

AMENDED AND RESTATED OPERATING AGREEMENT

OF

HALE NAPILI RENTAL POOL, LLC

TABLE OF CONTENTS

	Page No(s).
ARTICLE I – NAME.....	2
Section 1.1: NAME.....	2
ARTICLE II – BUSINESS.....	2
Section 2.1: SCOPE OF THE ENTERPRISE.....	2
Section 2.2: PLACE OF BUSINESS.....	2
Section 2.3: UNITS NOT ASSETS OF COMPANY.....	2
Section 2.4: OWNER OF UNIT.....	2
Section 2.5: VOTING OWNERS/MEMBERS.....	2
Section 2.6: VOTES.....	2
Section 2.7: WHEN NO VALID VOTING REPRESENTATIVE DESIGNATED.....	3
ARTICLE III – EXECUTIVE COMMITTEE.....	3
Section 3.1: ELECTION.....	3
Section 3.2: TERM OF OFFICE.....	3
Section 3.3: AUTHORITY OF EXECUTIVE COMMITTEE.....	3
Section 3.4: OTHER POWERS/DELEGATION.....	6
Section 3.5: MEETINGS/RESOLUTIONS.....	6
Section 3.6: RECORDS.....	6
Section 3.7: ACCOUNTING.....	6
Section 3.8: INDEMNIFICATION.....	7
Section 3.9: LIMITED POWERS OF EXECUTIVE COMMITTEE.....	7
ARTICLE IV – CAPITAL.....	7
Section 4.1.A.: CALL FOR CAPITAL – ALL UNITS.....	7
Section 4.1.B.: CALL FOR CAPITAL – INDIVIDUAL UNITS.....	8
Section 4.2: DEFAULT AND CONSEQUENCES THEREOF.....	8
Section 4.3:.....	9
ARTICLE V – PROFITS AND LOSSES.....	9
Section 5.1: DETERMINATION OF NET PROFITS AND LOSSES.....	9
Section 5.2: ALLOCATION OF NET PROFITS AND LOSSES.....	9
Section 5.3: DISTRIBUTION OF PROFITS.....	9
Section 5.4: INTEREST.....	10
ARTICLE VI – UNITS.....	10
Section 6.1: PRIVATE OCCUPANCY OF UNITS.....	10
Section 6.2: MEMBER’S RIGHT OF PRIVATE OCCUPANCY BY RELATED PERSONS AND CLOSE FRIENDS.....	10
Section 6.3: RENTAL RIGHTS.....	11
Section 6.4: COMPANY SERVICES.....	11
Section 6.5: CONDOMINIUM RIGHTS OF UNIT OWNERS.....	11
Section 6.6: INSURANCE.....	11
ARTICLE VII – MEMBERSHIP.....	11
Section 7.1: LIMITED MEMBERSHIP.....	11

Section 7.2: WITHDRAWAL	11
Section 7.3: DISTRIBUTION UPON WITHDRAWAL	12
Section 7.4: [RESERVED]	12
Section 7.5: LIABILITY OF MEMBERS	12
Section 7.6: INDEMNIFICATION	12
Section 7.7: DISSOCIATION	12
Section 7.8: MEETINGS OF MEMBERS	12
Section 7.9: BUSINESS OF THE COMPANY	13
Section 7.10: VOTING	13
ARTICLE VIII – ADOPTION OF ARTICLES AND COMMENCEMENT OF COMPANY.....	13
Section 8.1: COMPANY	13
Section 8.2: RELATIONSHIP OF THIS AGREEMENT TO THE HAWAII UNIFORM LIMITED LIABILITY COMPANY ACT	13
Section 8.3: RELATIONSHIP BETWEEN THIS OPERATING AGREEMENT AND THE ARTICLES OF ORGANIZATION	13
Section 8.4: TAX STATUS	14
ARTICLE IX – DISSOLUTION AND WINDING UP.....	14
Section 9.1: DISSOLUTION	14
Section 9.2: EFFECT OF DISSOLUTION	14
Section 9.3: DISTRIBUTION OF ASSETS ON DISSOLUTION	14
ARTICLE X – MISCELLANEOUS.....	14
Section 10.1: CONFLICT OF INTEREST	14
Section 10.2 SITUS	14
Section 10.3: FISCAL YEAR	14
Section 10.4: REMOVAL OF FURNITURE FROM UNIT	15
Section 10.5: AUTHORITY OF FILE COMPANY STATEMENTS	15
Section 10.6: NOTICES	15
Section 10.7: FUNDS OF COMPANY	15
Section 10.8: CONSTRUCTION	16
Section 10.9: AMENDMENT	16
Section 10.10: COUNTERPARTS	16
Section 10.11: FACSIMILE SIGNATURES	16
Section 10.12: PRE-CONDITION TO SALE OR CONVEYANCE	16
EXHIBIT “A”	20
EXHIBIT “B”	21

AMENDED AND RESTATED OPERATING AGREEMENT

This Amended and Restated Operating Agreement ("Amended Operating Agreement") adopted by the members of the HALE NAPILI RENTAL POOL, LLC (the "Company"), shall be effective as of the date of adoption of such by vote of at least 65% of the Membership Interests of the Company.

WITNESSETH:

WHEREAS:

Each of the members of the Company (hereinafter individually referred to as "Member" and collectively referred to as "Member" and collectively referred to as "Members"), is a person (including a trust, partnership or other entity) which holds an ownership interest in a unit within the condominium project known as the HALE NAPILI APARTMENTS. (Such units are hereinafter singularly referred to as "Unit" and collectively referred to as "Units".)

The Members desire to rent the Units owned by each of them, including the furniture, appliances, and household equipment, installed therein, from time to time.

On May 27, 1999, the Company was formed and the Members and/or their respective predecessors in interest, entered into an Operating Agreement for the Company (hereinafter collectively referred to as the "Initial Operating Agreement"), and thereby agreed to associate as Members of the Company to facilitate the rental of their Units, and have agreed to pool their Units, the income earned from the rental thereof, and the expenses incident thereto, as provided herein.

The Members desire to amend the Initial Operating Agreement and replace such with this Amended and Restated Operating Agreement which shall supersede and replace the Initial Operating Agreement in its entirety.

The Members have agreed to associate as Members of the Company under the Initial Operating Agreement and under this Amended and Restated Operating Agreement for the limited purpose of facilitating the rental of their Units.

The parties intend to actively participate as Members in the management and operation of the business of the Company, as provided herein.

The Members desire to define the terms of their association as Members of the Company, and to commit their agreement to writing by the adoption of this Amended Operating Agreement.

NOW THEREFORE, the Members do hereby agree as follows:

ARTICLE I
NAME

Section 1.1: NAME. The name of the limited liability company is: HALE NAPILI RENTAL POOL, LLC.

ARTICLE II
BUSINESS

Section 2.1: SCOPE OF THE ENTERPRISE. The Company is organized to manage, and, from time to time, rent the several Units of the Members with a view toward obtaining the maximum amount of gross rent from all of such Units as a group. The business of the Company shall be limited to the enterprise set forth above. The Company shall not be responsible for, or engaged in, the business, property, or affairs of the ASSOCIATION OF APARTMENT OWNERS OF HALE NAPILI (hereinafter referred to as the "AOAO"), the board of directors of the AOAO, or the manager or managing agent, if any, engaged by such board of directors.

Section 2.2: PLACE OF BUSINESS. The principal place of business of the limited liability company shall be at 65 Hui Road, Lahaina, Hawaii 96761.

Section 2.3: UNITS NOT ASSETS OF COMPANY. Unless title thereto is acquired by the Company, the several Units of the Members shall not be owned by, considered, or treated as assets of the Company.

Section 2.4: OWNER OF UNIT. "Unit" shall mean a unit (i.e. apartment) at the Hale Napili Condominium Project. "Owner of a Unit" shall mean any person (including a trust, partnership or other entity) which holds an ownership interest in a Unit.

Section 2.5: VOTING OWNERS/MEMBERS. Each and every Member must be an owner of a Unit. There shall be one vote allocated to each Unit. If a Unit is owned by more than one, but less than five Members, then each such Member may vote his fractional interest in the Unit; provided that, in the event that a Member or group of Members own less than a 25% interest in the Unit, a "Voting Representative" shall be designated collectively by those Members who own less than a 25% interest in the Unit, and written notice of such designated Voting Representative shall be delivered by such Members to the Executive Committee. Such Voting Representative shall thereafter cast the vote of the percentage ownership interest of the Members who have given notification of such designation. Such designation shall be revocable at any time by written notice delivered to the Executive Committee by any Member who owns an interest in that Unit, or in the case of the death or judicially declared incompetence of any Member, by any guardian of the estate of a Member, or by any legal representative of the estate of a Member, if, in any such case, the interest of such Member who owns such Unit is subject to administration in his or her estate.

Section 2.6: VOTES. Notwithstanding any provision herein to the contrary, the term "Majority of Members," "Majority of Membership Interests," or any other term or phrase used herein relating or referring to any stated fraction or percentage of the Unit owners or Members shall

refer to the vote designated for each Unit in proportion to the total of votes designated to all Units, or, as the case may be, the stated percentage or fraction of the total of all such votes.

2.7: WHEN NO VALID VOTING REPRESENTATIVE DESIGNATED. If any Member or group of Members hold an ownership interest of less than 25% in a Unit, but fail to give notice of Voting Representative designation when required in accordance with Section 2.5, or if a Member or group of Members revoke their Voting Representative designation, then only those Members who collectively own a 25% interest in the Unit or who have collectively designated a Voting Representative shall be entitled to have their ownership interests counted in votes taken in accordance with this Amended Operating Agreement, and the Member(s) failing to have a designated Voting Representative shall not have that Member(s)' percentage interest counted in the voting under this Amended Operating Agreement.

ARTICLE III **EXECUTIVE COMMITTEE**

Section 3.1: ELECTION. At each annual meeting of the Company the Members shall elect not less than three (3), and not more than five (5) persons to the Executive Committee, each of whom shall be a natural person who is: (a) an owner or co-owner of a Unit; (b) a trustee who also is the settlor of a trust that is an owner or co-owner of a Unit (or the spouse of such trustee); (c) a member of a limited liability company that is an owner or co-owner of a Unit; or (d) a general partner of a general or limited partnership that is an owner or co-owner of a Unit. Only one person representing any Unit may serve on the Executive Committee.

Section 3.2: TERM OF OFFICE. The term of office of the members of the Executive Committee shall be for one (1) year following their election; provided that the members of the Executive Committee shall, upon the expiration of their term of office, continue in office until their successors are elected. The Members shall elect the Executive Committee at the annual meeting of the Members. A majority of the Members present at any meeting may remove any or all of the members of the Executive Committee with or without cause. Within thirty (30) days after the death or resignation of a member of the Executive Committee, the remaining members of the Executive Committee shall appoint a successor, who shall continue to act during the unexpired term of his or her predecessor, but in the event of the removal of one or more of the members of the Executive Committee, a majority of the Members of the Company present at any meeting shall elect a successor or successors who shall continue to act during the unexpired term of his or her predecessors. The members of the Executive Committee shall select a chairman, who shall preside at all meetings of the Executive Committee and at all meetings of the Members.

Section 3.3: AUTHORITY OF EXECUTIVE COMMITTEE. The powers and authority of the Executive Committee to act for and on behalf of the Members and the Company shall include the following:

A. To rent, in the name of the Company, the several Units of the Members from time to time upon such terms and conditions as the Executive Committee shall deem to be in the best interests of the Company; provided, that the Members of the Company may from time

to time by resolution establish such specific terms and conditions upon which Units shall be rented as they shall deem in the best interests of the Company, and, in such event, the Executive Committee shall rent the Units upon such specific terms and conditions so established by the Members, and upon such other terms and conditions as may be established by the Executive Committee, but not inconsistent with the resolution adopted by the Members.

B. To collect the rents due from the rental of the several Units by the Company.

C. To enter upon a contract with a qualified person, who shall be known as the property manager, for the management of the business and affairs of the Company upon such terms and conditions as the Executive Committee shall deem to be in the best interests of the Company.

D. To employ, supervise and discharge other employees for and on behalf of the Company:

E. To incur reasonable expenses on behalf of the Company incident to the rental of such Units; provided, that the Members of the Company may by resolution impose such restrictions as they may from time to time deem necessary or desirable upon the power and authority of the Executive Committee to incur such expenses. The Members understand and agree that their individual obligations for any charges, common expenses or special assessments imposed by the Board of Directors or Association of Apartment Owners of the Condominium, or any obligations incurred in respect of an individual Unit, shall not be paid, assumed or discharged by the Company.

F. To deposit and withdraw funds of the Company in and from banks and like institutions.

G. To call for capital contributions from the Members as provided in Section 4.1.

H. In the sole discretion of the Executive Committee, to expend funds of the Company to maintain, repair and replace, as the case may be, those items listed on Exhibit B hereto, located within each Unit, for the owner of such Unit, and any such property purchased by the Company shall belong to the Company and not to any Member who has an ownership interest in such Unit. Exhibit B items shall remain in the Unit and not removed even in the event that the Member(s) who own such Unit convey or sell such. The items listed in Exhibit B may, upon a vote of the Majority of Members, be changed from time to time. The Executive Committee shall have the authority to remove and replace any items in a Unit that do not meet the Standard of Conditions compiled in accordance with Sections 3.3M and 3.3N below.

I. In the sole discretion of the Executive Committee, to approve and to determine the amount of credit allowance to be made to a Member's account if that Member, at his or her own expense, upgrades or replaces the items listed in Exhibit B prior to any required

replacement, or all inclusive general improvements which would normally be financed by the Company.

J. In the sole discretion of the Executive Committee, to expend funds of the Company to repair and maintain the electrical and plumbing systems and fixtures located within each Unit, including interior painting or plastering of any Unit if required to retain unit in good rental condition.

K. In the sole discretion of the Executive Committee, to expend funds to purchase linen and hotel expendable supplies to facilitate the rental of Units by the Company.

L. To advertise and promote the rental of the Units of the Members and the business of the Company.

M. Anything to the contrary contained in this Agreement notwithstanding, the Executive Committee, or the Executive Committee's duly appointed representative(s), may at any reasonable time, and at regular intervals as established by the Executive Committee in its sole discretion, enter a Unit to determine the standard of condition of the Unit and the furniture, furnishings, fixtures, and equipment, located therein. If as a result of any such inspection, the Executive Committee determines that the Unit interior or any of its furniture, furnishings, fixtures and equipment, (other than those specific items set forth in Exhibit B, which shall be governed by Sections 3.3H and 3.3I above), is in need of maintenance, repair and/or replacement, the Executive Committee shall give written notice of such needed maintenance, repair or replacement to the Member(s) who own such Unit. The Member(s) who own such Unit shall have a period of thirty (30) days in which to undertake the necessary maintenance, repair or replacement. If, at the end of the said thirty (30) day period the Member(s) who own such Unit shall have not undertaken the needed maintenance, repair and/or replacement, then the Executive Committee may, after thirty (30) days written notice to the Member(s) who own such Unit, suspend the Member(s) who own such Unit from sharing in distributions from the rental program operated by the Company. Additionally, the Executive Committee may effectuate the necessary maintenance, repair and/or replacement and the Member(s) who own such Unit shall promptly reimburse the Company for the cost of such. If necessary maintenance, repair and/or replacement costs exceed the usual amount (as determined by the Executive Committee in its sole discretion) Owner shall forego personal use of their unit and shall execute a note to the Company for the costs incurred for maintenance repair and/or replacement to be secured by the Member's interest in said Unit. Notwithstanding the foregoing, the Executive Committee may, in its discretion, extend the deadlines set forth in this Section 3.3M upon request by the Member(s) for good cause. The Member(s) who own each Unit shall be responsible for furnishing those items described in the Standard of Conditions to be compiled in accordance with Section 3N below.

N. To compile, impose, and enforce reasonable rules ("Rules") and Standard of Conditions ("Standard of Conditions") to facilitate the efficient operation of the rental pool and to maintain appropriate standards of quality in all Units, the Executive Committee also shall have the authority to compile and enforce a fine schedule to be assessed against Members for non-compliance with the Rules, Standard of Conditions, and/or with the provisions of this Amended and Restated Operating Agreement. Members shall be obligated to pay such fines

immediately upon receipt of written notice of the assessment of such, and the Company may, upon a vote of the Executive Committee, deduct such fines from a Member's distribution of profits.

Section 3.4: OTHER POWERS/DELEGATION. The Executive Committee shall also have and may exercise such other powers and authority as may be otherwise expressly provided by this Operating Agreement. The powers and authority of the Executive Committee herein set forth may be delegated to a property manager (hereinafter, the "Property Manager"), provided such Property Manager has entered into a written contract with the Company that defines such delegated powers and authority. The powers and authority delegated by the Executive Committee to the Property Manager shall be subject to, and restricted by, any restrictions therefore imposed by a majority vote of the Members of the Company upon the powers and authority of the Executive Committee and existing at the time of the execution of such contract between the Company and the property manager; provided, further, that the power to call for capital contributions from the Members of the Company shall not, in any event, be delegable.

Section 3.5: MEETINGS/RESOLUTIONS. The Executive Committee shall act at meetings or, without meetings, by adopting a written resolution circulated among them, by any of them, and signed by a majority of them within a period of ninety (90) days after such circulation. Any meeting of the Executive Committee shall require a quorum of a majority of the members of the Executive Committee. Meetings of the Executive Committee may be held telephonically. The Executive Committee shall have the power to adopt and amend such rules as they deem necessary with respect to the frequency, time, place and conduct of their meetings. The Executive Committee shall distribute minutes of such meetings to Members within 60 days of such meetings.

Section 3.6: RECORDS. The Executive Committee shall keep and maintain, or cause to be kept and maintained, books of account on an accrual basis which shall show all receipts and expenditures made and/or authorized by them, and a schedule of the assets, and a schedule of the liabilities, if any, of the Company. Such books of account, and all other papers and documents relative to the administration or operation of the Company, shall be open to inspection by any Member at reasonable hours and upon reasonable notice.

Section 3.7: ACCOUNTING. The Executive Committee shall not be required to give any bond or file any accounts in respect of their administration of the business of the Company with any court. Within forty five (45) days after the close of each quarter of the Company's fiscal year, and within seventy five (75) days after the close of each fiscal year, the Executive Committee shall submit to each Member unaudited financial statements which shall show the current status of the business of the Company. Such financial statements shall reflect the operating results of each of the individual quarters in the subject fiscal year, together with cumulative year-to-date operating results. For example, the December 31 financial statements shall reflect the operating results for the first, second, third and fourth quarters as well as the cumulative operating results for the entire year. Financial statements also shall contain a report on occupancy. If, within fifteen (15) days after the submission of such accounting, no Member shall have filed with the Executive Committee notice of any objection thereto, such accounting shall be an account stated, binding and conclusive between and among the Executive Committee and each Member of the

Company. Each annual accounting prepared by or on behalf of the Executive Committee, including each statement of the net profits or net losses of the Company, shall be prepared in accordance with generally accepted accounting principles, and if required by resolution of a majority of Members, the same shall be certified by a certified public accountant before or after submission of such to the Members.

Section 3.8: INDEMNIFICATION. The members of the Executive Committee, and any former member of the Executive Committee, shall each be indemnified and held harmless by the Company have the right to make themselves whole from the assets of the Company for any loss, liability or expense, including payment of their attorneys' fees and court costs, that they may suffer or incur by reason of their being, or having been, members of the Executive Committee hereunder, except, however, in respect of any such loss or liability arising out of their willful misconduct, gross neglect, breach of trust or breach of this Agreement. The members of the Executive Committee shall have the right to obtain any insurance, including without limitation error and omissions insurance, to cover any such loss, liability or expense, and the cost of obtaining any such insurance shall be an expense of the Company.

Section 3.9: LIMITED POWERS OF EXECUTIVE COMMITTEE. The Executive Committee shall not have any independent power to sell, lease, pledge, mortgage, exchange or otherwise dispose of or deal with any of the property of the Company, or to execute any notes, bonds, or other obligations or to enter upon or execute any contracts or to assume any liability on behalf of the Members of the Company, or to purchase any capital assets for the Company, except as herein expressly provided. The Executive Committee shall have the power to act in such matters when expressly authorized by the Members of the Company. Notwithstanding any provision to the contrary in this Agreement, the Executive Committee shall have the power to borrow money from an established lending institution from time to time, on behalf of the Company, for current expense of the Company, but the total of such outstanding loans shall not at any time exceed the amount of ten thousand dollars (\$10,000.00). The Executive Committee shall act hereunder, and with respect to the business of the Company, pursuant to the directions and instructions of the majority of the Members of the Company as expressed by resolutions enacted by the Members as herein provided.

ARTICLE IV **CAPITAL**

Section 4.1.A.: CALL FOR CAPITAL – ALL UNITS. A majority of the members of the Executive Committee shall have the power to call for the same amount of capital from each of the Members of the Company in the amount of up to Ten Thousand Dollars (\$10,000) per unit. Capital calls in excess of Ten Thousand Dollars (\$10,000) per unit require a positive vote of no less than sixty-seven percent (67%) of Members voting. Each Capital Call notice shall be sent to each Member not less than thirty (30) days prior to the date on which such capital is due. Such Capital Call shall be accompanied by a statement of the aggregate amount of the Capital Call, the amount of Capital due from each Unit, the date when such Capital shall be received by the Company and the specific business purpose or purposes giving rise to the Capital Call. If any Unit is owned by more than one Member, such Members shall be responsible for their

proportionate share of such Call. Any Capital Call payment delinquent (after the 30 day period provided) shall bear interest at eight percent (8%) per annum.

Section 4.1.B.: CALL FOR CAPITAL – INDIVIDUAL UNITS. In addition to Capital Calls provided for in Section 4.1.A. above, the Executive Committee shall have the power to call for capital from specific Members collectively owning a Unit or Units if the condition of said Unit/Units has deteriorated to the extent that such is/are not producing room revenue from guests at the same levels as are other Units in its sub rental pool, i.e. one bedroom, ocean studio and garden studio. Units not producing room revenue on a calendar year basis at least seventy-five percent (75%) of the room revenue of its sub rental pool may be, at the discretion of the Executive Committee (not arbitrarily applied) subject to this paragraph.

Section 4.2: DEFAULT AND CONSEQUENCES THEREOF. If any Member should fail to pay their Capital Call within sixty (60) days after the due date, then the Executive Committee shall have the power to withhold from any Member their share of the profits of the Company and shall apply the same in satisfaction of any unpaid Capital Call. The Executive Committee shall, in addition, have the power to prevent said Member in default from utilizing their Unit or any Unit for personal use. If the Executive Committee determines that, in its sole discretion, withholding a Member's share of net profits and Unit occupancy, by itself, is not a sufficient solution in the circumstances in light of the financial integrity of the Company, the Executive Committee shall have the power to acquire the whole or partial interest of the defaulting Member(s) in their Unit by giving written notice of the Company's intention to do so. After such notice is given, the price to be paid to the defaulting Member(s) for their interest in their Unit shall be determined under the following rules: (A) three (3) Licensed Realtors who are members of the Realtors Association of Maui ("RAM") shall be selected to value the subject unit as follows - one by the defaulting Member, one by the Executive Committee and one (experienced in the sales/purchases of fee simple condominium units in the Napili Bay area) recommended by RAM; (B) the subject unit shall be valued as a whole, and fractional ownerships shall not be discounted by the Realtors, as the defaulting Member(s) shall be entitled to their percentage ownership interest in the value of the entire unit; (C) the value shall not be determined by standard appraisal standards (sales approach, income approach and cost approach) but on the Realtors' opinion of the current market value; (D) each realtor shall be paid \$500 (or such amount as shall be agreed upon by the Executive Committee and the Realtors); all Realtors shall be compensated equally for their services upon receipt from each of a written opinion of value which clearly sets forth the valuation criteria; (E) the Realtors will be paid by the Company; (F) the neutral Realtor appointed by RAM shall prepare and submit to the interested parties a listing of the three values together with copies of all three of the Realtors reports; (G) the highest and the lowest values shall be disregarded so that the middle value shall be the basis of the price to be paid to the defaulting Member(s); the defaulting Member(s) shall be paid by the Rental Pool within ninety (90) days after the receipt of the three valuation reports referred to above; (H) the price to be paid to the defaulting Member(s) shall be value of their ownership interest as determined by the middle value submitted by the panel of Realtors – neither the highest or lowest - reduced by: (i) any amounts necessary to satisfy mortgages, liens, property taxes or other encumbrances affecting the Unit; (ii) an amount equal to the 6% realtor's commission that normally would be payable; (iii) any amounts for which the Member is personally liable to the

Company for funds advanced on their behalf by the Company, for Member(s) Unit improvement costs as well the Member(s)' share of unpaid liabilities owed by the Company.

Section 4.3: After notice of the Company's intent to purchase a Unit under Section 4.2 is given to any defaulting Member(s), should any such defaulting Member sell their ownership interest prior to the acquisition by Company of their interest, the Company shall have a lien on such Member's interest and/or the escrow account for debt owed by the Member to the Company including their share of Company borrowings as of the default date. The Executive Committee shall perfect such lien.

Any Member who disposes of their interest prior to the acquisition by the Company as provided for in Section 4.2 shall obtain written confirmation from their buyer that such buyer shall agree to the terms of this Amended Operating Agreement. Admission as a Member of the Company requires agreement by the admittee to the terms and condition of such Agreement.

ARTICLE V **PROFITS AND LOSSES**

Section 5.1: DETERMINATION OF NET PROFITS AND LOSSES. The net profits or net losses of the Company shall be determined as of the end of each calendar quarter in accordance with generally accepted accounting principles. In any event, and notwithstanding generally accepted accounting principles, to the extent that such practice is consistent with federal tax laws, the entire expense of the Company, as determined at the sole discretion of the Executive Committee: (A) for maintenance, repair and replacement of those items listed in Exhibit B located within each Unit; (B) to repair and maintain the electrical and plumbing systems and fixtures located within each Unit; and (C) to purchase linen and hotel expendable supplies; shall be treated as current expenses of the Company (not as the purchase of capital items) in the determination of the net profits or net losses of the Company.

Section 5.2: ALLOCATION OF NET PROFITS AND LOSSES. Attached hereto as "Exhibit A" is a formula to determine the net profits and losses for each Unit for each calendar quarter and the calendar year. Upon a vote of 67% of the Members, the Company shall have the power at the beginning of each fiscal year to change the formula set forth in Exhibit "A," and to reclassify the Units should the Members determine in their discretion, that the relative values of the respective Units for hotel rental purposes warrant such a change in light of the Company's actual experience.

Section 5.3: DISTRIBUTION OF AVAILABLE CASH FLOW. At the close of each quarter the Executive Committee shall cause to be distributed to each Member an amount equal to the amount due to such Member in accordance with Exhibit "A". The Executive Committee shall have discretionary power to withhold from such cash distributions of quarterly net profits (pro rata with respect to the distribution to which each Member would otherwise be entitled) such amount of cash as the Executive Committee shall in its sole discretion deem advisable, considering the estimated net income of the Company for the entire fiscal year, and also considering the expenses of the Company, incurred and anticipated, which must be paid by the Company. Any and all distributions shall be remitted to the Members. If a Member owns less

than a 25% interest in a Unit, then the distribution shall be remitted to the Unit's Voting Representative designated pursuant to Section 2.5, who shall have the sole obligation to ensure that such is distributed appropriately among the Members who own such Unit.

Section 5.4: INTEREST. Amounts credited to the respective accounts of the Members, whether as capital contributed or as net profits, shall not bear interest.

ARTICLE VI **UNITS**

Section 6.1: PRIVATE OCCUPANCY OF UNITS. On condition that reservation is made at least 365 days in advance, a Member shall be entitled to privately occupy his or her Unit temporarily (there being a limit of ninety (90) days per year per Unit) if the property manager of Company verifies that the Unit owned by that Member will be vacant and available for private occupancy for such period of time or portion thereof, as such Member may desire, it being understood that such period of private occupancy shall be deducted from the Unit Days Available in calculating profits and losses in accordance with Exhibit A hereto. If the 90-day annual limit per year is exceeded, a Member must rent a Unit at the regular market rate less a ten percent (10%) discount. If a Member occupies more than one Unit for private occupancy simultaneously, then the Member may choose: (a) to have the occupancy of only one such Unit allocated against such Member's 90-day annual limit, and the other Unit(s) must be rented at the regular market rate less a ten percent (10%) discount; or (b) if the second Unit is within the same sub rental pool, to have the Unit rented in accordance with rental discounts (if any) specified in House Rules – Owners. Member(s) who own a Unit jointly must apportion the 90-day per year allocation among themselves.

If the Unit of any Member has been rented by the Company during the period that the Member desires to use it for private occupancy, such Member shall have the right to the private occupancy of another available Unit in the Member's sub rental pool controlled by the Company, and such private occupancy of such other Unit shall be treated as the private occupancy of such Member's Unit for all purposes including the calculation of profits and losses in accordance with Exhibit A. The Member may rent an available Unit in another sub rental pool by paying the rental rate applicable to that Unit less a ten percent (10%) discount, with the revenue generated by such to be allocated to the rental pool class of the Unit to be so occupied.

Any Member who shall have given notice of private occupancy shall be deemed to have occupied his or her Unit for the period of the time set forth in such notice, whether or not such Member shall have actually occupied the Unit so reserved for such period of time. If a Member, having been granted private occupancy, wishes to relinquish that private occupancy, such Member must give forty-five (45) days written notice to the property manager or that Member will be charged for private occupancy for the days during such period during which such Unit is not rented, except that private occupancy need not be charged if the Executive Committee, at its sole discretion, deems circumstances warrant.

Section 6.2: MEMBER'S RIGHT OF PRIVATE OCCUPANCY BY RELATED PERSONS AND CLOSE FRIENDS. A Member's right of private occupancy shall extend to

and include his or her spouse, child, the spouse of any child, grandchild, the spouse of any grandchild, parent, close friends, and any guest accompanying any such person.

Section 6.3: RENTAL RIGHTS. During any period of private occupancy no Member shall have the right to rent his or her Unit outside of the process set forth in this Agreement, or to contract with any third person to rent his or her Unit for any consideration in money or money's worth.

Section 6.4: COMPANY SERVICES. After the private occupancy of any Unit, the Executive Committee shall have the right to charge the Members who own such Unit a uniform fee to clean up such Unit so that the same shall be fit for rental. A Member who privately occupies a Unit shall not be entitled to receive any services furnished by the Company to Units that are rented, but the Executive Committee shall have the right to furnish such services to Members at a uniform fee, as established by the Executive Committee. During the private occupancy of a Unit by a Member, the Executive Committee shall have the right to charge such Member a uniform fee for continuing overhead costs incurred by the Company.

Section 6.5: CONDOMINIUM RIGHTS OF UNIT OWNER. Each Member of the Company shall retain his or her right as a Unit owner of the Association of Apartment Owners of Hale Napili, as provided by law or in the Declaration and By-laws of the Hale Napili condominium project.

Section 6.6: INSURANCE. The Company shall pay the insurance premiums to insure general liability in the amount of at least \$1,000,000 per occurrence and at least \$2,000,000 in the aggregate. The Company also shall pay insurance premiums for casualty insurance of at least \$2,500,000. The Company also shall carry an excess policy in the amount of at least \$1,000,000. Said policies shall cover all common grounds and buildings and shall name the Company and the Association of Apartment Owners of Hale Napili as insureds. In addition, Members of each of the respective Units shall carry, personal property insurance of at least \$20,000 and comprehensive general liability (personal liability insurance) of at least \$500,000 per occurrence and naming the Company and the Association of Apartment Owners of Hale Napili as additional insureds. Premiums for the individual unit's insurance shall be paid as proscribed in the Hale Napili House Rules.

ARTICLE VII **MEMBERSHIP**

Section 7.1: LIMITED MEMBERSHIP. Membership in Company shall be limited to owners or joint owners. An owner of more than one Unit shall be entitled to as many membership units as the number of Units owned by him or her that are participating in the Company.

Section 7.2: WITHDRAWAL. All Members shall remain bound by their obligations under this Agreement as long as they hold an ownership interest in a Unit regardless of whether or not a Member desires to withdraw from the Company. A Member who conveys his or her Unit shall be deemed to have withdrawn from the Company as of the date when his or her title passes to a purchaser, regardless of notice to the Executive Committee.

Section 7.3: DISTRIBUTION UPON WITHDRAWAL. Within one hundred ten (110) days after the withdrawal or termination of a Member from the Company, there shall be distributed to that Member his or her share of the amount due to such Member in accordance with Exhibit A, which shall be adjusted pro-rata for the period during the quarter that such Member remained as an owner of such Unit. If a Member holds less than a 25% interest in the Unit, then the distribution shall be remitted to the Unit's Voting Representative designated pursuant to Section 2.5, who shall have the sole obligation to ensure that such is distributed appropriately among the Members who own such Unit. In the event that, at the time of withdrawal or termination, the Member(s) are indebted to the Company, such Member(s) shall remain liable to the Company for such debt after such withdrawal or termination it being understood that any person acquiring a Member's ownership interest also shall be jointly and several liable for such debt, as provided in Section 4.3 of this Amended Operating Agreement..

Section 7.4: [RESERVED]

Section 7.5: LIABILITY OF MEMBERS. No Member shall be liable as such for any of the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

Section 7.6: INDEMNIFICATION. The Company shall indemnify the Members for all costs, losses, liabilities, and damages properly paid or incurred by such members in connection with the business of the Company in keeping with their duties and responsibilities to the Company.

Section 7.7: DISSOCIATION. The Company shall not dissolve or terminate upon the dissociation of a Member, including death, withdrawal, disability or default of any Member. Upon the death or withdrawal of any Member, the surviving Members, together with such new Member or Members as may from time to time be admitted to membership, shall carry on the business of the Company. The legal representative or guardian of a deceased or disabled Member shall, for and on behalf of such deceased or disabled Member's estate, assume all of such deceased or disabled Member's rights, duties and liabilities hereunder as though such Member had not died or become disabled.

Section 7.8: MEETINGS OF MEMBERS. The annual meeting of the Members shall be held in October of each year (unless another date is selected by the Executive Committee). The property manager shall mail to each Member, postage pre-paid, not less than thirty (30) days prior to the day selected for such annual meeting, or any special meeting called, a written notice of meeting which shall state the time, day, place and agenda for the assembly of such annual meeting or any special meeting called. Any two (2) members of the Executive Committee, or any ten (10) members of the Company, may call special meetings of the Members of the Company by a written request delivered to the property manager not less than thirty (30) days prior to the time fixed for the assembly of such special meeting. All meetings of Members shall be held at Napili Bay, County of Maui, State of Hawaii, or such other place as may be decided by the Executive Committee. The presence of any Member in person or by an attorney-in-fact shall constitute a waiver of the requirement of the giving of notice of such meeting to such member.

The presence in person or by attorney-in-fact of a simple majority of the Members shall constitute a quorum at any membership meeting. Unless otherwise provided in this Agreement, the vote of a Majority of Members present at the meeting, in accordance with Sections 2.5 through 2.7 hereof shall be binding upon the Company. The Members may at each annual meeting, upon a vote of the Majority of Members, appoint some person, firm or corporation to act as accountants for the Company.

Section 7.9: BUSINESS OF THE COMPANY. The Members shall transact the business of the Company at membership meetings by resolutions enacted by a majority of those present; or without meetings by adopting a written resolution circulated by the Executive Committee and signed by a majority of the Members of the Company within a period of ninety (90) days after such circulation. No Member of the Company (except a Member who is a member of the Executive Committee and empowered to do so by resolution of the Executive Committee), shall have any power or authority to incur any debts or liabilities or assume any obligation or enter upon any contract for or on behalf of the Company, or to transfer or acquire any assets of, for or on behalf of the Company.

Section 7.10: VOTING. Voting shall be conducted in the manner set forth in Sections 2.5 through 2.7. Votes may be cast in person or by proxy by the respective Members as shown in the record of the Company. A Member's executor, administrator, guardian, Unit partner or trustee may vote in person or by proxy at any meeting of the Company the percentage of the vote for any Unit owned or controlled by him or her in such capacity, whether or not the same shall have been transferred to his or her name in the Company's records, provided that he or she shall first present evidence satisfactory to the property manager that he or she owns or controls such Unit in such capacity.

ARTICLE VIII

ADOPTION OF ARTICLES AND COMMENCEMENT OF COMPANY

Section 8.1: COMPANY. This Agreement shall be deemed adopted when it is fully executed by at least 65% of the Membership Interests.

Section 8.2: RELATIONSHIP OF THIS AGREEMENT TO THE HAWAII UNIFORM LIMITED LIABILITY COMPANY ACT. Except to the extent that provisions under Chapter 428 of the Hawaii Revised Statutes ("HRS") are non-waivable under HRS Section 428-103, if any provision of this Agreement conflicts with a provision under HRS Chapter 428, this Agreement shall control, and the statutory provision shall be modified or negated accordingly; and if it is necessary to construe a statutory provision in order to effectuate any provision of this Agreement, the statutory provision shall be construed to give effect to this Agreement.

Section 8.3: RELATIONSHIP BETWEEN THIS OPERATING AGREEMENT AND THE ARTICLES OF ORGANIZATION. If a provision of this Agreement differs from a provision of the Company's Articles of Organization, then to the extent allowed by law this Agreement will govern.

Section 8.4: TAX STATUS. The Members acknowledge that the Company will be treated as a partnership for federal and state tax purposes.

ARTICLE IX
DISSOLUTION AND WINDING UP

Section 9.1: DISSOLUTION. The period of duration of the Company is for a specified term to expire on December 31, 2198. If the total Members of the Company is less than ten (10), the Company shall dissolve. The Company shall also dissolve upon the enactment of a resolution of dissolution by a fifty-one percent (51%) majority of the Members.

Section 9.2: EFFECT OF DISSOLUTION. Upon dissolution, the Company shall cease carrying on business as distinguished from the winding up of the Company business, but the Company shall not terminate, but shall continue until the winding up of the affairs of the Company is completed and Articles of Termination have been filed with the State of Hawaii.

Section 9.3: DISTRIBUTION OF ASSETS ON DISSOLUTION. Upon the winding up of the Company, the Company's assets shall be distributed:

A. To discharge its obligations to creditors, including Members who are creditors, to the extent permitted by law;

B. Any surplus shall be used to return contributions to Members, with the profits pursuant to Article V.

ARTICLE X
MISCELLANEOUS

Section 10.1: CONFLICT OF INTEREST. A contract between the Company and another limited liability company, trust, partnership, corporation or other business association shall not be void or voidable because at the time such contract was entered upon one of the Members of the Company was also a member, beneficiary, trustee, partner, director, officer or stockholder in such other limited liability company, trust, partnership, corporation or other business association, nor shall any contract between the Company and a Member, or any member of the Executive Committee, be void or voidable; provided, that, in such event, and before such Member of the Company or members of the Executive Committee enters upon such contract, the Member of the Company or members of the Executive Committee with such an interest shall in good faith fully reveal to the other Members of the Company the extent of such interest.

Section 10.2: SITUS. This Operating Agreement shall be governed and interpreted by the laws of the State of Hawaii.

Section 10.3: FISCAL YEAR. The Executive Committee shall establish the fiscal year of the Company.

Section 10.4: REMOVAL OF FURNITURE FROM UNIT. A Member shall not remove from his or her Unit any of the kitchen utensils, household equipment, furniture and appliances, placed within the Unit, even though the same is the property of the Member, and whether or not the same was purchased by the Member or purchased by the Company. Upon the withdrawal or termination of any Member any such fixtures shall be deemed to belong to the Company unless otherwise decided by the Executive Committee. Notwithstanding the above, personal items, such as art or other decorative items, shall remain the property of the Member who initially owns such items, on condition that such Member submit a list of such items to the Executive Committee, which list shall be maintained at the Company's office. Members may remove worn or damaged items on condition that such items are immediately replaced.

Section 10.5: AUTHORITY TO FILE COMPANY STATEMENTS. Each Member hereby irrevocably appoints the Executive Committee, as from time to time constituted, his attorney-in-fact, giving the Executive Committee, or any one or more of them, or the property manager, full power and authority to sign, certify, acknowledge and file with the Director of Regulatory Agencies of the State of Hawaii, the Internal Revenue Service of the United States, or the Department of Taxation of the State of Hawaii, for him or her and on his or her behalf, as a Member of the Company, any registration statement, annual statement, notice of admission, withdrawal or death of a Member, articles of termination, partnership tax return, or the like, which the Executive Committee deems to be reasonably necessary to be filed by the Company under the laws of the State of Hawaii or under the laws of the United States.

Section 10.6: NOTICES. Notice shall be given by email to the email address shown in the records of the Company and/or by the deposit with any governmental postal authority of any notice required by this Agreement, or by any resolution enacted by the Members, to be served on any Member, the members of the Executive Committee or the property manager, postage prepaid, properly addressed, in the case of any Member or any member of the Executive Committee, to the post office address of the Member, shown on the books of the Company, or in the case of the property manager (if any), to the address at Napili, Lahaina, Hawaii, maintained by the Company, shall be conclusive evidence of the delivery of such notice; and the date shown on the wrapper for such notice, affixed by such governmental postal authority (but not by privately owned or controlled postal meter), shall be conclusive evidence of such date of delivery. Notwithstanding any other provision of this Amended Operating Agreement, if a Member holds less than a 25% interest in a Unit, then notice shall be remitted to the Voting Representative designated by that Member pursuant to Section 2.5, who shall have the sole obligation to ensure that such is distributed appropriately among the Members who own have designated such person, and notice to the Voting Representative shall constitute notice to all Members who have designated him or her.

Section 10.7: FUNDS OF COMPANY. The funds of the Company shall be deposited in a bank or banks selected by the Executive Committee. For amounts of \$2,500 or less, the funds of the Company shall be subject to withdrawal by check or draft signed by the property manager or any member of the Executive Committee. For amounts in excess of \$2,500, checks or drafts must be signed by any two members of the Executive Committee. The property manager shall be required to furnish an adequate fidelity bond. Each such bond shall be obtained from a corporate

insurer licensed to do business in Hawaii. The Company shall pay the premiums for such bonds from its funds.

Section 10.8: CONSTRUCTION. The headings and marginal notations of this Agreement are for the convenience only, and if there be any conflict, the text shall control. The use of any gender herein shall include all genders. Whenever any words are used herein in the singular, they shall be construed as though they were also used in the plural in all cases where they would so apply, and vice versa. The Members hereby covenant that they will each execute any other instrument and will each perform any act which is or may be necessary to give effect to this Agreement. The entire agreement of the parties has been stated herein, and the terms and conditions of this Agreement supersede any prior oral or written agreements or representations between and among the Members or any of them in respect of any matter relating to Company.

Section 10.9: AMENDMENT. Any amendment or revision of this Agreement shall require the written consent of sixty-seven percent (67%) of the Members of the Company.

Section 10.10: COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.11: FACSIMILE SIGNATURES. Execution of a facsimile copy of the original Agreement shall be deemed to be a valid execution.

Section 10.12: PRE-CONDITION TO SALE OR CONVEYANCE. Prior to a Member selling, conveying, or entering into any contract for sale or conveyance, of a Member's ownership interest in a Unit, such Member shall give notice to the Executive Committee of the Member's intent to sell. The Executive Committee, in turn, shall provide notice of such to all Members. Thereafter, for a period of fifteen (15) days, the Member who desires to sell or convey shall not convey his or her ownership interest or enter into any contract for sale with any person who is not a Member, but only shall entertain offers for sale to other Members. Notwithstanding the foregoing, a Member shall be entitled to sell, convey, or enter into a contract for sale or conveyance, of his or her ownership interest in a Unit to any person who already is a co-owner of such Unit, without the necessity of meeting the requirements imposed by this Section 10.12.

IN WITNESS WHEREOF, the undersigned Members have executed this Agreement effective on the date set forth hereinabove.

MEMBERS:

NAPIERSKIE FAMILY TRUST

By _____
Its

Virginia Napierkie
By *J.P.N.* *Partner*
Its

**NAPIERSKIE FAMILY
PARTNERS**

By *MANAGING PARTNER*
Its

JEANNIE HAAG

WALKER FAMILY TRUST

By _____
Its

BARBARA A. STRAUB TRUST

By _____
Its

HEATHCOTE SIBLINGS LLC

By _____
Its

THE DOUGHTY FAMILY TRUST

By _____
Its

DANIEL E. LABBITT

By _____
Its
NAPIERSKIE FAMILY
PARTNERS

By _____
Its

JEANNIE HAAG

WALKER FAMILY TRUST

By  _____
Its

BARBARA A. STRAUB TRUST

By _____
Its

HEATHCOTE SIBLINGS LLC

By _____
Its

THE DOUGHTY FAMILY TRUST

By _____
Its

DANIEL E. LABBITT

By _____
Its
NAPIERSKIE FAMILY
PARTNERS

By _____
Its

JEANNIE HAAG

WALKER FAMILY TRUST

By _____
Its

BARBARA A. STRAUB TRUST

By *Barbara A. Straub*
Its *Trustee*

HEATHCOTE SIBLINGS LLC

By _____
Its

THE DOUGHTY FAMILY TRUST

By _____
Its

DANIEL E. LABBITT

By _____
Its
NAPIERSKIE FAMILY
PARTNERS

By _____
Its

JEANNIE HAAG

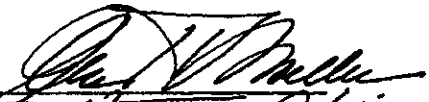
WALKER FAMILY TRUST

By _____
Its

BARBARA A. STRAUB TRUST

By _____
Its

HEATHCOTE SIBLINGS LLC

By 
Its
Daniel E. Labbitt Siblings LLC

THE DOUGHTY FAMILY TRUST

By _____
Its

DANIEL E. LABBITT

By _____
Its
NAPIERSKIE FAMILY
PARTNERS

By _____
Its

JEANNIE HAAG

WALKER FAMILY TRUST

By _____
Its

BARBARA A. STRAUB TRUST

By _____
Its

HEATHCOTE SIBLINGS LLC

By _____
Its

THE DOUGHTY FAMILY TRUST

By Margy Doughty Berry
Its

DANIEL E. LABBITT

By _____
Its
NAPIERSKIE FAMILY
PARTNERS

By _____
Its

JEANNIE HAAG

WALKER FAMILY TRUST

By _____
Its

BARBARA A. STRAUB TRUST

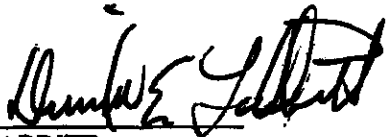
By _____
Its

HEATHCOTE SIBLINGS LLC

By _____
Its

THE DOUGHTY FAMILY TRUST

By _____
Its

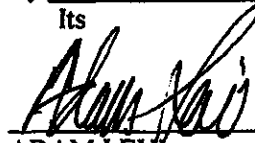


DANIEL E. LABBITT
3/12/15

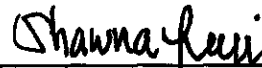
LAURIE LABITT PERRY LIVING TRUST

By _____

Its



ADAM LEVI



SHAWNA LEVI

SCOTT URQUHART

LINDA URQUHART

LEVI 1991 TRUST

By _____

Its

GARY PITCHFORD

DIANA PITCHFORD

THE RAHN FAMILY TRUST

By _____

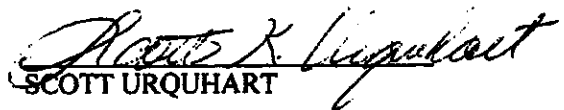
Its

LAURIE LABITT PERRY LIVING TRUST

By _____
Its

ADAM LEVI

SHAWNA LEVI


SCOTT URQUHART


LINDA URQUHART

LEVI 1991 TRUST

By _____
Its

GARY PITCHFORD

DIANA PITCHFORD

THE RAHN FAMILY TRUST

By _____
Its

LAURIE LABITT PERRY LIVING TRUST

By _____
Its

ADAM LEVI

SHAWNA LEVI

SCOTT URQUHART

LINDA URQUHART

LEVI 1991 TRUST

By *R. G. [Signature]*
Its

GARY PITCHFORD

DIANA PITCHFORD

THE RAHN FAMILY TRUST

By _____
Its

LAURIE LABITT PERRY LIVING
TRUST

By _____
Its

ADAM LEVI

SHAWNA LEVI

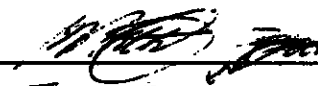
SCOTT URQUHART

LINDA URQUHART

LEVI 1991 TRUST

By _____
Its

GARY E. AND DIANA L. PITCHFORD
REVOCABLE TRUST, dated 8/26/03

By  _____
Its *T. M. ...*

THE RAHN FAMILY TRUST

By _____
Its

LAURIE LABITT PERRY LIVING TRUST

By _____
Its

ADAM LEVI

SHAWNA LEVI

SCOTT URQUHART

LINDA URQUHART

LEVI 1991 TRUST

By _____
Its

GARY PITCHFORD

DIANA PITCHFORD

THE RAHN FAMILY TRUST

By W.D. P
Its Trustee

MAPES FAMILY TRUST

By 
Its

DENNIS E. FRAZIER and
SHERRY A. FRAZIER FAMILY
TRUST

By _____
Its

JOHN SEAPY

SANDY SEAPY

THE BEUMER FAMILY TRUST

By _____
Its

COWELL REVOCABLE TRUST

By _____
Its


BARROW FAMILY TRUST

By _____
Its

MAPES FAMILY TRUST

By _____
Its

DENNIS E. FRAZIER and
SHERRY A. FRAZIER FAMILY
TRUST

By  _____
Its

JOHN SEAPY

SANDY SEAPY

THE BEUMER FAMILY TRUST

By _____
Its

COWELL REVOCABLE TRUST

By _____
Its

BARROW FAMILY TRUST

By _____
Its

MAPES FAMILY TRUST


By _____
Its

DENNIS E. FRAZIER and
SHERRY A. FRAZIER FAMILY
TRUST

By _____
Its



JOHN SEAPY



SANDY SEAPY

THE BEUMER FAMILY TRUST

By _____
Its

COWELL REVOCABLE TRUST

By _____
Its

BARROW FAMILY TRUST

By _____
Its

MAPES FAMILY TRUST

By _____
Its

**DENNIS E. FRAZIER and
SHERRY A. FRAZIER FAMILY
TRUST**

By _____
Its

JOHN SEAPY

SANDY SEAPY

THE BEUMER FAMILY TRUST

By *Dennis E. Beumer*
Its

COWELL REVOCABLE TRUST

By _____
Its

BARROW FAMILY TRUST

By _____
Its

MAPES FAMILY TRUST

By _____
Its

**DENNIS E. FRAZIER and
SHERRY A. FRAZIER FAMILY
TRUST**

By _____
Its

JOHN SEAPY

SANDY SEAPY

THE BEUMER FAMILY TRUST

By _____
Its

COWELL REVOCABLE TRUST

By *J. A. Cowley*
Its

BARROW FAMILY TRUST

By _____
Its

MAPES FAMILY TRUST

By _____
Its

**DENNIS E. FRAZIER and
SHERRY A. FRAZIER FAMILY
TRUST**

By _____
Its

JOHN SEAPY

SANDY SEAPY

THE BEUMER FAMILY TRUST

By _____
Its

COWELL REVOCABLE TRUST

By _____
Its

BARROW FAMILY TRUST

By Louise R. Barrow TT
Its Barrow Family Trust

EXHIBIT "A"

Rental Pool Operating Agreement Sec. 5.2, 6.1 and 7.3.

Each of the Hale Napili Rental Pool Units is classified into one of three classes: (a) one-bedroom ("1BR"); (b) studio garden view ("SGV"); or (b) studio ocean view ("SOV"). The quarterly profit or loss assigned to each of the Units shall be computed separately for each quarter, based on the following formula:

1. Determine Class Gross Percent (CG%) for each class by dividing the Class Gross Income (CGI) for each class by the Total Gross Income (TGI) for the quarter. The CGI and TGI are calculated quarterly and reflected in the books and records of the Company.
2. Determine Class Net Income (CNI) by multiplying Gross Net Income (GNI) by Class Gross Percent (CG%).
3. Determine class Average Daily Rate (ADR) by dividing Class Net Income (CNI) by Class Days Available (CDA). Class Days Available (CDA) provided by office.
4. Determine Quarterly Unit Net Income (QUNI) per unit by multiplying Average Daily Rate (ADR) by Quarterly Days Available (QDA) per unit or percent of ownership.
5. Subtract maintenance fees, reserve fees, property taxes and owner receivables (or other approved charge) from QUNI to ascertain Quarterly Owners Distributable Amount (QODA).

EXHIBIT B

Rental Pool Operating Agreement Sec. 3.3 H.

The Rental Pool shall provide, at its expense, certain kitchen, bedding, furniture and fixture items for the use of owners and guests (**Standard Rental Pool Items**). Such **Standard Rental Pool Items** are to be replaced as necessary by the Rental Pool. Those items that are **Major Standard Rental Pool Items** are listed below. A list of those items that are **Minor Standard Rental Pool Items** shall be maintained at the Rental Pool office and shall be available for review by owners.

An owner may choose to supply the **Minor Standard Rental Pool Items** for guest or owner's use. If an owner does so, such item will be provided at the owner's expense. If such item is damaged or broken, upon request by the owner, it will be replaced by the Rental Pool with a **Standard Rental Pool Item** if applicable. The Rental Pool will not be responsible for repair or replacement of items that are not **Standard Rental Pool Items** if purchased by an owner.

The amount that the Rental Pool will expend for **Major Standard Rental Pool Items (Allowance)** will be maintained at the Rental Pool Office. The Executive Committee will review the **Allowance** on a regular basis and revise such as it deems necessary. An owner may purchase a **Major Standard Rental Pool Item** and be reimbursed by the Rental Pool for the **Allowance** amount. If the purchased item is less than the **Allowance**, the Rental Pool will reimburse only the cost of such item. If the purchased item is more than the **Allowance**, the difference in cost shall be the owner's responsibility.

MAJOR STANDARD RENTAL POOL ITEMS (APPLIANCES, HOUSEHOLD FURNISHINGS, PLUMBING FIXTURES)

(ALLOWANCE AVAILABLE)

Refrigerator (w/ ice maker)
Stove
Microwave
Bed (frame, mattress & box springs)
Carpet and pad
Window treatments
Television
Toilet
Faucet (kitchen and bathroom)
Sinks (kitchen and bathroom)
Shower head

MINOR STANDARD RENTAL POOL ITEMS (ALLOWANCE NOT AVAILABLE)

This list is maintained in the office and available to owners.