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**SECOND RESTATED BY-LAWS OF THE  
ASSOCIATION OF APARTMENT OWNERS OF  
KUILIMA ESTATES EAST CONDOMINIUM  
(Condominium Map No. 222)**

WHEREAS, Section 514A-82.2(a), Hawaii Revised Statutes, provides that associations of apartment owners may at any time restate the By-Laws of the associations to set forth all amendments thereof by resolution adopted by the Board of Directors;

WHEREAS, Section 514A-82.2(b), Hawaii Revised Statutes, provides that associations of apartment owners may at any time restate the By-Laws of the associations to amend the By-Laws as may be required in order to conform with the provisions of Chapter 514A, Hawaii Revised Statutes, or any other statute, ordinance, rule, or regulation enacted by any governmental authority, by resolution adopted by the Board of Directors, and the restated By-Laws shall be as fully effective for all purposes as if adopted by the vote or written consent of the apartment owners. Section 514A-82.2(b), Hawaii Revised Statutes, further provides that the By-Laws as restated pursuant to that section shall: 1) identify each portion so restated; 2) contain a statement that those portions have been restated solely for the purposes of information and convenience; 3) identify the statute, ordinance, rule, or regulation implemented by the amendment; and 4) state that

in the event of any conflict, the restated By-Laws shall be subordinate to the cited statute, ordinance, rule, or regulation;

WHEREAS, Section 514A-82.2(c), Hawaii Revised Statutes, provides that upon the adoption of a resolution pursuant to Section 514A-82.2(a) or (b), Hawaii Revised Statutes, the restated By-Laws shall set forth all of the operative provisions of the By-Laws, as amended, together with a statement that the restated By-Laws correctly set forth, without change, the corresponding provisions of the By-Laws, as amended, and that the restated By-Laws supersede the original By-Laws and all prior amendments thereto;

WHEREAS, the Board of Directors of the Association of Apartment Owners of Kuilima Estates East Condominium by adoption of a resolution on April 14, 2000 voted to record a restated version of the By-Laws which would set forth the provisions of the By-Laws attached to the Declaration of Horizontal Property Regime of Kuilima Estates East filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on July 16, 1974 as Document No. 689810 and noted on Transfer Certificate of Title No. 323,595 and amended by instruments filed or recorded in said Land Court on February 20, 1976 as Document No. 654474, on June 19, 1979 as Document No. 946356, on November 15, 1988 as Document No. 1592460, on December 13, 1988 as Document No. 1598988, on September 28, 1994 as Document No. 2183663, on December 5, 1994 as Document No. 2201198 and on October 14, 1999 as Document 2581655, respectively and noted on Transfer Certificate of Title No. 323,595, and which would conform to Chapter 514A, Hawaii Revised Statutes and the Fair Housing Act, as amended. The By-Laws were restated by instrument recorded in the Land Court on November 2, 1992 as Document No. 1967110, which Restated By-Laws were corrected by instrument recorded in the Land Court on March 9, 1993 as Document No. 2004295, and all noted on Transfer Certificate of Title No. 323,595.

NOW, THEREFORE, the By-Laws of the Association of Apartment Owners of Kuilima Estates East Condominium are hereby further restated as set forth below. Each By-Law provision that has been restated has been identified in the endnotes attached hereto. Said provisions have been restated solely for the purposes of information and convenience. To the extent that there is any conflict between the restated provisions of the By-Laws and the statute or statutes being implemented, the provisions of the restated By-Laws shall be subordinate to said statute or statutes. The restated version of the By-Laws correctly sets forth, without change, the corresponding provisions of the By-Laws, as amended. This restated version of the By-Laws shall supersede the original By-Laws and all prior amendments thereto; provided, however, that in the event of any conflict, the restated version of the By-Laws shall be subordinate to the original By-Laws and all prior amendments thereto.

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**BY-LAWS OF THE**  
**ASSOCIATION OF APARTMENT OWNERS**  
**OF**  
**KUILIMA ESTATES EAST CONDOMINIUM**

**ARTICLE I**  
**CONDOMINIUM OWNERSHIP**

Section 1. Creation. The project know as "KUILIMA ESTATES EAST", has been submitted and is subject to the condominium property regime established by the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, by Declaration of Horizontal Property Regime (herein called the "Declaration") intended to be recorded contemporaneously with these By-Laws.<sup>1</sup>

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the project. All present and future owners, tenants and occupants of any apartments of the project, and any other persons who at any time shall use any part of the project, are subject to these By-Laws. The mere acquisition, lease, rental or occupancy of any of the apartments of the project shall signify that these By-Laws are accepted and ratified and shall be complied with.

**ARTICLE II**  
**ASSOCIATION OF APARTMENT OWNERS**

Section 1. Membership. All owners of apartments of the project shall constitute the Association of Apartment Owners, herein call the "Association". The owner of any apartment upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such apartment ceases for any reason; provided, however, that to such extent and for such purposes, including the exercise of voting rights, as may be provided by an apartment indenture (as defined in the Declaration) filed with the Board of Directors of the Association, the lessee, sublessee or assignee named in such apartment indenture shall be deemed to be the owner of the apartment covered by such apartment indenture.

Section 2. Responsibilities. The Association shall have the responsibility of administering the project, approving the annual budget, establishing and collecting all of the

assessments for common expenses and arranging for the direct management and operation of the project by a Managing Agent in accordance with the Declaration and these By-Laws. Except as is otherwise provided herein or in the Declaration or said Condominium Property Act, all acts, decisions and resolutions of the Association shall require authorization by a majority of apartment owners.

Section 3. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the project or such other suitable place convenient to the apartment owners within the State of Hawaii as may be designated by the Board of Directors.<sup>2</sup>

Section 4. **Annual Meetings.** The first annual meeting of the Association shall be held as soon as practicable after recording of the Declaration and these by-laws, upon the call of at least ten per cent (10%) of the apartment owners. Thereafter, the annual meetings of the Association shall be held within three months after the end of each accounting year of the project. At such meetings the apartment owners shall elect by ballot a Board of Directors in accordance with the provisions of Section 3 of Article III of these by-laws and may also transact such other business of the Association as may properly come before them.

Section 5. **Special Meetings.** Special meetings of the Association may be held at any time upon the call of the President or a petition signed by apartment owners of at least twenty-five per cent (25%) of the total vote and presented to the Secretary.

Section 6. **Notice of Meetings.** The Secretary shall at least fourteen (14) days before the date set for each annual and special meeting give written or printed notice thereof to every apartment owner according to the Association's record of ownership stating whether it is an annual or special meeting, the authority for the call thereof, the date, time and place of such meeting and the purpose therefor, the items on the agenda for the meeting, and a standard proxy form authorized by the Association, if any, in any of the following ways: (a) by leaving the same with him personally, or (b) by leaving the same at his residence or usual place of business, or (c) by mailing it, postage prepaid, addressed to him at his address as it appears on the record of ownership of the Association. If notice is given pursuant to the provisions of this Section, the failure of any apartment owner to receive actual notice of such meeting shall in no way invalidate the meeting or any proceedings thereat. The presence of any apartment owner in person or by proxy at any meeting shall be deemed a waiver of any required notice as to such apartment owner unless such apartment owner shall at the opening thereof object to the holding of such meeting for noncompliance with the provisions of this Section.<sup>3</sup>

Section 7. **Quorum.** The presence at any meeting in person or by proxy of a majority of apartment owners as herein defined shall constitute a quorum, and the acts of a majority of the apartment owners present at any meeting at which a quorum is present shall be the acts of the Association except as otherwise provided herein. The term "majority of apartment owners" shall mean the owners of apartments to which are appurtenant more than fifty per cent (50%) of the common interests as established by the Declaration.

Section 8. Voting. Voting shall be on a fractional or percentage basis, and the fraction or percentage of the total vote to which the owner of any apartment is entitled shall be the fraction or percentage assigned to such apartment in the Declaration. Any specified fraction or percentage of the apartment owners means the owners of apartments to which are appurtenant such fraction or percentage of the common interest as established by the Declaration. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the fraction or percentage of vote for any apartment owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such apartment in such capacity. The vote for any apartment owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest, each co-tenant shall be entitled to only a proportionate vote in proportion to his share of ownership in the apartment.

Section 9. Proxies and Pledges. Votes may be cast in person or by proxy by the respective apartment owners as shown by the record of ownership of the Association. Each apartment owner may give his or her proxy to another person, or the Board as an entity, to represent him at meetings of the Association. Except as the law may otherwise provide, each proxy must be delivered to the Secretary of the Association or the Managing Agent, if any, no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains and must contain at least: the name of the Association, the date of the Association meeting, the printed name and signature of the person or persons giving the proxy, the apartment or apartments for which the proxy is given, the printed name of the person or entity to whom the proxy is given, and the date that the proxy is given. The proxy shall be valid for the meeting to which the proxy pertains and its adjournments only, may designate any person as proxy, and may be limited as the apartment owner desires and indicates; provided that no proxy shall be irrevocable unless coupled with a financial interest in the unit. Proxies may be given to the Board of Directors. The proxy form shall contain a box wherein the owner may indicate that the owner wishes the vote to be shared with each board member receiving an equal percentage. Proxy forms which are not marked shall be considered a choice by the owner that the vote be made on the basis of the preference of the majority of the Board. No officer shall use Association funds to solicit proxies; provided that this shall not prevent an officer from exercising his or her right as an apartment owner. Nothing in this Section 9 shall affect the holder of any proxy under a first mortgage of record or deed of trust encumbering an apartment or under an agreement of sale affecting an apartment. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any apartment or interest therein, a true copy of which is filed with the Board of Directors through the Secretary or Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the said Board in like manner and shall not be affected by these provisions.

No resident manager or managing agent shall solicit for use by the resident manager or managing agent, any proxy from any owner, nor shall he cast any proxy vote at any Association meeting except for the purpose of establishing a quorum. If the Board intends to use Association

funds to distribute proxies, it shall first post notice of its intent to distribute proxies in prominent locations within the project at least thirty days prior to its distribution of proxies; provided that if the Board receives within seven days of the posting a request by any owner for use of Association funds to solicit proxies accompanied by a statement, the Board shall:

- (1) mail to all owners a proxy form containing either the names of all owners who have requested the use of Association funds for soliciting proxies accompanied by their statements; or
- (2) mail to all owners a proxy form containing no names, but accompanied by a list of names of all owners who have requested the use of Association funds for soliciting proxies and their statements.

The statements shall not exceed one hundred words, indicating the owners' qualifications to serve on the Board and reasons for wanting to receive proxies.<sup>4</sup>

Section 10. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the apartment owners present, whether or not a quorum be present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 11. Order of Business. The order of business at all annual meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Report of officers.
- (e) Report of committees.
- (f) Election of directors.
- (g) Unfinished Business
- (h) New business.<sup>5</sup>

Section 12. Rules of Order. All meetings of the Association and the Board of Directors shall be conducted in accordance with the most recent edition of Robert's Rules of Order, newly revised.<sup>6</sup>



## ARTICLE III

### BOARD OF DIRECTORS

Section 1. **Number and Qualifications.** The affairs of the Association shall be governed by a Board of Directors composed of seven (7) persons. All members of the Board of Directors shall be the owners, co-owners, vendees under an agreement of sale, or an officer of any corporate owner of an apartment. The partners in a general partnership and the general partners of a limited partnership shall be deemed to be the owners of an apartment for this purpose. There shall not be more than one representative on the Board of Directors from any one apartment. No resident manager of the Association may serve on the Board of Directors. Directors may be reimbursed for expenses incurred while acting on behalf of the Association; provided, however, no Association funds shall be expended by directors for travel, directors' fees or per diem unless owners are informed and a majority approve of the expense.<sup>7</sup>

Section 2. **Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things therefor as are not by law, by the Declaration or by these by-laws, directed to be exercised and done only by the apartment owners. Compensation, if any, of the directors shall be determined by the Association at a membership meeting and not by the Board. In addition to powers and duties conferred by these by-laws, the Declaration or resolutions of the Association, the Board shall be responsible for the following:

(a) Management and operation of the project and maintenance, repair and rebuilding of the common elements thereof;

(b) Establishment and collection of monthly assessments against the apartment owners for common expenses; and

(c) Appointment and dismissal of any personnel necessary for such operation and maintenance functions.

(d) The Board shall prepare and adopt an annual operating budget and distribute it to the apartment owners. At a minimum, the budget shall include the following:

- (1) The estimated revenues and operating expenses of the Association;
- (2) Information as to whether the budget has been prepared on a cash or actual basis;
- (3) The total replacement reserves of the Association as of the date of the budget;
- (4) The estimated replacement reserves the Association will require to maintain the property based on a reserve study performed by the Association;

- (5) A general explanation of how the estimated replacement reserves are computed; and
- (6) The amount the Association must collect for the fiscal year to fund the estimated replacement reserves.<sup>8</sup>

(e) The Board of Directors may authorize the borrowing of money to be used by the Association for the repair, replacement, maintenance, operation, or administration of the common elements of the project, or the making of any additions, alterations, and improvements thereto. The costs of such borrowing, including, without limitation, all principal, interest, commitment fees, and other expenses payable with respect to such borrowing shall be a common expense of the project; provided that owners representing fifty per cent of the common interest and apartments give written consent to such borrowing, having been first notified of the purpose and use of the funds.<sup>9</sup>

(f) Subject to any approval requirements and spending limits in the Declaration or herein, the Board may authorize the installation of meters to determine the use by the apartments of utilities, including electricity, water, gas, fuel, oil, sewage and drainage.<sup>10</sup>

(g) The violation of any of the House Rules, the breach of any of these By-Laws or the breach of any provision of the Declaration, or violation of the Act by a tenant or occupant other than an owner, shall give the Board the right in addition to any other rights or remedies provided by law, the Declaration or these By-Laws, to initiate and prosecute to conclusion a legal action to terminate any lease, rental agreement or other occupancy right of such tenant or occupant and/or to obtain a court order directing such tenant or occupant immediately to permanently vacate such apartment and to refrain from re-entering the project and in such event, the Association shall have no liability to the owner for lost rentals or any other consequence of such termination or removal.<sup>11</sup>

(h) Establishment of such penalties and fines as it deems appropriate with respect to enforcement of the provisions of the Declaration, these By-Laws and the House Rules; provided such penalties and fines are not inconsistent with the law or the provisions herein, and the unpaid amount of such penalties and fines against any apartment owner shall constitute a lien against his interest in his apartment which may be foreclosed by the Board of Directors or Managing Agent in the same manner as provided in the Condominium Property Act for common expenses; provided, however, that the said lien for such penalties and fines shall be subordinate to liens for taxes and assessments lawfully imposed by governmental authority against the apartment and to all sums unpaid on any mortgage of record recorded prior to the recordation of the notice of lien by the Association. The Board shall have the power to impose monetary fines upon owners, tenants, and any other person using or coming upon the project or any part thereof for any purpose whatsoever, for violations of the Declaration, these By-Laws, the rules and regulations adopted by the Board or any statute, ordinance, or applicable requirement of any governmental entity, in accordance with a reasonable schedule of fines to be imposed in a fair and impartial manner. The Board of Directors may authorize the Managing Agent or resident manager, if any, to impose the

aforementioned fines in accordance with such schedule. Written notice of the initial schedule of fines and each new schedule of fines, including any amendments thereto, shall be sent to all owners. Owners or other occupants who have been fined shall be allowed the opportunity to be heard at the next regular meeting of the Board of Directors if they request to appear.

The Board of Directors shall establish an appeals process whereby the appellant will be given an opportunity to present defenses and supporting evidence. The initial appeal shall be heard by the Board of Directors. If the appellant wishes a further hearing, the decision of the Board may be further appealed to an Appeals Committee consisting of three apartment owners, of which one each shall be selected by the appellant and the Board of Directors, and the third selected by the two apartment owners. The findings of the Appeals Committee shall be final. If the appellant is not an owner, the owner or the owner's agent shall be required to be present at all meetings.<sup>12</sup>

(i) Leased Fee Purchase.

(1) Notwithstanding any other provision contained herein:

(i) Written Authorization. The Association through its Board of Directors shall have the power to represent the Association members in connection with the purchase of the leased fee interest in the project and this authority shall be deemed to be the written authorization to represent its members as described in Chapter 514C, Hawaii Revised Statutes, and

(ii) General Authority to Secure Agreement. In furtherance of the power described in (i) above, the Board shall have the authority to do all such things as it deems necessary or appropriate to seek and secure the agreement of the lessor(s) and/or sublessor(s) to sell their interests in the project (hereinafter called the "Property") to the Association and/or the Association members including, without limitation, the authority to retain appraiser(s), lawyer(s) and/or other professionals and to take all other action incidental to the consummation of such sale, and

(iii) Right to Purchase Interest at Auction. The authority of the Board shall include the right to purchase the interest of the lessor(s) and/or sublessor(s) at a judicial auction (whether through a foreclosure, a bankruptcy or otherwise) at a reasonable price to be determined by the Board in its discretion, and

(iv) Right to Purchase in Voluntary Transactions. If some or all of the lessor(s) or sublessor(s) voluntarily agree to sell all or a portion of their interests in the Property, then the Board of Directors, on behalf of the Association, shall have the power to purchase any remaining portion of such interest(s) upon the sale of at least seventy percent (70%) of such interest(s) to the Association members (or persons or parties other than the Association), and

(v) Borrowing. The Board shall have the authority to arrange for and obtain any needed financing in connection with any acquisition of the interest of the lessor(s) and/or the sublessor(s), and

(vi) Sale Directly To Members. If some or all of the lessor(s) and/or sublessor(s) are willing to agree to sell their interests in the Property directly to Association members, the Board of Directors shall have the power to waive the right of first refusal as set forth in Chapter 514C of Hawaii Revised Statutes and to negotiate the sale and to take all other action incidental to the consummation of such sale as it shall, in its sole judgment, deem necessary to assist members of the Association, and

(vii) Right to Advise. The Board of Directors shall have the right to advise the members of the Association with respect to any proposals from the lessor(s) and/or sublessor(s); provided, however, that the Board of Directors shall be indemnified and held harmless by the Association in connection with any of the actions authorized in this subparagraph including, but not limited to, providing advice and undertaking to assist members of the Association as described above, from and against any and all claims related to such advice or assistance.

(2) In the event that the Association acquires any portion of the lessor's(s') and/or sublessor's(s') interest(s) in the Property in the manner stated in the preceding paragraph (a) and its subparts, the Board of Directors shall be empowered to take all such action as it deems necessary or appropriate to administer the interest(s) so acquired, including but not limited to conveying such interest(s) into a land trust, setting, arbitrating, and collecting lease rents, and selling and/or conveying all or a portion of such interest(s).

(3) All costs incurred by said Board of Directors in connection with any of the actions authorized herein including but not limited to efforts on behalf of the Association or its members to acquire or administer any interest of the lessor(s) and/or sublessor(s) in the Property, obtaining any needed financing in connection with such acquisition and administering any portion of the Property acquired pursuant to this subsection shall constitute a common expense of the Association.

(4) Upon the acquisition of the lessor's(s') and/or sublessor's(s') interest(s) in the Property by the Association and/or the Association members (or others) as aforesaid, all approval and other requirements pertaining to such lessor(s) and/or sublessor(s), as contained herein, shall thereupon become null and void and of no effect. The terms "lessor(s)" and "sublessor(s)", as used in this subsection, shall include any assignees or other subsequent holders of the lessor's(s') and/or sublessor's(s') interests in the Property.<sup>13</sup>

Section 3. Election and Term. Election of directors shall be by cumulative voting. The directors, except as otherwise in these by-laws provided, shall hold office for a period of two

years and until their respective successors shall have been elected, except that at the first election of directors, two directors shall be elected for one year, and three directors for two years.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by the Association shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association. Notwithstanding any provision herein to the contrary, any director elected to fill any vacancy on the Board of Directors shall serve for the remainder of the term of the director whose vacancy he is elected to fill. Death, incapacity or resignation of any director, or his ceasing to be the sole owner or co-owner of an apartment shall cause his office to become vacant. Three unexcused absences from regular or special, properly noticed board meetings between annual meetings shall cause a director's office to become vacant if a majority of the remaining directors so vote.<sup>14</sup>

Section 5. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by vote of a majority of apartment owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the apartment owners shall be given an opportunity to be heard at such meeting.

Section 6. Annual Meeting. An organizational meeting of the Board of Directors shall be held at the place of and immediately following each annual meeting of the Association, and no notice shall be necessary to any directors in order validly to constitute such meeting provided that a majority of the whole Board shall be present. At such meeting the Board shall elect the officers of the Association for the ensuing year.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one such meeting shall be held during each calendar quarter of every year. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone or telegraph, at least three days prior to the date of such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least 8 hours notice to each director, given personally or by telephone or telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two directors.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors any director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice to him of such meeting. If all the directors are present at any meeting of the Board, no notice thereof shall be required, and any business may be transacted at such meeting.

Section 10. Quorum of Board. At all meetings of the Board of Directors a majority of the total number of directors established by these by-laws shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at any meeting at which a quorum is present shall be the acts of the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity Bonds/Registration. The Board of Directors may secure fidelity bonds as required by Chapter 514A, Hawaii Revised Statutes. The premiums on such bonds shall be paid by the Association. The Board shall also register the Association as required by Chapter 514A.<sup>15</sup>

Section 12. Notices. Whenever practicable, notice of all Board meetings shall be posted by the resident manager or a member of the Board in prominent locations within the project seventy-two hours prior to the meeting or simultaneously with notice to the Board.<sup>16</sup>

Section 13. Conflict of Interest. A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the board meeting, and the minutes of the meeting shall record the fact that disclosure was made.<sup>17</sup>

Section 14. Documents. Each Board member will be supplied with a current version of Chapter 514A, Hawaii Revised Statutes, and any amendments to such, the Declaration and the By-Laws for the project at Association expense.<sup>18</sup>

## ARTICLE IV

### OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by, and in the case of the President, from the Board of Directors. The Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. An owner shall not simultaneously act as an officer of the Association and an employee of the Managing Agent employed by the Association. All officers must be members of the Association.<sup>19</sup>

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board.

Section 3. **Removal of Officers.** Upon an affirmative vote of a majority of the members of the Board of Directors any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board or any special meeting called for such purpose.

Section 4. **President.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. Subject to the control of the Board he shall exercise general supervision and direction over the management and conduct of the business and affairs of the Association. He shall also have such other powers and duties as may be provided by these by-laws or assigned to him from time to time by the Board.

Section 5. **Vice-President.** The Vice-President shall assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. He shall also have such other powers and duties as may be assigned to him from time to time by the Board.

Section 6. **Secretary.** The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board of Directors, give all notices thereof as provided by these By-laws, maintain and keep a continuous and accurate record of ownership of all apartments, have charge of such books, documents and records of the Association as the Board may direct, and in general perform all the duties incident to the office of Secretary.

Section 7. **Treasurer.** The Treasurer shall have responsibility for all funds and securities of the Association, maintain and keep full and accurate accounts of all receipts and disbursements of the Association and render statements thereof in such form and as often as may be required by the Board of Directors, and be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

Section 8. **Auditor.** The Association shall require a yearly audit of the Association's financial accounts and no less than one yearly unannounced verification of the Association's cash balance by a public accountant.<sup>20</sup>

Section 9. **Execution of Instruments.** All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board of Directors or, in the absence of any such resolution applicable to such instrument, by the President or Vice-President and by the Treasurer or Secretary.

## ARTICLE V

### ADMINISTRATION

Section 1. Management. The Board of Directors shall at all times manage and control the project and shall have the following powers and where applicable shall pay for out of the maintenance reserve fund as provided in the Declaration, the following:

(a) Water, sewer, garbage, electrical, telephone, gas and other necessary utility services for the common elements and (if not separately metered or charged) for the apartments; maintenance and gardening service for the common elements;

(b) A policy or policies of fire insurance, with extended coverage endorsement, in an insurance company authorized to do business in Hawaii, and in time of war against war damage to the extent such governmental insurance is obtainable at reasonable cost, in an amount as near as practicable to the full replacement cost of the common elements and the apartments, without deduction for depreciation, payable as provided in the Declaration, insuring the Trustees, Lessee, apartment owners and mortgagees, as their interests may appear, which said policy or policies shall provide for separate protection for each apartment in an amount as near as practicable to the full replacement cost thereof, without deduction for depreciation, and a separate loss payable endorsement in favor of the mortgagees of each apartment, if any;

(c) A policy or policies insuring the Board, Association, apartment owners, Trustees, and Lessee against any liability to the public or to the apartment owners and their invitees, or tenants, incident to the ownership and/or use of the common elements and apartments, and all roadways and sidewalks on or adjacent to the project, the liability under which insurance shall be not less than Three Hundred Thousand Dollars (\$300,000) for any one person injured, One Million Dollars (\$1,000,000) for injury to more than one person in any one accident or occurrence and One Hundred Thousand Dollars (\$100,000) for property damage (such limits to be reviewed at least annually by the Board and increased in its discretion), payable to the Board, in trust for the insureds;

(d) Workmen's Compensation insurance to the extent necessary to comply with any applicable laws;

(e) The services of a Managing Agent as hereinafter provided, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the project, including the maintenance, repair and replacement of any of the common elements thereof, whether such personnel are employed directly by the Board or are furnished by the Managing Agent; but in any case, the Board shall have the power to remove any of these personnel at its discretion;



(f) Legal and accounting services necessary or proper in the operation of the buildings or enforcement of these By-Laws;

(g) A fidelity bond naming the members of the Board and the Managing Agent, and such other persons as may be designated by the Board as principals and the apartment owners as obligees, for the first year in an amount at least one-half the estimated cash requirement for that year as determined under Section 1 of Article VI hereof, and for each year thereafter in an amount at least one-half the total sum collected through the maintenance reserve fund during the preceding year;

(h) Painting, maintenance and repair of the common elements (but not including the interior surfaces of the apartments, which the apartment owner shall paint, maintain and repair) and such furnishings and equipment for the common elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the common elements;<sup>21</sup>

(i) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure or pay for pursuant to the terms of these By-laws or by law or which in its opinion shall be necessary or proper for the operation of the buildings as apartment buildings or for the enforcement of these By-Laws, provided that if any such materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular apartments, the cost thereof shall be specially assessed to the apartment owners of such apartments.

(j) Any amount necessary to discharge any lien or encumbrances levied against the entire Project or any part thereof which constitutes a lien against the common elements, rather than merely against the interests therein of particular agreement owners. Where one or more apartment owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of such lien or liens;

(k) Maintenance and repair of any apartment if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements and limited common elements or any other apartment, and the apartment owner or owners of said apartment have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Board to said apartment owner or owners, provided that the Board shall levy a special assessment against such apartment owner for the cost of said maintenance or repair;

(l) Purchasing any apartments being sold at a foreclosure or other judicial sale in the name of the Board or its designee, corporate or otherwise, on behalf of all the apartment owners, if such purchase is approved by apartment owners having a majority of the voting power;

(m) Opening of bank accounts on behalf of the Association of Apartment Owners and designating the signatures required therefor;

(n) Selling, leasing, mortgaging, voting the votes appurtenant to (other than the election of members of the Board of Directors), or otherwise dealing with apartments acquired by, and subleasing apartments leased by the Board of Directors or its designee, corporate or otherwise, on behalf of all apartment owners;

(o) Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing of apartments on behalf of all apartment owners;

(p) Adopting and amending of Rules and Regulations covering the details of the operation and use of the Project;

(q) Determining of the common expenses required for the affairs of the Project, including, without limitation, the operation and maintenance of the Project.

The Board's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay out of the maintenance reserve fund capital additions and improvements (other than for purposes of replacing portions of the common elements subject to all the provisions of the Declaration) having a total cost in excess of Fifteen Thousand Dollars (\$15,000.00) in any calendar year, without first obtaining the affirmative vote at a meeting called for such purpose, or the written consent, of voting owners having at least fifty-one percent (51%) of the voting power, except as expressly provided herein.<sup>22</sup>

Section 2. Managing Agent. The Board of Directors shall employ annually a responsible Hawaii corporation as managing agent to manage and control the project at such compensation and with such administrative powers and duties as the Board may establish and delegate. The Board may delegate to the managing agent all of the powers granted to the Board by the By-Laws other than the powers described in subparagraphs (k), (l), (m), (n), (o), (p) and (q) of Section 1 hereinabove.<sup>23</sup>

Section 3. Representation. The President or managing agent, subject to the direction of the Board of Directors, shall represent the Association or any two or more apartment owners similarly situated as a class in any action, suit, hearing or other proceeding concerning the Association, the common elements or more than one apartment and on its or their behalf may institute, defend, intervene in, prosecute and settle any such actions, suits and proceeding, without prejudice to the rights of any apartment owners individually to appear, sue or be sued. Service of process on two or more apartment owners in any such action, suit or proceeding may be made on the President or managing agent.

Section 4. Committees. The President may from time to time appoint standing committees and special committees as the Association or the Board of Directors shall deem

necessary to carry out the business of the Association. The President shall be ex officio a member of all committees except for the Nominating Committee, if any. In the event that the President shall be absent from any Association or Board meeting at which it is voted to create a standing or special committee, then the chairperson over that meeting shall appoint such committee. The standing committees shall include the following:

(a) **Buildings and Grounds Committee.** This committee shall be composed of two or more directors or of one or more directors and one or more apartment owners who shall be appointed in the manner above-described. It shall be the duty of this committee to inspect the buildings and grounds to insure that the same are being kept in good and clean condition and in good repair in accordance with the Association's Declaration of Horizontal Property Regime, these By-Laws, and the House Rules. This committee shall submit its report and recommendations to the Board of Directors at each annual Board meeting and more often if deemed appropriate by the chairperson of said committee. This committee shall not be authorized to make changes, alterations, additions or improvements to the landscaping or the buildings of the project or to approve such changes. Such authority shall rest with the Board of Directors as provided for in the Declaration, these By-Laws, or by law. This committee shall have such other powers and duties as may be delegated to it by the Board from time to time.

(b) **By-Laws and House Rules Committee.** This committee shall be composed of two or more directors or of one or more directors and one or more apartment owners who shall be appointed in the manner above-described. It shall be the duty of this committee to review the Association's Declaration of Horizontal Property Regime, these By-Laws, and the House Rules, and to make recommendations to the Board from time to time with regard to proposed amendments thereto. It shall also be the duty of this committee to review complaints made by owners regarding violations of the Association's Declaration of Horizontal Property Regime, these By-Laws, and the House Rules, to issue citations with respect to any such violations, and to make recommendations to the Board regarding the enforcement thereof. This committee shall submit its report to the Board of Directors at each annual Board meeting and more often if deemed appropriate by the chairperson thereof. This committee shall have such other powers and duties as may be delegated to it by the Board from time to time.

(c) **Public Relations Committee.** This committee shall be composed of two or more directors or of one or more directors and one or more apartment owners who shall be appointed in the manner above-described. It shall be the duty of this committee to disseminate information to the apartment owners and their agents by means of a quarterly newsletter or some other form of written communication so that the owners will be aware of the status of the business conducted by the Board of Directors on the Association's behalf. It shall also be the duty of this committee to take steps to foster good fellowship among owners and tenants and to solicit the goodwill of the public and other institutions, when and if appropriate. This committee shall submit its report to the Board of Directors at each annual Board meeting and more often if deemed appropriate by the chairperson thereof. This committee shall have such other powers and duties as may be delegated to it by the Board from time to time.

(d) Other Committees. Such other committees, standing or special, may be appointed in the manner above-described from time to time as may be necessary to carry out the work of the Association.<sup>24</sup>

## ARTICLE VI

### OBLIGATIONS OF APARTMENT OWNERS

Section 1. Assessments and Other Charges. All Apartment owners are obligated to pay the monthly assessments against them imposed by the Association to meet the common expenses of the project, including without limitation, the management and operation thereof, maintenance, repair and rebuilding of the common elements and premiums for liability and hazard insurance. All assessments shall be made pro-rata according to the fractional shares of the respective apartments as established by the Declaration and shall include monthly payments to the Maintenance Reserve Fund as provided in the Declaration and all apartment owners shall also pay a monthly amount sufficient to accumulate and pay when due the full amount of all rent, assessments, and other charges payable by the apartment owner. In the event any owner is delinquent in the payment of any monthly assessment for a period in excess of fifteen (15) days, the owner shall pay a late fee in an amount to be set by the Board for each such failure and all costs and expenses, including attorneys' fees, incurred for each such failure. All delinquent assessments shall bear interest at the rate of 1% per month from the assessment due date. In the event any owner makes a partial payment of amounts due under this Section, that partial payment shall be applied in the following order:

- (i) Costs of collection including attorneys' fees;
- (ii) late fees;
- (iii) interest;
- (iv) special assessment;
- (v) monthly assessment.

If an assessment proves inadequate for any reason, the Board may at any time levy a special assessment against all owners; provided, however, that the Board shall notify the owners in writing of maintenance fee increases and the reason for said increases at least thirty days prior to such an increase.<sup>25</sup>

### Section 2. Repair and Maintenance.

(a) Every apartment owner shall from time to time and at all times well and substantially repair, maintain, amend and keep his apartment with all necessary reparations and amendments whatsoever in good order and condition, except as otherwise provided by law or the Declaration, and without limitation shall perform promptly all such work within his apartment the

omission of which would affect any common elements or other apartments and shall be responsible for all loss and damage caused by his failure to do so.

(b) All repairs of internal installations within each apartment such as water, light, gas, power, sewage, telephones, air conditioning, sanitation, doors, windows, lamps and all other fixtures and accessories belonging to such apartment, including interior walls and partitions and *the inner decorated or finished surfaces of the perimeter walls, floors and ceilings of such apartment and the interior surfaces of any adjacent limited common elements appurtenant to such apartment, shall be at the apartment owner's expense.*

(c) Every apartment owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common elements or furniture, furnishings and equipment thereof damaged or lost through the fault of such apartment owner or any person using the project under him and shall give prompt notice to the Managing Agent of any such damage, loss or other defect when discovered.

(d) Notwithstanding anything to the contrary herein, apartment owners shall not make any alterations, additions or substitutions of the exterior doors, exterior door frames, exterior window frames or windows or of any portion of the apartment which is visible from the exterior including without limitation to finished surfaces of lanais, except in conformance with standard specifications including without limitation materials, design and colors approved by the Board of Directors.<sup>26</sup>

### Section 3. Use of Project.

(a) All apartments of the project shall be used for residential purposes only. No apartment shall be used in connection with *the carrying on of any trade or business whatsoever.*

(b) All common elements of the project shall be used only for their respective purposes as designed.

(c) No apartment owner or occupant shall place, store or maintain in the halls, lobbies, stairways, grounds or other common elements of similar nature any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

(d) Every apartment owner and occupant shall at all times keep his apartment in a strictly clean and sanitary condition, and shall observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority and all by-laws, rules, regulations, agreements, decisions and determinations duly made by the Association for the time being applicable to the project or the use thereof and all restrictions, covenants, conditions and provisions of the Declaration and amendments thereof duly made affecting the project.

(e) No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his apartment or the project or alter or remove any furniture, furnishings or equipment of the common elements.

(f) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project except that dogs, cats and small birds of a type normally considered as acceptable household pets in reasonable number may be kept by the apartment owners and occupants in their respective apartments but shall not be kept, bred or used therein for any commercial purposes nor allowed on any common elements except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or Managing Agent; provided, however, that notwithstanding any other provision herein, visually impaired persons may keep certified seeing-eye dogs, hearing impaired persons may keep certified signal dogs and physically impaired persons may keep certified service dogs in their apartments and may use such dogs as reasonably necessary to enjoyment of the project.<sup>27</sup>

#### Section 4. Construction of Improvements.

(a) No apartment owner or occupant shall erect or place on the project any building or structure including fences and walls, nor make any material additions or material structural alterations to or 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, first approved in writing by the Board and also approved by seventy-five per cent (75%) of apartment owners (or such other percentage required by law or the Declaration) including all owners of apartments thereby directly affected. Non-material structural additions or alterations as defined by the Condominium Property Act, as amended, shall require approval only by the Board and all owners of apartments thereby directly affected. The Board can require submission of such plans and specifications as are necessary for any such approval and may assess a reasonable charge to cover costs of such approval.

(b) No apartment owner shall decorate or landscape any entrance, hallway, or planting area appurtenant to his apartment except in accordance with standards therefor established by the Board of Directors or specific plans approved in writing by the Board.<sup>28</sup>

#### Section 5. Right of Entry.

(a) The Managing Agent and any other person authorized by the Board of Directors shall have the right to enter each apartment in case of any emergency originating in or threatening such apartment whether or not the owner or occupant is present at the time.

(b) Every apartment owner and occupant, when so required, shall permit other apartment owners or their representatives to enter his apartment at reasonable times for the

purpose of performing authorized installations, alterations or repairs to the common elements therein for central services, provided that requests for entry are made in advance.

**Section 6. Rules of Conduct.**

(a) No owner or occupant shall post any advertisement, bill, poster or other sign on or about the project, although not visible outside of the project, except as authorized by the Board of Directors.

(b) No garments, rugs or other objects shall be hung from the windows or facades of the project.

(c) No rugs or other objects shall be dusted or shaken from the windows of the project or cleaned by beating or sweeping on any exterior part of the project.

(d) No garbage, refuse or trash of any kind shall be thrown, placed or kept on any common elements of the project outside of the disposal facilities provided for such purpose.

(e) No apartment owner or occupant shall, without the written approval of the Board of Directors, install any wiring for electrical or telephone installations, television antenna, machines or air conditioning units, or other equipment or appurtenances whatsoever on the exterior of the project or protruding through the walls, windows or roof thereof.

(f) Nothing shall be allowed, done or kept in any apartments or common elements of the project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association, nor shall noxious or offensive activity or nuisance be made or suffered thereon.

**Section 7. Foreclosure of Lien.** In any suit to foreclose the lien against an apartment owner for delinquent assessments such delinquent owner shall be required to pay to the Association a reasonable rent for such apartment until sale on foreclosure together with all costs and reasonable attorney's fees.

**Section 8. Title.** Every apartment owner shall promptly cause to be duly recorded the lease, assignment or other conveyance to him or his apartment or other evidence of his title thereto and file such evidence of his title with the Board of Directors through the Managing Agent, and the Secretary shall maintain such information in the record of ownership of the Association.

**Section 9. House Rules.** The Board of Directors, upon notice to all apartment owners in the same manner as herein provided for notice of meetings of the Association and opportunity to be heard thereon, may adopt or amend any supplemental rules and regulations called House

Rules, governing details of the operation and use of the common elements not inconsistent with any provisions of law, these by-laws or the Declaration.

Section 10. **Taxes.** Payment of real property taxes is the individual responsibility of each apartment owner.<sup>29</sup>

Section 11. **Collection from Tenant.** If an owner shall at any time rent or lease his apartment and shall default for a period of thirty (30) days or more in the payment of the owner's share of the common expenses, the Board may, at its option, so long as such default shall continue, demand and receive from any renter or lessee (hereinafter referred to as "lessee") of the apartment owner occupying the apartment, the rent due or becoming due from such lessee to the apartment owner up to any amount sufficient to pay all sums dues from the apartment owner. Any such payment of such rent to the Board by the lessee shall be sufficient discharge of such lessee, as between such lessee and the apartment owner to the extent of the amount so paid; but any such demand or acceptance of rent from any lessee shall not be deemed to be consent to or approval of any lease by the apartment owner or a release or discharge of any of the obligations of the apartment owner hereunder or an acknowledgment of surrender of any rights or duties hereunder. In the event that the Board makes demand upon the lessee as aforesaid, the lessee shall not have the right to question the right of the Board to make such demand, but shall be obligated to make said payments to the Board as demanded by the Board with the effect as aforesaid.<sup>30</sup>

## ARTICLE VII

### AMENDMENTS OF BY-LAWS

Section 1. **Procedure.** These by-laws may be amended in any respect not inconsistent with any provisions of law or the Declaration by vote or written consent of sixty-five percent (65%) of the apartment owners, effective only upon the recording of an amendment to the Declaration setting forth such amendment of by-laws as provided by law.

In all other respects the Declaration and 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.<sup>31</sup>

## ARTICLE VIII

### MORTGAGEES

Section 1. **Notice to Association.** Any apartment owner who mortgages his interest in any apartment shall notify the Association through the Managing Agent of the name and address



of his mortgagee, and the Secretary shall maintain such information in the record of ownership of the Association.

Section 2. **Notice of Unpaid Assessments.** The Managing Agent or Board of Directors at the request of any mortgagee or prospective purchaser of any apartment or interest therein shall report to such person the amount of any unpaid assessments due from the owner of such apartment.

## ARTICLE IX

### INDEMNIFICATION

Section 1. **Expenses and Liability.** The Association shall indemnify every director and officer, and his executors and administrators, against all expenses reasonably incurred by or imposed on him in connection with any action, suit or proceeding to which he may be made a party by reason of being or having been a director or officer of the Association, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such gross negligence or wilful misconduct. The foregoing right of indemnification shall not be exclusive of other rights to which such person may be entitled.<sup>32</sup>

## ARTICLE X

### COMPLIANCE

Section 1. **Subordination.** These By-laws are subordinate and subject to the provisions of the Declaration and all amendments thereto, and said Condominium Property Act, and in case of any conflict the latter shall control. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or said Act.

Section 2. **Interpretation.** In case any provision of these ByLaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these By-Laws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the owners.

ARTICLE XI

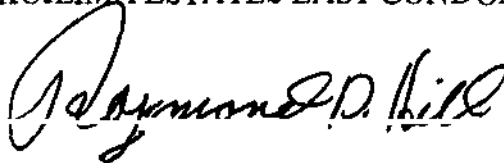
NON-PROFIT CORPORATION

All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a non-profit membership corporation, formed under the laws of the State of Hawaii for the purposes herein set forth by the Association. Said corporation shall be formed upon the approval of the Board of Directors. The formation of said corporation shall in no way alter the terms, covenants and conditions in the Declaration or By-Laws and the Articles of said corporation shall be subordinated hereto and controlled hereby.<sup>33</sup>

RESTATEMENT OF BY-LAWS

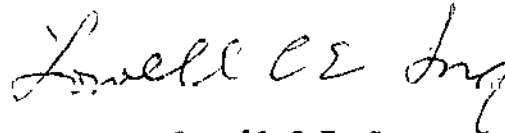
IN WITNESS WHEREOF, the undersigned has executed this instrument this 11th day of October, 2000.

ASSOCIATION OF APARTMENT OWNERS  
OF KUILIMA ESTATES EAST CONDOMINIUM

By: 

TYPE NAME: Raymond D. Hill

TYPE TITLE: President

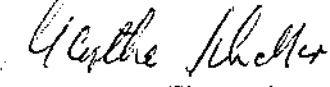
By: 

TYPE NAME: Lowell C.E. Ing

TYPE TITLE: Treasurer

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

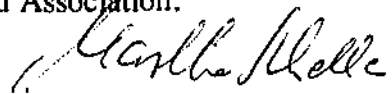
On this 11<sup>th</sup> day October, 2000, before me personally appeared Raymond D Hill, to me personally know, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF KUILIMA ESTATES EAST CONDOMINIUM and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

  
(Signature)  
MARTHA SCHELLER  
(Printed or Typed Name)

Notary Public, State of Hawaii  
My commission expires: 5-2-2004

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 11<sup>th</sup> day October, 2000, before me personally appeared Lowell C.E. Jung, to me personally know, who being by me duly sworn, did say that he is the Treasurer of the ASSOCIATION OF APARTMENT OWNERS OF KUILIMA ESTATES EAST CONDOMINIUM 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.

  
(Signature)  
MARTHA SCHELLER  
(Printed or Typed Name)

Notary Public, State of Hawaii  
My commission expires: 5-2-2004

SECOND RESTATED BY-LAWS  
OF THE ASSOCIATION OF APARTMENT OWNERS  
OF KUILIMA ESTATES EAST CONDOMINIUM

ENDNOTES

The following By-Law provisions have been restated for the reasons set forth below:

1. All references in the Bylaws to "Chapter 514A, Hawaii Revised Statutes," or to the "Horizontal Property Act" have been replaced with appropriate references to the successor statute, "Chapter 514A, Hawaii Revised Statutes," and the "Condominium Property Act" pursuant to the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
2. Article II, Section 3 of the By-Laws has been restated to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
3. Article II, Section 6 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1598988.
4. Article II, Section 9 of the By-Laws has been restated to incorporate the language in the instruments filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos. 1592460 and 1598988 and to conform with Section 514A-82(b)(4) and 83.2, Hawaii Revised Statutes.
5. Article II, Section 11 of the By-Laws has been restated to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
6. Article II, Section 12 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1598988.
7. Article III, Section 1 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1598988 and to conform with Section 514A-82(b)(10), Hawaii Revised Statutes.
8. Article III, Section 2(d) of the By-Laws has been restated to conform with Section 514A-83.6, Hawaii Revised Statutes.
9. Article III, Section 2(e) of the By-Laws has been restated to conform with Section 514A-82.3, Hawaii Revised Statutes.

10. Article III, Section 2(f) of the By-Laws has been restated to conform with Section 514A-15.5(b), Hawaii Revised Statutes.
11. A new Section 2(g) has been added to Article III of the By-Laws to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
12. A new Section 2(h) has been added to Article III of the By-Laws to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
13. A new Section 2(i) has been added to Article III of the By-Laws to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
14. Article III, Section 4 of the By-Laws has been restated to incorporate the language in the instruments filed and recorded in the Office of the Assistant Registrar of the Land Court of Hawaii as Document Nos. 1592460 and 2183663.
15. Article III, Section 11 of the By-Laws has been restated to conform with Section 514A-95.1, Hawaii Revised Statutes.
16. Article III, Section 12 of the By-Laws has been restated to conform with Section 514A-82(b)(9), Hawaii Revised Statutes.
17. Article III, Section 13 of the By-Laws has been restated to conform with Section 514A-82(b)(5), Hawaii Revised Statutes.
18. Article III, Section 14 of the By-Laws has been restated to conform with Section 514A-82(b)(11), Hawaii Revised Statutes.
19. Article IV, Section 1 of the By-Laws has been restated to conform with Section 514A-82(b)(7), Hawaii Revised Statutes, and to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
20. Article IV, Section 8 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1598988 and to conform with Section 514A-96, Hawaii Revised Statutes.
21. Article V, Section 1(i) of the By-Laws has been deleted in its entirety pursuant to the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 946356 and all subsequent subsections have been relettered.

22. Article V, Section 1 of the By-Laws has been restated to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
23. Article V, Section 2 of the By-Laws has been restated to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
24. Article V, Section 4 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1598988.
25. Article VI, Section 1 of the By-Laws has been restated to incorporate the language in the instruments filed or recorded in the office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos. 946356, 1592460 and 2183663.
26. A new Section 2(d) of Article VI has been added to the By-Laws to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
27. A new Section 3(f) of Article VI has been added to the By-Laws to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2183663.
28. Article VI, Section 4 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1592460.
29. Article VI, Section 10 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 946356.
30. Article VI, Section 11 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1592460.
31. Article VII, Section 1 of the By-Laws has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1598988.
32. Article IX, Section 1 of the By-Laws has been restated to incorporate the language in the instruments filed and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos. 1592460 and 2183663.

33. A new Article XI has been added to the By-Laws pursuant to the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2201198.