operating expenses have been allocated to the Association from DVCHMC, and certain operating expenses have been rendered by or incurred through other TWDC entities.

Amounts due to or from DVCHMC are payable in full and due on demand. As of December 31, 2012, the amount due to DVCHMC for allocable expenses was \$2,133,717.

5. Property Management Agreement – Each Association currently has a five-year management agreement with DVCHMC. Thereafter, each management agreement automatically renews for successive periods of three (3) years each, upon its scheduled expiration, unless either party gives the other written notice of nonrenewal, as stipulated in the agreement. DVCHMC provides on-site management and maintenance services, and off-site administrative and accounting services.

Pursuant to each Agreement, DVCHMC has been delegated the authority by each Association to provide all services, through employees and experts retained by it, incidental to the management and operation of each Association. However, certain operating expenses may be incurred through other Disney entities.

6. Vacation Homes - Wherever used throughout the budgets or these notes, the term Vacation Home does not include studio or one bedroom accommodations that comprise part of a two bedroom lockoff Vacation Home.

Estimated Real Property Taxes For January 1, 2014 Through December 31, 2014

The amount of real property taxes assessed against each Unit and the Common Elements and Shared Areas of the Resort will be determined by the Real Property Assessment Division, City and County Honolulu. Each Owner's share of the real property tax assessments to be included on each Owner's 2014 Annual Dues billing statement will be \$0.4112 per Vacation Point. This is an annual amount based in part on the actual property taxes assessed against the Resort for the first half of 2014 (January 1st to June 30th). This is DVCHMCs best estimate of the actual taxes which will be assessed for the tax year 2014. DVCHMC does not certify this ad valorem tax estimate. Each Owner is responsible for his or her per Vacation Point share of the actual real estate taxes billed each year by the tax collector's office. Any difference between the tax estimate and actual taxes paid on the Owner's behalf will be applied towards the Owner's subsequent year's tax assessment

2014 Estimated Annual Dues Assessment

The estimated Annual Dues for the year January 1, 2014 through December 31, 2014 are \$6.4378 per Vacation Point, which is comprised of the estimated Annual Operating Budget (\$3.6054 per Vacation Point), and Capital Reserves Budget (\$0.6177 per Vacation Point) for the Vacation Owners Plan; plus the estimated Annual Operating Budget (\$1.6373 per Vacation Point, net after application of the developer contribution of \$0.1049 per Vacation Point), and Capital Reserves Budget (\$0.1662 per Vacation Point) for the Vacation Ownership Condominium and the estimated real property taxes (\$0.4112 per Vacation Point). The total amount of Annual Dues (including estimated real property taxes) for the Vacation Plan paid by a Purchaser or Owner is determined by multiplying the total number of Vacation Points represented by the Ownership Interest purchased by \$6.4378. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$1,480.69.

Developer Credit For Owners Who Purchased Before July 27, 2011: DVD has agreed to provide each Owner who entered into or received a purchase agreement for an Ownership Interest prior to July 27, 2011 with an annual credit. This credit will be provided to all such Owners and their successors in title every year until the earlier of the termination or expiration of the Vacation Ownership Plan or January 31, 2062. For 2014, the annual credit is equal to \$1.5998 per Vacation Point. As a result, in 2014, each such Owner's Annual Dues Assessment for Plan and Condominium Expenses (Operating and Capital Reserve Expenses) and real estate taxes shall be \$4.8380 per Vacation Point. The amount of the credit will be adjusted (increased or decreased) annually by an amount equal to the year over year change (increase or decrease) in the total dues assessment as a result of inflation or deflation. This credit shall only apply to those Ownership Interests for which a purchase agreement was entered into or received by a purchaser prior to July 27, 2011 and shall not apply to any Ownership Interests (including add-on Ownership Interests) purchased subsequent to that date. The obligation of DVD to pay this credit is a matter of private contract between DVD and Owners who entered into or received a purchase agreement prior to July 27, 2011. DVD does not offer this credit to Owners who enter into or receive purchase agreements on or after July 27, 2011.

Ali'i Nui Hotel Condominium Association, Inc.

Estimated Operating Budget For January 1, 2014 Through December 31, 2014

Revenue Components	Total	Hotel Units	203 Vacation Homes
			Vacation Support Units
Interest Income - Taxes and Operating	\$245	\$130	\$115
Member Annual Dues Assessment	773,709	409,980	363,729
TOTAL REVENUES AND INCOME	\$773,954	\$410,110	\$363,844
Cost Components			
Administration	\$118,602	\$62,845	\$55,757
Annual Audit	15,029	7,964	7,065
Insurance	76,706	40,646	36,060
Legal	1,045	554	491
Maintenance	186,908	99,041	87,867
Management Fee	90,206	47,799	42,407
Security	39,140	20,740	18,400
Utilities	246,318	130,521	115,797
TOTAL OPERATING EXPENSES	\$773,954	\$410,110	\$363,844

The Owners' Share Of This Budget Is Included In The Vacation Ownership Condominium Budget.

Estimated Capital Reserves Budget For January 1, 2014 Through December 31, 2014

Replacement Fund Components	Total	Hotel Units	203 Vacation Homes
			Vacation Support Units
Capital Reserves	\$34,388	\$18,222	\$16,166
TOTAL CAPITAL RESERVES BUDGET	\$34,388	\$18,222	\$16,166

The Owners' Share Of This Budget Is Included In The Vacation Ownership Condominium Budget.

Capital Reserve Analysis For The Year Ended December 31, 2013

Replacement Fund Components	Estimated Fund Balance as of December 31, 2013	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Roof Replacement/Repair				\$ -
Interior Refurbishment				-
External Building Painting				-
Common Element Renovation		3 - 30	1 - 28	479,373
Pavement Resurfacing		4 - 20	2 - 17	6,539
Capital Reserves	\$124,972			
TOTAL	\$124,972			\$485,912

**Budget Notes For 2014 Estimated Operating and Reserve Budgets For
Ali'i Nui Hotel Condominium Association, Inc. ("Hotel Condominium Association")**

These budget notes are for the 2014 Estimated Operating and Reserve Budgets for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i (the "Hotel Condominium"). All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Amended and Restated Declaration of Condominium Property Regime for Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "Hotel Condominium Declaration"). The budgets have been prepared on an accrual basis. See also Additional Budget Notes.

Description of Revenue Components:

1. Member Annual Dues Assessment - The amounts assessed to Owners of units in the Hotel Condominium.

Description of Cost Components:

1. Administration - Administrative costs of resort management, including operating supplies and equipment rental and operational, IT and administrative support.
2. Annual Audit - Fee for the independent audit of the Association's financial statements.
3. Insurance - Cost of insurance premiums for property coverage, general liability, workers' compensation, crime and Director's and Officer's liability.
4. Legal - Cost of legal counsel regarding Association business.
5. Maintenance - Cost of interior and exterior maintenance and repairs of the Common Elements of the Condominium not paid for out of replacement reserves. Also includes landscaping, pest control and fire alarm monitoring.
6. Management Fee - Fee paid to DVCHMC for providing management services to the Association according to the Property Management Agreement for the Association. The fee is equal to 12 percent of the total Operating Budget and Capital Reserve Budget, less non-assessment revenue, of the Association exclusive of the management fee itself.
7. Security - Cost of security for the Resort.
8. Utilities - Cost of electricity, gas, water, sewer, solid waste disposal and cable television.

See also Additional Budget Notes.

Budget Notes For Estimated Capital Reserves

1. Funds Covered - The annual budget for Capital Reserves covers funds set aside for the repair or replacement of major items pertaining to the Common Elements with a useful life of greater than one year. The interest earned on these funds remains in the Capital Reserves accounts and is not absorbed into the Operating Budget.

Additional Budget Notes

1. 2014 Dollars - All costs are stated in 2014 dollars unless otherwise indicated.
2. Books and Records - The books and records for the Association are maintained at: 1390 Celebration Boulevard, Celebration, Florida 34747. The person responsible for the upkeep and custodianship of the books and records of the Association is the Treasurer of the Association (407) 566-3000.
3. Related Party Transactions - DVD is a Florida corporation and a subsidiary of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired a term-of-years interest in the property, located in Ko Olina, Hawai'i. DVD developed the Condominium on the property, and sells ownership interests in Condominium units, as part of the vacation ownership plan. Unless otherwise extended, the term-for-years interest will expire on January 31, 2062, and vest to the benefit of ABC, Inc., a New York corporation. ABC, Inc. is also a subsidiary of TWDC.

Certain directors or officers of DVD or DVCHMC serve on the Board or as officers of the Association. Certain directors or officers of the Association are also employees of TWDC or its affiliates.

During the year ended December 31, 2012, DVD subsidized the operations of the Association for common expenses incurred in the amount of \$97,505. As of December 31, 2012, the amount due from DVD related to the voluntary subsidy was \$15,788.

During the year ended December 31, 2012, DVD annual dues paid to the Association were \$136,677.

DVCHMC, a Florida limited liability company, is the manager of the Association and is also a subsidiary of TWDC.

Management fees payable to DVCHMC are 12 percent of the total operating and reserve budget exclusive of non-assessment revenue, ad valorem taxes, and the management fee. Management fees incurred during the year December 31, 2012 were \$73,622.

Substantially all operating expenses have been allocated to the Associations from DVCHMC, and certain operating expenses have been rendered by or incurred through other TWDC entities.

Amounts due to or from DVCHMC are payable in full and due on demand. As of December 31, 2012, the amounts due to DVCHMC for allocable expenses was \$36,415.

4. Property Management Agreement - The Association currently has a five-year management agreement with DVCHMC. Thereafter, the management agreement automatically renews for successive periods of three (3) years each, upon its scheduled expiration, unless either party gives the other written notice of nonrenewal, as stipulated in the agreement. DVCHMC provides on-site management and maintenance services, and off-site administrative and accounting services.

Pursuant to the Agreement, DVCHMC has been delegated the authority by the Association to provide all services, through employees and experts retained by it, incidental to the management and operation of the Condominium. However, certain operating expenses may be incurred through other Disney entities.

**VACATION OWNERSHIP RULES AND REGULATIONS FOR
AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII VACATION OWNERSHIP PLAN**

Each Owner at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii Vacation Ownership Plan shall be governed by and shall comply with the terms of the Plan Documents and these Vacation Ownership Rules and Regulations adopted pursuant to the Plan Documents. All terms used in these Vacation Ownership Rules and Regulations shall have the same meaning as the identical terms used in the Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements. Failure of an Owner to comply with the provisions of the Plan Documents and these Vacation Ownership Rules and Regulations shall entitle the Vacation Owners Association or other Owners to pursue any and all legal and equitable remedies for the enforcement of such provisions, including, without limitation, an action for damages, an action for injunctive relief or an action for declaratory judgment. These Vacation Ownership Rules and Regulations, which generally govern the use of the Vacation Homes, are in addition to the Condominium Rules and Regulations, which generally govern the use of the rest of the Condominium Property.

1. Personal Use. Except for Units or Ownership Interests owned by DVD, which may be utilized as provided in the Declaration of Condominium or the Plan Documents, each of the Vacation Homes shall be occupied only as vacation accommodations. Except for Units or Ownership Interests owned by DVD, rentals of Vacation Homes to the general public by DVD or the Management Company and use of Vacation Points in connection with the DVC Reservation Component or external exchange programs, use of Vacation Homes is limited solely to the personal use of the Owners or Cotenants, their lessees, guests, exchangers and invitees and for recreational uses by corporations and other entities owning Ownership Interests in a Unit. No Owner may occupy a Vacation Home at any time other than during the time that a Vacation Home is properly reserved in accordance with the Plan Documents. Except as set forth above, use of Vacation Homes for commercial purposes or any purposes other than the personal use described herein is expressly prohibited. "Commercial purpose" shall include a pattern of rental activity by an Owner that the board of directors of the Vacation Owners Association (the "Board"), in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. From time to time, to the extent that the Board determines that use is occurring that is for a commercial purpose, the Board may in its sole and absolute discretion, adopt and amend policies to provide what constitutes a commercial enterprise, practice or purpose. The Vacation Owners Association has adopted a policy regarding what constitutes a commercial enterprise, practice or purpose, which policy is a record of the Vacation Owners Association and may be reviewed upon request. No Vacation Home may be divided or subdivided into a smaller Vacation Home without prior written approval of DVD. No Ownership Interest may be added to a vacation ownership plan, multisite timeshare plan, vacation club or exchange program except as provided in the Plan Documents without written approval of DVD. The provisions of this Section 1 do not apply to DVD or the Management Company.

2. It is expressly contemplated that Commercial Units and Commercial Unit LCEs may be operated as, and portions of the Master Property are and will continue to be operated as, commercial spaces containing stores, restaurants, entertainment areas and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of that typically occurring in areas consisting solely of residential accommodations, including, without limitation, conventions, fireworks, concerts, weddings, luaus and other events. Nothing contained within these Vacation Ownership Rules

and Regulations shall be deemed to prohibit such commercial activity.

3. Nuisances. No nuisance shall be allowed within a Vacation Home, 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 property by the Owners. All Vacation Homes shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. No Owner shall permit any use of a Vacation Home that will increase the cost of insurance for the Plan beyond the cost generally charged for intended use.

4. Non-Smoking Policy. Smoking in any Vacation Homes (including balconies, patios and lanais) is expressly prohibited. The Vacation Owners Association may charge a cleaning fee for any violation of this policy in an amount to be determined at the sole discretion of the Vacation Owners Association and the Management Company.

5. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of a Vacation Home, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

6. Leasing of Vacation Homes. All of the terms and provisions of the Plan Documents and these Vacation Ownership Rules and Regulations pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Vacation Home as a tenant to the same extent as against an Owner. Any lease or rental agreement, whether oral or written and whether specifically expressed in such agreement or not, shall be deemed to contain a covenant on the part of each such tenant designating the Vacation Owners Association as the Owner's agent for the purpose of and with the authority to terminate any such lease or rental agreement in the event of violations by the tenant of the terms and provisions of the Plan Documents or Vacation Ownership Rules and Regulations. All leasing or rental agreements relating to the use, occupancy and possession of any Vacation Home must be in writing and must set forth an acknowledgment and consent on the part of the lessee-sublessee-tenant to use, occupy and possess such Vacation Home in conformance and compliance with the provisions of the Plan Documents and these Vacation Ownership Rules and Regulations. In the event an Owner fails to secure a written leasing or rental agreement, the Vacation Owners Association reserves the right to request the lessee-sublessee-tenant to execute an acknowledgment to use and occupy the rented or leased Vacation Home in conformance and

compliance with the Plan Documents and these Vacation Ownership Rules and Regulations.

7. Signs. No "For Sale" or "For Rent" signs or other displays or advertising shall be maintained on any part of the Vacation Homes, except that the right is specifically reserved in DVD, to place and maintain "For Sale" and "For Rent" signs for so long as it may have Units or Ownership Interests to sell or lease in the condominium, the Plan or any other DVC Resort, and except as permitted by the Board from time to time.

8. No Pets. All pets are prohibited. No pets of any type are allowed in Vacation Homes. The provisions of this paragraph shall not apply to service animals, as defined by the Americans With Disabilities Act.

9. Decor of Vacation Homes. No Owner shall alter the furnishings, appliances, personal property or decor of any Vacation Home without the prior written consent of the Board. The Vacation Owners Association shall determine the interior color scheme, decor and furnishings of each Vacation Home as well as the proper time for redecorating and renovating the Vacation Home and its contents.

10. Noise. Should noise emanating from within a Vacation Home create a disturbance or a nuisance outside the Vacation Home, the responsibility is with the Owner to abate the noise transmission and not with the Vacation Owners Association. In order to insure the comfort of all Owners and authorized users, radio, stereo and television sets, and any and all other such audio equipment generating noise should be turned down to a minimum volume so as not to disturb other persons between the hours of 11:00 p.m. and 8:00 a.m. All other unnecessary noises between these hours should be avoided. Nothing contained within this paragraph shall be deemed to prohibit commercial activity occurring within any Commercial Unit or on any Commercial Unit LCE.

11. Obstructions. No sign, notice or advertisement shall be inscribed or exposed on or at any window of a Vacation Home, except such as shall have been approved in writing by the Board or as is permitted to DVD pursuant to these Vacation Ownership Rules and Regulations or the Plan Documents; nor shall anything be projected out of any window of a Vacation Home without similar approval. All personal property of Owners shall be stored within the Vacation Home.

12. Entry for Emergencies. In case of emergency originating in or threatening any Vacation Home, regardless of whether or not the Owner is present at the time of such emergency, the Board, the Management Company or any other person authorized by them, shall have the right to enter such Vacation Home for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry into Vacation Homes in the event of any such emergency, the Vacation Owners Association or its designee shall be allowed to retain a key for each Vacation Home.

13. Plumbing. Plumbing shall not be used for any other purpose than those for which it was constructed, and no sweepings, rubbish, rags or other foreign substances shall be deposited into the plumbing.

14. Storage of Dangerous Items. No inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any Vacation Home except as are required for normal household use.

15. Employees/Agents Control and Entry of Vacation Homes for Maintenance. Employees or agents of the Management Company are permitted to enter Vacation Homes for maintenance and repairs during reasonable hours.

16. Complaints. Complaints regarding the operation of the Plan shall be made in writing first to the Management Company, as long as the Property Management Agreement remains in effect, and thereafter, to the Board.

17. Payment of Maintenance Fees, Special Charges and Fines. Payment of maintenance fees, special charges, and fines shall be made at the office of the Management Company or at such other location as designated by the Management Company from time to time. Payments made in the form of checks shall be made to the order of such party as the Management Company shall designate.

18. Weapons. No explosives, firearms, or weapons of any kind shall be permitted in any Vacation Home without the approval of the Board.

19. Non-Payment of Assessment. Any Owners who are delinquent in payment of their assessments may be denied the right to make reservations, access, check-in and occupancy of a Vacation Home in accordance with Plan Documents, until all delinquent assessments are paid in full. In addition, the Board or the Management Company may rent the delinquent Owner's Ownership Interest in accordance with the Plan Documents. Assessments and installments on such assessments paid on or before fifteen (15) days after the date when due shall not bear interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear interest at the highest rate permitted by law from the date when due until paid. In addition to such interest, the Vacation Owners Association may charge an administrative late fee on delinquent accounts in an amount not to exceed the amount permitted under Hawaii law. In addition, the Vacation Owners Association may authorize the Management Company to charge a non-sufficient funds fee on all returned checks or dishonored electronic debits in an amount not to exceed the amount permitted under Hawaii law.

20. Right of Occupancy - Holdover Owners. In the event Owners, their lessees, guests, exchangers or invitees fail to vacate a Vacation Home upon the expiration of any reserved use period each year, as may be required by the rules and regulations governing occupancy of the Vacation Home or as otherwise established by the Management Company, such persons shall be deemed a "holdover owner" or, to the extent permitted by law and at the election of the Vacation Owners Association or the Management Company, such person shall be deemed not to be exercising his/her Ownership Interest but rather deemed a "trespasser", in which case the Vacation Owners Association or Management Company shall be entitled to exercise the remedies available to it under applicable law and the Plan Documents. It shall be the responsibility of the Vacation Owners Association to take such steps as may be necessary to remove such holdover owner from the Vacation Home, and to assist the holder of any

subsequent reservation who may be affected by the holdover owner's failure to vacate to find alternate accommodations during such holdover period.

a. In addition to such other remedies as may be available to it, the Vacation Owners Association shall have the right to secure, at its expense, alternate accommodations for any holder of a subsequent reservation who may not occupy the Vacation Home due to the failure to vacate of any holdover owner. Such accommodations shall be as similar to the reserved Vacation Home as possible. The holdover owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to the holdover owner's failure to vacate, and an administrative fee of One Hundred Dollars (\$100.00) per day or the maximum amount permitted by applicable law, whichever is less, during this period of holding over. In the event it is necessary that the Vacation Owners 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 One Hundred Dollars (\$100.00) per day administrative fee shall cease upon actual vacating by the holdover owner.

b. The Vacation Owners Association shall submit a bill to the holdover owner in accordance with this rule. Before the Vacation Owners Association may levy a fine against a party for violation of any of the provisions of the Plan Documents, the Vacation Owners Association must allow the owner reasonable notice and a right to a hearing in accordance with the Plan Documents.

c. The foregoing provisions shall not limit the Vacation Owners Association's right to take such other action permitted by applicable law including, without limitation, eviction proceedings. Further, the foregoing provisions shall not limit the Vacation Owners Association's right to take any action permitted by Hawaii law against trespassers who are not Owners.

21. Security. Owners shall at all times lock and secure all doors, windows, balconies or other points of possible entry with respect to their accommodations (except when any such point of entry is in use by Owners or their lessees, guests, exchangers or invitees). Neither the Management Company nor the Vacation Owners Association shall be responsible for the safekeeping or protection of any Owner's personal property.

22. Check-In, Check-Out Times. Check-in time for all Disney Vacation Club Resorts is 4:00 p.m. Check-out time for all Disney Vacation Club Resorts is 11:00 a.m. The front desk must approve any exceptions to these times.

23. Repairs and Replacements. Each Owner shall bear in their entirety any expenses for repairs or replacements to a Vacation Home occasioned by the specific use or abuse of such Owner or any lessee, guest, exchanger, tenant, or invitee of said Owner.

24. Timeshare Plans, Fractional Plans and Clubs. Except as provided in the Plan Documents, no timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established,

operated or maintained with respect to any of the Vacation Homes; (b) shall acquire any Vacation Homes; or (c) shall be permitted to incorporate an Ownership Interest into such entity, program, structure, scheme, device or plan, except by the Developer or except with the prior written authorization from the Developer, which authorization may be given or withheld in the Developer's sole and absolute discretion, and which authorization shall be evidenced by a written instrument executed by the Developer, recorded in the Bureau of Conveyances, and containing a reference to the Plan Documents.

25. Violations of Vacation Ownership Rules and Regulations. If and to the extent that any of the foregoing Vacation Ownership Rules and Regulations are violated, the Vacation Owners Association and the Management Company shall have the right to exercise all rights and remedies available under applicable law against those individuals or entities violating the Vacation Ownership Rules and Regulations. In addition, if and to the extent that any violations, in the Board's judgment, (1) involve safety or security, (2) are crimes, or (3) adversely affect the reasonable enjoyment of the Plan by other owners; those individuals committing such violations may be removed from the Vacation Homes to the fullest extent permitted by law.

**CONDOMINIUM RULES AND REGULATIONS FOR
AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII**

Each Owner at Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i shall be governed by and shall comply with the terms of the Condominium Documents and these Condominium Rules and Regulations adopted pursuant to the Condominium Documents. All terms used in these Condominium Rules and Regulations shall have the same meaning as the identical terms used in the Declaration of Condominium Property Regime of Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i. Failure of an Owner to comply with the provisions of the Condominium Documents and these Condominium Rules and Regulations shall entitle the Condominium Association or other Owners to pursue any and all legal and equitable remedies for the enforcement of such provisions, including, without limitation, an action for damages, an action for injunctive relief or an action for declaratory judgment. These Condominium and Regulations, which generally govern the use of the Condominium Property, are in addition to the Vacation Ownership Rules and Regulations, which generally govern the use of the Vacation Homes.

1. Use of Common Elements. Except for DVD, no Owner, lessee, guest, exchanger, occupant or invitee may use any recreational facilities or Common Elements at any time other than during the time that such person has properly reserved accommodations. Except for use by DVD, the Condominium Management Company or other TWDC Company, use of recreational facilities and Common Elements, for commercial purposes or any purposes other than the personal use is expressly prohibited. The provisions of this Section 1 do not apply to DVD, the Condominium Management Company or any other TWDC Company.

2. Use of Commercial Units and Commercial Unit LCEs. It is expressly contemplated that Commercial Units and Commercial Unit LCEs may be operated as, and portions of the Master Property are and will continue to be operated as, commercial spaces containing stores, restaurants, entertainment areas and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of that typically occurring in areas consisting solely of residential accommodations, including, without limitation, conventions, fireworks, concerts, weddings, luaus and other events. Nothing contained within these Condominium Rules and Regulations shall be deemed to prohibit such commercial activity.

3. Common Elements and Limited Common Elements. The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended as set forth in the Declaration.

4. Nuisances. No nuisance shall be allowed on the Condominium Property nor within a Unit, 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 property by the Owners. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. No Owner shall permit any use of a Unit or make any use of the Common Elements that will increase the cost of insurance upon the Condominium Property beyond the cost generally charged for intended use.

5. Non-Smoking Policy. Smoking in any Units, common areas, limited common areas, commercial areas, or any other

areas (including but not limited to balconies, sidewalks, entrances, driveways, passages, vestibules, and stairways) of the Condominium Property, other than those areas specifically designated for smoking, is expressly prohibited. The Condominium Association may charge a cleaning fee for any violation of this policy in an amount to be determined at the sole discretion of the Condominium Association and the Condominium Management Company.

6. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or a Unit, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

7. Tenants. All of the terms and provisions of the Condominium Documents and these Condominium Rules and Regulations shall be applicable and enforceable against any person occupying all or any portion of a Unit as a tenant to the same extent as against an Owner. Any lease or rental agreement, whether oral or written and whether specifically expressed in such agreement or not, shall be deemed to contain a covenant on the part of each such tenant designating the Condominium Association as the Owner's agent for the purpose of and with the authority to terminate any such lease or rental agreement in the event of violations by the tenant of the terms and provisions of the Condominium Documents or these Condominium Rules and Regulations. All leasing or rental agreements relating to the use, occupancy and possession of any part of a Unit must be in writing and must set forth an acknowledgment and consent on the part of the lessee-sublessee-tenant to use, occupy and possess the Unit in conformance and compliance with the provisions of the Condominium Documents and these Condominium Rules and Regulations. In the event an Owner fails to secure a written leasing or rental agreement, the Condominium Association reserves the right to request the lessee-sublessee-tenant to execute an acknowledgment to use and occupy the rented or leased Unit in conformance and compliance with the Condominium Documents and these Condominium Rules and Regulations.

8. Signs. No "For Sale" or "For Rent" signs or other displays or advertising shall be maintained on any part of the Common Elements, Limited Common Elements or Units,

except that the right is specifically reserved in DVD, to place and maintain "For Sale" and "For Rent" signs for so long as it may have Units or Ownership Interests to sell or lease in this Condominium or any other DVC Resort, and except as permitted by the Board from time to time.

9. Prohibited Vehicles. No trucks, motorcycles, trailers or commercial vehicles (excluding those vehicles owned by DVD or the Condominium Management Company) shall be parked in any parking space, except such temporary parking spaces provided for the purpose as may be necessary to effectuate deliveries to the Condominium, the Condominium Association, the Vacation Owners Association or the Owners. Bicycles and motorcycles shall not be stored on the Condominium Property, except in such areas designated for this purpose or except as permitted by the Board.

10. No Pets. All pets are prohibited. No pets of any type are allowed on Condominium Property. The provisions of this paragraph shall not apply to service animals, as defined by the Americans With Disabilities Act.

11. Exterior Appearance. No Owner shall decorate or alter any part of a Unit so as to affect the appearance of a Unit from the exterior. Such decoration or alteration shall include painting or illumination of the exterior of a Unit, display of plants or other objects upon balconies or railings or exterior window sills or ledges, reflective film or other window treatments, draperies, window shades, screen doors and lights. The Condominium Association shall have the sole discretion, which may be based on aesthetic principles only, to determine compliance with this provision.

12. Antennas. No antennas or satellite transmission receivers of any type designed to serve all or any part of a Unit shall be allowed on the Common Elements or Limited Common Elements, except as provided by the Condominium Association to serve as a master antenna for the benefit and use of the Condominium. Notwithstanding such restriction, the Owners of Commercial Units may place such antennas or satellite transmission receivers upon Commercial Units or Commercial Unit LCEs. No electrical or other equipment may be operated on the Condominium Property which interferes with television signal reception, except for permitted equipment on the Commercial Units or Commercial Unit LCEs.

13. Noise. Should noise transmission within the Condominium create a disturbance or a nuisance, the responsibility is with the Owner to abate the noise transmission and not with the Condominium Association. In order to insure the comfort of all Owners and authorized users, radio, stereo and television sets, and any and all other such audio equipment generating noise should be turned down to a minimum volume so as not to disturb other persons between the hours of 11:00 p.m. and 8:00 a.m. All other unnecessary noises between these hours should be avoided. Nothing contained within this paragraph shall be deemed to prohibit commercial activity occurring within any Commercial Unit or on any Commercial Unit LCE.

14. Obstructions. Sidewalks, entrances, driveways, passages, patios, courts, vestibules, stairways, corridors, halls and/or all other areas intended for common use must be kept open and shall not be obstructed in any manner. Rugs or mats, except those either permitted or placed by the Condominium Association, must not be placed outside of doors or in corridors. No sign, notice or advertisement shall be inscribed or exposed on or at any window of a Unit or any part of the Condominium Property, except such as shall have been approved in writing by the Board or as is permitted to DVD pursuant to these Condominium Rules and Regulations or the Condominium Documents; nor shall anything be projected out of any window in the Condominium Property without similar approval. No personal property of Owners will be stored outside of a Unit.

15. Children. Children are to play only in areas either designated or clearly intended for play, and they are not to play in public halls, on stairways, or other common areas which would cause an obstruction. Reasonable supervision by parents or guardians must be exercised at all times when children are playing on the Condominium Property.

16. Balconies. Plants, pots, receptacles and other movable objects must not be kept, placed or maintained on ledges or balconies, except as permitted by the Board. No objects shall be hung from balconies or window sills. No cloth, clothing, rugs or mops shall be hung up or shaken from windows, doors or balconies. No cooking shall be permitted on any balcony of a Unit. Owners shall not allow anything to be thrown or to fall from windows, doors, balconies or the interior of the building from hall doors.

17. Hallways. Bicycles, garbage cans, laundry, dry cleaning, supplies or other articles shall not be placed in the halls or on staircase landings. No Owner shall allow doors to the corridor to remain open for any purpose other than for immediate ingress and egress.

18. Entry for Emergencies. In case of emergency originating in or threatening any Unit, regardless of whether or not the Owner is present at the time of such emergency, the Board, the Condominium Management Company or any other person authorized by them, shall have the right to enter any Vacation Home or any other area of such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry into Units in the event of any such emergency, the Condominium Association or its designee shall be allowed to retain keys to all Vacation Homes and any other area of each Unit.

19. Plumbing. Plumbing shall not be used for any other purpose than those for which it was constructed, and no sweepings, rubbish, rags or other foreign substances shall be deposited into the plumbing.

20. Roof. Owners are not permitted on the roof of any building within the Condominium Property for any purpose

without the express written approval of the Board or Condominium Management Company.

21. Solicitation. There shall be no solicitation by any person anywhere on the Condominium Property for any cause, charity or purpose whatsoever, unless specifically authorized in writing by the Board or the Condominium Management Company, except for solicitation by DVD in marketing Ownership Interests or related products.

22. Parking. No vehicle belonging to any Owner or to a member of the family of an Owner or guest, tenant or employee of an Owner shall be parked in any unauthorized area or in such manner as to impede or prevent access to another Owner's or authorized user's parking space or any fire lanes. The Condominium Association or Condominium Management Company has the right to limit the number of vehicles permitted to be parked on the Condominium Property in connection with occupancy of a Unit. No repair of vehicles shall be made within the Condominium Property. No Owner shall store or leave boats, trailers, mobile homes, recreational vehicles and the like on the Condominium Property, except in areas, if any, designated for same; provided, however, that boats, trailers, mobile homes, recreational vehicles and the like may be parked on the Condominium Property if the vehicle is less than the width of the interior of the lines of one (1) individual parking space and does not exceed twenty-four (24) feet in length. If the vehicle is wider than the width of the interior lines of one (1) individual parking space or if the vehicle exceeds twenty-four (24) feet in length, then such vehicle may not be parked on the Condominium Property without the prior permission of the Condominium Association or Condominium Management Company. No trucks or buses may be parked anywhere on Condominium Property, except for those of the Condominium Association, Vacation Owners Association, DVD, the Condominium Management Company or other TWDC Company, if any. Parking spaces are not assigned as appurtenances to particular Units. As such, each space may be used by any Owner, family member, lessee or guest. Owners may not park vehicles in spaces designated for handicapped persons, unless they fall within this category of individuals, and the Condominium Association or Condominium Management Company shall have the right to notify local authorities of any such violations. All vehicles shall be parked within the painted lines of one individual parking space and in no event shall a vehicle exceed, in width, the interior of the painted lines of one individual space. The Owners, their employees, servants, agents, visitors, licensees and the Owner's family will obey all posted parking regulations. Vehicles parked in any unauthorized area or impeding or preventing access to another Owner's or authorized user's parking space or any fire lanes are subject to being towed away at the Owner's or authorized user's sole expense. Owners' use of parking facilities is subject to the use rules and restrictions imposed from time to time (which may include the obligation to pay parking fees).

23. Use of Swimming Pools, Whirlpools, and/or Other Facilities. Owners and authorized users of the swimming pools, whirlpools and/or other facilities do so at their own risk. All users are requested to obey the posted rules. Children under ten (10) years of age using any swimming pools, whirlpools, and/or other available facilities must be accompanied and supervised by a responsible adult.

Swimming in the pools and/or whirlpools and use of other facilities is permitted only during the posted hours of operation. Since the facilities are not guarded, persons using the facilities do so at their own risk. Persons using all facilities must be appropriately attired.

The following are the basic rules for persons using the swimming pools and/or whirlpools:

a. Shower thoroughly each and every time before entering.

b. Pneumatic floats or other items of similar nature, except for Board-approved floatation devices, are not permitted in the pools or whirlpools.

c. Running and/or ball playing or throwing objects is not permitted in the general pool area except in designated areas and in connection with various activities as permitted by the Board from time to time.

d. Beverages may be consumed within the pool areas, but absolutely no glass, glass bottles or other glass containers shall be allowed within the pool area. Anyone who hosts or participates in serving or consuming beverages will be held strictly responsible for cleaning up after such refreshments have been consumed and will further be held strictly liable for any injury resulting from broken glass.

e. If suntan oils, creams or lotions are used, a towel or other form of protection must be placed on pool furniture to protect the attire of others who use the furniture.

f. No children in diapers will be allowed in the pools and/or whirlpools.

g. Pool towels are provided at the pool for your convenience. No person or party may leave personal items, including towels to reserve pool chairs.

h. There will be no swimming or fishing allowed in any lakes, retention ponds and/or lagoons.

24. Storage of Dangerous Items. No inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any Unit, Common Element or Limited Common Element except as are required for normal household use. This provision shall not apply to the storage of such materials in Commercial Units or Commercial LCEs where such storage is for commercial purposes.

25. Employees/Agents Control and Entry of Units for Maintenance. Employees and/or agents of the Condominium Association or Condominium Management Company, and

employees and/or agents of DVD's on-going sales program, shall not be sent off the Condominium Property by any Owner or authorized user at any time for any purpose. No Owner or authorized user shall direct, supervise or in any manner attempt to assert any control over the employees of the Condominium Management Company or the Condominium Association. Violations of these Condominium Rules and Regulations, or other matters of concern, should be brought to the attention of the Condominium Management Company for proper resolution. Employees or agents of the Condominium Management Company shall be permitted to enter Units for maintenance and repairs during reasonable hours.

26. Complaints. Complaints regarding the operation of the Condominium shall be made in writing first to the Condominium Management Company, as long as the Condominium Management Agreement remains in effect, and thereafter, to the Board.

27. Payment of Maintenance Fees, Special Charges and Fines. Payment of maintenance fees, special charges, and fines shall be made at the office of the Condominium Management Company or at such other location as designated by the Condominium Management Company from time to time. Payments made in the form of checks shall be made to the order of such party as the Condominium Management Company shall designate.

28. Weapons. No explosives, firearms, or weapons of any kind shall be permitted in any Unit or Vacation Home or anywhere on the Condominium Property without the approval of the Board.

29. Non-Payment of Assessment. Any Owners who are delinquent in payment of their assessments may be denied access to the Condominium Property in accordance with the Condominium Documents, until all delinquent assessments are paid in full. In addition, the Board or the Condominium Management Company may rent the delinquent Owner's Ownership Interest in accordance with the Condominium Documents. Assessments and installments on such assessments paid on or before fifteen (15) days after the date when due shall not bear interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear interest at the highest rate permitted by law from the date when due until paid. In addition to such interest, the Condominium Association may charge an administrative late fee on delinquent accounts in an amount not to exceed the amount permitted under Hawaii law. In addition, the Condominium Association may authorize the Condominium Management Company to charge a non-sufficient funds fee on all returned checks or dishonored electronic debits in an amount not to exceed the amount permitted under Hawaii law.

30. No Private Watercraft. No boats, jet-skis, waverunners or watercraft of any kind shall be used, stored or brought onto the Condominium Property by any Owner, lessee, guest, exchanger or invitee except in such areas and

under such conditions as may be determined by the Board from time to time.

31. Security. Owners shall at all times lock and secure their unattended motor vehicles parked or located upon the Condominium Property, and they shall not leave any valuables in plain sight within or upon such vehicles. During their occupancy, Owners shall at all times lock and secure all doors, windows, balconies or other points of possible entry with respect to their accommodations (except when any such point of entry is in use by Owners or their lessees, guests, exchangers or invitees). Neither the Condominium Management Company nor the Condominium Association shall be responsible for the safekeeping or protection of personal property brought onto the Condominium Property.

32. Repairs and Replacements. Each Owner shall bear in their entirety any expenses for repairs or replacements to the Condominium Property occasioned by the specific use or abuse of such Owner or any lessee, guest, exchanger, tenant, or invitee of said Owner.

33. Timeshare Plans, Fractional Plans and Clubs. Except as provided in the Declaration, no timeshare plans, fractional plans, exchange programs or clubs, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, non-equity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Condominium Property or the Ownership Interests; (b) shall acquire or accommodate Condominium Property or Ownership Interests; or (c) shall be permitted to incorporate an Ownership Interest into such entity, program, structure, scheme, device or plan, except by the Developer or except with the prior written authorization from the Developer, which authorization may be given or withheld in the Developer's sole and absolute discretion, and which authorization shall be evidenced by a written instrument executed by the Developer, recorded in the Public Records, and containing a reference to the Declaration.

34. Violations of Condominium Rules and Regulations. If and to the extent that any of the foregoing, Condominium Rules and Regulations are violated, the Condominium Association and the Condominium Management Company shall have the right to exercise all rights and remedies available under applicable law against those individuals or entities violating the Condominium Rules and Regulations. In addition, if and to the extent that any violations, in the Board's judgment, (1) involve safety or security, (2) are crimes, or (3) adversely affect the reasonable enjoyment of the Condominium Property by other owners; those individuals committing such violations may be removed from the Condominium Property to the fullest extent permitted by law.

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 3957568
DATE _____ CTN AS LISTED HEREIN
APR 22, 2010 03:00 PM

RETURN BY MAIL () PICK-UP () TO:

Charles E. Pear, Jr.
McCorriston Miller Mukai MacKinnon
Five Waterfront Plaza, 4th Floor
Honolulu, Hawai'i 96813
Phone No. (808) 529-7300

This document contains // pages.

Tax Map Key: 1st Div., 9-1-057: 034, 035, 036 & 037

MASTER COTENANCY AGREEMENT
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS MASTER COTENANCY AGREEMENT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Agreement") is entered into effective as of the Commencement Date (as defined in Section 10) by and among DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, whose address is 1390 Celebration Boulevard, Celebration, Florida 34747 ("DVD"); ABC, INC., a New York corporation, whose address is c/o Disney Vacation Development, Inc., 1390 Celebration Blvd., Celebration, Florida 34747 ("ABC"); DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC a Florida limited liability company, whose address is 1390 Celebration Boulevard, Celebration, Florida 34747 ("DVCHMC"); ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, whose address is 1390 Celebration Boulevard, Celebration, Florida 34747 (the "Condominium Association"); ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "Vacation Owners Association"); and DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, whose address is 1390 Celebration Boulevard, Celebration, Florida 34747, in its capacity as the initial owner of each of the Ownership Interests (as hereinafter defined) and on behalf of each successive owner of the Ownership Interests in Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i, more specifically described below (individually each owner of an Ownership Interest is herein referred to as a "Cotenant" and collectively the owners of the Ownership Interests are herein referred to as "Cotenants").

WITNESSETH:

WHEREAS, DVD is the owner of an estate for years interest in the real property more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, ABC is the owner of the fee remainder in the Property; and

WHEREAS, DVD is developing on the Property a resort to be known and operated as Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i (the "Resort"), which Resort shall include a hotel and related amenities (the "Hotel") and shall also include a vacation ownership resort to be known and operated as Aulani, Disney Vacation Club® Villas, Ko Olina, Hawai'i (the "Vacation Ownership Resort"); and

WHEREAS, the Vacation Ownership Resort shall be a condominium (the "Condominium") pursuant to that certain Declaration of Condominium Property Regime for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Condominium (the "Condominium Declaration") to be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i (the "Land Court") substantially concurrently with this Agreement; and

WHEREAS, the Hotel shall be a separate condominium (the "Hotel Condominium") pursuant to that certain Declaration of Condominium Property Regime of Aulani, A Disney Resort & Spa, Ko Olina, Hawai'i Condominium (the "Hotel Condominium Declaration") to be recorded in Land Court substantially concurrently with this Agreement; and

WHEREAS, the Vacation Ownership Resort shall also be submitted to a vacation ownership plan (the "Plan") pursuant to that certain Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements for Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan (the "Plan Declaration") to be recorded in the Land Court substantially concurrently with this Agreement and the Condominium Declaration; and

WHEREAS, the condominium units (whether as an estate for years or otherwise) within the Vacation Ownership Resort (the "Vacation Ownership Units"), which are submitted to the Plan, each consist of one or more vacation homes intended for separate occupancy and use ("Vacation Homes"); and

WHEREAS, DVD is reserving the right to submit designated portions of the Hotel Condominium to the Condominium and the Plan Declarations, and to the extent that any condominium units of the Condominium situated on land or easement areas located within the Hotel Condominium are submitted to the Plan Declaration, those units will also be included in the definition of Vacation Ownership Units; and

WHEREAS, the Condominium will be managed and operated by the Condominium Association and the Plan will be managed and operated by the Vacation Owners Association; and

WHEREAS, the Property is also subject to the terms of that certain Amended and Restated Declaration of Covenants for Ko Olina Community Association dated March 13, 2006 (the "Ko Olina Declaration"), recorded May 10, 2006 as Land Court Doc. Nos. 3426805 through 3426807; and

WHEREAS, pursuant to the Ko Olina Declaration, the Property is subject to the jurisdiction of Ko Olina Community Association, Inc., a Hawai'i non-profit corporation ("KOCA") and Ko Olina Resort Operators Association, Inc., a Hawai'i non-profit corporation ("KORA"); and

WHEREAS, DVD is offering undivided tenant-in-common interests ("Ownership Interests") in each Vacation Ownership Unit; and

WHEREAS, DVD will retain the ownership of certain undivided interests (also comprising an "Ownership Interest") in each Vacation Ownership Unit for its own use and benefit; and

WHEREAS, the owners of Ownership Interests, including DVD, will be members of the Condominium Association, the Vacation Owners Association and both KOCA and KORA; and

WHEREAS, the Condominium Association will assign its responsibilities and obligations to operate and manage the Condominium to DVCHMC pursuant to the terms of a condominium property management agreement (the "Condominium Management Agreement"); and

WHEREAS, the Vacation Owners Association will assign its responsibilities and obligations to operate and manage the property associated with the Plan to DVCHMC pursuant to the terms of a vacation ownership plan property management agreement (the "Plan Management Agreement");

WHEREAS, the Vacation Owners Association will assign its responsibilities and obligations to operate and manage the reservation system for the assignment and use of the Vacation Homes in the Plan to DVCHMC pursuant to the terms of the Disney Vacation Club® Membership Agreement for the Vacation Ownership Resort (the "Membership Agreement"); and

WHEREAS, pursuant to the Plan Declaration and the Membership Agreement, each Cotenant must have or make a reservation through the reservation system in order to use a Vacation Home within a Vacation Ownership Unit, regardless of the Vacation Ownership Unit in which the Cotenant has an Ownership Interest; and

WHEREAS, DVD, the Condominium Association, the Vacation Owners Association and DVCHMC desire to facilitate: (i) the Vacation Home reservation process within each Vacation Ownership Unit in the Plan; (ii) the reservation process among all Vacation Ownership Units in the Plan; (iii) the proper allocation and discharge of all of the duties and obligations appurtenant to Vacation Ownership Unit ownership pursuant to the Ko Olina Declaration, the Condominium Declaration and the Plan Declaration; (iv) the reservation process regarding the Vacation Homes and facilities of the Plan, and (v) the representation and voting of the Vacation Ownership Units in KORA, KOCA, the Condominium Association and the Vacation Owners Association;

NOW THEREFORE, DVD, the Condominium Association, the Vacation Owners Association and DVCHMC hereby declare and agree that the portions of the Property (including but not limited to any easements in the Hotel Condominium appurtenant to the land of the Condominium) now or hereafter submitted to the Condominium (the "Condominium Property") shall be held, transferred, sold, conveyed, leased, rented, mortgaged, encumbered, occupied and otherwise dealt with subject to the covenants, conditions, restrictions, reservations, easements, charges and liens set forth in this Agreement, all of which are declared and agreed to be in the furtherance of the foregoing purposes and for the purposes of enhancing and perfecting the operation and desirability of the Condominium and the Plan. Such covenants, conditions, restrictions, reservations, easements, charges and liens shall run with the Condominium Property, shall be binding upon DVD, the Cotenants, the Condominium Association, the Vacation Owners Association, DVCHMC and all other parties having or acquiring any right, title or interest in or lien upon the Condominium Property, their successors, assigns and legal representatives, and shall inure to the benefit of DVD, the Cotenants, the Condominium Association, the Vacation Owners Association, DVCHMC and each and every other person or entity from time to time, owning or holding an interest in or lien upon the Condominium Property or any interest in the Condominium Property, including but not limited to the Ownership Interests.

1. Definitions.

All terms used and not otherwise defined in this Agreement shall have the same meaning as the identical terms used in the Condominium Declaration and Plan Declaration unless otherwise defined herein or unless the context otherwise requires.

2. Allocation of Condominium Common Expenses and Liabilities: Allocation of KOCA/KORA expenses and liabilities. Each Vacation Ownership Unit in the Vacation Ownership Resort will be assessed at least annually for its share of the Common Expenses of the Condominium pursuant to the Condominium Declaration. The Cotenants of each Vacation Ownership Unit are jointly and severally liable for all Common Expenses of the Condominium attributable to that Vacation Ownership Unit. In addition, each Vacation Ownership Unit will be assessed by the Condominium Association pursuant to the Condominium Declaration, at least annually for its share of assessments against the Property under and pursuant to the Ko Olina Declaration, and the Cotenants of each Vacation Ownership Unit are jointly and severally liable for all such assessments levied against the Vacation Ownership Unit pursuant to the Condominium Declaration and the Ko Olina Declaration. The Cotenants are also jointly and severally liable for all assessed taxes, including real property taxes, for which the failure to pay can give rise to the placing of a lien against the entire Vacation Ownership Unit. However, for purposes of this Agreement, the Cotenants agree that each individual Cotenant, including DVD, will be severally liable for that proportion of these and any other expenses or taxes that may be assessed against the Vacation Ownership Unit, or for which the Cotenants may become liable by virtue of their Ownership Interest in the Vacation Ownership Unit, that equals the Ownership Interest owned in the Vacation Ownership Unit. No Cotenant shall be liable for any assessment made against any other Cotenant pursuant to this section, and any failure of a Cotenant to promptly pay the Cotenant's share of such expenses, taxes or liabilities shall constitute a default hereunder pursuant to Section 6 below.

3. Allocation of Vacation Ownership Unit Rents, Profits and Casualty or Condemnation Proceeds. As provided in the Plan Declaration and in the Membership Agreement, each Cotenant must have or make a reservation prior to using any Vacation Home within any Vacation Ownership Unit, and any rents derived from the use of a reserved Vacation Home by a Cotenant (or DVD) will inure to the exclusive benefit of the person holding the reservation and securing the rental; therefore, it is not contemplated that any rents will be derived from any Vacation Ownership Unit that will inure to the benefit of the Cotenants as a whole, and no common rental pools shall be established with regard to the Vacation Ownership Unit. Subject to DVD's right of first refusal as set forth in the Plan Declaration, each Cotenant is free to convey his or her Ownership Interest in a Vacation Ownership Unit, and any proceeds derived from the sale of an Ownership Interest by a Cotenant (or DVD) will inure to the exclusive benefit of the person or entity selling the Ownership Interest; therefore, it is not contemplated that any proceeds derived from the conveyance of any Ownership Interest in a Vacation Ownership Unit will inure to the benefit of the Cotenants as a whole. However, as more particularly set forth in the Condominium Declaration and Plan Declaration, the Cotenants agree that each individual Cotenant, including DVD, will be entitled to share in any proceeds that are produced by or allocable to the Vacation Ownership Unit as a whole, including the proceeds of any insurance or eminent domain award, in that proportion that equals the Ownership Interest owned in the Vacation Ownership Unit. DVD, the Condominium Association, the Vacation Owners Association and DVCHMC are not obligated to provide any rental or resale assistance to any Cotenant. Any rental by a Cotenant of a Vacation Home or sale by a Cotenant of an Ownership Interest will occur, if at all, solely through the efforts of such Cotenant. The Condominium Declaration and Plan Declaration shall govern as to each Cotenant's rights with respect to any proceeds arising out of casualty to the Vacation Ownership Unit or as to a taking of the Vacation Ownership Unit in condemnation.

4. Voting Certificate.

Pursuant to this Agreement, Cotenants of Ownership Interests in each Vacation Ownership Unit hereby designate DVD as their authorized voting representative at all meetings and on all ballots of KOCA, KORA, the Condominium Association and the Vacation Owners Association.

Pursuant to the Ko Olina Declaration, the Condominium Declaration and the Plan Declaration, each Vacation Ownership Unit is allocated certain voting rights in the affairs of KOCA, KORA, the Condominium Association and the Vacation Owners Association, as separately determined in each of those documents. Pursuant to this Agreement, the Condominium Declaration and the Plan Declaration, where a Vacation Ownership Unit is owned by more than one person, the Cotenants of the Vacation Ownership Unit must designate in a Voting Certificate the Cotenant authorized to cast the Vacation Ownership Unit's vote in meetings and on ballots of KOCA, KORA, the Condominium Association and the Vacation Owners Association and to represent the Vacation Ownership Unit as the Voting Representative in all matters coming before those Associations. In accordance with the foregoing, by the acceptance of a deed conveying an Ownership Interest in a Vacation Ownership Unit or otherwise acquiring title to an Ownership Interest, each Cotenant, pursuant to this Agreement, hereby designates DVD as the Voting Representative in all such matters. In exercising this authority, DVD agrees to act at all times on behalf of the Cotenants as a whole pursuant to its fiduciary duties. DVD also agrees that it will not cast the Vacation Ownership Unit's vote in any of the following respects without the prior concurrence of the Cotenants who own sixty percent (60%) of the Ownership Interests in the Vacation Ownership Unit:

- a. waiver of any material rights of the Condominium Association, Vacation Owners Association or of the Cotenants against DVD or any of its affiliates;
- b. waiver or reduction of required replacement reserves of the Condominium or the Plan;
- c. any increase in the annual operating budget of the Condominium or Plan that increases the Regular Assessment of an Ownership Interest by more than twenty percent (20%) over the prior year or any Special Assessment exceeding five percent (5%) of the Regular Assessment for the current year;
- d. any increase in the calculation of compensation paid to DVCHMC under the Condominium Management Agreement or Plan Management Agreement;
- e. reallocation of the undivided interests in the Common Elements of the Condominium appurtenant to each Vacation Ownership Unit other than the reallocation that results from the addition of phases to the Condominium, or other exercise of DVD's reserved rights, pursuant to the Condominium Declaration;
- f. amendment of the Condominium Declaration, Plan Declaration or of the Articles of Incorporation or the Bylaws of either the Condominium Association or Vacation Owners Association in any manner that is materially adverse to the Cotenants as a whole; or
- g. amendment of the Ko Olina Declaration, or of the Articles of Incorporation or the Bylaws of either KOCA or KORA in any manner that is materially adverse to the Cotenants as a whole; or
- h. voluntary termination of the Condominium, or any proposition not to reconstruct, repair or replace any portion of any Vacation Ownership Unit or Common Elements after casualty.

Subject to the provisions of Section 9 below, DVD shall continue to serve as the Voting Representative of the Vacation Ownership Unit until such time as the Cotenants who own sixty percent (60%) of the Ownership Interests in the Vacation Ownership Unit concur in writing that DVD should be removed from this position; however, during any period of time in which DVD owns in excess of forty percent (40%) of the Ownership Interests in a given Vacation Ownership Unit, the Cotenants who own sixty percent (60%) of the Ownership Interests in that Vacation Ownership Unit (other than the Ownership Interests owned by DVD in that Vacation Ownership Unit) may remove DVD as the Voting Representative of the Vacation Ownership Unit. Should DVD be removed from this position for any reason, the provisions of this Agreement shall continue in full force and effect, and the Cotenants shall elect one of their number to serve as the Voting Representative of the Vacation Ownership Unit until such time as that person resigns or is replaced pursuant to the provisions of this section. In all events, the Cotenant of each Vacation Ownership Unit must have elected a Voting Representative pursuant to this section at all times.

If any Vacation Ownership Units are located within the Hotel Condominium and/or if any Vacation Ownership Units have membership or voting rights in the Hotel Condominium, the voting certificate set forth in this Section 4 shall also fully apply to all Cotenants of such Vacation Ownership Units and shall be applicable to the management and operation of the condominium association for the Hotel Condominium.

5. Vacation Home Reservations. Subject to the provisions of Section 9 below, and pursuant to the terms of the Plan Declaration, the Cotenants agree that the Vacation Owners Association shall serve as the reservation manager for the Vacation Ownership Unit in which they own. The Vacation Owners Association is hereby granted the authority to establish reservation procedures for the assignment and use of Vacation Homes within that Vacation Ownership Unit. Under the authority granted herein and in the Plan Declaration, the Vacation Owners Association shall assign the use of Vacation Homes within a Vacation Ownership Unit to the Cotenants of that Vacation Ownership Unit and to the Cotenants in other Vacation Ownership Units in the Plan and to assign the Cotenants the use of Vacation Homes in other Vacation Ownership Units in the Plan. The Vacation Owners Association's authority to perform these functions will be delegated to DVCHMC pursuant to the Membership Agreement. In the event that the Membership Agreement is terminated, the Vacation Owners Association shall retain its authority to establish reservation procedures for the assignment and use of Vacation Homes in a Vacation Ownership Unit by the Cotenants who own in that Vacation Ownership Unit, as well as to establish reservation procedures, which may or may not be identical to those set forth in the Membership Agreement, by which use of all Vacation Ownership Units and Vacation Homes in the Plan shall be determined.

6. Condominium Assessment Collections. Subject to the provisions of Section 9 below, the Cotenants agree that the Condominium Association shall serve as the assessment collection manager for the Vacation Ownership Unit for the purpose of ensuring that all expenses assessed against the Vacation Ownership Unit pursuant to Section 2 above are timely remitted. The Condominium Association has assigned these duties to DVCHMC under the Condominium Management Agreement. As part of its duties, DVCHMC shall notify each Cotenant of his or her share of such expenses and shall provide for a reasonable time after receipt of the statement within which the Cotenant must pay his or her share to DVCHMC. The failure of any Cotenant to promptly pay his or her share of expenses and/or taxes to DVCHMC shall constitute a default under this Agreement, and the defaulting Cotenant shall be subject to the remedies in favor of non-defaulting Cotenants set forth in Section 9 below and to the remedies in favor of the Condominium Association pursuant to the Condominium Declaration.

7. Plan Expense Assessment Collections. Subject to the provisions of Section 9 below, the Cotenants agree that the Vacation Owners Association shall serve as the assessment collection manager for the Vacation Ownership Unit for the purpose of ensuring that all Plan Expenses assessed against the Vacation Ownership Unit are timely remitted. The Vacation Owners Association has assigned these duties to DVCHMC under the Plan Management Agreement. As part of its duties, DVCHMC shall notify each Cotenant of his or her share of such expenses and shall provide for a reasonable time after receipt of the statement within which the Cotenant must pay his or her share to DVCHMC. The failure of any Cotenant to promptly pay his or her share of expenses and/or taxes to DVCHMC shall constitute a default under this Agreement, and the defaulting Cotenant shall be subject to the remedies in favor of non-defaulting Cotenants set forth in Section 9 below and to the remedies in favor of the Vacation Owners Association pursuant to the Plan Declaration.

8. Rights Against Defaulting Cotenant. Upon the default of a Cotenant pursuant to Section 6 or Section 7 above, DVD has the right but not the obligation to pay the amounts due from the defaulting Cotenant to DVCHMC prior to the end of the then current fiscal year of the Condominium Association, or Vacation Owners Association, as applicable, if collection attempts made by DVCHMC are unsuccessful. Each Cotenant agrees that upon such payment by DVD, DVD shall acquire a lien upon the Ownership Interest in the Vacation Ownership Unit owned by the defaulting Cotenant. The lien shall secure the amount of monies paid by DVD to DVCHMC on behalf of the defaulting Cotenant together with interest thereon at the highest rate permitted by law and together with the costs and reasonable attorneys' fees incurred by DVD in the collection of such sums from the defaulting Cotenant. The lien may be foreclosed upon the Ownership Interest of the defaulting Cotenant in the manner generally prescribed for the judicial and/or non-judicial foreclosure of mortgages under Hawai'i law. In the event DVD elects not to exercise its right pursuant to this section, any other Cotenant may tender the amounts due to DVCHMC and acquire the lien described herein. Defaulting Cotenants may also be subject to legal actions for recovery of assessments as a personal liability and subject to the termination of their reservation rights pursuant to Hawai'i law.

9. Insolvency or Bankruptcy. In the event DVD, the Condominium Association, the Vacation Owners Association or DVCHMC files for protection from creditors under any state or federal law or becomes the debtor in a bankruptcy proceeding, voluntarily or involuntarily and such action is not dismissed within one hundred twenty (120) days, the filing party shall be deemed to have automatically resigned from its positions hereunder as Voting Representative, reservation manager and/or assessment collection manager for the Vacation Ownership Unit as the case may be. If necessary, the Cotenants shall thereafter elect a successor Voting Representative pursuant to Section 4 above.

10. Execution and Joinder by Cotenant; Commencement Date. Cotenants shall evidence their acceptance of the terms and conditions of this Agreement by the acceptance of a deed for the purchase of an Ownership Interest in a Vacation Ownership Unit and the recordation of such deed in either the Bureau of Conveyances or the Land Court of the State of Hawai'i, or by otherwise acquiring title to an Ownership Interest. The "Commencement Date" shall be the date of the first deed so recorded.

11. Waiver of Partition. The Cotenants hereby agree that no action for partition of any Vacation Ownership Unit or Vacation Home in the Plan shall lie.

12. Notices. Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and shall be deemed duly given or made to DVD, the Condominium Association, the Vacation Owners Association or DVCHMC: (i) when deposited, postage prepaid, in the United States 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 deposited with 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 hereunder by notice to the other parties. Unless otherwise provided herein, all notices or information required to be delivered to Cotenants by the Vacation Owners Association or the Condominium Association shall be delivered by the applicable Association to DVD. DVD shall provide the Cotenants with all notices required by the Florida Not For Profit Corporation Act, Chapter 617, Florida Statutes; by Chapter 514B and Chapter 514E, Hawai'i Revised Statutes; or Chapter 106 and Chapter 107, Hawai'i Administrative Rules, and all such notices shall be deemed given if delivered by regular U.S. mail to the Cotenant at the last known address of the Cotenant pursuant to the books and records maintained by DVCHMC, or if provided to the Cotenants as a part of a newsletter or other periodic report directly by DVD or through the Condominium Association, Vacation Owners Association or DVCHMC as the managing entity.

13. Governing Law; Successors in Title. This Agreement shall be governed by and construed under the laws of the State of Hawai'i and shall run with title to each Vacation Ownership Unit, inuring to the benefit and burden of the successors in title of the parties including all trustees in bankruptcy; therefore, this Agreement shall not be cancelled until such time as the Plan Declaration is terminated. Wherever used, the singular shall include the plural and the plural, the singular.

14. Captions and Section Headings. Captions and section headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or content of this Agreement nor the intent of any provision hereof.

15. No Partnership or Joint Venture. It is the express intent of the parties that neither this Agreement nor any provision hereof be deemed or construed to create a partnership or joint venture by or between any and all parties hereto.

16. Severability. In the event that any clause or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any other provision of this Agreement.

17. Amendment.

This Agreement may be amended by the concurrence of Cotenants owning seventy-five percent (75%) of the total Ownership Interests in a given Vacation Ownership Unit as to that Vacation Ownership Unit by an instrument in writing recorded in either the Bureau of Conveyances or the Land Court of the State of Hawai'i, as appropriate.

However, during any period of time in which DVD owns in excess of twenty-five percent (25%) of the undivided interests in a given Vacation Ownership Unit, the Cotenants who own seventy-five percent (75%) of the undivided interests in that Vacation Ownership Unit (other than the undivided interests owned by DVD in that Vacation Ownership Unit) may amend this Agreement as to that Vacation Ownership Unit. DVD may unilaterally amend this Agreement by an instrument in writing executed by DVD and recorded in either the Bureau of Conveyances of the

Office of Assistant Registrar of the Land Court of the State of Hawai'i if either (i) such amendment is required by any public body or by applicable law; or (ii) solely to include the condominium association for the Hotel Condominium if Vacation Ownership Units are included in the Hotel Condominium. DVD shall notify the Cotenants of any such unilateral amendment, the purpose therefor, and the nature of the public body or law that required same if so required by a public body or applicable law.


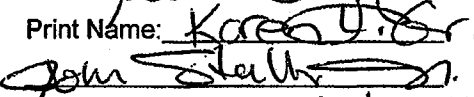
18. Waiver of Jury Trial; Venue of Actions. The parties hereby waive any right they may have under any applicable law to a trial by jury with respect to any suit or legal action which may be commenced by or against another party concerning the interpretation, construction, validity, enforcement or performance 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 a party, the other parties hereby agree, consent and submit to the personal jurisdiction of the Federal or State Court located in Honolulu, Hawai'i or Orange County, Florida, with respect to such suit or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said courts and counties, and each party hereby 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. The recitals set forth at the beginning of this Agreement are true and correct and are incorporated herein by this reference.

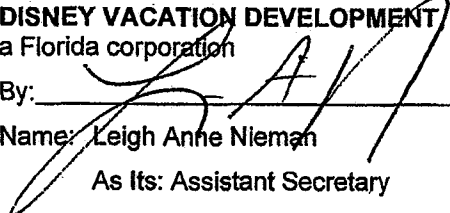
[Signatures on the following page.]

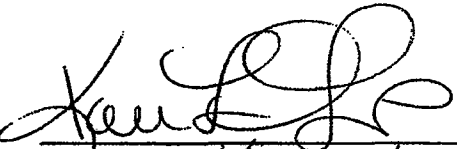
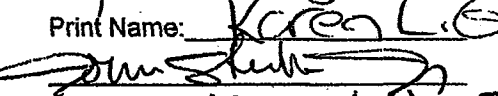
IN WITNESS WHEREOF, DVD, the Condominium Association, the Vacation Owners Association and DVCHMC have executed this Agreement effective as of the Commencement Date. ABC joins herein solely to evidence its consent to the foregoing and to submit its interest in the Property to the terms hereof.

WITNESSES:

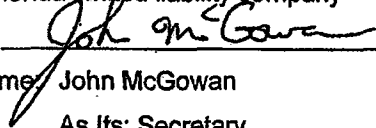

Print Name: Karen L. Grip

Print Name: John Starks, Jr.

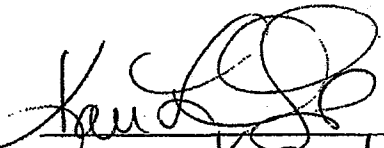
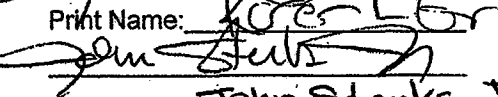
DISNEY VACATION DEVELOPMENT INC.,
a Florida corporation

By: 
Name: Leigh Anne Nieman
As Its: Assistant Secretary

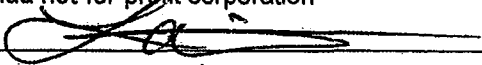

Print Name: Karen L. Grip

Print Name: John Starks, Jr.

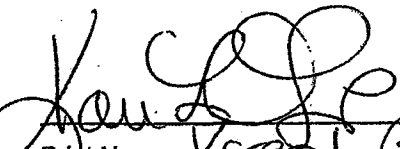
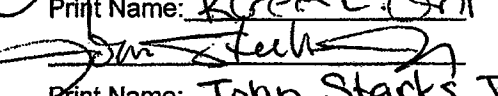
DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC,
a Florida limited liability company

By: 
Name: John McGowan
As Its: Secretary

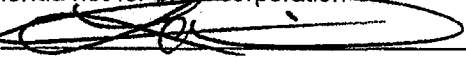

Print Name: Karen L. Grip

Print Name: John Starks, Jr.

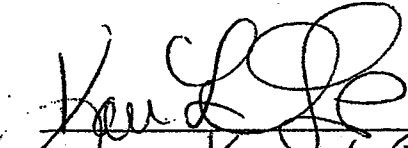
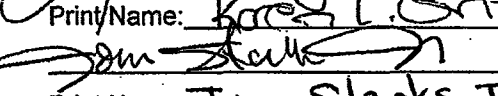
ALI'I NUI VILLAS CONDOMINIUM ASSOCIATION, INC.,
a Florida not-for-profit corporation

By: 
Name: Lawrence Smith
As Its: Treasurer

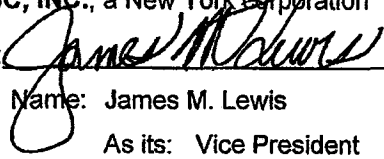

Print Name: Karen L. Grip

Print Name: John Starks, Jr.

ALI'I NUI VACATION OWNERS ASSOCIATION, INC.,
a Florida not-for-profit corporation

By: 
Name: Lawrence Smith
As Its: Treasurer

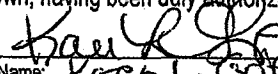

Print Name: Karen L. Grip

Print Name: John Starks, Jr.

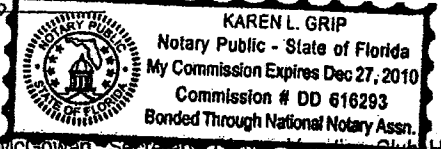
ABC, INC., a New York corporation

By: 
Name: James M. Lewis
As its: Vice President

STATE OF Florida)
COUNTY OF Osceola) ss:

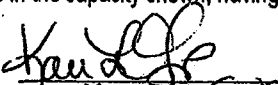
On this 12 day of April, 2010, before me personally appeared Leigh Anne Nieman, Assistant Secretary, Disney Vacation Development, Inc., to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

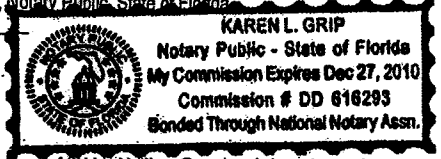

Name: Karen L. Grip, Notary Public, State of Florida
My Commission expires: 12/27/10



STATE OF Florida)
COUNTY OF Osceola) ss:

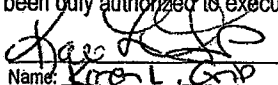
On this 15 day of April, 2010, before me personally appeared John McGowan, Secretary, Disney Vacation Club Hawaii Management Company, LLC, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

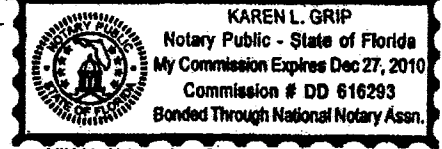

Name: Karen L. Grip, Notary Public, State of Florida
My Commission expires: 12/27/10



STATE OF Florida)
COUNTY OF Osceola) ss:


On this 12 day of April, 2010, before me personally appeared Lawrence Smith, Treasurer, Ali'i Nui Villas Condominium Association, Inc., 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.

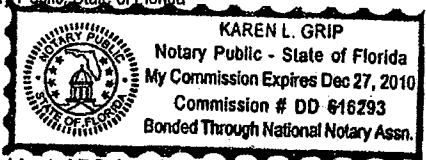

Name: Karen L. Grip, Notary Public, State of Florida
My Commission expires: 12/27/10



STATE OF Florida)
COUNTY OF Osceola) ss:

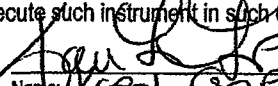
On this 12 day of April, 2010, before me personally appeared Lawrence Smith, Treasurer, Ali'i Nui Vacation Owners Association, Inc., to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.


Name: Karen L. Grip, Notary Public, State of Florida
My Commission expires: 12/27/10



STATE OF Florida)
COUNTY OF Osceola) ss:

On this 12 day of April, 2010, before me personally appeared James M. Lewis, Vice President, ABC, Inc., 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: Karen L. Grip, Notary Public, State of Florida
My Commission expires: 12/27/10

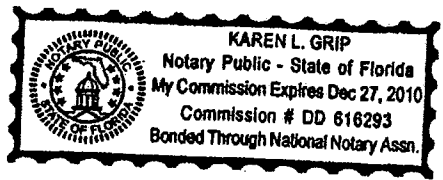


EXHIBIT A

PROPERTY

All of those certain parcels of land situate at Honouliuli, District of Ewa, Honolulu, City and County of Honolulu, State of Hawai'i, described as follows:

PARCEL FIRST (KO OLINA PARCEL 13A) (TMK 9-1-057-034)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 4604-A, area 6.137 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,924.

Note: Lot 4604-A shall have access over Lots 4633 and 4639, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 of Land Court Application 1069 and also over Lots 4597, 4599, 4600, 4601, and 4602, as shown on Map 450, as set forth by Land Court Order No. 92806, filed March 6, 1989.

PARCEL SECOND (KO OLINA PARCEL 13B) (TMK 9-1-057-035)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 4604-B, area 4.531 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,925.

Note: Lot 4604-B shall have access over Lots 4633 and 4639, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over easements 108 and 118 in Exclusion 2 of Land Court Application No. 1069 and also over Lots 4597, 4599, 4600, 4601 and 4602 as shown on Map 450 as set forth by Land Court Order No. 92806, filed March 6, 1989.

PARCEL THIRD (KO OLINA PARCEL 15A) (TMK 9-1-057-036)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 5345-A, area 5.553 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,926.

Note: Lot 5345-A shall have access to Farrington Highway across Lots 4633 and 4638, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 from Land Court Application 1069 and Lots 4745 and 4744, as shown on Map 476 filed with Land Court Application No. 1069, and Lots 4599, 4600, and 4602, as shown on Map 450 filed with Land Court Application No. 1069, as set forth by Land Court Order No. 96075, filed December 5, 1989.

PARCEL FOURTH (KO OLINA PARCEL 13A) (TMK 9-1-057-037)

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawai'i, described as follows:

LOT 5345-B, area 4.995 acres, more or less, as shown on Map 1325, filed in the Office of Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being land(s) described in Transfer Certificate of Title Number 879,927.

Note: Lot 5345-B shall have access to Farrington Highway across Lots 4633 and 4638, said Lot 4633 shall have an outlet to Farrington Highway, indirectly over Easements 108 and 118 in Exclusion 2 from Land Court Application No. 1069 and Lots 4745 and 4744, as shown on Map 476 filed with Land Court Application No. 1069, and Lots 4599, 4600, and 4602, as shown on Map 450 filed with Land Court Application No. 1069, as set forth by Land Court Order No. 96075, filed December 5, 1989.

**DVC RESORT AGREEMENT
FOR
AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII**

THIS DVC RESORT AGREEMENT ("Agreement") is made and entered into effective this 20th day of April, 2010 (the "Effective Date") by and among BUENA VISTA TRADING COMPANY, a Florida corporation, having offices and its principal place of business at 1390 Celebration Boulevard, Celebration, Florida 34747 ("BVTC"); DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC, a Florida limited liability company, having offices and its principal place of business at 1390 Celebration Boulevard, Celebration, Florida 34747 ("DVCHMC"); DISNEY VACATION DEVELOPMENT, INC., a Florida corporation having offices and its principal place of business at 1390 Celebration Boulevard, Celebration, Florida 34747 ("DVD"); ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, having its address at 1390 Celebration Boulevard, Celebration, Florida 34747 (the "Association").

RECITALS

WHEREAS, DVD has developed a resort condominium project known as Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawaii Condominium located in Honolulu, Hawaii (the "Ko Olina – Disney Vacation Club Resort Condominium"); and

WHEREAS, pursuant to Chapter 514E, Hawaii Revised Statutes, DVD has established a Vacation Ownership Plan ("*Aulani, Disney Vacation Club Villas®*, Ko Olina, Hawaii Vacation Ownership Plan") with respect to certain condominium units in the Ko Olina – Disney Vacation Club Resort Condominium; and

WHEREAS, DVD has provided for a central reservation system and related services (the "Club") which includes the operation of an exchange system (the "DVC Reservation Component") through which the owners of Ownership Interests in Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii Vacation Ownership Plan ("Owners") and in any other vacation resorts that are entitled to access and use the DVC Reservation Component ("DVC Resorts") have the ability to voluntarily reserve the use of available accommodations and related facilities of any DVC Resort in accordance with and as restricted by rules and regulations established by BVTC from time to time; and

WHEREAS, the Association is the owners' association for the Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii pursuant to Chapter 514E, Hawaii Revised Statutes; and

WHEREAS, DVCHMC and the Association have entered into that certain property management agreement and that certain membership agreement for the purpose of the Association assigning to DVCHMC all of the Association's management and assessment collection duties, obligations and responsibilities (except those which cannot be delegated as a matter of law), including the Association's responsibility for managing the use of the accommodations and related facilities of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii in accordance with and as restricted by the Ko Olina – Disney Vacation Club Resort Documents; and

WHEREAS, DVD, the Association, DVCHMC and BVTC desire to enter into this Agreement for the purpose of enabling the Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii to become a DVC Resort and for BVTC to coordinate activities and perform services associated therewith in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby agree as follows:

AGREEMENT

I. Definitions

The following definitions of terms used in this Agreement shall prevail unless the context requires a different meaning:

1.1 Agreement shall mean this DVC Resort Agreement for the Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii.

1.2 Annual Dues means that portion of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawaii Estimated Budgets and the Ko Olina – Disney Vacation Club Resort Condominium Estimated Budgets that has been assessed against an individual Owner's Ownership Interest.

1.3 Applicable Law shall mean the law of the jurisdiction where the DVC Resort referred to is located, as of the date of this Agreement unless BVTC determines otherwise.

1.4 Association shall mean Ali'i Nui Vacation Owners Association, Inc., a not-for-profit Florida corporation, and its successors and assigns, which is responsible for the operation and management of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i under Applicable Law.

1.5 BVTC shall mean Buena Vista Trading Company, a Florida corporation, its successors and assigns. BVTC is an exchange company registered under Chapter 514E, Hawai'i Revised Statutes.

1.6 Chapter 721 shall mean Chapter 721, Florida Statutes, as it is constituted on the date of this Agreement.

1.7 Club shall mean the *Disney Vacation Club*®. The Club is not a legal entity or association of any kind, but rather is a service name for the services and benefits appurtenant to and the restrictions imposed upon the use and enjoyment of Ownership Interests. These services presently include, among other things, the operation of a central reservation system consisting of the Home Resort Reservation Component for the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i and the DVC Reservation Component.

1.8 Club Member shall mean the owner of record of an Ownership Interest.

1.9 Disclosure Document shall mean the disclosure statement promulgated or amended by BVTC in accordance with Section 721.18, Florida Statutes, and containing the rules and regulations that BVTC in its sole, absolute and unfettered discretion determines are necessary or desirable from time to time in order to implement or enforce the provisions of this Agreement. The terms and conditions of the Disclosure Document are incorporated herein by this reference.

1.10 DVCHMC shall mean Disney Vacation Club Hawaii Management Company, LLC, a Florida limited liability company, its successors and assigns.

1.11 DVC Reservation Component shall mean the exchange component of the Club central reservation system through which Vacation Homes in any DVC Resort may be reserved using DVC Vacation Points pursuant to priorities, restrictions and limitations established by BVTC from time to time and as set forth in the Disclosure Document.

1.12 DVC Resort shall mean each resort, including the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, which is entitled to access and use the DVC Reservation Component and other applicable Club services and benefits provided by BVTC by virtue of and pursuant to the terms and conditions of a DVC Resort Agreement.

1.13 DVC Resort Agreement shall mean the agreement pursuant to which a resort becomes and remains a DVC Resort in accordance with the terms and conditions of such agreement.

1.14 DVC Vacation Points shall mean Vacation Points utilized by a Club Member to make a reservation through the DVC Reservation Component at a DVC Resort.

1.15 DVD shall mean Disney Vacation Development, Inc., a Florida corporation, its successors and assigns, and the developer of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i.

1.16 Home Resort shall mean any DVC Resort in which a Club Member owns an Ownership Interest which is symbolized by Home Resort Vacation Points.

1.17 Home Resort Priority Period shall mean the period of time at each DVC Resort during which only Club Members having an Ownership Interest at that DVC Resort are entitled to request a reservation for the Vacation Homes at that DVC Resort through the Vacation Ownership Plan at that DVC Resort.

1.18 Home Resort Vacation Points shall mean Vacation Points symbolizing an Ownership Interest at a Home Resort which Vacation Points may be used to reserve Vacation Homes at that Home Resort where that Ownership Interest is held.

1.19 Ko Olina – Disney Vacation Club Resort Documents shall mean all of the documents, by whatever names denominated, and any amendments thereto, which create and govern the rights and relationships of the Club Members in the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i as required or allowed by Applicable Law.

1.20 Ko Olina – Disney Vacation Club Resort Condominium Estimated Budgets shall mean the operating and capital reserves budgets that establish the estimated annual common expenses and reserves of the Ko Olina – Disney Vacation Club Resort Condominium.

1.21 Ko Olina – Disney Vacation Club Resort Vacation Ownership Plan Estimated Budgets shall mean the operating and capital reserves budgets that establish the estimated annual common expenses and reserves of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i Vacation Ownership Plan.

1.22 Ownership Interest shall mean a property interest in a Unit in a DVC Resort.

1.23 The TWDC Companies shall mean TWDC and all subsidiaries and affiliates of TWDC, including DVD, DVCHMC and BVTC.

1.24 TWDC shall mean The Walt Disney Company, a Delaware corporation, its successors and assigns.

1.25 Unit shall mean that portion of a DVC Resort which is subject to exclusive ownership by one or more persons pursuant to Applicable Law.

1.26 Vacation Home shall mean those portions of a Unit designed and intended for separate use and occupancy.

1.27 Vacation Ownership Plan is the arrangement pursuant to Applicable Law and the documents establishing the DVC Resort under Applicable Law whereby a Club Member receives an Ownership Interest in a Unit in a DVC Resort under which the exclusive right of use, possession or occupancy of all Units in the DVC Resort circulates among the various Club Members at that DVC Resort on a recurring basis during the term of the plan.

1.28 Vacation Point shall mean the symbolic unit of measuring the respective rights of a Club Member to enjoy the benefits of the Club Member's Ownership Interest within the Club.

II. Assignment

2.1 The Association, on its own behalf and on behalf of all of the Club Members in the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, hereby enters into and agrees to be bound by the terms and conditions of this Agreement with the purpose of engaging BVTC to arrange for the assignment of the possession and use of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i Vacation Homes by Club Members from other DVC Resorts and the possession and use of Vacation Homes at other DVC Resorts by Club Members from the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i through the DVC Reservation Component. In this regard, the Association shall be deemed to be the "corporate member" entitled to act on behalf of the Club Members with respect to all provisions of this Agreement. Each Club Member at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i shall expressly evidence acceptance of the terms and conditions of this Agreement and the Disclosure Document by acceptance of a deed conveying an Ownership Interest in a Unit at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i or by otherwise acquiring an Ownership Interest in a Unit at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i.

2.2 DVD hereby enters into this Agreement for the purpose of expressing its consent to and acceptance of the terms and conditions of this Agreement.

2.3 DVCHMC, as the management company for the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, hereby enters into this Agreement for the purpose of expressing its consent to and acceptance of the terms and conditions of this Agreement. Whatever obligations are imposed upon the Association by this Agreement, the reference to the Association shall include DVCHMC as the management company authorized to act on behalf of the Association to the extent contemplated under the Ko Olina – Disney Vacation Club Resort Documents.

2.4 BVTC for itself and its successors and assigns hereby agrees to assume all of the responsibilities and duties set forth above, and to faithfully discharge all of its obligations as assigned hereunder.

2.5 The parties agree that the rights assigned to BVTC pursuant to this Agreement are exclusive to BVTC.

III. Acknowledgments

3.1 DVCHMC, DVD, BVTC and the Association hereby acknowledge the following:

a. That the DVC Reservation Component shall be operated by BVTC pursuant to the terms of this Agreement and the Disclosure Document, as the same may be amended from time to time.

b. That membership in the Club is an appurtenance to each Ownership Interest at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i in accordance with the terms of the Ko Olina – Disney Vacation Club Resort Documents and this Agreement and may not be partitioned from such Ownership Interest.

c. That the Club does not own any property or assets, and that Club Members will acquire no legal or beneficial interest in any of The TWDC Companies or their assets, including the Club, and no right or interest in the property, contract rights or business of The TWDC Companies. Furthermore, Club Members will not be entitled to any share of income, gain or distribution by or of The TWDC Companies and will not acquire any voting rights in respect of The TWDC Companies.

d. That DVD is only obligated to develop and construct the phases of the Ko Olina – Disney Vacation Club Resort Condominium initially declared as part of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i and described in the Ko Olina – Disney Vacation Club Resort Documents. DVD has the right, in its sole discretion, to add other land, units and facilities, whether or not developed by The TWDC Companies, as part of the Ko Olina – Disney Vacation Club Resort Condominium and/or the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i.

e. That BVTC has the right to delete a DVC Resort, including Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, in accordance with Section 6.3 below, in which case the Club Members at the remaining DVC Resorts will not be able to reserve the use of accommodations at the deleted resort through the DVC Reservation Component and owners at the deleted resort will not be able to reserve the use of Vacation Homes through the DVC Reservation Component.

f. That the discretion to associate other resorts as DVC Resorts and the terms and conditions of such association and the right to delete existing DVC Resorts belongs solely to BVTC and neither the Association, DVCHMC nor the individual Club Members will be entitled to participate in BVTC's decision in this regard.

g. That the relationship between DVCHMC, the Association and BVTC, together with the handling of all of the services and benefits provided by BVTC for the Club Members at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, constitutes legitimate business of the Association.

IV. Covenants of DVD, DVCHMC and the Association

4.1 DVD agrees to notify BVTC of DVD's execution and delivery of deeds to each Club Member at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i indicating that DVD has transferred an Ownership Interest in the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i to the Club Member.

4.2 The Association agrees that subsequent to expiration or termination of the period of developer control of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i pursuant to the Ko Olina – Disney Vacation Club Resort Documents, if any, the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i shall continue to be a DVC Resort pursuant to the provisions of and in accordance with the terms and conditions of this Agreement.

4.3 DVD, DVCHMC and the Association represent and warrant to BVTC that: (a) DVD owns or leases, or shall own or lease prior to marketing or commencement of sales, the real estate and improvements constituting the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i; and (b) each Club Member owning an Ownership Interest in the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i shall acquire, possess and enjoy the right to use his or her Ownership Interest in accordance with information contained in the deed submitted for each Club Member and in accordance with the Ko Olina – Disney Vacation Club Resort Documents. DVD, DVCHMC and the Association shall immediately notify BVTC of any change or any other fact or circumstance affecting BVTC's delivery of services and benefits to Club Members at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, including the termination of any existing management company for the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i and/or the Ko Olina – Disney Vacation Club Resort Condominium.

V. Operation and Management of Reservation Rights.

5.1 All reservations made by Club Members among the DVC Resorts using the DVC Reservation Component shall be made in accordance with the Disclosure Document as promulgated and/or amended from time to time by BVTC. BVTC reserves the right to amend the Disclosure Document in its sole, absolute and unfettered discretion and as it determines is necessary or desirable in order to operate and manage the services and benefits made available through BVTC; provided, however, that the Disclosure Document will only be amended as permitted under Chapter 721, Florida Statutes.

5.2 DVD, DVCHMC and the Association acknowledge and understand that the operation and management of the DVC Reservation Component is based upon a Vacation Point structure. Under this structure, each Ownership Interest is symbolized by a number of Home Resort Vacation Points under the Vacation Ownership Plan for the DVC Resort representing the reservation power of that Ownership Interest in that DVC Resort's Vacation Ownership Plan. These Home Resort Vacation Points may be converted into DVC Vacation Points (as described in the Disclosure Document) if the Club Member voluntarily participates in the DVC Reservation Component by making a reservation at other DVC Resorts. Home Resort Vacation Points may not be converted into DVC Vacation Points except in connection with making a reservation through the DVC Reservation Component. The number of DVC Vacation Points required to reserve Vacation Homes at a DVC Resort will be determined annually by BVTC in its sole, absolute and unfettered discretion except as limited by any Applicable Law; however, in no event will BVTC reallocate DVC Vacation Points by more than 20% for any use day from year to year except for special periods of high demand and based upon Club Member use patterns and changes in Club Member use demand (including, without limitation, use demand during special or holiday seasons), as determined by BVTC in its sole, absolute and unfettered discretion.

5.3 DVD, DVCHMC and the Association acknowledge and understand that different Home Resort Priority Periods may exist at each DVC Resort; provided, however, that in no event shall BVTC associate a resort as a DVC Resort if such resort has a Home Resort Priority Period of less than one (1) month.

5.4 DVD, DVCHMC and the Association acknowledge and agree that all personal property related to BVTC's operation of the DVC Reservation Component, including all computer hardware and software and intellectual property, is and always shall be the personal property of BVTC; provided, however, that in the event that this Agreement is terminated or suspended, the rights of the parties to use the DVC Reservation Component for the Club will be governed by the provisions of Article VIII. below.

VI. Other DVC Resorts

6.1 In the event BVTC associates one or more additional resorts as DVC Resorts, the DVC Resort Agreement executed to effect such association shall be substantially similar to this Agreement in all material respects under the circumstances pertaining to each such additional DVC Resort.

6.2. The parties agree that BVTC shall have the following rights with respect to the addition of resorts as DVC Resorts:

a. BVTC may elect to associate other resort properties as DVC Resorts from time to time. These other DVC Resorts, if any, may be located within or outside the United States of America. Furthermore, it is contemplated that all resorts that may be associated as DVC Resorts from time to time will be developed by DVD or another affiliate or subsidiary of The TWDC Companies and managed by DVCHMC or by Disney Vacation Club Management Corp., a Florida corporation ("DVCMC"); however, BVTC in its sole discretion reserves the right to enter into a DVC Resort Agreement with other resorts that have not been developed by DVD or any of The TWDC Companies and that may or may not be managed by DVCHMC or DVCMC.

b. The association of additional DVC Resorts is not subject to the approval of DVCHMC, the Association or any Club Member, and any decision to associate DVC Resorts, including the terms and conditions under which the DVC Resort is associated, will be made by BVTC subject to the express written approval of DVD. In making a decision to associate additional DVC Resorts, BVTC shall use its best efforts, in good faith and based upon all available evidence under the circumstances, to further the best interests of the Club Members taken as a whole with respect to the Club Members' opportunity to use and enjoy all of the Vacation Homes and related facilities made available through the DVC Reservation Component. In this regard, BVTC will consider such factors as size, capacity, furnishings, maintenance impact, location (including geographic, topographic and scenic considerations), recreational capabilities, and demand and availability for Club Member use and enjoyment.

c. In the event other resorts are associated as DVC Resorts, the addition of the DVC Resort will result in the addition of new Club Members who will have the opportunity to make reservations for the use of Vacation Homes and related facilities through the DVC Reservation Component under the same terms and conditions as existing Club Members, including the Club Members at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, and may also result in an increase in the Annual Dues assessed against each Ownership Interest. If other DVC Resorts are associated, demand for use may vary among the various DVC Resorts and the level of Club Member demand for the use of a particular DVC Resort may increase over the level of use demand that existed at the time of purchase by a particular Club Member such that the ability of a Club Member to reserve use at a high demand DVC Resort at a particular time may be impacted. However, new Club Members' reservation requests will also be subject to the Home Resort Priority Period for each DVC Resort, and additions of new DVC Resorts may only be made so long as the "one-to-one use-right to use-night requirement ratio," as that term is defined in Section 721.05(25), Florida Statutes, shall be maintained. In addition, the inclusion of new resorts as DVC Resorts will afford existing Club Members with more DVC Resort Vacation Homes and location reservation opportunities and options.

d. BVTC does not anticipate that the rules and regulations governing reservations among the DVC Resorts will be affected by adding additional resorts as DVC Resorts. However, BVTC has reserved the right to (i) amend the Disclosure Document and DVC Vacation Point schedules to take into account the location and anticipated relative use demand of the added DVC Resort as may be necessary and as it deems necessary or desirable in order to implement or enforce the provisions of this Agreement and the Disclosure Document as permitted under Applicable Law and/or Chapter 721.

e. For DVC Resorts that experience higher than anticipated use demand relative to other DVC Resorts, BVTC reserves the right, in its sole, absolute and unfettered discretion, to charge an in-bound exchange fee for exchanges into such high demand DVC Resorts.

6.3 The parties agree that any deletion of a DVC Resort shall be governed by the following:

a. In the event of a deletion of any DVC Resort that results in Vacation Homes or related facilities of such DVC Resort being unavailable for use by Club Members, BVTC shall notify DVD, DVCHMC, the Association and all affected Club

Members of such unavailability of use within thirty (30) days after the related event of casualty, eminent domain action or automatic or other deletion.

b. BVTC may, in its sole discretion, delete all or a portion of an existing DVC Resort due to casualty where any of the affected Vacation Homes or related facilities are not reconstructed or replaced.

(1) By execution of this Agreement, DVCHMC and the Association agree to obtain and maintain casualty insurance as to all Vacation Homes, related facilities and furnishings located upon the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i in an amount equal to the replacement cost of such Vacation Homes, related facilities and furnishings as required by Chapter 721. BVTC shall not be liable for any costs associated with obtaining or maintaining such insurance.

(2) DVD, DVCHMC, and the Association further agree that any insurance proceeds resulting from a casualty at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i shall be applied to the reconstruction or replacement of the Vacation Homes or related facilities; or, in lieu thereof, disbursed to affected Club Members at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i as their share of the non-reconstructed or replaced Unit, in accordance with the Ko Olina – Disney Vacation Club Resort Documents, resulting in their withdrawal from participation in the DVC Reservation Component so that Club Members will not be requesting reservations for available Vacation Homes on a greater than "one-to-one use-right to use-night requirement ratio," as that term is defined in Section 721.05(25), Florida Statutes. The decision whether or not to reconstruct or replace shall be made as promptly as possible under the circumstances.

(3) Any replacement of Vacation Homes or related facilities of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i due to casualty shall be made so as to provide Club Members with an opportunity to enjoy a substantially similar vacation experience as was available with the deleted Vacation Homes or related facilities, as determined by BVTC in its sole, absolute and unfettered discretion. In determining whether the replacement Vacation Homes and related facilities will provide a substantially similar vacation experience, BVTC shall consider all relevant factors, including some or all of the following: size, capacity, furnishings, maintenance costs, location (geographic, topographic and scenic), demand and availability for Club Member use, and recreational capabilities. BVTC reserves the right, in its sole discretion, to reject replacement Vacation Homes and related facilities that do not meet its association criteria, including the high standards of quality and customer service established by BVTC for all DVC Resorts from time to time.

c. BVTC may, in its sole discretion, delete all or a portion of any existing DVC Resort where an eminent domain action has taken place and where any of the affected Vacation Homes or related facilities are not replaced.

(1) In the event of a taking of all or a portion of the Vacation Homes and related facilities of a DVC Resort by eminent domain, DVD, DVCHMC, and the Association agree that any proceeds resulting from such taking shall be applied to the replacement or acquisition of additional similar Vacation Homes and related facilities; or in lieu thereof, disbursed to affected Club Members at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i as their share of the non-replaced Unit, in accordance with the Ko Olina – Disney Vacation Club Resort Documents, resulting in their withdrawal from participation in the DVC Reservation Component so that Club Members will not be competing for reservations of available Vacation Homes on a greater than "one-to-one use-right to use-night requirement ratio," as that term is defined in Section 721.05(25), Florida Statutes.

(2) Any replacement of Vacation Homes or related facilities due to a taking by eminent domain shall be made upon the same basis as replacements made due to casualty as set forth above.

d. BVTC may, in its sole, absolute and unfettered discretion, delete an existing DVC Resort pursuant to the specific termination rights contained in each individual DVC Resort Agreement. A DVC Resort also will be automatically deleted upon the expiration or earlier termination of the term of its Vacation Ownership Plan.

e. During any reconstruction, repair or replacement period, or as a result of a decision not to reconstruct or replace (if permitted under the documents establishing the DVC Resort under Applicable Law), Club Members may be required to compete for reservations for available Vacation Homes on a greater than "one-to-one use-right to use-night requirement ratio," as that term is defined in Section 721.05(25), Florida Statutes. If available, DVCHMC and the Association may acquire business interruption insurance for securing replacement Vacation Homes or related facilities or expend Association funds to secure replacement Vacation Homes or related facilities during any reconstruction, replacement or acquisition period.

f. In order to maintain compliance with the "one-to-one use-right to use-night requirement ratio," as that term is defined in Section 721.05(25), Florida Statutes, in the event that a DVC Resort is deleted, all Club Members at the deleted DVC Resort will no longer be able to participate in the DVC Reservation Component. A Club Member at a deleted DVC Resort will not be able to make reservations at other DVC Resorts unless the Club Member owns an Ownership Interest at a non-deleted DVC Resort;

however, the Club Member will continue to have reservation rights in the resort where the Club Member owns his or her Ownership Interest in accordance with the terms of the resort's Vacation Ownership Plan.

6.4 Without first receiving the express written consent of DVD, BVTC shall not offer any external exchange programs to Club Members other than as contemplated under this Agreement.

VII. BVTC Fees

7.1 In consideration for providing the services contemplated under this Agreement and in lieu of charging individual transaction fees to Club Members, BVTC shall be entitled to receive an amount equal to the rental proceeds, if any, in excess of the amount paid to the Association under the Ko Olina – Disney Vacation Club Resort Documents resulting from the rental of unreserved Vacation Homes (in accordance with the reservation priorities set forth in the Ko Olina – Disney Vacation Club Resort Documents) equal to the costs incurred by BVTC to provide the services contemplated under this Agreement plus 5% of the amount of the costs to provide the services contemplated under this Agreement. BVTC shall provide DVCHMC with an annual accounting of the costs that it incurs in the performance of the services contemplated under this Agreement. DVCHMC shall receive, hold and remit these proceeds due to BVTC in accordance with the terms of the Ko Olina – Disney Vacation Club Resort Documents. The proceeds contemplated to be remitted to BVTC pursuant to this Section shall be payable in arrears and shall be due on January 1st of the next year and past due on January 31st of that year. BVTC's right to receive these proceeds shall cease upon the termination of this Agreement.

7.2 In lieu of individual membership fees, the Association, as the "corporate member" on behalf of all Club Members at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i, shall remit to BVTC each calendar year, an amount equal to \$1.00 for each Club Member at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i. This "corporate membership fee" shall be payable in arrears and shall be due on January 1st of the next year and past due on January 31st of that year. The fee shall be based upon the number of Club Members owning Ownership Interests at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i as of December 31st of the year for which the fee is due. Upon the termination of this Agreement, BVTC shall be entitled to receive a prorated "corporate membership fee" through the termination date and based upon the number of Club Members owning Ownership Interests at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i as of the effective date of termination.

7.3 A Club Member's failure to pay his or her Annual Dues shall not relieve the Association from its obligations to timely pay the entire amount of proceeds or fees due to BVTC hereunder.

7.4 By execution of this Agreement, DVCHMC and the Association authorize BVTC to prohibit Club Members who are delinquent in the payment of their Annual Dues (with respect to any Ownership Interests owned by such Club Members) or any other sums due DVCHMC or the Association from accessing the DVC Reservation Component or checking in to a Vacation Home at a DVC Resort reserved through the DVC Reservation Component as permitted under and in accordance with Applicable Law and until such time as the delinquency is paid in full.

VIII. Termination, Suspension and Remedies

8.1 Termination of this Agreement can occur as follows:

a. This Agreement will automatically terminate upon:

(1) the declaration of bankruptcy or insolvency of any of DVD, DVCHMC or the Association according to Applicable Law or if any general assignment shall be made of DVD's, DVCHMC's or the Association's property for the benefit of creditors; provided, however, that BVTC shall have the right, in its sole discretion, to continue the Agreement as to the parties that have not been declared bankrupt or insolvent or made the subject of a general assignment for the benefit of creditors; or

(2) the deletion of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i entirely in accordance with Section 6.3 above.

b. The parties may terminate participation in this Agreement:

(1) by the mutual written agreement of the parties, effective upon the date agreed to by the parties; or

(2) in the event of a material breach of any of the terms, conditions, covenants, representations or warranties contained in this Agreement upon written notice to the breaching party stating the grounds for such termination, unless the breaching party cures the asserted breach to the reasonable satisfaction of the party giving such notice within thirty (30) days of the date of notice.

c. BVTC may immediately terminate its participation in this Agreement, by giving written notice to DVD, DVCHMC and the Association, upon BVTC's determination, in its sole, absolute and unfettered discretion, that DVD, DVCHMC or the Association have failed to manage, operate and maintain the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i or the Ko Olina – Disney Vacation Club Resort Condominium in a manner consistent with the high standards of quality and customer service established by BVTC for all DVC Resorts from time to time, including the employment or termination by (i) DVD and/or Association of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i's management company or DVC Operator without BVTC's consent, or (ii) DVD and/or Ali'i Nui Villas Condominium Association, Inc., of the Ko Olina – Disney Vacation Club Resort Condominium's management company without BVTC's consent.

8.2 Unless sooner terminated as provided in this Agreement, the term of this Agreement shall expire on January 31, 2062, or upon the earlier termination of the Vacation Ownership Plan for the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i. In the event that the Vacation Ownership Plan for the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i is extended beyond January 31, 2062, pursuant to the terms of the Ko Olina – Disney Vacation Club Resort Documents and at BVTC's election, the term of this Agreement shall automatically be extended for the additional term unless sooner terminated as provided in this Agreement.

8.3 Upon termination of this Agreement, the following events shall occur:

a. DVD shall immediately discontinue the offering of Ownership Interests with appurtenant rights in the DVC Reservation Component in accordance with the terms of this Agreement to prospective purchasers; and

b. DVD, DVCHMC and the Association shall immediately cease using and thereafter abstain from using all personal property belonging to BVTC and related to the operation and functioning of the DVC Reservation Component, including all computer hardware or software or intellectual property. DVD, DVCHMC and the Association shall return same to BVTC all personal property belonging to BVTC within fifteen (15) days after termination of this Agreement, subject to any transition periods required under Chapter 721. No property right in or privilege to use BVTC materials is created by this Agreement which will extend beyond the expiration or termination of this Agreement. The terms of this Section shall survive the termination of this Agreement.

8.4 Upon termination of this Agreement, BVTC shall honor all reservations and reservation privileges of Club Members from other DVC Resorts reserving Vacation Homes at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i that are confirmed or accrued prior to termination and shall honor all reservations and reservation privileges of Club Members at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i reserving Vacation Homes at other DVC Resorts that are confirmed or accrued prior to termination of this Agreement. DVCHMC and the Association shall honor all confirmed reservations and reservation privileges of Club Members from other DVC Resorts reserving Vacation Homes at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i that are confirmed or accrued prior to termination. The terms of this Section shall survive the termination of this Agreement.

8.5 Notwithstanding any provisions contained in this Agreement to the contrary, BVTC reserves the right to elect to suspend the participation of the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i as a DVC Resort under this Agreement rather than electing to terminate this Agreement. The terms and conditions governing such suspension shall be determined by BVTC in its sole, absolute and unfettered discretion. Upon the termination of such suspension period, the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i shall be entitled to resume participation as a DVC Resort under this Agreement subject to any terms and conditions established by BVTC.

8.6 In the event that DVD, DVCHMC or the Association fails to perform its services under this Agreement and such failure results in a Club Member with a confirmed reservation at the Aulani, Disney Vacation Club Villas, Ko Olina, Hawai'i being wrongfully denied access to a Vacation Home, then DVD, DVCHMC or the Association shall immediately correct such denial of access at its own expense.

8.7 Each party acknowledges that damages cannot adequately compensate the other parties for a breach of any of the provisions of this Agreement, and, therefore, the parties agree that each party shall be entitled to a remedy of specific performance or injunctive relief, as appropriate, in the event of a breach or threatened breach of any such provisions by any other party, in addition to any other appropriate legal or equitable remedies.

8.8 Each party agrees to indemnify and hold harmless the other parties from and against all claims, demands, obligations, deficiencies, judgments, damages, suits, losses, penalties, expenses, costs (including attorneys' and other professionals' fees and costs) and liabilities of any kind, type or nature whatsoever directly or indirectly resulting from, arising out of or in connection with this Agreement or the operation of its business as a result of any acts or omissions by it or any of its directors, officers, partners, employees, representatives, agents, brokers, salespersons or associates.

IX. Assignment

9.1 BVTC reserves the right, and DVD, DVCHMC and the Association acknowledge BVTC's right, to assign BVTC's rights and duties under this Agreement to a wholly owned subsidiary of BVTC, the parent corporation of BVTC, or a corporation under common ownership or control with BVTC. Upon such assignment and assumption, BVTC shall be released from all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the other parties.

9.2 DVD reserves the right, and DVCHMC, BVTC and the Association acknowledge DVD's right, to assign DVD's rights and duties under this Agreement to a wholly owned subsidiary of DVD, the parent corporation of DVD or a corporation under common ownership or control with DVD. Upon such assignment and assumption DVD shall be released from all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the other parties.

9.3 DVCHMC reserves the right, and DVD, BVTC and the Association acknowledge DVCHMC's right, to assign DVCHMC's rights and duties under this Agreement to a wholly owned subsidiary of DVD, the parent corporation of DVCHMC or a corporation under common ownership or control with DVCHMC. Upon such assignment and assumption DVCHMC shall be released from all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the other parties.

9.4 The parties hereby agree that the Association shall not have the right to assign its rights and duties under this Agreement to any third party other than DVCHMC.

X. General

10.1 Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) when deposited, postage prepaid, in the United States 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 deposited with 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 hereunder by notice to the other parties.

10.2 The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement. All references in this Agreement to particular recitals and sections are references to recitals and sections of this Agreement. The recitals set forth at the beginning of this Agreement are true and correct and are incorporated herein by this reference.

10.3 In the event that any clause or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any other provision of this Agreement. Failure of any party to insist on strict compliance with the provisions of this Agreement shall not constitute waiver of that party's right to demand later compliance with the same or other provisions of this Agreement.

10.4 This Agreement constitutes the entire understanding and agreement among the parties concerning the subject matter of this Agreement. This Agreement may be modified only by a writing executed by the parties with the same formality with which this Agreement has been executed. All understandings among the parties are merged into this Agreement, and there are no representations, warranties, covenants, obligations, understandings or agreements, oral or otherwise, in relation thereto among the parties other than those incorporated herein.

10.5 This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Florida. The parties hereby 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 any party, the other parties hereby agree, consent and submit to the personal jurisdiction of the Circuit Court of the Ninth Judicial Circuit of Florida in and for Orange County, Florida, with respect to such suit or legal action, and each party also hereby 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 hereby waives 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.

10.6 This Agreement and all of its provisions shall be binding upon and inure to the benefit of the parties and their successors and assigns. In no event shall the terms and conditions of this Agreement be deemed in any way to inure to the benefit of any person or party not expressly made a party hereto except for permitted successors or assigns to parties hereto.

10.7 In the event that BVTC shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, terrorist acts, act of God, or any other reason beyond BVTC'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.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date.

WITNESSES:

J Greene

Print Name: J Greene

Karen L. Grip

Print Name: Karen L. Grip

J Greene

Print Name: J Greene

Karen L. Grip

Print Name: Karen L. Grip

J Greene

Print Name: J Greene

Karen L. Grip

Print Name: Karen L. Grip

J Greene

Print Name: J Greene

Karen L. Grip

Print Name: Karen L. Grip

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

By: *L. Anne Nieman*

Name: Leigh Anne Nieman

As its: Assistant Secretary

DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC, a Florida limited liability company

By: *John M. McGowan*

Name: John M. McGowan

As its: Secretary

ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

By: *Yvonne Chang*

Name: Yvonne Chang

As its: Director

BUENA VISTA TRADING COMPANY, a Florida corporation

By: *Lawrence Smith*

Name: Lawrence Smith

As its: Treasurer

DISNEY VACATION CLUB® MEMBERSHIP AGREEMENT

THIS DISNEY VACATION CLUB MEMBERSHIP AGREEMENT for AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII VACATION OWNERSHIP PLAN is entered into effective this ~~20th~~ day of April 2010 (the "Effective Date") by and among DISNEY VACATION DEVELOPMENT, INC., a Florida corporation ("DVD"), whose address is 1390 Celebration Boulevard, Celebration, Florida 34747; DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC, a Florida limited liability company ("DVCHMC"), whose address is 1390 Celebration Boulevard, Celebration, Florida 34747; and ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "Association"), whose address is 1390 Celebration Boulevard, Celebration, Florida 34747.

W I T N E S S E T H:

WHEREAS, DVD has established Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawaii Condominium (the "Condominium") pursuant to Chapter 514B, Hawai'i Revised Statutes; and

WHEREAS, DVD has established a vacation ownership plan with respect to the Condominium pursuant to Chapter 514E, Hawai'i Revised Statutes (the "Vacation Ownership Plan"); and

WHEREAS, pursuant to the Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements for the Vacation Ownership Plan (the "Declaration"), the Association has the responsibility, obligation and authority to operate the Vacation Ownership Plan; and

WHEREAS, DVD has provided for a "central reservation system" and related services (the "Club") which includes the operation of a reservation system for the Vacation Ownership Plan (the "Home Resort Reservation Component") through which Owners in the Vacation Ownership Plan reserve the use of the accommodations of the Vacation Ownership Plan pursuant to the priorities, restrictions and limitations of the Vacation Ownership Plan established by DVCHMC from time to time; and

WHEREAS, the Association is desirous of entering into this Agreement for the purpose of assigning its responsibilities and obligations for operating the reservation system for the Vacation Ownership Plan to DVCHMC as described herein and for the purpose of assuring that the quality of the operation of the Vacation Ownership Plan is maintained as described herein; and

WHEREAS, DVCHMC is desirous of accepting such assignment and furnishing the necessary services for the Association; and

WHEREAS, the parties desire to enter into this Agreement for the purpose of defining and implementing the operation of the reservation system for the Vacation Ownership Plan and the Home Resort Reservation Component.

NOW, THEREFORE, in consideration of the covenants, conditions and obligations contained herein and other good and valuable consideration received by the parties, it is agreed by and among the parties as follows:

I. DEFINITIONS

The terms used in this Agreement shall be defined in accordance with the Declaration unless otherwise defined herein or the context otherwise requires. In addition, the following definitions of terms used in this Agreement shall also apply:

1.1 Act shall mean Chapter 514E, Hawai'i Revised Statutes, or any successor or replacement statute.

1.2 Agreement shall mean this *Disney Vacation Club*® Membership Agreement.

1.3 Annual Dues means that portion of the Estimated Budgets that has been assessed against an individual Owner's Ownership Interest.

1.4 Banking shall mean the act of a Club Member in deferring the use of all or a portion of the Club Member's Home Resort Vacation Points from the current Use Year into the next succeeding Use Year.

1.5 Borrowing shall mean the act of a Club Member in using all or a portion of the Club Member's Home Resort Vacation Points from the next succeeding Use Year for the purpose of making a reservation in the immediately preceding Use Year.

1.6 Breakage shall mean those Use Days which have not been reserved by Club Members prior to the commencement of the Breakage Period, the use of which may only be reserved by Club Members pursuant to the priorities set forth in Paragraph 4.3 below.

1.7 Breakage Period shall mean the period, as set forth in the Home Resort Rules and Regulations from time to time, preceding a given Use Day.

1.8 Club Member shall mean the Owner of record of an Ownership Interest.

1.9 Condominium Estimated Budgets shall mean the operating and capital reserves budgets that establish the estimated annual Common Expenses and reserves of the Condominium.

1.10 Estimated Budgets shall mean the Condominium Estimated Budgets and the Vacation Ownership Plan Estimated Budgets.

1.11 External Exchange Company shall mean any company that owns, operates or owns and operates an External Exchange Program.

1.12 External Exchange Documents shall mean all information provided to Club Members, from time to time, regarding the operation of any External Exchange Program, including the disclosures required by Section 514E-9.5, Hawai'i Revised Statutes.

1.13 External Exchange Program shall mean the contractual arrangement between (i) an External Exchange Company or Companies and (ii) DVD, DVCHMC, the Association, or individual Club Members, and under which Club Members may request and reserve, under certain conditions, the use of accommodations in resorts other than the Plan or other DVC Resorts.

1.14 Full Kitchen shall mean a kitchen that includes, at a minimum, a dishwasher, range, sink, oven and refrigerator.

1.15 Grand Villa Vacation Home shall mean a Vacation Home containing at least three (3) bedrooms, three (3) bathrooms and a Full Kitchen.

1.16 Home Resort Rules and Regulations shall mean the rules and regulations which DVCHMC, in its sole, absolute and unfettered discretion, determines are necessary or desirable from time to time in order to enforce the provisions of this Agreement or for the operation of the Home Resort Reservation Component.

1.17 Multiple Club Member shall mean a Club Member consisting of an entity or two (2) or more natural persons owning a single Ownership Interest.

1.18 One-Bedroom Vacation Home shall mean a Vacation Home containing one (1) bedroom, one (1) bathroom and a Full Kitchen.

1.19 Studio Vacation Home shall mean a Vacation Home that contains one (1) bedroom and one (1) bathroom, and that is equipped with a microwave, under counter refrigerator, and sink.

1.20 Transfer shall mean the assignment by one Club Member of the use of his or her Home Resort Vacation Points to another Club Member during a given Use Year.

1.21 Two-Bedroom Vacation Home shall mean a Vacation Home containing two (2) bedrooms, two (2) bathrooms and a Full Kitchen. Certain of the Two-Bedroom Vacation Homes may be locked-off into One-Bedroom and Studio Vacation Homes as a use convenience only.

1.22 Use Day shall mean a twenty-four (24) hour period (or such lesser period as may be designated by DVCHMC from time to time) in a Vacation Home subject to reservation and use by Club Members.

1.23 Use Year shall mean, for each Unit in the Condominium, the twelve (12) month period beginning on the first day of the month designated by DVD in each purchase agreement selling an Ownership Interest to a Club Member in that Unit and in each First Deed conveying an Ownership Interest to a Club Member in that Unit. All Ownership Interests in a given Unit may have the same Use Year. The Use Year shall continue for successive twelve (12) month periods for so long as the Vacation Ownership Plan continues. Any Ownership Interest purchased to supplement a Club Member's existing Ownership Interest may have the same Use Year as the Ownership Interest it supplements.

1.24 Vacation Home shall mean and refer to those portions of a Unit designed and intended for separate use and occupancy.

1.25 Vacation Ownership Plan Estimated Budgets shall mean the operating and capital reserves budgets that establish the estimated annual Plan Expenses and reserves of the Vacation Ownership Plan established for the Condominium.

II. ASSIGNMENT

The Association, on its own behalf and on behalf of all of the Owners, hereby enters into and agrees to be bound by the terms and conditions of this Agreement, engages DVCHMC as an independent contractor to perform the services described in this Agreement, and assigns to DVCHMC, to the exclusion of all persons, all the powers and duties of the Association (except those that cannot be assigned as a matter of law) relating to the operation of the reservation system for the Vacation Ownership Plan for the Condominium. DVCHMC hereby accepts such assignment and further agrees to operate the reservation system for the Vacation Ownership Plan and the Home Resort Reservation Component in accordance with the provisions of the Plan Documents. Each Owner shall expressly evidence acceptance of the terms and conditions of this Agreement and the Home Resort Rules and Regulations by acceptance of a deed conveying an Ownership Interest in a Unit or by otherwise acquiring an Ownership Interest. DVD enters into this Agreement for the purpose of expressing its consent to and acceptance of the terms and conditions of this Agreement.

III. OPERATION OF THE VACATION OWNERSHIP PLAN

3.1 Operation of the Home Resort Reservation Component. The purpose of this Agreement is to define and implement the operation of the reservation system for the Vacation Ownership Plan for the Condominium by DVCHMC. Club Members at the Condominium accessing Vacation Homes in accordance with the Vacation Ownership Plan and through the Home Resort Reservation Component must do so pursuant to the terms and conditions of this Agreement and the Home Resort Rules and Regulations.

3.2 Vacation Points. For administrative convenience in the operation of the Club and in the determination of the respective rights of Club Members to enjoy the services and benefits associated with membership in the Club, the Ownership Interest of each Club Member will be symbolized by a number of Home Resort Vacation Points rather than by the specific percentage of the Club Member's Ownership Interest in a Unit. The number of Home Resort Vacation Points assigned to an Ownership Interest will be determined by the Developer in accordance with the Declaration. The number of Home Resort Vacation Points assigned to a Club Member's Ownership Interest will remain fixed and will always symbolize the Club Member's Ownership Interest.

3.3 Home Resort Vacation Point Reservation Values. Club Members will be permitted to use their Home Resort Vacation Points each Use Year to make a reservation of a Vacation Home in the Vacation Ownership Plan for the Condominium. A certain number of Home Resort Vacation Points have been or will be established by DVCHMC in its sole, absolute and unfettered discretion for the use of each Vacation Home in the Vacation Ownership Plan for the Condominium during each Use Day, with variations that will take into account, among other factors, anticipated seasonal and geographical demand factors and the related actual use demand of Club Members experienced in the operation of the Club. The Home Resort Vacation Point Values established by DVCHMC that symbolize all Ownership Interests will be based upon a 365 Use Day calendar year containing a minimum number of Fridays and Saturdays distributed through high demand periods (the "**Base Year**"). During the Base Year the total number of Home Resort Vacation Points required to reserve all Use Days in all Vacation Homes in the Vacation Ownership Plan must equal the total number of Home Resort Vacation Points assigned to the Ownership Interests pursuant to the Declaration. Any excess availability that may exist from time to time shall be subject to the Breakage Period priorities set forth in the Home Resort Rules and Regulations.

In order to meet the Club Members' needs and expectations as evidenced by fluctuations in Use Day demand in the Vacation Ownership Plan experienced by DVCHMC during a given calendar year, DVCHMC may, in its sole, absolute and unfettered discretion, increase or decrease the Home Resort Vacation Point requirements for reservation of a given Use Day within a given Vacation Home during the given calendar year by any amount not to exceed twenty percent (20%) of the Home Resort Vacation Points required to reserve that Use Day during the previous calendar year. Such a reallocation simply changes the number of Home Resort Vacation Points required to reserve the use of a Vacation Home for a particular Use Day, but does not increase or decrease the total number of Home Resort Vacation Points assigned by DVD to a given Unit or Ownership Interest pursuant to the Declaration. The twenty percent (20%) reallocation limitation shall not apply to increases or decreases in Home Resort Vacation Point reservation requirements relating to special periods of high demand based upon Club Member use patterns and changes in Club Member use demand (including, without limitation, use demand during special or holiday seasons), as determined by DVCHMC in its sole, absolute and unfettered discretion.

Any increase or decrease in the Home Resort Vacation Point Reservation Requirement for a given Use Day pursuant to DVCHMC's right to make this Home Resort Vacation Point adjustment must be offset by a corresponding decrease or increase for another Use Day or Days. Except as otherwise provided above, adjustments in excess of twenty percent (20%) in any calendar year will require approval of not less than sixty percent (60%) of all then-existing Club Members in the Vacation Ownership Plan. The right to reallocate Home Resort Vacation Points is reserved by DVCHMC solely for adjusting the Home Resort Reservation Component to accommodate Club Member demand. However, with respect to the Condominium, each Club Member will always be eligible to reserve at the Condominium, subject to availability: at least one (1) Use Day in a Studio Vacation Home with a Standard View for every 20 Home Resort Vacation Points; at least one (1) Use Day in a Studio Vacation Home with a Island Gardens View for every 23 Home Resort Vacation Points; at least one (1) Use Day in a Studio Vacation Home with a Poolside Gardens View for every 25 Home Resort Vacation Points; at least one (1) Use Day in a Studio Vacation Home with an Ocean View for every 27 Home Resort Vacation Points; at least one (1) Use Day in a One-Bedroom Vacation Home with a Standard View for every 40 Home Resort Vacation Points; at least one (1) Use Day in a One-Bedroom Vacation Home with a Island Gardens View for every 44 Home Resort Vacation Points; at least one (1) Use Day in a One-Bedroom Vacation Home with a Poolside Gardens View for every 48 Home Resort Vacation Points; at least one (1) Use Day in a One-Bedroom Vacation Home with an Ocean View for every 53 Home Resort Vacation Points; at least one (1) Use Day in a Two-Bedroom Vacation Home with a Standard View for every 54 Home Resort Vacation Points; at least one (1) Use Day in a Two-Bedroom Vacation Home with a Island Gardens View for every 60 Home Resort Vacation Points; at least one (1) Use Day in a Two-Bedroom Vacation Home with a Poolside Gardens View for every 66 Home Resort Vacation Points; at least one (1) Use Day in a Two-Bedroom Vacation Home with an Ocean View for every 72 Home Resort Vacation Points; at least one (1) Use Day in a Grand Villa Vacation Home with a Standard View for every 110 Home Resort Vacation Points; or at least one (1) Use Day in a Grand Villa Vacation Home with an Ocean View for every 143 Home Resort Vacation Points. A maximum reallocation of Vacation Point reservation requirements could result in a "leveling" of all seasons, such that Home Resort Vacation Point Reservation Requirements would have no variation based upon seasonality or different times of the year. Similarly, a maximum reallocation of Home Resort Vacation Point reservation requirements could result in a "leveling" of differences in Home Resort Vacation Point Reservation Requirements based upon particular Use Days in the week.

Participation in certain External Exchange Programs may be based on a week for week exchange, and require the reservation and deposit of a seven (7) consecutive Use Day period in a One-Bedroom or Two-Bedroom Vacation Home. Therefore, in the event of maximum reallocation as described in the preceding paragraph, a Club Member would be required (absent Banking and Borrowing) to have annual Home Resort Vacation Points of at least 280 Home Resort Vacation Points (7 Use Days X 40 Home Resort Vacation Points per Use Day) to reserve and deposit a One-Bedroom Vacation Home with a Standard View for exchange through the External Exchange Program, to have annual Home Resort Vacation Points of at least 308 Home Resort Vacation Points (7 Use Days X 44 Home Resort Vacation Points per Use Day) to reserve and deposit a One-Bedroom Vacation Home with a Island Gardens View for exchange through the External Exchange Program, to have annual Home Resort Vacation Points of at least 336 Home Resort Vacation Points (7 Use Days X 48 Home Resort Vacation Points per Use Day) to reserve and deposit a One-Bedroom Vacation Home with a Poolside Gardens View, to have annual Home Resort Vacation Points of at least 371 Home Resort Vacation Points (7 Use Days X 53 Home Resort Vacation Points per Use Day) to reserve and deposit a One-Bedroom Vacation Home with a Ocean View for exchange through the External Exchange Program, and at least 378 Home Resort Vacation Points (7 Use Days X 54 Home Resort Vacation Points per Use Day) to reserve and deposit a Two-Bedroom Vacation Home with a Standard View for exchange through the External Exchange Program, and at least 420 Home Resort Vacation Points (7 Use Days X 60 Home Resort Vacation Points per Use Day) to reserve and deposit a Two-Bedroom Vacation Home with a Island Gardens View for exchange through the External Exchange Program, and at least 462 Home Resort Vacation Points (7 Use Days X 66 Home Resort Vacation Points per Use Day) to reserve and deposit a Two-Bedroom Vacation Home with a Poolside Gardens View for exchange through the External Exchange Program, and at least 504 Home Resort Vacation Points (7 Use Days X 72 Home Resort Vacation Points per Use Day) to reserve and deposit a Two-Bedroom Vacation Home with an Ocean View for exchange through the External Exchange Program. Club Members should refer to the External Exchange Documents for details concerning the requirements for making an exchange through a particular External Exchange Program.

3.4 Home Resort Rules and Regulations. The Home Resort Rules and Regulations adopted by DVCHMC from time to time shall contain detailed information regarding the operation of the reservation system for the Vacation Ownership Plan and the Home Resort Reservation Component, including the following:

- a. The procedures by which a reservation must be made and confirmed;
- b. The procedures for Banking and Borrowing;

- c. The Home Resort Vacation Point Charts listing the values for each Vacation Home for each Use Day in the Condominium;
- d. The procedures for and limitations upon canceling confirmed reservations;
- e. The procedures for and limitations upon any wait list;
- f. The procedures for and limitations upon Transfers; and

g. Any other rules and regulations which DVCHMC in its sole, absolute and unfettered discretion determines are necessary or desirable from time to time in order to implement or enforce the provisions of this Agreement in a manner that, in DVCHMC's reasonable business judgment, will be for the principal purpose of improving upon the quality and operation of the reservation system for the Vacation Ownership Plan and furthering the collective enjoyment of the use of the Vacation Homes by Club Members taken as a whole. Such rules and regulations may include the implementation of *Special Season* Preference Lists, or other use demand management vehicles. In the event DVCHMC implements a *Special Season* Preference List, persons eligible to appear on this List will have a special reservation priority that will supersede the usual first come, first served reservation procedure and Home Resort Priority Period to varying extents. The Home Resort Rules and Regulations must at all times comply with or be administered in a manner that complies with the one-to-one use-right to use-night requirement of the Act.

3.5 DVCHMC. The reservation system for the Vacation Ownership Plan and the Home Resort Reservation Component shall be operated by DVCHMC pursuant to the terms of this Agreement and pursuant to the Home Resort Rules and Regulations. DVCHMC is expressly authorized to take such actions as it deems are necessary and appropriate for the operation of the reservation system for the Vacation Ownership Plan, including the implementation of all Home Resort Reservation Component duties as outlined in Paragraph 4.2 below.

DVCHMC shall also be responsible for all management, maintenance and operation of the Vacation Homes and facilities of the Vacation Ownership Plan pursuant to the terms and conditions set forth in the Property Management Agreement for the Vacation Ownership Plan. DVCHMC further reserves the right to provide site management services for one or more other DVC Resorts. DVCHMC shall initially be compensated for services performed under the Property Management Agreement for the Vacation Ownership Plan and this Agreement by receiving (an annual fee equal to) twelve percent (12%) of the total operating and capital reserves budgets of the Vacation Ownership Plan for each year of the Property Management Agreement for the Vacation Ownership Plan, exclusive of ad valorem taxes and the management fee.

As additional consideration, the Association hereby assigns to DVCHMC any and all rights of the Association to rent unreserved Vacation Homes (in accordance with the reservation priorities of the Breakage Period) and to receive the proceeds therefrom in excess of the following: (i) the rental proceeds equaling an amount up to (a) two and one-half percent (2 1/2%) of the Vacation Ownership Plan Estimated Budgets, plus (b) two and one-half percent (2 1/2%) of a share of the Condominium Estimated Budgets in the proportion that the sum of the Common Interest of the Units in the Vacation Ownership Plan bears to the sum of the Common Interest of all Condominium Units in the Condominium, shall be remitted by DVCHMC to the Association; and (ii) a portion of the rental proceeds, if any, in an amount equal to Buena Vista Trading Company's ("BVTC's") costs for providing those services as set forth in the DVC Resort Agreement for the Vacation Ownership Plan in the Condominium plus five percent (5%) of such costs. The portion of rental proceeds, if any, set forth in (ii) of the preceding sentence shall be remitted by DVCHMC to BVTC in consideration for BVTC's performance of such services under the DVC Resort Agreement for the Vacation Ownership Plan. In performing its obligations for the Association and BVTC pursuant to (i) and (ii) above, DVCHMC shall segregate such funds owed to the Association and BVTC and hold them, respectively, on behalf of the Association and BVTC and not for its own account. Such funds shall be deemed to be the property, respectively, of the Association and BVTC and not of DVCHMC upon receipt of such funds by DVCHMC.

3.6 DVD Home Resort Vacation Points. DVD shall not sell Ownership Interests that equal more than ninety-eight percent (98%) of the total amount of undivided percentage interests existing at the time within a Unit (although DVD reserves the right to convey its Ownership Interests to a successor developer). All Home Resort Vacation Points assigned to DVD in connection with these Ownership Interests will be governed by the same rules and regulations pertaining to all Club Members.

3.7 Reciprocal Use by DVD and Club Members. At any given time, DVD may own accommodations in Condominium Units which have not yet been committed to the Vacation Ownership Plan for various reasons or in Inactive Units. In order to provide Club Members with the greatest possible flexibility in making reservation requests, Club Members may be assigned to occupy both Vacation Homes which are associated with the Vacation Ownership Plan and completed accommodations which have not yet been committed to the Vacation Ownership Plan or are located in Inactive Units; however, the total number of

accommodations available for Club Member reservation for any given Use Day will never exceed the total number of Vacation Homes existing within the Vacation Ownership Plan on that Use Day. Conversely, DVD may assign its renters or other users of Inactive Units or of the completed accommodations which have not yet been committed to the Vacation Ownership Plan to occupy both those Vacation Homes located in Active Units and those accommodations which are not; however, the total number of Vacation Homes available for DVD renter/user reservation for any given Use Day will never exceed the total number of Vacation Homes located in Inactive Units plus the total number of completed accommodations which have not yet been committed to the Vacation Ownership Plan on that Use Day. The reciprocal use provisions of this Section 3.7 shall at all times be conducted in a manner that complies with the one-to-one use-right to use-night requirement of the Act.

IV. USE OF HOME RESORT VACATION POINTS

4.1 Options in Use of Home Resort Vacation Points. Home Resort Vacation Points may be used by Club Members in any of the following ways during the Use Year: (i) Home Resort Vacation Points may be used to reserve Vacation Home use rights in accordance with the reservation rules set forth in Paragraph 4.2 below and in the Home Resort Rules and Regulations; (ii) Home Resort Vacation Points may be Banked as set forth in Paragraph 4.4 below and in the Home Resort Rules and Regulations; (iii) Home Resort Vacation Points may be Borrowed as set forth in Paragraph 4.5 below and in the Home Resort Rules and Regulations; (iv) Home Resort Vacation Points may be used to reserve accommodations for exchange through an External Exchange Program as set forth in Paragraph 4.7 below and in the Home Resort Rules and Regulations; (v) Home Resort Vacation Points may be Transferred as set forth in Paragraph 4.8 below and in the Home Resort Rules and Regulations; or (vi) a Club Member may voluntarily participate in the DVC Reservation Component by converting all or a portion of a Club Member's Home Resort Vacation Points into DVC Vacation Points (as described in the "Disclosure Document" referred to in the DVC Resort Agreement for the Vacation Ownership Plan) to make a reservation for available accommodations in other DVC Resorts in accordance with the DVC Resort Agreement for the Vacation Ownership Plan.

4.2 Reservations. Club Members shall reserve Vacation Homes pursuant to the following guidelines:

a. The Use Year. If all of a Club Member's Home Resort Vacation Points for a given Use Year are not used in some manner set forth in Paragraph 4.1 above during that Use Year, any unused balance at the end of the Use Year will automatically expire as set forth in Paragraph 4.9 below. On the first day of each new Use Year, the Club Member will again have a full complement of Home Resort Vacation Points for use during that Use Year, unless the Home Resort Vacation Points were borrowed in the previous Use Year.

b. Reservation Requests. Subject to any special reservation priorities (for example, people on any *Special Season Preference List* or Club Members having Fixed Use Periods), reservation requests for Vacation Homes by Club Members at the Condominium will be taken on a first come, first served basis. Home Resort Vacation Points available for use in a given Use Year (taking into account Banking and Borrowing activity) may only be used to reserve an available Vacation Home for use within that Use Year. To reserve a given Use Day on a space-available basis, a Club Member must follow the reservation procedures set forth in the Home Resort Rules and Regulations. Club Members are encouraged to submit requests as far in advance as possible to obtain the best choice of Vacation Homes. DVCHMC's ability to confirm a reservation request is dependent upon the availability of the requested Vacation Home; therefore, DVCHMC cannot guarantee that a particular reservation request can be fulfilled.

In addition to Club Members at the Condominium, Club Members from other DVC Resorts will also have the opportunity to make reservations for a Vacation Home on a first come, first served basis through the DVC Reservation Component upon the expiration of any applicable Home Resort Priority Period. In the case of the Vacation Ownership Plan in the Condominium, the Home Resort Priority Period is currently four (4) months. This Home Resort Priority Period will be subject to any preference list rights set forth in the Home Resort Rules and Regulations. A Club Member from this Condominium seeking a reservation at another DVC Resort through voluntary participation in the DVC Reservation Component will be subject to the Home Resort Priority Period established for that other DVC Resort.

DVCHMC reserves the right in its sole, absolute and unfettered discretion to extend or decrease the Home Resort Priority Period; provided, however, in no event shall the Home Resort Priority Period for the Vacation Ownership Plan in the Condominium be for a period of less than one (1) month prior to the period during which the Club Members from other DVC Resorts have the right to reserve that Vacation Home during that Use Day. In addition, DVCHMC reserves the right to establish a continental or other preference periods in the event resorts located outside of the jurisdictional limits of the United States are associated as DVC Resorts.

c. Fixed Use Period. DVD has reserved the right to sell Ownership Interests in the Condominium with Fixed Use Periods. Club Members with those Ownership Interests have the right to use a specific type of Vacation Home (for example a 2-Bedroom Preferred) during a specific time period (for example, a week that includes Christmas day), called the "Owners Use Period." Reservations for Ownership Interests having Fixed Use Periods are confirmed automatically on a priority basis. **This reservation priority effectively preempts other Club Members from reserving those time periods, despite the first-come, first-served nature of the Home Resort Reservation Component, because the priority reservation of an Owner's Fixed Use Period will have come first.** This may adversely affect the ability of Club Members without fixed use periods to make reservations during high demand seasons. However, DVD will not sell Ownership Interests with Fixed Use Periods that include more than thirty-five percent (35%) of any specific Use Day for any specific Vacation Home Type in the Plan. This means, for example, that Christmas day will be available for reservation on a **first-come, first-served basis** in at least sixty-five percent (65%) of the 2 Bedroom Preferred Vacation Homes.

d. Confirmations and Cancellations. Reservations shall be confirmed and cancellations shall be processed as set forth in the Home Resort Rules and Regulations. Cancellations and reservation changes may be subject to restrictions or charges as set forth in the Home Resort Rules and Regulations.

e. Annual Dues. Failure to pay all Annual Dues (with respect to all Ownership Interests owned by a Club Member) in full when due may result in the initiation of lock-out procedures by DVCHMC pursuant to applicable law, resulting (where permitted) in a denial of the right of delinquent Club Members to reserve, check in or use the Vacation Homes and facilities of the Condominium through the Home Resort Reservation Component or to voluntarily participate in the DVC Reservation Component by requesting a reservation for accommodations at other DVC Resorts until such time as the delinquency is paid in full. Unsatisfied delinquencies are also subject to procedures under the Declaration and applicable law to foreclose a lien against a Club Member's Ownership Interest.

f. Minimum Stay. DVCHMC may require from time to time that a minimum number of consecutive Use Days for a particular season or special season be reserved as set forth in the Home Resort Rules and Regulations. The number of consecutive Use Days required to be reserved shall in no event exceed five (5) Use Days.

4.3 Breakage. If a reservation request for any Vacation Home is not received by the first day of the Breakage Period with respect to a given Use Day, the right to reserve that Vacation Home for that Use Day will thereafter be subject to the priorities set forth in the Home Resort Rules and Regulations. In any event, DVCHMC shall always have first priority to reserve the use of any available Use Days within the Breakage Period for purposes of Unit and Vacation Home maintenance. DVCHMC, in its sole, absolute and unfettered discretion, may lengthen or shorten the Breakage Period for all Use Days from time to time if DVCHMC, in its reasonable business judgment, determines that such an adjustment will be for the principal purpose of improving upon the quality and operation of the reservation system for the Vacation Ownership Plan and furthering the collective enjoyment of the use of the Vacation Homes by Club Members taken as a whole. In no event will DVCHMC establish a Breakage Period (i) greater than ninety (90) days or the maximum period permitted by the Act (currently sixty (60) days), or (ii) less than thirty (30) days.

4.4 Banking Home Resort Vacation Points. Banking of Home Resort Vacation Points involves the decision by a Club Member during the current Use Year to save all or a portion of the Club Member's Home Resort Vacation Points for use in the next succeeding Use Year.

Banked Home Resort Vacation Points can only be used in the next succeeding Use Year, and once deposited, the Club Member cannot retrieve the Banked Home Resort Vacation Points during the Use Year of deposit. Failure of Club Members to use their Banked Home Resort Vacation Points in the next succeeding Use Year will result in the expiration of those Home Resort Vacation Points as set forth in Paragraph 4.9 below. Banked Home Resort Vacation Points may be used by Club Members for reservations in the Vacation Ownership Plan for the Condominium, or other DVC Resorts (as DVC Vacation Points) or for use of any External Exchange Program.

4.5 Borrowing Home Resort Vacation Points. Borrowing of Home Resort Vacation Points involves the decision by a Club Member during the current Use Year to use all or a portion of the Club Member's Home Resort Vacation Points from the next succeeding Use Year to secure a reservation in the current Use Year.

Borrowed Home Resort Vacation Points can only be used in the Use Year into which they have been Borrowed, and failure of a Club Member to use any Borrowed Home Resort Vacation Points in the current Use Year will result in the expiration of those Home Resort Vacation Points as set forth in Paragraph 4.9 below. Borrowed Home Resort Vacation Points may not be

returned to the original Use Year once they have been Borrowed. Borrowed Home Resort Vacation Points may be used by the Club Member for reservations at the Condominium or other DVC Resorts (as DVC Vacation Points) or for use of any External Exchange Program.

4.6 Limitation on Banking and Borrowing. A Club Member's ability to either Bank or Borrow at any given time is limited by the level of general Banking and Borrowing that exists at that particular time and by the projected amount of Use Days available for reservation at the Condominium. DVCHMC reserves the right, in its sole, absolute and unfettered discretion, to suspend, in whole or in part, or increase or decrease the amount of Banking and/or Borrowing activity at any time or from time to time if DVCHMC, in its reasonable business judgment, determines that such suspension will be for the principal purpose of improving upon the quality and operation of the Vacation Ownership Plan and furthering the collective enjoyment of the use of the Vacation Homes by Club Members taken as a whole. A Club Member will also not be permitted to Bank or Borrow Home Resort Points in a given Use Year if the Club Member is delinquent in the payment of Annual Dues with respect to any Ownership Interests owned by the Club Member. Additional restrictions on Banking and Borrowing are set forth in the Home Resort Rules and Regulations. Banking and Borrowing shall at all times be conducted in conformity with the one-to-one use-right to use-night requirement of the Act.

4.7 External Exchange Programs. In order to increase the range of vacation options available to Club Members, DVCHMC may arrange for Club Members to have access to External Exchange Programs from time to time. These Programs may include exchange agreements between DVCHMC (as a corporate participant or member) and External Exchange Companies for the purpose of affording Club Members with the opportunity to avail themselves of alternative vacation opportunities through the duration of the Vacation Ownership Plan. There can be no assurance, however, that DVCHMC will be successful in arranging for ongoing access to any External Exchange Program. Under such circumstances, Club Members may contact a provider of exchange services directly to establish individual exchange privileges. There can be no assurance, however, that an individual Club Member will be able to satisfy the terms and conditions then required by such provider to participate individually in that provider's exchange program. If neither DVCHMC nor the individual Club Member is successful in establishing an agreement with a provider of exchange services, the ability of an individual Club Member to request future exchanges other than to a DVC Resort will cease. Club Members should refer to the Home Resort Rules and Regulations and External Exchange Documents for procedures and restrictions involved in requesting an exchange into any currently existing External Exchange Program.

4.8 Transfers. Transfers may be made by Club Members from time to time as set forth in the Home Resort Rules and Regulations.

4.9 Expiration of Vacation Points. Failure of Club Members to use their Vacation Points in any given Use Year, however such Vacation Points are obtained, shall result in automatic expiration of all unused Vacation Points without compensation to the Club Members.

V. RENTALS

5.1 Club Member Rentals. A Club Member may make a reservation to use the Vacation Homes for the Club Member's own use, make their use available to family or friends or guests, or rent them solely through the Club Member's own efforts. DVD's approval of a rental by a Club Member is not required after a reservation has been made in the renter's own name, and Club Members are permitted to rent their occupancy rights on terms and conditions that they may establish. No rental assistance is being offered by The TWDC Companies. All renters must comply with the rules and regulations affecting occupancy, and the renting Club Member will be responsible for the acts or omissions of the renters or any other person or persons permitted by the Club Member to use the Vacation Home. The TWDC Companies do not in any way represent or promote that a particular Vacation Home can be rented, or if it is rented, that any particular rental rate can be obtained for such rental. Use of Vacation Homes and recreational facilities for Commercial Purposes or any purposes other than the personal use described in the Declaration is expressly prohibited. "Commercial Purpose" includes a pattern of rental activity or other occupancy by an Owner that the Board, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. No Vacation Home may be divided or subdivided into a smaller Vacation Home.

5.2 Area Resort Hotels. Club Members should be aware that several resort hotels may be in operation within and around the Condominium, including hotels owned and/or operated by The TWDC Companies, and that DVD will also rent its Ownership Interests to the general public. Accordingly, any Club Members who attempt to rent reserved Vacation Homes for their own account must compete with these resort hotels and DVD for renters without any assistance from The TWDC Companies,

and would be at a substantial competitive disadvantage. Club Members should not purchase an Ownership Interest based upon any expectation of deriving any rental or other revenue or profit therefrom.

VI. ANNUAL DUES

6.1 Estimated Budgets. The Condominium Association will promulgate an operating budget and a capital reserves budget each calendar year in the manner required by applicable law and the Condominium Documents and the Vacation Owners Association will promulgate an operating budget and a capital reserves budget each calendar year in the manner required by applicable law and the Plan Documents. The Vacation Owners Association's operating budget shall include the Vacation Ownership Plan's share of the operating expenses of the Club attributed to it.

6.2 Assessment and Collection of Annual Dues. Annual Dues for the Condominium will be assessed, billed and due as set forth in the Condominium Documents. Annual Dues for the Vacation Ownership Plan will be assessed, billed and due as set forth in the Declaration. Each Club Member who has not paid his or her Annual Dues in full by the past due date will be subject to late charges and interest as set forth in the Condominium Documents and/or Plan Documents, as applicable.

6.3 Club Member Default. In the event a Club Member has not paid his or her Annual Dues after the past due date described in Paragraph 6.2 above, the lien of the Vacation Owners Association or Condominium Association on the Club Member's Ownership Interest may be foreclosed, resulting in the loss of the Club Member's Ownership Interest and the termination of his or her membership in the Club as set forth in the Condominium Documents and/or Plan Documents, as applicable.

VII. MISCELLANEOUS PROVISIONS

7.1 Compliance; Personal Use; Commercial Purposes. Failure of a Club Member to comply with the terms and conditions of this Agreement, the Home Resort Rules and Regulations, the Plan Documents or the Condominium Documents may result in the denial of the right of the non-complying Club Member to reserve, check in or use the Vacation Homes and facilities of the Condominium or to voluntarily participate in the DVC Reservation Component by requesting a reservation for accommodations at other DVC Resorts until such time as the Club Member is in compliance. Except for Ownership Interests owned by DVD, rentals of Vacation Homes to the general public by DVD or DVCHMC, use of Vacation Points in connection with External Exchange Programs, and the rights of third parties under the Master Declaration, use of Vacation Homes and facilities of the Condominium is limited solely to the personal use of Club Members, their guests, invitees, exchangers and lessees and for recreational use by corporations or other similar business entities owning Ownership Interests while staying as a registered guest at the Condominium. Purchase of an Ownership Interest or use of Vacation Homes and facilities of the Condominium for commercial purposes or for any purpose other than the personal use described above is expressly prohibited.

7.2 Amendment of this Agreement. DVCHMC, in its sole, absolute and unfettered discretion, may change the terms and conditions of this Agreement and the Home Resort Rules and Regulations. These changes may affect an Owner's right to use, exchange and rent the Owner's Ownership Interest and impose obligations upon the use and enjoyment of the Ownership Interest and the appurtenant Club Membership. Such changes may be made by DVCHMC without the consent of any Club Member and may adversely affect a Club Member's rights and benefits and increase or decrease the Club Member's costs of ownership. Further, although DVCHMC generally is required to make such changes in a manner which, in its reasonable business judgment, improves upon the quality and operation of the reservation system for the Vacation Ownership Plan and furthers the collective enjoyment of its benefits by the Club Members taken as a whole, such changes under some circumstances may not be to the advantage of some Club Members and could adversely affect their ability to secure reservations when and where they want them. Notice of any amendment shall be: (i) either mailed, faxed, e-mailed or sent by other electronic or wireless means, as the case may be, by DVCHMC to each Club Member or to the designated representative of each Multiple Club Member at the Club Member's or designated representative's last known mailing address prior to its effective date; or (ii) included as a part of a newsletter or other periodic report sent by the Association or DVCHMC as the Plan Manager; or (iii) included on a website accessible to the Club Members.

7.3 Governing Law; Waiver of Jury Trial; Venue. This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Hawai'i. Each party hereby waives 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 any other party 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 any party, the other parties hereby agree, consent and submit to the personal jurisdiction of either (i) a federal or state court located in Honolulu, Hawai'i, or (ii) the Circuit Court of the Ninth Judicial Circuit of Florida in and for Orange County, Florida, with respect to such suit

or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in either of said courts and locations, and each party hereby waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in either of said courts and locations. No other jurisdiction or venue shall be permissible.

7.4 Notices. Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) when deposited, postage prepaid, in the United States mail, addressed to the party at the address shown above (or, in the case of a Club Member or designated representative of a Multiple Club Member, at the address shown on the books and records of DVCHMC); (ii) when delivered personally to the party at the address specified above; or (iii) when deposited with a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above. A party may designate a different address for receiving notices hereunder by notice to the other parties.

7.5 Termination. This Agreement shall automatically expire on January 31, 2062, or upon the earlier expiration of the Vacation Ownership Plan for the Condominium as set forth in the Declaration. In the event the Vacation Ownership Plan for Condominium is extended beyond January 31, 2062, pursuant to the terms of the Declaration, the term of this Agreement shall automatically be extended for the additional term unless sooner terminated as provided in this Agreement.

In the event that the Property Management Agreement is terminated or it expires in accordance with its own terms, this Agreement will terminate, and DVCHMC will no longer provide for the operation of the reservation system for the Vacation Ownership Plan. DVCHMC also reserves the right to terminate this Agreement in the event that the DVC Resort Agreement for the Vacation Ownership Plan at the Condominium is terminated.

In the event that this Agreement terminates, the Association shall have the authority to establish reservation procedures, which may or may not be identical to the reservation procedures set forth in this Agreement, by which use of the Units and Vacation Homes among all of Owners shall be determined. In addition, the parties expressly agree that in the event that this Agreement terminates, irrespective of whether the termination is voluntary or involuntary and irrespective of the cause of such termination, the Association and all Owners shall cease using and thereafter abstain from using any and all personal property belonging to DVCHMC, including any and all personal property relating to the operation of the Home Resort Reservation Component, and shall return same to DVCHMC within fifteen (15) days from the date of termination.

7.6 Suspension. Notwithstanding any provisions contained in this Agreement to the contrary, DVCHMC reserves the right to elect to suspend the operation of the Home Resort Reservation Component for the Vacation Ownership Plan at the Condominium rather than electing to terminate this Agreement. The terms and conditions governing such suspension shall be determined by DVCHMC in its sole, absolute and unfettered discretion. Upon the termination of such suspension period, the Vacation Ownership Plan shall be entitled to resume participation as contemplated under this Agreement subject to any terms and conditions established by DVCHMC in its sole, absolute and unfettered discretion.

7.7 Recitals. The recitals set forth at the beginning of this Agreement are true and correct and are incorporated herein by this reference.

7.8 Assignment; Subcontracting. DVCHMC may assign this Agreement to a wholly owned subsidiary of DVCHMC, the parent corporation of DVCHMC, or a corporation under common ownership and control with BVTC without the consent of the Association. Upon such assignment and assumption DVCHMC shall be released from any and all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the Association. DVCHMC may subcontract some or all of DVCHMC's obligations hereunder to a third party or to a wholly owned subsidiary of DVCHMC, the parent corporation of DVCHMC, or a corporation under common ownership and control with BVTC without the consent of the Association; provided that DVCHMC will continue to remain liable for the performance of its obligations hereunder.

7.9 Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto, and none of the parties have been induced by any other party by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the instruments referred to herein that are not expressly contained herein or in the other Plan Documents.

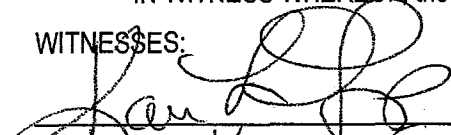
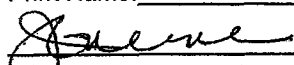
7.10 Partial Invalidation. The invalidity in whole or in part of any covenant, promise or undertaking, or any paragraph, subparagraph, sentence, clause, phrase or words, or of any provision of this Agreement shall not affect the validity of the remaining portions hereof.

7.11 Excusable Delays. In the event that DVCHMC shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, terrorist acts, act of God, or any other reason beyond DVCHMC'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.

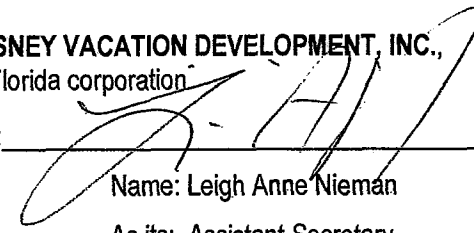
7.12 Remedies; Costs and Fees. DVCHMC shall be entitled to pursue any and all legal and equitable remedies for the enforcement of the terms and conditions of this Agreement, including an action for damages, an action for injunctive relief, and an action for declaratory judgment. In any proceeding arising because of an alleged failure to comply with the terms of this Agreement, the prevailing party shall be entitled to recover the costs of the proceeding, and recover such reasonable attorneys', legal assistant or other professionals' fees and costs as may be awarded by the court, including all appeals and all proceedings in bankruptcy.

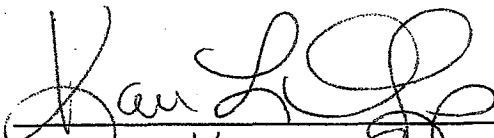
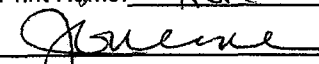
IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

WITNESSES:

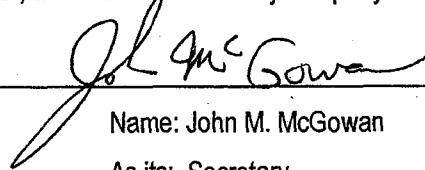

Print Name: Karen L. Grip

Print Name: J. Greene

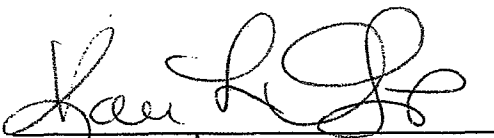
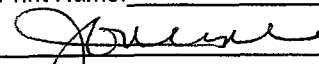
DISNEY VACATION DEVELOPMENT, INC.,
a Florida corporation

By: 
Name: Leigh Anne Nieman
As its: Assistant Secretary

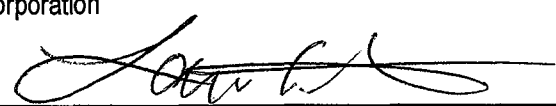

Print Name: Karen L. Grip

Print Name: J. Greene

DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC., a Florida limited liability company

By: 
Name: John M. McGowan
As its: Secretary


Print Name: Karen L. Grip

Print Name: J. Greene

ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

By: 
Name: Lawrence Smith
As its: Treasurer

FIRST AMENDMENT TO

DISNEY VACATION CLUB® MEMBERSHIP AGREEMENT

THIS FIRST AMENDMENT TO THE DISNEY VACATION CLUB® MEMBERSHIP AGREEMENT for AULANI, DISNEY VACATION CLUB® VILLAS, KO OLINA, HAWAII VACATION OWNERSHIP PLAN (the "First Amendment") is entered into effective this 16 day of ~~September~~ 2011 (the "Effective Date") by DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC, a Florida limited liability company ("DVCHMC"), whose address is 1390 Celebration Boulevard, Celebration, Florida 34747, and consented to by DISNEY VACATION DEVELOPMENT, INC., a Florida corporation ("DVD"), whose address is 1390 Celebration Boulevard, Celebration, Florida 34747 and ALI'I NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "Association"), whose address is 1390 Celebration Boulevard, Celebration, Florida 34747.

WITNESSETH:

WHEREAS, DVD has established Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawaii Condominium (the "Condominium") pursuant to Chapter 514B, Hawai'i Revised Statutes; and

WHEREAS, DVD has established a vacation ownership plan with respect to certain units in the Condominium pursuant to Chapter 514E, Hawai'i Revised Statutes (the "Vacation Ownership Plan"); and

WHEREAS, pursuant to the Declaration of Covenants, Conditions and Restrictions, and Grant and Reservation of Easements for the Vacation Ownership Plan (the "Declaration"), the Association has the responsibility, obligation and authority to operate the Vacation Ownership Plan; and

WHEREAS, DVD, the Association and DVCHMC previously entered into that certain *Disney Vacation Club® Membership Agreement* for Aulani, *Disney Vacation Club® Villas*, Ko Olina, Hawaii Vacation Ownership Plan dated April 20, 2010 (the "Agreement") for the purpose of, among other things: (i) assigning the Association's responsibilities and obligations for operating the reservation system for the Vacation Ownership Plan to DVCHMC as described therein; (ii) assuring that the quality of the operation of the Vacation Ownership Plan is maintained as described therein; and (iii) addressing the terms and conditions pursuant to which DVCHMC shall render such services; and

WHEREAS, DVD has determined to annex additional land and facilities into the Condominium, which annexation has resulted in revisions to the documents for the Condominium and the Vacation Ownership Plan, including the related budgets for the owners associations for such properties; and

WHEREAS, DVCHMC has the authority to amend the Agreement from time to time pursuant to the terms of Article 7.2 of the Agreement and has determined to do so to clarify the provisions of the Agreement arising from the annexation of the additional land and facilities into the Condominium and the resulting revisions to the documents for the Condominium and the Vacation Ownership Plan, including the related budgets for the owners associations for such properties; and

WHEREAS, DVD and the Association consent to the amendments to the Agreement as set forth in this First Amendment; and

WHEREAS, all terms used in this First Amendment shall have the same meaning ascribed to them as set forth in the Agreement.

NOW THEREFORE, the Agreement is hereby amended as follows:

1. The second and third paragraphs of Section 3.5 of the Agreement is hereby amended to read as follows: (additions are double underlined, and deletions are ~~struck through~~):

DVCHMC shall also be responsible for all management, maintenance and operation of the Vacation Homes and facilities of the Vacation Ownership Plan pursuant to the terms and conditions set forth in the Property Management Agreement for the Vacation Ownership Plan. DVCHMC further reserves the right to provide site management services for one or more other DVC Resorts. DVCHMC shall initially be compensated for services performed under the Property Management Agreement for the Vacation Ownership Plan and this Agreement by receiving an (annual fee equal to) twelve percent (12%) of the ~~total operating and capital reserves budgets of the~~ Vacation Ownership Plan Estimated Budgets for each year of the Property Management Agreement for the Vacation Ownership Plan, exclusive of non-assessment revenues, ad valorem taxes and the management fee. For the purposes of this Section 3.5, "non-assessment revenues" means all sources of Association revenue identified in the applicable budget other than Member Annual Dues Assessments.

As additional consideration, the Association hereby assigns to DVCHMC any and all rights of the Association to rent unreserved Vacation Homes (in accordance with the reservation priorities of the Breakage Period) and to receive the proceeds therefrom in excess of the following: (i) the rental proceeds equaling an amount up to (a) two and one-half percent (2 1/2%) of the Vacation Ownership Plan Estimated Budgets, exclusive of non-assessment revenues, plus (b) two and one-half percent (2 1/2%) of a share of the Condominium Estimated Budgets, exclusive of non-assessment revenues in the proportion that the sum of the Common Interest of the Units in the Vacation Ownership Plan bears to the sum of the Common Interest of all Condominium Units in the Condominium, shall be remitted by DVCHMC to the Association; and (ii) a portion of the rental proceeds, if any, in an amount equal to Buena Vista Trading Company's ("BVTC's") costs for providing those services as set forth in the DVC Resort Agreement for the Vacation Ownership Plan in the Condominium plus five percent (5%) of such costs. The portion of rental proceeds, if any, set forth in (ii) of the preceding sentence shall be remitted by DVCHMC to BVTC in consideration for BVTC's performance of such services under the DVC Resort Agreement for the Vacation Ownership Plan. In performing its obligations for the Association and BVTC pursuant to (i) and (ii) above, DVCHMC shall segregate such funds owed to the Association and BVTC and hold them, respectively, on behalf of the Association and BVTC and not for its own account. Such funds shall be deemed to be the property, respectively, of the Association and BVTC and not of DVCHMC upon receipt of such funds by DVCHMC.

2. Section 6.1 of the Agreement is hereby amended to read as follows: (additions are double underlined, and deletions are ~~struck through~~):

6.1 Estimated Budgets. The Condominium Association will promulgate the Condominium Estimated Budgets ~~an operating budget and a capital reserves budget~~ each calendar year in the manner required by applicable law and the Condominium Documents and the Vacation Owners Association will promulgate the Vacation Ownership Plan Estimated Budgets ~~an operating budget and a capital reserves budget~~ each calendar year in the manner required by applicable law and the Plan Documents. The Vacation Owners Association's ~~operating budget~~ Ownership Plan Estimated Budgets shall include the Vacation Ownership Plan's share of the operating expenses of the Club attributed to it.

3. All other terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, DVCHMC has executed this First Amendment as of the Effective Date.

DISNEY VACATION CLUB HAWAII MANAGEMENT COMPANY, LLC
a Florida limited liability company

By: 

Name: John McGowan

As its: Secretary

IN WITNESS WHEREOF, DVD and the Association consent to this First Amendment as of the Effective Date.

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

By: 

Name: Thomas Katheder

As its: Vice-President

ALII NUI VACATION OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

By: 

Name:

Leigh A. Nieman

As its:

Assistant Secretary

Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai`i Vacation Ownership Plan

Escrow Agreement

By this Escrow Agreement (this "*Escrow Agreement*"), First American Title Company, Inc. (the "*Escrow Agent*") agrees with Disney Vacation Development, Inc. ("*DVD*") to provide escrow services to DVD and the Purchasers of Ownership Interests in the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai`i Vacation Ownership Plan (the "*Plan*").

PART 1. DEFINITIONS

This Part 1 defines certain words or phrases having special meanings in the Purchase Agreement or in this Escrow Agreement. Other key words or phrases are defined elsewhere in this Escrow Agreement to put them in context. The Purchase Agreement also contains certain definitions. Words defined in this Escrow Agreement have the same meaning in the Purchase Agreement, and vice versa. In case of a conflict, this Escrow Agreement controls.

The Plan Documents define some of the same key words and phrases. They are repeated or paraphrased here or in the Purchase Agreement to make these documents easier to read and understand. Where terms defined in the Purchase Agreement or Escrow Agreement differ from the definitions contained in the Plan Documents, the definitions in the Plan Documents control unless the context clearly requires otherwise. Terms not defined in the Contract Documents have the meaning given to them in the Plan Documents.

- 1.1 "**Act**" means the Hawai`i Time Share Act (Chapter 514E, HRS) or any law that replaces that law.
- 1.2 "**Blanket Lien**" is defined in the Act and has the same meaning in this Escrow Agreement. 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 Ownership Interest.
- 1.3 "**Close**" and "**Closing**" refer to completing the sale of an Ownership Interest to a Purchaser as described in section 7.1 of this Escrow Agreement.
- 1.4 "**Closing Costs**" means all costs and expenses of Closing the sale of an Ownership Interest. 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 Purchaser obtained by DVD, (vi) costs of preparing the Purchaser's Deed and any loan or financing documents, (vii) costs of title insurance, (viii) all loan fees and costs, (ix) any document preparation fee charged by DVD, and (x) postage and handling fees.
- 1.5 "**Closing Date**" means the date for the Closing chosen by DVD in accordance with the Purchaser's Purchase Agreement. The Closing actually may occur later, but the Closing Date is the day when the Closing is scheduled to occur.
- 1.6 "**Completion of Construction**" has the meaning stated in Section 514B-3 of the Condominium Property Act.
- 1.7 "**Condominium**" means the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai`i Condominium located in Honolulu, Hawai`i.
- 1.8 "**Condominium Property Act**" means the Hawai`i Condominium Property Act (Chapter 514B, HRS) or any law that replaces that law.
- 1.9 "**Condominium Public Report**" means a condominium public report required by the Condominium Property Act. Under Hawai`i law, Purchasers of Ownership Interests will receive a Disclosure Statement instead of a Condominium Public Report.
- 1.10 "**Condominium Regulations**" means the rules and regulations adopted by the State of Hawai`i 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 Hawai`i.
- 1.11 "**Contract Documents**" means, for each Purchaser, (i) this Escrow Agreement, and (ii) the Purchaser's Purchase Agreement, and (iii) any written changes to any of those documents. Changes must be in writing and signed by the person whose duties change.
- 1.12 "**Deed**" means a deed in which DVD transfers the Purchaser's Ownership Interest to the Purchaser.

- 1.13 **"DVD"** means Disney Vacation Development, Inc. It is a Florida corporation. Its address is 1390 Celebration Boulevard, Celebration, Florida 34747.
- 1.14 **"Director"** means the Director of the Department of Commerce & Consumer Affairs of the State of Hawai'i.
- 1.15 **"Disclosure Statement"** means the Hawai'i timeshare disclosure statement about the Plan required by the Act.
- 1.16 **"Escrow Agent"** means First American Title Company, Inc. It is a Hawai'i corporation. Its address is 1177 Kapiolani Blvd., Honolulu, Hawai'i 96813.
- 1.17 **"Funds"** means money.
- 1.18 **"HRS"** means Hawai'i Revised Statutes.
- 1.19 **"Loan Documents"** means any "purchase money contract" as defined in the Act. This includes, for example, any promissory note, mortgage, or other document in which the Purchaser agrees to repay a loan made to finance the Purchaser's purchase of an Ownership Interest but only if the loan is made to the Purchaser by DVD or by a lender that is (i) affiliated with DVD or (ii) to whom DVD referred the Purchaser. The Purchaser's Contract Documents and Deed **are not** Loan Documents.
- 1.20 **"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 Purchaser to keep his or her promise to pay money. The Purchaser must pay it even if the Purchaser has a claim or defense against DVD.
- 1.21 **"Ownership Interest"** means an undivided interest in a Unit in the Plan.
- 1.22 **"Permitted Encumbrances"** means the documents and instruments identified as the "permitted encumbrances" in the Disclosure Statement.
- 1.23 **"Plan"** means the plan created by and existing under the Plan Documents and the Act. The name of the Plan is "Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan."
- 1.24 **"Plan Documents"** means (i) the Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Declaration of Covenants, Conditions and Restrictions and Grant of Easements recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i (the "Declaration"), and (ii) all other documents defined as the "Plan Documents" in the Declaration.
- 1.25 **"Purchase Agreement"** means an Aulani, *Disney Vacation Club*® Villas, Ko Olina, Hawai'i Vacation Ownership Plan Purchase Agreement. The Escrow Agent acknowledges that it has received the form of the Purchase Agreement. If DVD changes the form of the Purchase Agreement it will give a copy of the changed form to the Escrow Agent.
- 1.26 **"Purchaser"** means each person shown as a Purchaser in a Purchase Agreement.
- 1.27 **"Purchaser's Unit"** means the Unit identified in the Purchaser's Purchase Agreement as "Your Unit."
- 1.28 **"Purchaser's Funds, Notes And Loan Documents"** means all Funds, Notes, and Loan Documents received before Closing from or on behalf of any Purchaser in connection with Purchaser's Purchase Agreement.
- 1.29 **"Real Estate Commission"** means the Real Estate Commission of the State of Hawai'i.
- 1.30 **"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 Hawai'i.
- 1.31 **"Record", "Recording"** and similar terms refer to and mean recorded (i) in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i, or (ii) to the extent required in section 501-241, *et. seq.*, Hawai'i Revised Statutes, in the Bureau of Conveyances of the State of Hawai'i.
- 1.32 **"Rules"** means the Rules Relating to Time Sharing, Chapter 16-106, Hawai'i Administrative Rules, and any other rules adopted under the Act.
- 1.33 **"Unit"** means a unit in the Condominium that has been included in the Plan pursuant to the declaration.

PART 2.
PURPOSE OF THIS ESCROW AGREEMENT

This Escrow Agreement is intended to protect the Purchaser, DVD and the Escrow Agent in Closing the sale of Ownership Interests. It is also intended to set up and maintain escrow accounts complying with the provisions of the Act, the Rules, the Condominium Property Act and the Condominium Regulations. This Escrow Agreement and the other Contract Documents also are intended:

- ❖ To be the escrow instructions of DVD and Purchaser for the sale of each Ownership Interest;
- ❖ To protect DVD in case the Purchaser defaults; and
- ❖ To protect the Purchaser from any blanket liens. DVD has chosen to protect Purchasers 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 DVD has chosen to protect Purchasers in the manner provided by Section 514E-19(a)(4) of the Act.

PART 3.
RECEIPT OF PURCHASERS' FUNDS
AND CLOSING PAPERS

3.1 Deposit of Closing Documents. Each time DVD accepts a Purchase Agreement, it will send to the Escrow Agent:

- A. A copy of the Purchase Agreement; and
 - B. If the offer and sale was made entirely or partly in Hawai'i, a copy of a Receipt for Disclosure Statement signed by the Purchaser;
- and
- C. Any closing statement or settlement statement prepared pursuant to the Real Estate Settlement Procedures Act ("RESPA").

The Escrow Agent will also accept and hold all other papers from DVD or any lender supplying money to or for the Purchaser.

The Escrow Agent will handle and deliver all of these documents as instructed by the person who provided them and these escrow instructions; provided, however, that in the event of conflict between such instructions, these escrow instructions will control.

3.2 Purchaser's Funds, Notes and Loan Documents. DVD and each sales agent will send each Purchaser's Funds, Notes and Loan Documents to the Escrow Agent promptly after receiving them. There are two exceptions:

A. **Cancellation Period.** DVD 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 1.20), until the later of:

- 1) The end of the seven-day cancellation period described in section 4.1 (if it applies), or
- 2) The end of any other cancellation period expressly provided to the Purchaser in his or her Purchase Agreement.

B. **Sales Outside of Hawai'i.** 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 Purchaser'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 additional instructions will become a part of this Escrow Agreement after DVD and the Escrow Agent sign them. The additional instructions will apply only to sales made in that particular state or country.

3.3 The Escrow Agent Will Handle The Purchaser'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 in connection with the Purchaser's purchase of an Ownership Interest. The Purchaser'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. All of the Purchaser's Funds received by the Escrow Agent under this Escrow Agreement will be held and deposited by the Escrow Agent, at least weekly, in an account approved by DVD and the Escrow Agent and in accordance with the Purchaser's Purchase Agreement and all laws that apply. DVD will receive all earnings (for example, interest) on the Purchaser's Funds except as otherwise provided by law or in the Purchaser's Purchase Agreement. As a result of the Escrow Agent maintaining its general escrow accounts with one or more banks or other depositories, the Escrow Agent may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from those banks or depositories (the "Collateral Benefits"). All Collateral

Benefits shall accrue to the sole benefit of the Escrow Agent and the Escrow Agent shall have no obligation to account to the parties to any escrow covered by this Escrow Agreement for the value of any such Collateral Benefits. The funds within the escrow account must at all times be available for withdrawal in full by the Escrow Agent.

3.5 Reports to DVD. Each month the Escrow Agent will give DVD a written report of all receipts, interest-bearing deposits and disbursements under this Escrow Agreement. If DVD requests reports more often, the Escrow Agent will provide them in return for a reasonable service charge, not exceeding Fifty Dollars (\$50.00), for each extra report DVD requests.

**PART 4.
CANCELLATION PERIODS;
CONDITION TO RELEASE OF FUNDS**

4.1 Cancellation Period. For offers and sales made in Hawai'i, a Purchaser has the right to cancel the Purchase Agreement under Section 514E-8 of the Act (the "*seven-day cancellation period*"). To do so, a Purchaser must mail or deliver a notice of cancellation to DVD at the address stated in the Purchase Agreement. The Purchaser must do this before the seven-day cancellation period ends. A Purchaser's seven-day cancellation period ends on the later of:

- A. Seven (7) days after the Purchaser's Purchase Agreement was signed; or
- B. Seven (7) days after the Purchaser received the Disclosure Statement.

4.2 Other State Cancellation Periods. For offers and sales made in states other than Hawai'i, a Purchaser has the right to cancel the Purchase Agreement until the later of expiration of the seven-day cancellation period or expiration of the cancellation period provided under that state's applicable laws (e.g., the cancellation period provided pursuant to the California Vacation Ownership and Timeshare Act of 2004 (Ca B&P Code Section 11210, *et seq.*)). Notwithstanding the foregoing, all Purchasers have the right to cancel the Purchase Agreement until expiration of the ten-day cancellation period provided pursuant to the *Florida Timeshare Act*, Chapter 721, Florida Statutes.

4.3 Release of Purchaser's Funds. No matter what else the Contract Documents say, the Escrow Agent may not release a Purchaser's Funds, Notes or Loan Documents to or for the benefit of DVD or a sales agent, or to someone else for the benefit of DVD or a sales agent, or for construction, until the last of the following events occurs:

A. The Hawai'i Real Estate Commission has issued an effective date for a Condominium Public Report covering the phase of the Condominium containing the Purchaser's Unit.

B. If the offer and sale is made entirely or partly in Hawai'i:

1) The Escrow Agent has received a copy of a Receipt for Disclosure Statement signed by the Purchaser whose Funds are being released;

2) The seven-day cancellation period under section 514E-8, HRS, or such longer cancellation period applicable under Section 4.2 hereof, has expired as to the Purchaser whose Funds are being released; and

3) The Escrow Agent receives a sworn statement from DVD in the form of Exhibit "A" attached to this document as to the Purchaser whose Funds are being released. The statement must be dated at least five days after the applicable cancellation period has expired and must be dated at least five (5) days after the effective date for the Condominium Public Report covering the Purchaser's Unit. The statement may refer to multiple Purchasers and Purchase Agreements provided that the foregoing conditions are satisfied for each Purchaser and Purchase Agreement included in the statement.

C. If the offer and sale is not made in Hawai'i, the Escrow Agent receives a sworn statement from DVD in the form of Exhibit "B" attached to this document as to the Purchaser whose Funds are being released. The statement must be dated at least five (5) days after the effective date for the Condominium Public Report covering the Purchaser's Unit. The statement may refer to multiple Purchasers and Purchase Agreements provided that the foregoing conditions are satisfied for each Purchaser and Purchase Agreement included in the statement

**PART 5.
RELEASE OF PURCHASER'S FUNDS
WITHOUT A CLOSING**

5.1 Release of Purchasers' Funds. A Purchaser's Funds, Notes and Loan Documents may be released from escrow without a Closing only as provided in this Part 5 and section 9.4.

5.2 Refunds to the Purchaser. The Escrow Agent will refund the Purchaser's Funds held by the Escrow Agent (without interest and without any other earnings on such Funds) if and only if any of the following things have happened:

A. The offer and sale is made wholly or partly in Hawai'i and either the Purchaser or DVD gives a valid notice of cancellation during the seven-day cancellation period or such longer cancellation period applicable under Section 4.2 hereof. In that event, all of the Purchaser's Funds held by the Escrow Agent will be returned to the Purchaser within fifteen (15) days after the notice of cancellation is received.

B. The Purchaser gives a valid notice of cancellation pursuant to Section 514B-87 of the Condominium Property Act. In that event, the Escrow Agent must promptly return to the Purchaser all of the Purchaser's Funds.

C. DVD gives notice to the Escrow Agent that the Purchaser has exercised any right to cancel that the Purchaser has under the Purchase Agreement (other than the rights described above in subsections 5.2A and 5.2B). In that event, the Escrow Agent must promptly refund to the Purchaser all of the Purchaser's Funds remaining in escrow.

D. The Purchaser gives notice to the Escrow Agent that the Purchaser has exercised any right to cancel that the Purchaser has under the Purchase Agreement (other than the rights described above in subsections 5.2A and 5.2B). In that event, the Escrow Agent will give DVD written notice of the Purchaser's decision to cancel. DVD has five (5) business days after it receives that notice within which to provide written notice to the Escrow Agent of DVD's approval or disapproval of the cancellation. If DVD gives it approval, then the Escrow Agent must promptly refund to the Purchaser all of the Purchaser's Funds remaining in escrow. If the Escrow Agent receives no notice or receives a notice of disapproval from DVD, then the Escrow Agent may proceed as provided in section 9.4.

E. The Closing has not occurred within two (2) years after the date that a Purchaser executed his/her Purchase Agreement. In that event, the Escrow Agent must promptly return to the Purchaser all of the Purchaser's Funds.

F. DVD instructs the Escrow Agent to do so. In that event, the Escrow Agent will return to the Purchaser all of the Purchaser's Funds within fifteen (15) days after the Escrow Agent receives that instruction.

Regardless of the things stated in subsections A - E, the Escrow Agent has no duty to use its own money to make a refund to a Purchaser whose check has not cleared. Instead, the Escrow Agent may wait until the Purchaser's check clears but it must make any required refund promptly after that.

5.3 Payment of Funds if DVD Cancels Because the Purchaser Defaulted. If DVD gives written notice to the Escrow Agent that DVD is canceling a Purchaser's Purchase Agreement because of the Purchaser's default then the Purchaser's Funds will be delivered as provided in that Purchaser's Purchase Agreement. If the Purchase Agreement provides that the Purchaser's Funds will be released to DVD as liquidated damages if the Purchaser defaults, then the following rules apply:

A. **Notice From DVD.** DVD must provide the Escrow Agent with a copy of a notice of default sent by DVD to the Purchaser (the "Default Notice"), together with a statement that at least thirty (30) days have passed since the Default Notice was sent and that the Purchaser has not cured the default and whether or not the Purchaser has objected in writing to the Default Notice. If the Purchaser has objected in writing within thirty (30) days after the Default Notice, DVD will provide Escrow Agent with a copy of the Purchaser's written objection. The Default Notice will be delivered to Purchaser by certified or registered mail and will state that DVD has declared that the Purchaser is in default under the Purchase Agreement.

B. **Objection from Purchaser.** If the Purchaser objects to the Default Notice, the Purchaser must notify the Escrow Agent in writing. If the Escrow Agent does not receive from DVD a copy of any written objection by the Purchaser and does not receive any written objection directly from the Purchaser within thirty (30) days from the date the Default Notice was sent by DVD, then the Escrow Agent may treat the Purchaser's Funds as belonging to DVD and may release those Funds to DVD.

C. **Release of Funds.** If the Escrow Agent receives a written objection from the Purchaser within thirty (30) days after sending the notice to the Purchaser, then the Escrow Agent shall proceed as provided in section 9.4. Otherwise, the Escrow Agent must release the Purchaser's Funds to DVD as provided in section 5.7.

5.4 Release of Funds Upon Posting a Bond or Other Financial Assurance. If permitted by the Act or approved by the Director, the Escrow Agent shall release a Purchaser's Funds to DVD prior to Closing if, as permitted by the Act or as approved by the Director, DVD posts a bond, letter of credit, or other financial assurance that secures DVD's obligation to refund Purchaser's Funds in accordance with the Purchase Agreement. DVD may determine the amount of the bond, letter of credit, or other financial assurance. The Escrow Agent may not release a Purchaser'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 Purchasers' Funds previously released to DVD for sales that have not yet closed. If permitted by the Act or approved by the Director, the Escrow Agent may release a Purchaser's Funds to DVD 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 Purchaser or DVD, the Escrow Agent will:

- A. Mark "canceled" on the Deed and the Purchase Agreement and return them to DVD; and
- B. Provide to the Purchaser 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 Purchaser entitled to a refund. If a Purchaser does not claim his or her refund within one year after the notice is mailed, then the Escrow Agent must treat the money as DVD's and not the Purchaser's Funds. By sending the Purchaser written notice of payment of that money to DVD, the Escrow Agent is released from any further liability to the Purchaser for that money.

5.7 Payment of the Developer's Funds. Any unclaimed refunds and any other Funds that the Escrow Agent may release to DVD under this Escrow Agreement (for example, interest and other earnings on Funds held by the Escrow Agent) will be paid out as DVD directs in writing. Limits on the release of the Purchaser's Funds do not apply to the release of DVD's Funds by the Escrow Agent.

PART 6. PRECLOSING AND CLOSING CONDITIONS

6.1 The Escrow Agent Will Gather the Purchaser's Money and Documents. When the Escrow Agent receives a copy of each Purchase Agreement, it will promptly identify to DVD any documents that it still needs to close the sale. It will also do anything else reasonably required by DVD to close the sale. If DVD asks, the Escrow Agent will inform DVD of the amount of a Purchaser's Funds held by the Escrow Agent.

6.2 Closing Conditions. The Escrow Agent will not close any sale before the Closing Date set by DVD in accordance with the Purchaser's Purchase Agreement. 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 a notice that DVD or the Purchaser has cancelled as provided in sections 5.2 or 5.3.
- B. The Escrow Agent has received enough money to pay the Closing Costs.
- C. The Escrow Agent has received enough money to pay the purchase price stated on the Purchaser's Purchase Agreement less (i) any credits allowed by DVD and (ii) the amount of any loan made by DVD to the Purchaser.
- D. The Escrow Agent has received all necessary Closing documents.
- E. All loan requirements set by DVD for the purchase have been met provided that the Escrow Agent is notified of those requirements in writing.
- F. The Purchaser's Unit is included in the Plan if it isn't already.
- G. A title insurance company authorized to do business in Hawai'i is committed to issue, after the Purchaser's Deed is recorded, a policy of title insurance on the Purchaser's Ownership Interest.

1) The title policy must insure that the Purchaser's Ownership Interest is subject only to the Purchaser's Deed, any mortgage signed by the Purchaser, the "permitted encumbrances" listed in the Disclosure Statement, and anything else that doesn't make the Purchaser'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' or materialmen's 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 notice that the construction has been completed has been published.

H. 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 Purchaser's 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.

I. 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 DVD at once, and (ii) the Escrow Agent will not close it later unless DVD tells it to do so. If DVD does so, the Escrow Agent will close it on the new date picked by DVD as long as all the Closing Conditions have been met. Neither DVD nor the Escrow Agent must give notice to the Purchaser 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, if any, the Purchaser's Deed, any mortgage, and all other appropriate documents; and
- C. Pay, out of the Funds in escrow and after DVD's approval, all of the Closing costs; and
- D. Disburse all sums due to DVD under the Purchase Agreement in the manner provided in Part 8.

7.2 After the Closing. After Closing and except as otherwise provided in section 8.2, the Escrow Agent will:

- A. Mail or otherwise deliver, or have someone else deliver to the Purchaser a conformed copy of the Deed and the original owner's title insurance policy; and
- B. Mail or otherwise deliver to DVD each release, if any, and a copy of the Deed and any Closing statement or RESPA settlement statement held by the Escrow Agent; 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 held by the Escrow Agent, and any other documents to, and do anything else reasonably required by, DVD.

7.3 Condition of Title; Title Insurance. A policy of title insurance will be issued to protect the Purchaser and a separate policy will be issued to anyone making a mortgage loan to the Purchaser (such as DVD if it makes a loan) if requested by the lender. The Purchaser is free to choose any title company licensed to issue title insurance policies on real property located in the State of Hawai'i. The Purchaser must give a written notice to the Escrow Agent stating the name of the title insurance company chosen by the Purchaser. If the Purchaser does not choose a title company, then DVD must do so.

PART 8. DEVELOPER'S FUNDS

8.1 Sales Closed After Completion of Construction. If a sale is closed after Completion of Construction, then the Escrow Agent will deliver the Purchaser's Funds, Notes and Loan Documents to DVD as part of the Closing.

8.2 Sales Closed Before Completion of Construction. If a sale is closed before Completion of Construction, then these rules apply:

A. The Escrow Agent will deposit all Funds from the Closings of the sales of the Ownership Interests closed before Completion of Construction, including any payments made on loan commitments from lending institutions, into a federally insured, interest-bearing account designated solely for that purpose, at a financial institution authorized to do business in Hawai'i (the "*Construction Escrow Account*"). Funds deposited in the Construction Escrow Account must be deposited and held in accordance with all laws that apply and as directed by DVD with the approval of the Escrow Agent. All interest and other earnings on such Funds will belong to DVD except as otherwise provided by law. All Funds in the Construction Escrow Account must be kept separate from the Purchasers' Funds.

B. The Escrow Agent will hold all Notes and Loan Documents received from sales of Ownership Interests closed before Completion of Construction. The Escrow Agent will cash any checks and similar documents which can be cashed, and will deposit the money in the Construction Escrow Account. The Escrow Agent will keep the Notes and Loan Documents which it holds under this paragraph separate from Notes and Loan Documents of the Purchasers whose sale has not yet closed.

C. The Escrow Agent will deposit in the Construction Escrow Account all payments made by the Purchasers pursuant to Notes and Loan Documents received from the sales of the Ownership Interests. In performing this duty, the Escrow Agent may contract with a loan

servicing company approved by DVD to receive and account for all such payments. DVD will pay all fees and charges of the loan servicing company but may pass the cost along to the Purchasers making the payments as permitted in their Purchase Agreements, Notes and/or Loan Documents.

D. Funds in the Construction Escrow Account shall not be disbursed prior to the Completion of Construction unless DVD has provided to the Escrow Agent satisfactory evidence that DVD has filed with the Director and with the Hawai'i Real Estate Commission, and that the Director has accepted:

- 1) A project budget showing all costs required to be paid in order to complete the project, including real property taxes, construction costs, architectural, engineering and legal fees, and financing costs;
- 2) Evidence satisfactory to the Director and the Hawai'i Real Estate Commission of the availability of sufficient Funds to pay all costs required to be paid in order to complete the project, which may include Purchaser Funds, equity Funds, interim or permanent loan commitments, and other sources of Funds;
- 3) A copy of an executed construction contract for the project;
- 4) A copy of the building permit for the project; and
- 5) Satisfactory evidence of security for the Completion of Construction, that may include the following, in form and content accepted by the Director and approved by the Hawai'i Real Estate Commission: a completion or performance bond issued by a surety licensed in the State of Hawai'i in an amount equal to one hundred per cent of the cost of construction; a completion or performance bond issued by a material house in an amount equal to one hundred per cent of the cost of construction; an irrevocable letter of credit issued by a federally-insured financial institution in an amount equal to one hundred per cent of the cost of construction; or other substantially similar instrument or security approved by the Director and the Hawai'i Real Estate Commission. A completion or performance bond issued by a surety or by a material house, an irrevocable letter of credit, and any alternatives shall contain a provision that the Director and the Hawai'i Real Estate Commission shall be notified in writing before any payment is made to beneficiaries of the bond.

E. Prior to the Completion of Construction, Funds in the Construction Escrow Account may be disbursed only upon DVD's request and only to pay costs set forth in the project budget submitted pursuant to subsection 8.2D.1) that are approved for payment by the project lender or an otherwise qualified, financially disinterested person. In addition, such Funds may be disbursed to pay construction costs only in proportion to the valuation of the work completed by the contractor, as certified by a licensed architect or engineer. The balance of any purchase price may be disbursed to the developer only upon Completion of Construction of the project and the satisfaction of any mechanic's and materialman's liens.

F. Regardless of section 8.2D, the Escrow Agent will return all Funds (including payments made by the Purchasers), Notes and Loan Documents to the Purchaser from whom they were received if DVD directs the Escrow Agent to do so in writing. But the Escrow Agent will not return the Purchaser's Funds, Notes and Loan Documents before recording a Deed transferring the Purchaser's Ownership Interest(s) back to DVD 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.

G. Upon Completion of Construction, the Escrow Agent will deliver to DVD, or as DVD directs in writing, all Funds, Notes and Loan Documents from the closed sales. But if there is a dispute or conflicting claims or demands, the Escrow Agent may interplead as provided in section 9.4.

H. For purposes of this section 8.2, and unless otherwise required by law, all references to the cost of construction or the cost to complete construction of the project shall mean and refer to the remaining costs to Substantially Complete construction of the Purchaser's Unit, the phase of the building containing the Purchaser's Unit and any required infrastructure (for example, utility service lines and hookups) as of the date of such disbursement. "*Substantially Complete*" means sufficiently complete to be physically habitable and usable (including, in the case of the Purchaser's Unit, ready for occupancy with all necessary and customary utilities extended to it), and to obtain a certificate of occupancy from the City and County of Honolulu. It does not, however, require that the Unit be furnished.

8.3 Assignment of the Developer's Rights. DVD may give to a lender (called a "*Secured Party*") a "*Security Interest*" in the Funds, Notes and Loan Documents. (This means that DVD is pledging its rights in the Funds, Notes and Loan Documents as collateral for a loan. If DVD does not repay the loan, then the Secured Party may foreclose on DVD's rights to the Funds, Notes and Loan Documents.) If DVD gives someone such a Security Interest, then the Escrow Agent will have possession of and hold DVD's interest in the Funds (including interest and other earnings), Notes and Loan Documents for the benefit of the Secured Party first and for DVD second. If there is more than one Secured Party, then the Escrow Agent will hold the Funds, Notes and Loan Documents for each of the secured parties in their order of priority and lastly for DVD. 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 DVD under subsection 8.2G. 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 for the benefit of the Secured Party.

8.4 Other Release of Funds. The Escrow Agent shall release to DVD any Funds held by the Escrow Agent pursuant to subsection 8.2A and 8.2C if all requirements of one or more of the following subsections have been met:

A. DVD 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 Purchaser after Closing and prior to the Completion of Construction. DVD may determine the amount of the Bond. The Escrow Agent may not release a Purchaser's Funds under this subsection 8.4A unless the amount of the Bond exceeds the sum of (i) the amount to be released, plus (ii) the total amount of the Purchasers' Funds previously released to DVD for sales in Units the construction of which has not yet been Substantially Completed.

B. DVD 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 Purchaser's Unit, the phase of the building containing the Purchaser's Unit and any required infrastructure, will be Substantially Completed. For example, DVD may post a completion bond for payment of the remaining costs of construction of the Purchaser's Unit, the phase of the building containing the Purchaser's Unit and any required infrastructure.

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 8.4 are not subject to the restrictions on use imposed by section 8.2.

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 DVD and the Escrow Agent in a separate document. The escrow fee will be charged to the Purchaser or DVD as stated in the Purchaser's Purchase Agreement. 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 earned when the sale closes but payable only after Completion of Construction and delivery to DVD, or as DVD directs, of the Purchaser's Funds, Notes and Loan Documents.

B. **Cancellation Fee.** No cancellation fee will be charged by the Escrow Agent for any Purchase Agreement that is canceled by the Purchaser or DVD.

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 Hawai'i, 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 Purchaser, DVD or anyone else for acting as directed by the Contract Documents, even if DVD, the Purchaser or anyone else instructs it to do otherwise. The Escrow Agent does not have to tell DVD or any Purchaser about any other transaction or fact if that transaction or fact does not prevent the Escrow Agent from performing its obligations under 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 Purchaser gives a valid notice of cancellation to DVD but DVD does not notify the Escrow Agent in a timely fashion. The Escrow Agent need not determine if any Purchase Agreement 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 DVD, or any lender providing financing for the purchase of an Ownership Interest, is true and accurate.

9.4 Disputes. The Escrow Agent is not required to decide disputes or resolve conflicting demands from DVD, the Purchaser, 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 Hawai'i 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 Purchaser and DVD will Indemnify the Escrow Agent. The Purchaser and DVD, jointly and severally (together and separately) promise to indemnify the Escrow Agent against (which means the Purchaser and DVD 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. DVD or the Escrow Agent can cancel this Escrow Agreement by giving written notice to the other sixty (60) days in advance. All Purchase Agreements accepted by DVD 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. DVD may, however, have a different escrow company close any Purchase Agreements 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 Purchase Agreements accepted by DVD but not delivered to the Escrow Agent as of the date of the termination. Purchasers cannot cancel this Escrow Agreement and their consent is not necessary to cancel it so long as DVD enters into a new Escrow Agreement with another escrow company licensed under Hawai'i law.

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 DVD's written consent. No Purchaser's consent is necessary.

10.2 Changes to This Agreement. The Escrow Agent agrees to change this agreement as DVD asks in order to comply with (i) the legal requirements of the State of Hawai'i or any Hawai'i governmental agency, (ii) the legal requirements of any other state or the requirements of any governmental agency in a place where DVD is registering the Plan for sale, or (iii) the requests of DVD's lenders. 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 Purchaser's consent is necessary unless the change (i) increases the amount that the Purchaser must pay under the Purchaser's Purchase Agreement or this Escrow Agreement and DVD does not agree to pay the additional amount, or (ii) materially and adversely changes the Closing Conditions to the extent that they are intended to benefit the Purchaser.

10.3 Giving Notices. Any notice from DVD or the Escrow Agent to the Purchaser may be given by telephone or in writing, unless otherwise expressly stated. All other notices (including any from the Purchaser) must be in writing only and shall be deemed to have been duly given upon the earlier to occur of the following:

A. When actually received;

B. When delivery is first refused; or

C. On the third business day following the deposit of the notice in the United States mail as registered or certified mail with postage prepaid and addressed to the designated party at the following addresses, or such other address as may be provided from time to time in writing to:

Developer: Disney Vacation Development, Inc.
1390 Celebration Boulevard
Celebration, Florida 34747
Attention: Compliance

Copy to: Walt Disney World Resort
Team Disney
1375 Buena Vista Drive, 4th Fl. North
Lake Buena Vista, Florida 32830
Attention: General Counsel - Timeshares

Escrow Agent: First American Title Company, Inc.
1132 Bishop Street, Suite 1580
Honolulu, HI 96813

Copy to: Hawai'i Escrow Manager
 First American Title Company
 2300 Maitland Ctr Parkway, Suite 201
 Maitland, FL 32751

Written notices to the Purchaser must be addressed to the Purchaser's address shown on the Purchaser's Purchase Agreement. If more than one person is listed as the Purchaser on a Purchase Agreement, a notice given to any of them will be considered notice to all. If the Purchaser is a corporation or partnership, the notice may be delivered or mailed to any officer or partner of the Purchaser. If the Purchaser 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 Purchaser, DVD or the Escrow Agent can change their addresses by sending written notice of the new address to the others.

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 DVD, the Purchaser, 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," "successors in trust" and "assigns."

10.6 Captions. DVD has tried to appropriately divide and caption the Contract Documents by their various sections. Captions are a part of the Contract Documents, but obviously cannot and do not completely or adequately explain each section or the entire agreement among the parties. 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 Hawai'i Law; No Jury Trial. 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 internal laws of the State of Hawai'i. Any lawsuit or legal proceeding relating to any Purchase Agreement or this Escrow Agreement must be filed and conducted only in a federal or state court located in Honolulu, Hawai'i or Orange County, Florida. The parties agree that they shall do nothing to deprive the courts in Honolulu, Hawai'i or Orange County, Florida, of "jurisdiction" or "venue." This means that the lawsuit or proceedings will take place in either Hawai'i or Florida. **THE PARTIES GIVE UP ANY RIGHT TO A JURY TRIAL AND AGREE THAT A JUDGE WILL DECIDE ANY DISPUTE.**

10.8 Conflicts. This Escrow Agreement and the other Contract Documents are subject to the laws of Hawai'i 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 that applies, then the law or rule, and not that part of the Contract Documents, must be obeyed. Nothing in this Escrow Agreement will deprive any Purchaser of any rights that the Purchaser has by law and that DVD cannot ask the Purchaser to waive in a contract.

10.9 The Provisions of the Contract Documents 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 prevailing party is entitled to recover its costs and expenses, including reasonable legal fees.

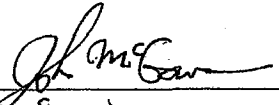
10.11 Counterparts. This Escrow Agreement will be effective so long as the Escrow Agent and DVD sign copies of it. So long as they sign copies of this Escrow Agreement having identical content, it is not necessary for them to sign the exact same copy. A signature on a faxed copy will be sufficient as well.

By signing this document, the Escrow Agent and DVD agree to all of the things written above. This agreement takes effect on April 22, 2010.

FIRST AMERICAN TITLE COMPANY, INC.

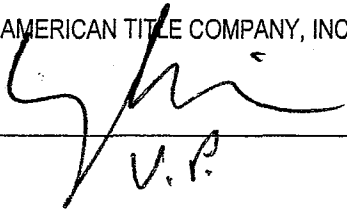
By _____
Its

DISNEY VACATION DEVELOPMENT, INC.

By  _____
Its Secretary

By signing this document, the Escrow Agent and DVD agree to all of the things written above. This agreement takes effect on April 22, 2010.

FIRST AMERICAN TITLE COMPANY, INC.

By  _____
Its *V.P.*

DISNEY VACATION DEVELOPMENT, INC.

By _____
Its

