

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

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NEELEY & ANDERSON LLP
A Limited Liability Law Partnership
Joyce Y. Neeley
733 Bishop Street, Suite 2301
Honolulu, Hawaii 96813 (808) 536-8177

**AMENDMENT TO THE DECLARATION SUBMITTING PROPERTY TO THE
CONDOMINIUM PROPERTY REGIME AND THE BY-LAWS OF
THE ASSOCIATION OF APARTMENT OWNERS OF THE PALMS AT WAILEA**
(Condominium Map No. 725)

WHEREAS, the Palms at Wailea ("the Project") was created by Declaration of Horizontal Property Regime filed on July 11, 1989 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1649066 and noted on Transfer Certificate of Title No. 315,856 (currently Transfer Certificate of Title Numbers attached hereto); and

WHEREAS, said Declaration, as amended (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF THE PALMS AT WAILEA (hereinafter referred to as the "Association") and established By-Laws therefor, which said By-Laws were filed on July 11, 1989 as aforesaid as Document No. 1649067 and noted on Transfer Certificate of Title Numbers attached hereto; and

WHEREAS, Section 514A-11, Hawaii Revised Statutes, provides that the Declaration may be amended by the vote or written consent of owners holding seventy-five percent (75%) of the common interest; and

WHEREAS, by written consent owners holding more than seventy-five percent (75%) of the common interest have consented to amend the Declaration, as hereinafter set forth;

WHEREAS, Section 514A-82(b)(2), Hawaii Revised Statutes, provides that the bylaws of condominium associations may be amended by the vote or written consent of owners holding more than sixty-five percent (65%) of the common interest; and

WHEREAS, by written consent owners holding more than sixty-five percent (65%) of the common interest have consented to amend the By-Laws, as hereinafter set forth;

NOW, THEREFORE, the Declaration of Horizontal Property Regime and the By-Laws of the Association of Apartment Owners of the Palms at Wailea are hereby amended as follows:

1. Paragraph 10(e) of the Declaration is amended to read as follows:

(e) Not erect or place on the Project any building or structure, including fences and walls, nor make material additions or structural alterations to, or material exterior changes of, any common elements of the Project, except in accordance with plans and specifications, including detailed plot plan, prepared by a licensed architect, if so required by the Board of Directors of the Association, and approved by the Board of Directors of the Association and the Architectural Committee of the Wailea Community Association established pursuant to the Wailea Declaration described in Section 20 hereof; and also approved by a majority of apartment owners (or such larger percentage as required by law or this Declaration) including all owners of apartments thereby directly affected, as determined by the Board of Directors of the Association, and complete any such improvements diligently after commencement thereof. For the purposes of this paragraph the word "material" shall be defined as provided in Section 514A-89, Hawaii Revised Statutes, as amended.

2. A new Paragraph 28 is added to the Declaration to read as follows:

28. INSTALLATION OF AIR CONDITIONING EQUIPMENT ON COMMON ELEMENTS.

(a) General. Notwithstanding any other provision herein or in the By-Laws, certain fixtures and equipment as defined herein may be installed by owners on common and limited common elements provided that the written approval of the Board of Directors is first obtained and provided, further, that the installation will not: 1) detract from the exterior appearance of the Project, as determined by the Board; 2) impair or adversely affect the structural integrity of any building in the Project or any part thereof; and/or 3) jeopardize the soundness or safety of the Project or any part thereof.

(b) Definitions. "Fixtures and Equipment" as used herein shall mean air-conditioning units and all related equipment and appurtenances.

(c) Conditions. The Board may condition its approval of any Fixtures and Equipment upon such terms and conditions as the Board determines appropriate from time to time. Without limitation to the foregoing, the Board may limit the installation to specific areas, may require plans, specifications, and other documents signed and/or certified by a licensed architect, structural engineer or acoustical engineer, and require that owners execute a recordable agreement with regard to their obligations.

(d) Authority. The Board shall be authorized to approve any related alterations and additions to the common elements and the apartments necessary or appropriate in connection with the installation of the Fixtures and Equipment, including, but not limited to: 1) modifications to the apartments; 2) changes in electrical wiring or plumbing; 3) the installation of conduits, pipes, wires, accessories

and appurtenances; and/or 4) the installation of drainage systems. No approval other than the written approval of the Board shall be required with respect to installations of Fixtures and Equipment and such installations shall not be deemed different in any material respect from the Condominium Map and may be undertaken without an amendment to the Declaration, By-Laws, or Condominium Map, notwithstanding the requirements of any other provision herein.

(e) Grandfathering. The Board shall be authorized to give its written approval to Fixtures and Equipment installed prior to the effective date of this amendment, subject to the terms and conditions set forth above.

(f) Owner Responsibility. Notwithstanding any other provision herein or in the By-Laws, owners who install Fixtures and Equipment shall be responsible, at their sole cost and expense, for the repair and maintenance of said Fixtures and Equipment; provided, however, that if the owners fail to do so, the Association may, from time to time, as determined in the sole and absolute discretion of the Board, undertake such repair and maintenance responsibilities and in such instances, assess the costs and expenses incurred in connection therewith against the owners whose apartments are serviced by the Fixtures and Equipment.

(g) Encroachment. In the event that the Board determines that the installation of any Fixtures and Equipment will constitute or involve or has constituted or involved an encroachment upon the common elements, the Board, in each such instance, shall be authorized to lease to the owner(s) whose apartment is serviced by the Fixtures and Equipment the portion(s) of the common elements subject to the encroachment. Said lease shall be upon such terms and conditions and for such duration as the Board may determine necessary or appropriate from time to time. The adoption of this paragraph as an amendment of the Declaration shall constitute the express approval by owners of apartments to which are appurtenant at least 75% of the common interest to any such lease as may be required by Section 514A-13(d), Hawaii Revised Statutes, and its subparts. Said lease may have a term in excess of five (5) years and need not contain a sixty (60) day termination clause. In the event that the approval of directly affected owners is required under Section 514A-13(d), Hawaii Revised Statutes, and its subparts, the Board, in its sole and absolute discretion, shall determine whether any owners are directly affected.

(h) Directly Affected Owners. If the Board determines that there are directly affected owners, it shall require that the approval of said directly affected owners be obtained as a condition to any approval given by the Board.

3. Article V, § 3(b) of the By-Laws is amended to read as follows:

(b) It is intended that the exterior of the building that includes the apartments of the Project shall present a uniform appearance, and to attain that result each apartment owner hereby agrees that the Board may require the apartment owner at his sole expense to paint or repair his lanai and, to the extent applicable, the limited common element entrance, entry and/or steps appurtenant to the apartment, and the Board may regulate the design and appearance of the repairs and replaced items, the type of surface and the type and color of paint to be used. In the alternative, the Board is authorized to contract for the repairs, painting or surfacing of all such lanais and/or limited common element entrance, entry and/or steps appurtenant to the

apartment. If the Board contracts for such items, the Board may either seek reimbursement from the owner thereof (who shall then bear such cost individually) or the Board may make payment therefor out of the maintenance fund.

In all other respects the Declaration and the By-Laws, as amended, are hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing amendments were adopted by the written consent of owners holding more than seventy-five percent (75%) of the common interest as to the Declaration and by the written consent of owners holding more than sixty-five percent (65%) of the common interest as to the By-Laws.

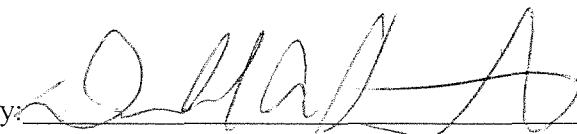
IN WITNESS WHEREOF, the undersigned have executed this instrument this 2nd day of November, 2005.

ASSOCIATION OF APARTMENT OWNERS
OF THE PALMS AT WAILEA

By: 

TYPE NAME: Charles W. Vogeler

TYPE TITLE: Vice President

By: 

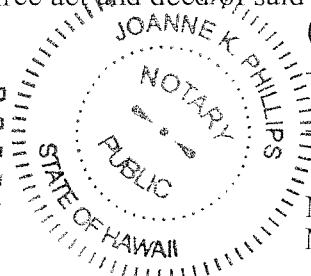
TYPE NAME: Donald A. Hamstra

TYPE TITLE: Treasurer

X STATE OF Maui HAWAII)
COUNTY OF Hawaii MAUI) SS.

On this 07 day of October, 2005 before me personally appeared Charles Watter Vogeler, to me personally known, who being by me duly sworn, did say that he is the Vice-President of the ASSOCIATION OF APARTMENT OWNERS OF THE PALMS AT WAILEA and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association and that the Association has no seal.

Joanne K. Phillips
Notary Public, State of Hawaii
My commission expires: 2/16/2006

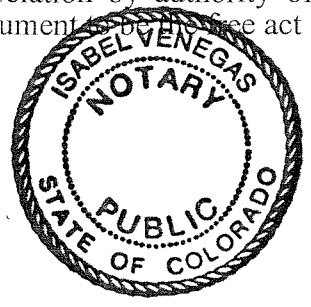


Joanne K Phillips
(Signature)
Joanne K. Phillips
(Printed or Typed Name)

Notary Public, State of Hawaii
My commission expires: 2/16/2006

STATE OF Colorado)
COUNTY OF Adams) SS.

On this 2nd day of November, 2005, before me personally appeared Donald A. Hamilton, to me personally known, who being by me duly sworn, did say that he is the Treasurer of the ASSOCIATION OF APARTMENT OWNERS OF THE PALMS AT WAILEA and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association and that the Association has no seal.



I Venegas
(Signature)
I Venegas
(Printed or Typed Name)

Notary Public, State of Colorado
My commission expires: 9/12/07

TRANSFER CERTIFICATE OF TITLE NOS.

Association of Apartment Owners
of the Palms at Wailea

Original TCT # 315,856

152 Apartments (150 residential, 2 nonresidential)

Condominium Map No. 725

APT. #	CTC #	APT. #	CTC #	APT. #	CTC #
101	636,802	601	533,936	1001	755,790
102	641,114	602	690,365	1002	532,206
103	618,346	603	679,226	1003	633,820
104	500,646	604	730,158	1004	421,505
201	365,939	605	708,774	1005	540,281
202	483,783	606	572,256	1006	486,808
203	365,424	607	502,008	1101	365,443
204	683,274	608	631,528	1102	540,136
205	480,342	609	531,115	1103	439,733
206	646,973	610	368,741	1104	365,743
207	689,858	701	692,050	1105	530,406
208	638,206	702	529,774	1106	652,533
301	483,879	703	699,511	1201	724,725
302	777,849	704	735,542	1202	545,347
303	622,251	705	596,153	1203	744,438
304	502,009	706	510,861	1204	537,331
305	642,673	801	641,660	1205	365,444
306	682,795	802	641,560	1206	748,126
307	534,858	803	487,465	1207	672,688
308	536,645	804	378,484	1208	460,395
401	639,227	805	724,062	1209	679,516
402	369,367	806	673,781	1210	644,998
403	629,796	901	535,822	1301	612,152
404	546,544	902	566,006	1302	522,847
405	685,157	903	724,149	1303	489,941
406	757,943	904	498,948	1304	506,489
501	480,398	905	694,690	1305	631,060
502	491,063	906	397,845	1306	458,628
503	403,147				
504	747,383				

TRANSFER CERTIFICATE OF TITLE NOS.

APT. #	CTC #	APT. #	CTC #	APT. #	CTC #
1401	594,119	1701	648,904	2101	516,833
1402	419,208	1702	361,267	2102	548,739
1403	679,679	1703	585,831	2103	373,750
1404	738,161	1704	618,825	2104	582,014
1405	611,156	1705	645,648	2105	649,011
1406	607,100	1706	367,886	2106	547,680
1501	470,743	1707	361,188	2107	482,476
1502	651,096	1708	546,533	2108	530,750
1503	490,285	1801	611,209	2201	680,649
1504	625,633	1802	361,187	2202	739,104
1505	492,588	1803	727,141	2203	715,183
1506	582,960	1804	630,656	2204	475,230
1507	718,352	1805	667,056	2205	703,064
1508	687,423	1806	539,260	2206	485,670
1509	361,527	1901	683,590	2301	599,807
1510	361,528	1902	698,316	2302	714,999
1601	536,749	1903	650,841	2303	681,165
1602	594,656	1904	720,973	2304	545,242
1603	611,338	1905	500,048	2305	652,297
1604	728,587	1906	520,013	2306	529,299
1605	665,305	2001	393,126		
1606	687,983	2002	593,435		