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WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

Assessor's Parcel Number: _____

2003 OCT 27 PM 3: 20

Recording Requested By:

WERNER CHRISTEN
RECORDER

Name: Western Title Co.

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Address: 16200 Hwy 395

City/State/Zip Minden, NV 89423

R.P.T.T.: _____

Royal Alpha Vacation Club CCR's
(Title of Document)

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ROYAL ALOHA VACATION CLUB

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS

(This Declaration is not a Time Share Instrument under Nevada law.)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT OF EASEMENTS ("Declaration") is made this 15th day of October, 2003, by ROYAL ALOHA VACATION CLUB, a Hawaii non-profit corporation, whose place of business and mailing address is 1505 Dillingham Boulevard, Suite 212, Honolulu, Hawaii 96817 (hereinafter called "Declarant").

1. RECITALS

1.1 Owner of Property. Declarant is the owner of real property described in Exhibit "A" attached hereto and made a part hereof (hereinafter called the "Property"). Declarant owns and operates a time share plan registered with the State of Hawaii. By recording this Declaration, Declarant intends to subject the Property to the Time Share Plan and to dedicate the Property for use by the Members in the exercise of their rights under the Club Documents.

1.2 Notice of Time Share Plan. Declarant intends that this Declaration serve as "notice of time share plan" as defined under Haw. Rev. Stat. §514E-1 and that it provide notice that the Property is subject to the Time Share Plan and rights of Members. This Declaration is made in accordance with Hawaii Revised Statutes § 514E-21, as amended from time to time, a copy of which is attached as Exhibit "B".

1.3 Grant of Easements. Declarant also intends through this Declaration to grant easements in favor of Members that shall encumber the Property as long as the Property is subject to this Declaration.

1.4 Not a Time Share Instrument. Declarant is recording this Declaration only to satisfy certain regulatory provisions under the Hawaii Revised Statutes. This Declaration does not constitute a time share instrument under Chapter 119A, Nevada Revised Statutes, and by recording this Declaration, Declarant does not intend to submit the Property to the provisions of such Chapter.

2. DECLARATION.

NOW, THEREFORE, Declarant hereby declares that the Property shall hereafter be subject to the covenants, conditions and restrictions and grants of easements set forth in this Declaration, all of which are established, declared and agreed to be for the purpose of establishing and providing notice of the rights of Members and of the Time Share Plan. The covenants, conditions and restrictions and grants of easements shall run with the land and be binding upon all persons and entities having or who acquire any right, title or interest in and to the Property or any portion thereof, and their heirs, personal representatives, successors and assigns so long as the Property is subject to this Declaration. Each and all of the covenants, conditions, restrictions, limitations, easements, uses and obligations contained herein shall be deemed to be and shall be construed as covenants running with the land and equitable servitudes enforceable by Declarant, the Club and Members.

3. PROPERTY SUBJECT TO DECLARATION.

The property subject to this Declaration shall be all of the Property described in Exhibit "A" attached hereto and made a part hereof. The Property shall also include additional Vacation Units added by any Declaration of Annexation or Additional Declaration according to the terms as provided for herein.

4. DEFINITIONS.

The following terms shall have the following definitions in this Declaration:

"Accumulated Weeks" means, for any Membership, the number of Interval Weeks carried over each Anniversary Year in accordance with Section 7.5.3 herein.

"Anniversary Date" means, for any Membership Agreement, the date that is one year after the actual date in which the Membership Agreement was signed and issued and the same day each year thereafter, provided that the Anniversary Date for Memberships issued on February 29 shall be February 28 in years that are not leap years.

"Anniversary Year" means, for any Membership, the twelve-month period between each Anniversary Date.

"Annual Use Period" means the number of Interval Weeks, excluding Accumulated Weeks, to which a Member is entitled to reserve and use a Vacation Unit in each Anniversary Year in accordance with the Club Documents.

"Articles" means the Club's Charter of Incorporation filed with the Department of Commerce and Consumer Affairs of the State of Hawaii, and any amendments thereto.

"Blanket Lien" means any mortgage, deed of trust, option to purchase, vendor's lien or interest under a contract or agreement of sale, or any other lien or encumbrance which (i) affects more than one time share interest either directly or by reason of affecting the entire Property to be used by the Members; and (ii) secures or evidences the obligation to pay money or sell or convey the Property and which authorizes, permits, or requires the foreclosure and sale or other defeasance of the Property. The following are not included as blanket liens: (1) lien for current real property taxes; (2) taxes and assessments levied by public authority; (3) lien for common expenses in favor of a homeowners or community association; (4) apartment lease or condominium conveyance document conveying a single condominium apartment or a lease of a single cooperative apartment; and (5) any lien for costs or trustees' fees charged by a trustee holding title to all or a portion of the Property pursuant to a title holding trust.

"Board" means the Board of Directors of the Club.

"Bylaws" means the bylaws of the Club and any amendments thereto, which shall not be inconsistent with this Declaration.

"Club" means Royal Aloha Vacation Club, a Hawaii nonprofit corporation.

“Club Documents” means the Club’s Articles, Bylaws, and other governing documents of the Club.

“Declarant” means Royal Aloha Vacation Club, a Hawaii nonprofit corporation.

“Declaration” means this Declaration of Covenants, Conditions and Restrictions, and Grant of Easements, as amended from time to time.

“Effective Date” means the date this Declaration is recorded in the Office of the County Recorder for Clark County, Nevada. The Effective Date for each subsequent Vacation Unit added shall be the date when a Declaration of Annexation or Additional Declaration covering that additional Vacation Unit and a deed, assignment of lease, or other instrument conveying or transferring that additional Vacation Unit to the Club are recorded or filed with the Filing Office.

“Filing Office” means (1) the Bureau of Conveyances of the State of Hawaii and/or the Office of the Assistant Registrar of the Land Court of the State of Hawaii; or (2) the applicable filing office for purposes of notice in the state, province, or other jurisdiction where the real property is located or where deeds are recorded. For purposes of the recordation of this Declaration, the “Filing Office” for the Property is the Office of the County Recorder for Clark County, Nevada.

“Interval Week” means a Use Week assigned to each Vacation Unit. Each whole Vacation Unit is allocated a maximum of fifty-one (51) Use Weeks.

“Member” means any one or more persons, as the case may be, who owns or holds a Membership, as further described in Section 7.1 below.

“Membership” means a time share interest in the Club’s Time Share Plan that entitles a Member to use, occupy or possess a Vacation Unit on a periodically recurring basis subject to the rules and obligations set by the Club and as further described in Section 7.2.

“Membership Agreement” means a written agreement between a person and the Club that makes a person a Member.

“Property” means all of the Vacation Units described in Exhibit “A” attached to this Declaration and all Vacation Units added by a Declaration of Annexation or Additional Declaration.

“Regular Memberships” means Memberships that exclude the right to reserve without charge use of Vacation Units during the Special Weeks Period.

“Special Memberships” means Memberships that include the right to reserve without charge use of Vacation Units during the Special Weeks Period.

“Special Weeks Period” means the three week period beginning on the third Monday in December.

“Time Share Plan” means the time share plan established and operated pursuant to the Club Documents, which is subject to this Declaration.

“Use Easement” means the easement described in Section 9.1.

“Use Week” means a period of about a week that begins at check-in time on one day and ends at check-out time on the same day of the following week. The Club Documents establish the check-in and check-out days and times.

“Unit” means a condominium apartment, townhouse unit, home, or other dwelling suitable and intended to provide overnight lodgings.

“Vacation Unit” means a Unit or a time share interest in an independent time share plan that has been dedicated for use in the Time Share Plan pursuant to this Declaration, a Declaration of Annexation, an Additional Declaration, or held in trust for the benefit of the Members pursuant to a title holding trust.

5. NOTICE OF TIME SHARE PLAN AS REQUIRED BY HAWAII REVISED STATUTES.

Declarant hereby gives notice in accordance with Hawaii Revised Statutes Chapter 514E, as amended from time to time, of the existence of a Time Share Plan and of the rights of the Members to use the Vacation Units in the manner provided herein and in the Club Documents. Claims by creditors of Declarant and claims upon, or by successors to, the interest of Declarant, shall be subordinate to the interests of Members. This Declaration, however, shall not affect:

5.1 The rights or liens of any lienholder whose lien was recorded or became effective by operation of law as of a date prior to the Effective Date;

5.2 The rights of any person holding an option to purchase a Vacation Unit, provided that such option or memorandum thereof was recorded prior to the Effective Date;

5.3 The rights or liens of any lienholder having a purchase money lien or security interest against the Membership of a Member, provided that such purchase money lien or security interest was recorded;

5.4 The lien of real property taxes and liens of a similar nature that would take priority over the lien of a prior recorded mortgage; and

5.5 The rights or lien of a mechanics' lienholder with interests arising from work commenced prior to the Effective Date.

Any successor in interest to Declarant by foreclosure or otherwise, shall take the Property subject to this Declaration, the Club Documents and the Use Easement.

6. CLUB.

6.1 Purpose and Powers. The Club, which also constitutes the Declarant, is a Hawaii non-profit corporation, organized to own or lease, maintain and operate the Property and the Time Share Plan, and to promote the common interest and welfare of the Members. The Club shall have such powers and duties as set forth in this Declaration and the Club Documents, including but not limited

to the promulgation and enforcement of all rules necessary to govern the use and enjoyment of the Property and any personal property owned by the Club, insuring against liability and property loss, and granting or denying permission to do certain acts as required herein, or in the Club Documents.

6.2 Board of Directors. The Club is governed by its Board. The Board has the power to control and manage all the affairs and property of the Club, in addition to the powers and authorities expressly conferred upon it in the Club Documents or by the State of Hawaii.

6.3 Assessments. The Club shall have the power to levy annual dues and assessments against each Membership, as described in the Bylaws. The amount of the dues and assessments are based upon the Membership classification.

6.4 Right of Entry. Except as otherwise limited by any controlling declaration of condominium, declaration of common interest community or similar instrument of record in the Filing Office legally creating the Vacation Units, the Board or their duly authorized agents or employees, shall have the right, at reasonable times and upon reasonable notice, without liability to the Member, to enter into any Vacation Unit for the purposes of: (i) maintaining such Vacation Unit in good repair and sanitary condition; (ii) removing any personal improvements constructed, reconstructed, refinished, altered or maintained in such Vacation Unit in violation of the Club Documents; (iii) restoring such Vacation Unit; (iv) installing utilities or conveniences for that Vacation Unit or any other Vacation Unit(s); or (v) otherwise enforcing or carrying out its duties under this Declaration, the Club Documents and applicable laws and ordinances. Any expense incurred by the Club in taking action under this Section caused by any act or omission of a Member that violates the Club Documents shall be recovered from the offending Member, if any, by means of a reimbursement charge levied against such Member.

6.5 Maintenance. The Property shall be maintained by the Club, except portions thereof required to be maintained by any condominium owners association or other master association of which the Property is subject to, or by the Landlord for any leasehold property.

7. MEMBERS

7.1 Members. Each person who owns or holds a Membership shall be a Member and subject to this Declaration and the Club Documents, until that Membership is transferred, terminated, cancelled or suspended.

7.2 Membership. A Membership in the Club is a vacation license which constitutes only (a) a right to use and occupy a Vacation Unit during the Member's Annual Use Period and/or the Member's Accumulated Weeks; (b) a nonexclusive license to use, enjoy and occupy the recreational facilities appurtenant to such Vacation Unit during the Member's Annual Use Period and/or the Member's Accumulated Weeks; and (c) voting rights in the Club as described in the Articles and Bylaws. However, except as provided by Section 9.1, a Membership does not include any title or direct interest in the Vacation Unit or the Property by any individual member of the Club, or any recourse against the Vacation Unit or the Property or any other property owned or operated by the Club. The terms of Memberships may be perpetual and/or for a term of years, as prescribed by the Board, and whether a Membership is perpetual or for a term of years shall not affect the assessment obligation or voting rights otherwise attributable thereto, prior to the expiration of a non-perpetual

Membership. After a Membership has been issued, the term of such Membership cannot be reduced without the approval of the Member holding that Membership.

7.3 Number of Members. The Board may establish from time to time the number of Members, provided that the total number of Use Weeks assigned to the Annual Use Period of the Members shall not exceed the total number of Interval Weeks in the Time Share Plan. For purposes of this Section, Use Weeks assigned to Memberships whose Annual Use Periods recur only every other year shall be counted as a one-half (1/2) Use Week. For purposes of this Section, only Interval Weeks attributable to Vacation Units that are free and clear of blanket liens may be counted.

7.4 Membership Classification. The rights, benefits and obligations for each Membership are based on the Membership classification as specified in the Bylaws. The Club may modify such Membership classifications as long as the rights of existing outstanding Memberships are not materially adversely affected and the Member to Interval Week ratio specified in Sections 7.3 and 8.2 are maintained within each class of Memberships remains unchanged.

7.5 Privileges of Members. Members in good standing have rights and privileges stated herein and as more specifically set forth in the Club Documents. These rights include, but are not limited to the following:

7.5.1 Right to Annual Use Period. A Member has the right to use one of the Club's Vacation Units during the Member's Annual Use Period, subject to the reservation requirements contained in the Bylaws. The Annual Use Period is equal to the number of Interval Weeks in an Anniversary Year (or odd or even year depending upon the Membership classification) during which a Member is entitled to use one of the Club's Vacation Units as stated in the Members' Membership Agreement. The type and size of Vacation Unit depend upon the Membership classification.

7.5.2 Special Weeks. Only Members who own Special Memberships may reserve a Use Week for a Vacation Unit during the Special Weeks Period. Regular Memberships and even and odd year Memberships (for the even or odd year specified in their Membership Agreement) may reserve a Use Week for a Vacation Unit during the Special Weeks period on a space available basis, but no earlier than 60 days prior to the Special Weeks Period; provided that the Board may make available at any time reservations for the Special Weeks Period in excess of the number of Use Weeks assigned to the Annual Use Periods for all Special Memberships issued, for an additional charge established by the Board.

7.5.3 Accumulation. Interval Weeks within a Member's Annual Use Period that are unused at the end of an Anniversary Year will automatically carry over for use in the subsequent year and the following year. Accumulated Weeks will automatically expire within three years from the date upon which the Member was first entitled to use it. All unused portions are forfeited ("Expired Weeks"). Usage will be charged first against any Accumulated Weeks and then against the current year's Interval Weeks. Even year and odd year Memberships are not permitted to accumulate Annual Use Periods. A Members' right to use Accumulated Weeks is subject to the Board's measures to appropriately balance and restrict Accumulated Weeks.

7.5.4 Resort Exchange Program. Members may elect to participate in any resort exchange program approved by and in accordance with rules set by the Board.

8. VACATION UNITS AND TOTAL INTERVAL WEEKS.

8.1 Vacation Units. A Vacation Unit may be comprised of a whole Unit or a time share interest in an independent time share plan. A maximum of fifty one (51) Interval Weeks out of fifty two (52) weeks a year shall be allocated for each whole Unit. For Units consisting of time share interest(s) in an independent time share plan, the number of Interval Week(s) to be allocated to the Vacation Unit shall equal the number of Use Weeks owned by the Club in the independent time share plan. For example, a one Use Week (7 days) time share interest in an independent time share plan shall equal one Interval Week. Interval Weeks shall be available for Members' reservations, participation in exchange programs, or rental by the Club. One calendar week a year shall be reserved for the Club for maintenance purposes.

8.2 Constant Total. For each type of Vacation Unit, either whole or a portion, subject to this Declaration, the total Interval Weeks in the Time Share Plan cannot increase or decrease except upon addition or deletion, respectively, of a Vacation Unit or equivalent amount of Interval Weeks. The total Interval Weeks and category of Memberships issued shall always equal or be less than the total Interval Weeks and type of Vacation Unit available for Member use. For example, if there are thirty (30) "A" Memberships (two bedroom) issued, there shall be at least thirty (30) two bedroom Interval Weeks available. The Club, however, may substitute a larger sized Vacation Unit in place of a smaller Vacation Unit for each Membership category in locations where the Club does not have the appropriate size Vacation Unit so long as this does not violate the one-to-one use-right to use-night requirement of Chapter 514E of the Hawaii Revised Statutes. For example, an "A" Membership (two bedroom) may be assigned a three bedroom Vacation Unit at no additional charge. For purposes of this Section, only Interval Weeks attributable to Vacation Units that are free and clear of blanket liens may be counted.

8.3 Tracking of Interval Weeks. The total Interval Weeks and outstanding Memberships are to be tracked by an independent accounting firm or title company. The duties and obligations of the accounting firm or title company shall be specified in a contract with the Club that shall be approved by the appropriate time share authority of the State of Hawaii.

8.4 Loss of Vacation Unit. If a Vacation Unit is lost to use for any reason, all sale, insurance or condemnation proceeds derived from the loss shall be used first to acquire such additional Vacation Unit(s) to maintain the Member and Interval Weeks ratio specified in Sections 7.3 and 8.2. In any case where the number of Interval Weeks lost ("Lost Interval Weeks") is more than the number of unsold Interval Weeks available immediately prior to such loss ("Available Interval Weeks"), the Available Interval Weeks shall be deemed exhausted and the Club is prohibited from selling Memberships until replacement Vacation Unit(s) (or equivalent Interval Weeks) which equal or exceed the Lost Interval Weeks are obtained.

8.5 Condemnation. The term "taking" as used in this Section 8.5 shall mean condemnation by eminent domain or sale under threat of condemnation. Subject to any controlling declaration of condominium, declaration of common interest community or similar instrument of record in the Filing Office legally creating the Vacation Units, upon a total or partial taking, the Club

shall use the proceeds to purchase replacement Vacation Units (or equivalent Interval Weeks) of comparable quality and accessibility or to repair and/or reconstruct Vacation Units that are partially taken.

8.6 Partition. The rights of any person acquiring any right, lien or interest in any Vacation Unit or all or any portion of the Property shall be subordinate to this Declaration. There shall be no partition or sale of a Vacation Unit or the Property in lieu of partition unless this Section 8.6 is amended to remove a Vacation Unit from the Program, pursuant to Section 12.

9. EASEMENTS.

9.1 Use Easement. The Club grants and conveys unto each Member, whether such Member is a Member of the Club as of the date of recordation hereof or becomes a Member of the Club by reason of the purchase or other acquisition of a Membership in the future, an easement in gross for the use, possession and enjoyment of the Property and the exercise of any and all rights appertaining thereto (the "Use Easement"). Such Use Easement shall be subject to the following:

9.1.1 Terms. The terms of the Use Easement shall be as follows:

9.1.1.1 The Use Easement shall be exclusive as against all persons who are not Members, including but not limited to the holder of title to the Property and its successors and assigns, and shall be non-exclusive as among the Members; provided however that the exclusive use of the Use Easement by Members shall not interfere with the rights of Members to permit the use, possession and enjoyment of the Property by the guests of Members or by exchange users. As among the Members, use, possession and enjoyment of the Property shall be apportioned as provided in the Declaration and the Club Documents.

9.1.1.2 The Use Easement shall be appurtenant to and inseparable from the Membership of each Member. No Member shall convey, mortgage, pledge, hypothecate or otherwise transfer the Use Easement separately from the Membership of such Member, and any attempt to do so shall be null and void. Transfer of a Membership shall automatically transfer to the transferee thereof the Use Easement appurtenant to the Membership whether or not the instrument of transfer specifically so states.

9.1.1.3 The Use Easement shall have a term that is co-extensive with the term of the Membership of the Member who holds the Use Easement. Suspension of a Membership due to the Members' violation of the Club Documents suspends that individual Member's rights to the Use Easement unless that Member's Interval Week has been exchanged with a confirmed exchange in a participating exchange program.

9.1.1.4 The rights, if any, of Members to seek or obtain judicial partition of the Use Easement or the sale in lieu of partition of the Use Easement are waived for the duration of the Use Easement.

9.1.1.5 The Use Easement will remain in effect as to the Property for the duration of the Time Share Plan, except the Use Easement shall automatically be terminated earlier if any of the following events happens:

(a) The Property is destroyed and a decision is made not to repair, rebuild, or restore it (in which event the Use Easement shall remain in effect only as to such portions, if any, of the Property which continue in use for purposes of the Time Share Plan);

(b) The Property is taken in condemnation proceedings or under threat of condemnation (in which event the Use Easement shall remain in effect only as to such portions, if any, of the Property not so taken and which continue in use for purposes of the Time Share Plan);

(c) The Club records a document terminating this Declaration as to all or any portion of the Property (in which event the Use Easement shall be terminated only as to so much of the Property as is described in said termination document); provided, however, that (1) the requirements of Section 12 herein are met; or (2) any such document must be signed and acknowledged by an officer of the Club pursuant to a written resolution of the Club Board of Directors and first be approved by the Director of the Department of Commerce and Consumer Affairs of the State of Hawaii and a copy of the Director's letter approving such termination must be attached to the document terminating this Declaration;

(d) Title to the Property is transferred to the trustee of a title holding trust established pursuant to Section 514E-19(b)(1), Hawaii Revised Statutes; provided that the trust arrangement must first be accepted by the Director of the Department of Commerce and Consumer Affairs of the State of Hawaii and a copy of the Director's letter accepting such trust arrangement must be attached to the instrument transferring the Property to the trustee; or

(e) With respect to the Use Easement of any individual Member (i) upon the expiration or termination of the Member's Membership, (ii) upon the transfer of all or any portion of the Property to any public agency, authority, or utility pursuant to Section 9.1.1.4 of this Declaration as to which such termination or cancellation is applicable, or (iii) upon the occurrence of the events described in the immediately preceding sentence. It is the intent of the Declarant that the Use Easement shall be a determinable easement and not an easement subject to a condition subsequent

9.1.2 Club Rights. The Use Easement shall be subject to the following rights of the Club, acting in its capacity as operator of and the owners' association for the Time Share Plan, and its agents, employees and independent contractors.

9.1.2.1 to enter upon the Property for the purpose of performing its duties and obligations under this Declaration to manage, maintain, operate, and improve the Property for the use and benefit of the Members;

9.1.2.2 as provided in the Club's Bylaws, to suspend the rights of any Member for any period during which any assessment against his or her Membership remains unpaid and delinquent, or for violation of the Club Documents;

9.1.2.3 to dedicate or transfer all or any part of the Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by vote of the Members, and an instrument is signed by the Secretary of the Club certifying that such dedication or transfer has been approved by the required vote and is recorded in the Filing Office;

9.1.2.4 to establish uniform rules and regulations pertaining to the use of the Property and the facilities thereon, and reasonable fees for the use of any Club property which is individual-use intensive;

9.1.2.5 to regulate the number and behavior of guests of Members;

9.1.2.6 to conduct sales of Memberships for available unsold Interval Weeks; and

9.1.2.7 the rights reserved to the Club under Sections 9.2 and 9.3, below.

9.2 Utility Easements. There is hereby reserved over all the Property, including additional property annexed under Section 11 in favor of the Club, which also constitutes the Declarant, the right to grant, easements throughout the Property for lines, cables, wires, conduits, pipes and drains for electricity, gas, water, sewer, telephone and similar purposes ("utilities"), provided such easements shall not unreasonably interfere with the use and enjoyment of the Property by the Members.

9.3 Rental Rights. There is hereby reserved to the Club, which also constitutes the Declarant, the right to rent to Members or non-Members or to include in exchange programs all Use Weeks for Vacation Units that are unreserved and/or unsold sixty days in advance of the Use Week.

10. ENFORCEMENT.

10.1 Who May Enforce. Except as otherwise specifically provided, the Declarant, the Club and each Member shall have the right to enforce any or all of this Declaration, the Club Documents, or valid resolutions of the Board pursuant to this Article 10.

10.2 Proceedings and Relief. Every act or omission whereby any of the provisions in the Declaration, the Club Documents or any valid resolution of the Board is violated in whole or in part may be enjoined or abated by arbitration or by a court of competent jurisdiction, whether the relief sought is for negative or affirmative relief. The prevailing party in any action or proceeding shall be entitled to recover damages, costs and/or attorneys' fees.

10.3 Violations of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of the Property is hereby declared to be a violation of the provisions of this Declaration and subject to any or all of the enforcement procedures set forth herein.

10.4 Non-Waiver. The waiver of any breach of the provisions of this Declaration shall not be deemed a continuing waiver of any subsequent breach, whether of the same or another of the provisions of this Declaration.

11. ANNEXATION OF PROPERTY.

11.1 Right to Add Property. The Property may be enlarged to include an unlimited number of Vacation Units, although neither Declarant nor the Club is obligated to develop or annex any additional property.

11.2 Method. Annexation of additional Vacation Units and/or property to the Program shall be accomplished by Declarant recording in the appropriate Filing Office where the property is located a counterpart of this Declaration or a Declaration of Annexation incorporating therein this Declaration and expressly subjecting to this Declaration the respective Vacation Units and property described therein. Any such Declaration may contain such additions and modifications of the provisions herein as may be necessary to reflect the different character, if any, of the annexed property, or as Declarant may deem appropriate in the development of such property; provided, however, that such modifications shall not be inconsistent with the general plan or scheme of this Declaration, nor shall they modify or revoke any of the restrictions in this Declaration or alter the Use Easement without the Director's consent. If the Property is located in a different county a Declaration in form and substance substantially similar to this Declaration (an "Additional Declaration") shall be recorded in such county.

11.3 Effect. Upon recording or filing the Declaration of Annexation or Additional Declaration and conveying or transferring the property described therein to the Club, such property shall become a part of the Time Share Plan and subject to the provisions substantially similar to this Declaration and the rights and powers of the Club pursuant to the terms of the Club Documents. Any Declaration of Annexation or Additional Declaration recorded or filed pursuant to this Declaration shall be conclusive in favor of all persons who relied upon it in good faith.

12. REMOVAL OF PROPERTY.

12.1 Right to Remove Property. The Property may be reduced to remove an unlimited number of Vacation Units ("Removed Property"), as long as the ratios in Sections 7.3 and 8.2 are met.

12.2 Method. Removal of the Removed Property to the Time Share Plan shall be accomplished by Declarant recording in the Filing Office a counterpart of this Declaration of Removal containing the following information: (1) a legal description of the Removed Property; (2) an affidavit from an independent accounting firm or title company tracking the total Use Weeks and Memberships as required under Section 8.2 that the Removed Property is no longer required to maintain the ratios specified in Section 7.3 and 8.2; and (3) a statement that the Removed Property is no longer subject to this Declaration.

12.3 Effect. Upon recording or filing the Declaration of Removal removing the Removed Property, such Removed Property shall (1) no longer be part of the Property; (2) shall be deleted from the Time Share Plan; (3) will be released from the provisions of this Declaration, including the easements specified herein.

13. GENERAL RESTRICTIONS.

13.1 Amendment and Term. Except as otherwise provided in Sections 11 and 12, this Declaration shall remain in force until amended or rescinded as follows:

13.1.1 Members. The provisions in this Declaration may be amended or rescinded only by the affirmative vote or written assent of a majority of each classification of Membership.

13.1.2 Board of Directors. Notwithstanding subsection 13.1.1 above, the Board alone can amend the Declaration (i) to comply with lawful requirements of the State of Hawaii in connection with obtaining and maintaining registration of the Club in Hawaii provided no such amendment shall diminish the rights and protections of the Members; (ii) to change one Vacation Unit for another within the Time Share Plan, provided the new Vacation Unit is reasonably comparable to or better than the former Vacation Unit as to location, size, accommodations and amenities and is free and clear of blanket liens; (iii) to correct typographical errors or inadvertent omissions; (iv) to enable any reputable title insurance company to issue title insurance coverage with respect to the Vacation Units provided no such amendment shall diminish the rights and protections of the Members; and (v) for any other reasonable purpose with the joinder of the Director of the Department of Commerce and Consumer Affairs of the State of Hawaii (the "Director") as set forth in Section 13.1.3 below provided no such amendment shall diminish the rights and protections of the Members.

13.1.3 Notwithstanding anything in this Declaration to the contrary, this Declaration cannot be rescinded or otherwise terminated unless (1) the requirements of Section 11 or 12 are met; or (2) the joinder of the Director is attached. Notwithstanding anything in this Declaration to the contrary, this Declaration cannot be amended unless (1) the requirements of Section 11 or 12 are met; or (2) the joinder of the Director is attached if such amendment deletes, limits or modifies, directly or indirectly: (i) the Use Easement granted in Section 9.1 of this Declaration, or (ii) any other aspect of this Declaration which has the effects described in Section 514E-21 of the Hawaii Revised Statutes, as set forth in Exhibit "B", or (iii) this Declaration's effectiveness as a "notice of time share plan," or (iv) any provision of this Declaration which requires the consent or acceptance of the State of Hawaii. Any attempt to amend, rescind or otherwise terminate this Declaration without the joinder of said Director as required in this Section 13.1.3 shall be null, void and of no effect

No amendment shall be effective until recordation in the Filing Office of a document fully setting forth the amendment, specifically referring to this Declaration, and setting forth the authority by which the amendment was adopted.

13.2 Applicability and Effect. The restrictions and covenants set forth herein are made for the mutual and reciprocal benefit of each and every Member, of the Property, and of the Club; and

are intended to: (a) create mutual equitable servitudes upon each of the Vacation Units and the Property, in favor of each and all of the owners of the Property, the Members and the Club; (b) to create reciprocal rights among the Members, the Club, and the Declarant; (c) to create a privity of contract and estate between the grantees, successors, and assigns of Declarant, and the Club and Members; (d) to operate as covenants running with the land as to each owner of the Property and the Club, for the benefit and burden of the Property, each owner of the Property and the Members of the Club. A substantially similar Declaration describing each Vacation Unit shall be or has been recorded in the appropriate filing office in all jurisdictions where the Club owns or leases real property subject to the Time Share Plan.

13.3 Notices. Any notice herein permitted or required to be delivered shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail with postage thereon fully prepaid and addressed to any person at the address given by such person to the Club for the purposes of service of such notice, or to the residence of such person if no address has been given to the Club. Such address may be changed from time to time by notice in writing to the Club. Any notice required by the Bylaws shall be governed by the provisions of the Bylaws.

13.4 Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability or any other provision hereof.

13.5 Interpretation: No Waiver. The provisions hereof shall be liberally construed to effectuate their purposes of establishing and providing notice of the Time Share Plan and rights of Members. Failure to enforce any provision hereof shall not constitute a waiver of the right to thereafter enforce said provision or to enforce any other provision hereof.

13.6 Captions. All captions and titles used in this Declaration are intended solely for convenience or reference and shall not affect that which is set forth in any of the provisions hereof.

13.7 No Public Rights Created. Nothing contained in this Declaration shall be deemed to be a gift or dedication of any portion of the Property to the general public or for any public use or purpose.

13.8 Gender; Number. The masculine, feminine and neuter genders, or singular and plural numbers, shall each be deemed to include the others whenever appropriate.

13.9 Exhibits. The following exhibits are attached hereto and incorporated herein:

“A” Property Description

“B” Section 514E-21 of Hawaii Revised Statutes

IN WITNESS WHEREOF, Declarant has executed this instrument as of the date and year first above written.

ROYAL ALOHA VACATION CLUB,
a Hawaii nonprofit corporation

By: Stephen Lin
STEPHEN C. W. LIN
Its Executive Vice President and Controller

STATE OF Hawaii)
COUNTY OF Honolulu : ss.

On October 15, 2003, before me appeared, Stephen C. W. Lin, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as Executive Vice President and Controller of Royal Aloha Vacation Club, a Hawaii nonprofit corporation.



Jos. G. Jr.
Notary Public in and for the State of Hawaii
Residing at 87-282 Holocono St Waianae 96792
My appointment expires: 10/20/2006

EXHIBIT "A"

DESCRIPTION OF REAL PROPERTY

TO BE ATTACHED

[DESCRIPTION OF NEVADA PROPERTY]

All of that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

Units 1, 2, 3, 4, 5, 6, 7, & 8, as set forth on the Condominium Map of Lot 17, TAHOE VILLAGE UNIT NO. 3, filed for record February 22, 1980, as Document No. 41771, Official Records of Douglas County, State of Nevada.

Together with an undivided 8/8ths interest in and to those portions designated as Common Areas as set forth on the Condominium Map of Lot 17, TAHOE VILLAGE UNIT NO. 3, filed for record February 22, 1980, as Document No. 41771, Official Records of Douglas County, State of Nevada.

Units 1, 2, 3, 4, 5, 6, 7, & 8, as set forth on the Condominium Map of Lot 18, TAHOE VILLAGE UNIT NO. 3, filed for record February 22, 1980, as Document No. 41772, Official Records of Douglas County, State of Nevada.

Together with an undivided 8/8ths interest in and to those portions designated as Common Areas as set forth on the Condominium Map of Lot 18, TAHOE VILLAGE UNIT NO. 3, filed for record February 22, 1980, as Document No. 41772, Official Records of Douglas County, State of Nevada.

Units 1, 2, 3, 4, 5, 6, 7, & 8, as set forth on the Condominium Map of Lot 11, TAHOE VILLAGE UNIT NO. 3, filed for record June 2, 1980, as Document No. 44977, Official Records of Douglas County, State of Nevada.

Together with an undivided 8/8ths interest in and to those portions designated as Common Areas as set forth on the Condominium Map of Lot 11, TAHOE VILLAGE UNIT NO. 3, filed for record June 2, 1980, as Document No. 44977, Official Records of Douglas County, State of Nevada.

Units 1, 2, 3, 4, 5, 6, 7, & 8, as set forth on the Condominium Map of Lot 20, TAHOE VILLAGE UNIT NO. 3, filed for record June 2, 1980, as Document No. 44975, Official Records of Douglas County, State of Nevada.

Together with an undivided 8/8ths interest in and to those portions designated as Common Areas as set forth on the Condominium Map of Lot 20, TAHOE VILLAGE UNIT NO. 3, filed for record June 2, 1980, as Document No. 44975, Official Records of Douglas County, State of Nevada.

EXHIBIT "B"

Hawaii Revised Statutes

§ 514E-21. Effect of recording a notice of time share plan.

When a notice of time share plan is recorded, claims by creditors of the developer and claims upon, or by successors to, the interest of the title holder who executed the notice of time share plan, shall be subordinate to the interest of owners whose purchase of time share interests in the time share plan is closed after the notice of time share plan is recorded. The recording of a notice of time share plan shall not affect:

- (1) The rights or lien of a lienholder whose lien was recorded prior to the notice of time share plan;
- (2) The rights of the holder of an option recorded before the notice of time share plan;
- (3) The rights or lien of a lienholder having a purchase money lien on a time share interest.