

DRAFT

**MINUTES OF THE ANNUAL MEETING
OF THE ASSOCIATION OF APARTMENT OWNERS
OF FAIRWAY GARDENS
MARCH 16, 2010**

Roll Call / Determination of a Quorum

Chairperson Sharon Suzuki announced that the members represented at this meeting, in person or by proxy totaled 64.112% of the total common interest, thus constituting a quorum and called the meeting to order at 6:00 p.m.

Proof of Notice

The Chair announced that in accordance with Article II, Section 6 of the Association's By-laws, a notice of this meeting was circulated to all owners of record on January 25, 2010.

Introductions

The Chair introduced the current members of the Board of Directors in attendance: Gail Dwight Vice-President, Secretary Patricia Chu, Treasurer Mary Ann Thomas, Directors Naty Baptista, Betty Kahoano, Randall Young, Doreen Schuster and herself, Sharon Suzuki, President of the Board of Directors.

The Chair introduced special guests: Resident Manager Rodney Saloricman, Randy Davidoff, Management Executive, Rue Onaga and Norma Vicencio, election tally clerks.

Conduct of Business

The Chair stated that if there were no objections, Robert's Rules of Order Newly Revised would be the governing authority for this meeting. There were no objections.

Approval of the Previous Annual Meeting Minutes

The Chair announced that a copy of the minutes of the previous annual meeting held on March 17, 2009 was circulated to all owners along with the notice of this meeting. She then asked if there were any corrections to the minutes. There being none, the Chair declared the minutes approved as written.

Officers' Reports

The Chair and V.P. Gail Dwight gave a verbal report of the association's past year's accomplishments and future goals as follows:

A. **PRESIDENT'S REPORT** – Highlights for 2009:

1. **Improvement Projects:**

- A. Parking lot resealing: The parking lot was resealed, restriped, and stalls renumbered. The width of stalls were evened out between regular size stalls and compact size stalls. A total of 30 stalls required asphalt damaged by oil leaks to be removed and new asphalt added. We relocated one of the five regular guest parking stalls in front of the playground to make it easier for guests to park. The project was completed by DC Asphalt at a cost of \$33,000.
- B. Elevator door package upgrade: 28 elevator door closer mechanisms and door sensors were replaced. This project was completed by Thyssen Krupp Elevators at a cost of \$63,000.

- C. Trash Chute Replacement: Two sections of our trash chute were replaced due to severe damage caused by residents throwing inappropriate items into the chute. This project was completed by Global Odor Control at a cost of \$10,500.
- D. Pool renovations
- Pool coping stones around the kiddie and adult pools were replaced with natural stone. The project was completed by Ma's at the cost of \$8,700.
 - An exit door knob was installed inside the pool gate.
 - Pool bathrooms were renovated. New paint, porcelain tile countertops, sinks, faucets, soap and paper towel dispensers, and storage cabinets were installed .
 - Pool window slats were painted rainbow colors.
 - New pool signs were installed.
 - Rotting wood fences were replaced.
 - Pool gate was repainted.
- E. Recreation room renovation
- New laminate installed
 - Water cooler installed
 - New refrigerator and microwave for staff
 - Old laminate cabinets demolished
 - New stainless steel storage cabinet installed.
 - Walls painted white

2. Maintenance Projects:

- Trees on the property were trimmed at the cost of \$3,500.
- Two diseased trees were removed.
- Fire hoses, extinguishers, and the fire alarm system were tested and passed.
- The building's backflow preventer valve was tested and passed.
- Building sewer lines were cleaned out to the street
- Pest control spraying was completed in common areas.
- Building picture windows were washed
- Purchased a new storage bin for pool supplies
- Purchased a new self-driven lawn mower courtesy of resident Mr. Richard Kishaba.

3. Administrative Improvements:

- purchased a new computer for the office
- built a resident registration database on the office computer
- updated and distributed new House Rules
- started a Fairway Gardens website at Hawaiiiana.com. The site contains a copy of our governing documents such as the Declaration, Bylaws, amendments we've passed, and our new house rules.
- streamlined association keys
- updated the list of Association assets
- created a consumable supply inventory and reorder list

4. Projects for 2010:

1. These are the upcoming capital improvement projects that are scheduled for 2010

item	normal life in yrs	done last	Approx cost
Roofing	10	2004	\$45,000
Backflow preventer valve	10	1971	\$8,000
Pool salt filtration system	5	2003	\$4,800
Pool deck coating	10	2003	\$2,000

2. In addition, we will be conducting unit inspections to including plumbing components, electrical components, smoke alarms, and window жалюзиес.

B. Treasurer's Report

Treasurer Thomas reviewed a detailed report of the Association's financial performance in 2009 as well as upcoming projects.

1. 2009 Operating Expenses

In 2009, expenses for the association totaled \$740,917. Here is the breakdown of that total:

- \$322,735 was spent on utilities (44%)
 - utilities include electricity, cable tv service, water, sewer costs, and telephone service
- \$128,060 was spent on capital replacement items (17%)
 - this category includes building components that need repair or replacement.
- \$100,610 was spent on staff payroll and associated employment costs (14%)
 - payroll includes staff salaries, health care insurance, worker's compensation insurance, temporary disability insurance, payroll taxes, and payroll processing
- \$75,433 was spent on other expenses (10%)
 - the category includes our commercial property insurance, liability insurance, umbrella insurance, the mortgage payment on the resident manager's unit, the loan payment for our hot water storage tanks, real property and state general excise tax.
- \$59,754 was spent on maintenance (8%)
 - this category includes contractor services such as pest control, roofing, window cleaning, elevator maintenance, refuse service, security equipment, fire equipment inspection, sewer line cleanouts, common area plumbing repair, heat pump maintenance, and supplies for the pool, building, and grounds.

- \$54,326 was spent on professional services (7%)
 - this category includes Hawaiiana management services, association administrative expenses such as office supplies, photocopying, and mailing costs, audit and accounting costs, and legal fees.

As you can see, our largest expense continues to be utilities. Five years ago our utilities cost was \$224,748. In 2008 our utilities cost was \$364,835. That represents an increase of 64%. Between 2007 and 2008 alone, utilities costs increased by 24% in just one year. Fortunately, in 2009 electricity costs decreased and stabilized, decreasing our utility costs by \$42,100 (12%) to \$322,735. Even with this decrease, utilities made up 44% of our total association expenses in 2009.

We continue to explore submetering electricity usage to individual unit owners as a means of stabilizing maintenance fees. The cost to add meters to each unit average out to about \$600 per unit, and the Association would need to generate monthly bills to each owner to collect their share of electricity used. Total cost to add submeters to each unit would be about \$80,000.

2. 2010 Maintenance Fee Increase

After analyzing the future operating cost projections and factoring the anticipated increases from our vendors; along with the need to continuously build our reserves to fund the needed capital replacements and improvements, in order to maintain the value and appeal of our property, the Board completed the 2009 operating and capital budget, resulting in an increase of 2% to the member's maintenance fees.

Auditor's Report

President Suzuki reviewed the year ending 12/31/2009 auditor's report, prepared by the accounting firm of Terry Wong CPA, independent auditor. A copy of the Audit was given to all owners at sign-in.

Election of Directors

The Chair announced that the Association's By-laws provides for the affairs of the Association to be governed by a Board of Directors composed of up to 9 members. The Chair then announced that there were three positions expiring at this election, all three Directors to be elected for a term of three years.

The Chair announced that current Directors Randall Young, Pat Chu and Doreen Shuster, whose terms were expiring, had agreed to run for another term on the Board. There being no further nominations, the nominations were closed.

The Chair declared that there are only three candidates for the three vacant positions on the Board of Directors. The owner of unit #1110 moved that these candidates be approved by acclamation and was seconded by the owner of #1107. Being that there were no objections from the owners in attendance; the three candidates were elected to the Board by acclamation.

Annual Meeting
Fairway Gardens
3/16/2010
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New Business

A. Resolution on Assessments – By consensus, the following resolution was adopted:

RESOLVED, by the owners of the Fairway Gardens Association of Apartment Owners, that the amount by which members' assessment in 2010 exceed the total expenses of the Association for the purpose of managing, operating, maintaining and replacing the common elements of the Association, shall be applied against 2011 Operating Expenses."

Adjournment

There being no further business, Chairperson Suzuki adjourned the meeting at 7:15 p. m.

Submitted by:

Randy Davidoff
Recording Secretary

In the Matter of the Incorporation)
)
 of)
)
 THE ASSOCIATION OF APARTMENT OWNERS)
 OF FAIRWAY GARDENS, INC.)
 _____)

ARTICLES OF INCORPORATION
of

THE ASSOCIATION OF APARTMENT OWNERS OF
FAIRWAY GARDENS, INC.

IWAI, MOTOOKA, GOTO & MORRIS
Attorneys at Law
A Law Corporation

JOHN A. MORRIS, ESQ.
Suite 502, Haseko Center
820 Mililani Street
Honolulu, Hawaii 96813

Attorneys for
THE ASSOCIATION OF APARTMENT OWNERS
OF FAIRWAY GARDENS, INC.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation)
)
 of)
)
 THE ASSOCIATION OF APARTMENT OWNERS)
 OF FAIRWAY GARDENS, INC.)
 _____)

ARTICLES OF INCORPORATION
 of
 THE ASSOCIATION OF APARTMENT OWNERS OF
 FAIRWAY GARDENS, INC.

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, certify as follows:

I.

NAME

The name of the Corporation shall be THE ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS, INC.

II.

OFFICES

The street address of the initial or principal office of the Corporation is Manager's Office, 5210 Likini Street, Honolulu, Hawaii, 96818. The Corporation may have such other offices within and without the State of Hawaii as the Board of Directors may designate.

III.

PERIOD OF DURATION

The period of its duration is perpetual.

IV.

PURPOSES AND POWERS

The Corporation is organized for the following specific purposes and powers:

(a) To: (i) operate and manage the condominium project known as "Fairway Gardens" located in Honolulu, Hawaii; and (ii) transact any other lawful activities for nonprofit corporations permitted by law, all in compliance with Chapter 514A, Hawaii Revised Statutes, the Declaration, the By-Laws and all other documents governing the project and its operation and management; and

(b) To exercise all of the powers, rights, privileges and immunities conferred by law on nonprofit corporations.

V.

BOARD OF DIRECTORS

The business and affairs of the Corporation shall be managed by a Board of Directors, which shall consist of not less than three (3) nor more than nine (9) members, whose qualifications shall be as stated in the By-Laws. At least one (1) member of the Board of Directors shall be a resident of the State of Hawaii. The members of the Board of Directors shall be elected or appointed at such times, in such manner, and for such terms as may be prescribed by the By-Laws.

The following persons shall act as the initial Directors of the Corporation until their successors are elected or appointed and qualified as provided for in the By-Laws:

<u>Name</u>	<u>Residence Address</u>
Sharon Suzuki PRESIDENT	5210 Likini Street, #906 Honolulu, Hawaii 96818
Gerald Pitz VICE-PRESIDENT	5210 Likini Street, #803 Honolulu, Hawaii 96818
Romulo S. Amian SECRETARY	5210 Likini Street, #608 Honolulu, Hawaii 96818
Randall Hiraki TREASURER	5210 Likini Street, #1002 Honolulu, Hawaii 96818

<u>Name</u>	<u>Residence Address</u>
Albert Morreira DIRECTOR	5210 Likini Street, #705 Honolulu, Hawaii 96818
Terry Oye DIRECTOR	5210 Likini Street, #407 Honolulu, Hawaii 96818
Doreen Shuster DIRECTOR	5210 Likini Street, #202 Honolulu, Hawaii 96818

VI.

OFFICERS

The Officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer. The Board may also appoint an Assistant Treasurer and an Assistant Secretary. The President shall be elected from among the members of the Board of Directors. The Officers shall be elected or appointed at such times, in such manner, and for such terms as may be prescribed by the By-Laws.

The following persons shall act as the initial Officers of the Corporation until their successors are elected or appointed and qualified as provided for in the By-Laws:

<u>Office</u>	<u>Name</u>	<u>Residence Address</u>
PRESIDENT	Sharon Suzuki	5210 Likini Street, #906 Honolulu, Hawaii 96818
VICE-PRESIDENT	Gerald Pitz	5210 Likini Street, #803 Honolulu, Hawaii 96818
SECRETARY	Romulo S. Amian	5210 Likini Street, #608 Honolulu, Hawaii 96818
TREASURER	Randall Hiraki	5210 Likini Street, #1002 Honolulu, Hawaii 96818

VII.

MEMBERS

The Corporation shall have Members. Their number and qualifications; their property, voting and other rights and privileges; and their liabilities for dues and assessments and the method of collection of those charges shall be as stated in Chapter 514A, Hawaii Revised Statutes, the Declaration, the By-Laws and related documents.

VIII.

NONPROFIT CORPORATION

This Corporation shall be a nonprofit corporation within the meaning of Chapter 415B of the Hawaii Revised Statutes. The Corporation will not authorize nor issue any stock. No dividends shall be paid and no part of its assets, income or earnings shall be distributed to any Director, Officer, Member or employee, except that reasonable compensation may be paid for services rendered to the Corporation. No Director, Officer, Member or employee of the Corporation, shall be entitled to share in the distribution of any of the Corporation's assets on dissolution of the Corporation, except to the extent permitted by law.

IX.

BY-LAWS

The initial By-Laws of the Corporation shall be the existing By-Laws of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS, as amended, which shall be adopted by the Board of Directors. The By-Laws may be altered, amended or repealed, and new By-Laws may be adopted, subject to repeal or change by the Members, as prescribed in the By-Laws and Chapter 514A, Hawaii Revised Statutes.

X.

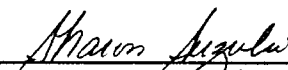
LIABILITIES

All of the property of the Corporation shall be liable for the debts of the Corporation. The members, directors, officers and employees of the Corporation shall not be liable personally for the Corporation's obligations, except to the extent they are subject to assessment under Chapter 514A, Hawaii Revised Statutes,


the Declaration, and the By-Laws. In accordance with Section 415B-158.5, Hawaii Revised Statutes, the members of the Board shall not be liable to the Apartment Owners for any mistake of judgment or otherwise except for their own gross negligence or wilful misconduct.

We certify, under the penalties of Section 415B-158 of the Hawaii Revised Statutes, that we have read the above statements and that they are true and correct.

Witness our hands this 28 day of MAY, 19994.



Sharon Suzuki, President



Romulo S. Amian, Secretary

Incorporators

MINUTES OF THE BOARD OF DIRECTORS' MEETING
FAIRWAY GARDENS
Tuesday, MAY 18, 2010

CALL TO ORDER

The Board of Directors meeting of the Fairway Gardens AOA was called to order at 6:10 p.m. by President Sharon Suzuki.

ESTABLISH A QUORUM

A quorum was established.

Members Present: President Sharon Suzuki, Pat Chu, Mary Thomas, Naty Batista, Homer Chang, Betty Kahoano, Doreen Shuster and Randall Young

Members Excused: Gail Dwight

Present by Invitation: Randy Davidoff, Management Executive, Hawaiiana Management Co., Ltd.
Rodney Saloricman, Resident Manager, Fairway Gardens AOA

MINUTES OF PREVIOUS MEETING

The minutes of the April 20, 2010 Board of Directors meeting were approved unanimously.

RESIDENT MANAGER'S REPORT

The Resident Manager's Report is on file in the Manager's office and at Hawaiiana Management Co., Ltd.

TREASURER'S REPORT

1. Financial Statement – The Board reviewed the April 2010 Financial Statement and unanimously approved subject to audit.

UNFINISHED BUSINESS

1. Unit Plumbing Inspections - The Board discussed the progress of inspections as well as the actions which may be taken against those owners who do not comply.
2. Roof Project Status- R.M. Saloricman informed the Board that work on the roof began today.
3. Backflow Preventer Valve- The Board discussed that they will need to proceed with replacement of the valve and that the monies were approved at the last Board Meeting.
4. Pool-Salt System- The Board discussed the need for this component to be replaced. Director Chu moved and was seconded by Thomas to proceed with Buck's Pool Service at a cost of approximately \$3000. Motion passed with all in favor.
5. Unit #1404 Requests- The Board reviewed and discussed a recent request from an owner to install a 220 volt electrical outlet as well as a full-size washer and dryer. The Board explained

to the owners who were present at the meeting that they were unable to approve the washer and dryer as it is against the House Rules. The Board also advised the owners that they are unable to approve their request to install a 220 volt outlet at this time.

NEW BUSINESS

1. 220 Volt Outlets/Full Size Washer and Dryer - In light of the recent request, the Board discussed a need to formulate a better understanding of how many 220 volt outlets have been installed and how many had approval from the Board before installing. The Board will begin to address this concern.
2. Plumbing Cleanouts/Access Doors- The Board discussed investigating a more efficient method to clean plumbing lines and will be considering the possibility of installing additional access panels in some 2nd floor units.
3. Guest Parking Limit- The Board discussed and agreed unanimously to approve a new House Rule stating that when a tenant or owner is hosting guests, they may use no more than 2 Guest Parking stalls at any one time.

NEXT MEETING

The next regular meeting of the Board of Directors is scheduled to be held on Tuesday, June 15, 2010 at 6:00 p.m.

ADJOURNMENT

There being no further business, President Suzuki adjourned the meeting at 7:40 p.m.

Submitted by:

Randy Davidoff
Recording Secretary

MINUTES OF THE BOARD OF DIRECTORS' MEETING
FAIRWAY GARDENS
TUESDAY, JUNE 15, 2010

CALL TO ORDER

The Board of Directors meeting of the Fairway Gardens AOA was called to order at 6:25p.m. by President Sharon Suzuki.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Sharon Suzuki, Gail Dwight, Naty Batista, Homer Chang, Betty Kahoano, Doreen Shuster

Members Excused: Randall Young, Mary Thomas, Pat Chu

Present by Invitation: Randy Davidoff, Management Executive, Hawaiiana Management Co., Ltd.

MINUTES OF PREVIOUS MEETING

The minutes of the May 18, 2010 Board of Directors meeting will require revisions. The Board will review and approve at the July Board meeting.

RESIDENT MANAGER'S REPORT

The Resident Manager's Report is on file in the Manager's office and at Hawaiiana Management Co., Ltd.

TREASURER'S REPORT

1. Financial Statement – The Board reviewed the May 2010 Financial Statement and unanimously approved subject to audit.

UNFINISHED BUSINESS

1. Unit Plumbing Inspections/High-Risk Components - The Board discussed that the inspections are pretty well complete aside from a few units. The Board will be proceeding with a demand letter to any owners who require any sort of repair or maintenance as deemed necessary by the licensed plumbing company which did the inspections. Included in this letter will also be a violation letter to those owners who have a 220 volt washer/dryer that had not been approved by the Board of Directors.
2. Pool and Walkway Coating- The Board reviewed and discussed this work and will continue to investigate the best way to proceed and will then solicit proposals.
3. Ala Ilima Gate Walkway- The Board discussed and will direct the Resident Manager to pour concrete in order to extend the sidewalk by parking stall #1.
4. Washers and Dryers- *****

NEW BUSINESS

1. #1005 Correspondence- The Board reviewed and discussed a letter from this owner. The Board agreed and directed M.E. Davidoff to write a letter stating that there is not a need for a policy regarding leaving donated items for charities. The Board will request that all owners keep these items in their unit and give directly to Big Brothers and Big Sisters so that items will not be left in the exercise/meeting room and so that owners or tenants can also directly receive any non-profit donation forms.
2. Lawn Care- The Board discussed some concerns and will hope to have in-house staff address this.
3. Sewer Line Cleanout Specs- The Board is awaiting proposals for this work.

NEXT MEETING

The next regular meeting of the Board of Directors is scheduled to be held on Tuesday, July 27, 2010 at 6:00 p.m.

ADJOURNMENT

There being no further business, President Suzuki adjourned the meeting at 7:40 p.m.

Submitted by:

Randy Davidoff
Recording Secretary

MINUTES OF THE BOARD OF DIRECTORS' MEETING
FAIRWAY GARDENS
TUESDAY JULY 27, 2010

CALL TO ORDER

The Board of Directors meeting of the Fairway Gardens AOA was called to order at 6:25p.m. by President Sharon Suzuki.

ESTABLISH A QUORUM

A quorum was established.

Members Present: Sharon Suzuki, Gail Dwight, Naty Batista, Homer Chang, Betty Kahoano, Doreen Shuster, Patricia Chu, Mary Thomas, Randall Young

Members Excused: none

Present by Invitation: Randy Davidoff, Management Executive, Hawaiiana Management Co., Ltd.
Rodney Saloricman, Resident Manager

MINUTES OF PREVIOUS MEETING

The minutes of the May 18 and June 15, 2010 Board of Directors Meetings were unanimously approved by the Board.

RESIDENT MANAGER'S REPORT

The Resident Manager's Report is on file in the Manager's office and at Hawaiiana Management Co., Ltd.

TREASURER'S REPORT

1. Financial Statement – The Board reviewed the June 2010 Financial Statement and unanimously approved subject to audit.

UNFINISHED BUSINESS

1. Ala Ilima Gate Walkway and Park Gate- The Board discussed and will direct the Resident Manager to pour concrete in order to extend the sidewalk by parking stall #1 and to widen the gate to the playground. This work will proceed in the very near future and will be completed by in-house staff.
2. Unit Inspections- The Board discussed that all units have been inspected by T&C Plumbing and the Resident Manager except 6 units. The deadline for owners to remedy any concerns was July 18th and only a handful have complied. Some are still in the process of getting bids. The Board will have extended the deadline for remediation of inspection findings until September 30 for all owners. The Board directed M.E. Davidoff to write a letter to those owners who still need to show proof of repairs. The Board also agreed that they would not purchase Floodcheck washer hoses and resell them to owners whose units are missing them, but will inform these owners where they can purchase the hoses themselves.

NEW BUSINESS

1. 220 Volt Dryer Line Requests- The Board reviewed and discussed this situation. As stated previously, an Electrical Engineer was contracted to better understand electrical loads and recommended there should be no more than three (3) 220 volt washer/dryers connected to the unit's breaker box in any stack. After reviewing a diagram of units with illegal 220 appliances already in place and those which have requested permission in writing to either retain or install 220 lines, the board granted permission to the following units: 203, 204, 604, 1404, 1205, 906, 607, 1107, 209, 709, 1109, 310, 710. A certificate will be created and sent to these unit owners. A copy of the certificate and a list will be kept in the office.

The following units with 220 lines installed did not send a letter asking to retain their 220 lines. Therefore these remain illegal 220s: 701, 1303, 705, 810. The board voted to send these unit owners a letter stating they are in violation and instructing them to either remove their appliances or sign a form at the bottom of the letter requesting permission for their 220 lines.

The "04 stack" was the only stack that had more than 3 owners requesting 220 lines. Units 604, 804, 904 had illegal 220 lines and appliances. Of those, 604 and 904 requested 220s in writing. Unit 904 did not submit a request. In addition, units 204 and 1404 requested 220 lines, but do not already have 220 lines or appliances. Based on the engineer's recommendation of a limit of three 220 lines per stack, the board went on a first come first serve basis and granted permission for 220 lines to: 204, 604, and 1404. Units 804 and 904 will be sent letters stating they must revert back to 110 washer/dryers.

2. Sewer Line Cleanout Specs- The Board reviewed specifications for this work. The Resident Manager will solicit additional proposals.
3. Growing Things Landscaping- At the start of the meeting, the Board heard a presentation from Bob Clapper of Growing Things Landscaping. The Board reviewed and discussed a proposal from Mr. Clapper to work with the staff over the next two months to evaluate maintenance procedures, maintenance equipment and their condition, chemicals used on the property, irrigation system condition, staff knowledge and skill levels, in order to help us maintain the grounds properly. Director Dwight moved and was seconded by Thomas to approve the proposal at a cost of \$3,500 for a period of 2 months. Motion passed with all in favor.

NEXT MEETING

The next regular meeting of the Board of Directors is scheduled to be held on Tuesday, August 17, 2010 at 6:00 p.m.

ADJOURNMENT

There being no further business, President Suzuki adjourned the meeting at 8:15 p.m.

Submitted by:

Randy Davidoff
Recording Secretary

Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended (now known as the Condominium Property Act); and

WHEREAS, the Declaration, as amended, provided for the organization and operation of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS (the "Association") in accordance with the By-Laws which were attached to the Declaration and incorporated into it by reference (the "By-Laws"); and

WHEREAS, the Declaration was amended by documents dated April 10, 1980 and August 18, 1980, and recorded as Document Nos. 1007855 and 1027662, respectively, and noted on Transfer Certificate Title No. 219,084, and the Transfer Certificate Title Numbers shown on the attached Exhibit "A".

WHEREAS, pursuant to §514A-82(b)(2) of the Hawaii Revised Statutes, more than sixty-five percent (65%) of all apartment owners of the project vote at the annual meeting on March 8, 1994, to amend the By-Laws of Fairway Gardens.

NOW THEREFORE, the By-Laws are hereby amended as follows:

Article II, Section 3 of the By-Laws of the Association of Apartment Owners of Fairway Gardens is amended to read as follows:

Section 3. Annual Meetings. The first annual meeting of the Association shall be held as called by the Project Developer as soon as practicable after the completion of the project and its readiness for occupancy, and in any case not later than 180 days after recordation of the first Apartment conveyance provided forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) is not sold at the end of one year from the date of recordation of the first Apartment sold, an annual meeting shall be called if ten percent (10%) of the Apartment Owners so request. At such meeting the Apartment Owners shall elect a Board of Directors to conduct the affairs of the Association until the first annual meeting of the Association. Following the

organizational meeting, annual meetings of the Association shall be held within 120 days following the close of the fiscal year of the Association as fixed by the Board of Directors.

In all other respects, the By-Laws of the Association, as amended, are hereby ratified and confirmed and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The undersigned officers of the Association of Apartment Owners of the Plaza At Century Court, hereby certify that the foregoing amendments were adopted with the written consent of more than sixty-five percent (65%) of the members of the Association of Apartment Owners of the Fairway Gardens.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this 7TH day of JUNE, 1994.

ASSOCIATION OF APARTMENT OWNERS
OF FAIRWAY GARDENS

SHARON A. SUZUKI
PRESIDENT

By Sharon A. Suzuki
Its BOARD PRESIDENT

ROMULO S. AMIAN
SECRETARY

By Romulo S. Amian
Its BOARD SECRETARY

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

On this 20th day of May, 1994,
before me appeared Sharon A. Suzuki, to me personally
known, who, being by me duly sworn, did say that he/she is the
Board President of the ASSOCIATION OF APARTMENT
OWNERS OF FAIRWAY GARDENS, an unincorporated association that has
no corporate seal, and that said instrument was signed and sealed
on 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.

James R.
Notary Public, State of Hawaii

My Commission expires: 10/5/95

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

On this 7th day of June, 1994,
before me appeared RONALD S. ANIAN, to me personally
known, who, being by me duly sworn, did say that he/she is the
SECRETARY of the ASSOCIATION OF APARTMENT
OWNERS OF FAIRWAY GARDENS, an unincorporated association that has
no corporate seal, and that said instrument was signed and sealed
on 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.

Magdalena P. Dominguez
Notary Public, State of Hawaii

My Commission expires: 11/7/94

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
101	281,953	102	228,376
103	405,037	104	392,940
105	228,968	108	347,980
109	228,534	110	402,340
201	406,681	202	264,895
203	401,112	204	433,724
205	418,312	206	349,433
207	351,106	208	322,433
209	346,563	210	223,617
301	291,746	302	313,350
303	320,005	304	408,716
305	227,727	306	339,439
307	405,316	308	419,110
309	228,626	310	421,400
401	227,863	402	413,307
403	364,328	404	227,908
405	377,659	406	314,494
407	423,860	408	408,422
409	366,465	410	227,733
501	247,103	502	433,749
503	283,786	504	413,652
505	228,568	506	418,406
507	380,318	508	267,973
509	353,488	510	315,788
601	315,115	602	384,242
603	279,099	604	318,430
605	353,852	606	278,870
607	325,130	608	276,424
609	335,502	610	330,311
701	227,747	702	228,154
703	227,530	704	256,522

E X H I B I T " A "

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
705	249,875	706	348,950
707	228,085	708	341,906
709	231,783	710	289,451
801	228,240	802	322,101
803	273,808	804	391,558
805	227,751	806	393,057
807	332,983	808	424,066
809	387,699	810	329,739
901	351,640	902	227,754
903	227,755	904	284,293; 284,294
905	271,760	906	324,067
907	227,756	908	390,309
909	337,017	910	378,507
1001	227,759	1002	426,852
1003	337,415	1004	228,118
1005	234,797	1006	369,453
1007	428,480	1008	229,629
1009	366,564	1010	227,763
1101	278,184	1102	341,364
1103	303,291	1104	370,528
1105	267,626	1106	228,084
1107	415,745	1108	368,591
1109	284,217	1110	424,804
1201	351,581	1202	320,193
1203	370,162	1204	418,416
1205	338,398	1206	371,442
1207	370,160	1208	317,768
1209	404,768	1210	314,286
1301	372,880	1302	389,914
1303	229,712	1304	261,706
1305	227,777	1306	332,061

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
1307	389,565	1308	334,991
1309	426,999	1310	394,488
1401	299,425	1402	329,863
1403	417,581	1404	227,821
1405	423,472	1406	292,741
1407	389,022	1408	389,017
1409	424,042	1410	229,822

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/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

REGULAR SYSTEM

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AFTE.....
:KUP () TO:

JOHN A. MORRIS/ij
ASHFORD & WRISTON
P.O. BOX 131
HONOLULU, HAWAII 96810

FIRST RESTATEMENT OF THE BY-LAWS OF THE ASSOCIATION
OF APARTMENT OWNERS OF FAIRWAY GARDENS, INC.

WHEREAS, 5210 LIKINI PARTNERS ("OWNER-DEVELOPER"), a Hawaii limited partnership, was the owner in fee simple of the real property described in Exhibit "A" and the attached certificates of title ("PROPERTY") and converted the property into a 138-unit multi-family condominium dwelling project, with appurtenant improvements ("PROJECT"), in accordance with the plans filed as Condominium File Plan #410, the "CONDOMINIUM MAP", or "PLAN",

WHEREAS, in order to create a condominium project consisting of the land and the improvements situated on it, the Owner-Developer submitted its interest in the Property to the Condominium Property Regime established by the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended,

the ("ACT") by recording a Declaration dated January 28, 1980 as Land Court Document No. 1000625, to create the Project known as FAIRWAY GARDENS, and submitted the Property to the declarations, restrictions and conditions stated in the declaration and in the By-Laws filed with it ("BY-LAWS"), as covenants running with the land for the benefit of, Owner-Developer, its successors and assigns and all subsequent owners and lessees, administrators, successors and assigns. (See Endnote 1)

WHEREAS, Pursuant to Section 514A-82.2, Hawaii Revised Statutes, authorizes the Board of Directors of the Association established by the By-Laws resolved to restate the By-Laws to include any amendments to it and to conform its provisions to the law; and

NOW THEREFORE, the By-Laws are restated as follows:

The following By-Laws shall apply to the above named condominium project (herein called the "Project"), as described in and created by Declaration of Horizontal Property Regime (herein called the "Declaration") to be recorded in the Bureau of Conveyances of the State of Hawaii contemporaneously herewith and of which these By-Laws are a part, and to all present and future owners, tenants and occupants of any apartment of the Project and all other persons who shall at any time use the Project.

ARTICLE I INTRODUCTORY PROVISIONS

Section 1. Definitions. The terms used herein shall have the meanings ascribed to them in Chapter 514A of the Condominium Property Act of the State of Hawaii, the "ACT". except as expressly provided herein to the contrary. (See Endnote 1) The term "common elements" means those elements designated in the

may use any part of the Project in any manner are subject to these By-Laws, the Declarations and the Rules and Regulations. The acceptance of a conveyance or the entering into of a lease or an agreement of sale, or the act occupancy, of an Apartment shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted and ratified, and that the person so accepting, entering, or occupying shall comply with these By-Laws, the Rules and Regulations and provision of the Declaration.

ARTICLE II

MEMBERSHIP IN THE ASSOCIATION

Section 1. Qualifications. All Owners of an Apartment(s) within the Project shall constitute the Association of Apartment Owners. 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, at which time his membership in the Association shall automatically cease, subject to the provision with regard to application of these By-Laws hereinabove set forth.

Section 2. Place of Meeting. Meetings of the Association shall be held at the Project or such other suitable place in the State of Hawaii convenient to the Apartment Owners as may be designated by the Board.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held as called by the Project Developer as soon as practicable after the completion of the Project and its readiness for occupancy, and in any case not later than 180 days after recordation of the first Apartment conveyance provided forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) is not sold at the end of one year from the date of recordation of the

first Apartment sold, an annual meeting shall be called if ten percent (10%) of the Apartment Owners so request. At such meeting the Apartment Owners shall elect a Board of Directors to conduct the affairs of the Association until the first annual meeting of the Association. Following the organizational meeting annual meetings of the Association shall be held within 120 days following the close of the fiscal year of the Association as fixed by the Board of Directors. (See Endnote 2)

Section 4. Regular Meetings. In addition to the annual meeting the Board may by resolution establish regular meetings at semi-annual, quarter-annual, or other regular intervals.

Section 5. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President, or of any one (1) Director or upon the written request of not less than twenty-five percent (25%) of all of the Apartment Owners presented to the Association Secretary.

Section 6. Notice of Meetings. The Secretary shall give written or printed notice of each annual, regular or special meeting to every Apartment Owner according to the Association's record of ownership, at least fourteen (14) days before the date set for such meeting, stating whether it is an annual, regular or special meeting, the authority for the call thereof, the place, day and hour of such meeting, items on the agenda and the purpose therefor, and enclosing a standard proxy form authorized by the Association, if any, in any of the following ways: (1) by delivering it to him personally, or (2) by mailing it, postage prepaid, addressed to him at his address as it appears on the Association's record of ownership. If notice is given pursuant to the provisions of this Section, the failure of any Apartment Owner to receive actual notice of any meeting shall in no way invalidate such 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 to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the

provisions hereof.

Section 7. Quorum. The presence at any meeting in person or by proxy of Owners having one-half ($\frac{1}{2}$) or more of the total authorized votes of all Apartment Owners shall constitute a quorum at all meetings of the Association.

Section 8. Majority Vote. The vote of a majority of Apartment Owners at a meeting at which a quorum shall be present shall be binding upon all Apartment Owners for all purposes except wherein the Declaration or these By-Laws or by law, a higher percentage vote is required. As used in these By-Laws, the terms "majority of Apartment Owners" shall mean those Apartment Owners having more than fifty percent (50%) of the total authorized votes present at any meeting of the Apartment Owners, and any specified percentage of the total votes.

Section 9. Voting.

(a) Except as hereinafter provided voting shall be on a percentage basis, and the percentage of the total vote to which each Apartment is entitled shall be the percentage of the common interests assigned to such Apartment in the Declaration.

(b) If not less than forty-eight (48) hours prior to the time fixed for any meeting of the Association for the election of Directors not less than thirty-three percent (33%) of the Owners shall deliver to the President or Secretary of the Association a request in writing that the election of the Directors to be elected be by cumulative voting, then each Owner shall be entitled to cumulate his votes and may cast for any one or more nominees to the Board of Directors a vote equivalent to the votes which such Owner is entitled to, multiplied by the number of Directors to be elected. Each Owner shall be entitled to cumulate his votes and give all thereof to one nominee or to distribute his votes in such manner as he shall determine among any and all of the nominees, and the nominees receiving the highest number of votes on the foregoing basis, up to the total number of Directors to be elected, shall be deemed elected.

(c) Votes may be cast in person or by proxy by the respective Apartment Owner as shown on the records of ownership of the Association. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the 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, upon request, 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 share of such vote in proportion to his share of ownership in such Apartment.

Section 10. Proxies and Pledges. The authority given by any Apartment Owner to another person to represent him at meetings of the Association shall be in writing, signed by such Owner and delivered to the Secretary, 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 meeting of the Association, the printed names and signatures of the persons giving the proxy, the apartments for which the proxy is given, and the date that the proxy is given. Unless limited by its terms, the proxy shall continue until revoked by writing filed with the Secretary or by the death or incapacity of such Owner, except that a proxy form which accompanies a notice of meeting shall be valid for the meeting to which the notice pertains and its adjournment only. 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 through the Secretary or Manager shall be exercised only as designated in such instrument until the written release or other termination thereof is filed with the Board in like manner. The Owner may designate any person as

proxy and the proxy 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.

All proxy forms, at the minimum, shall contain boxes wherein the owner may indicate that the proxy is given:

- (1) For quorum purposes only;
- (2) To the individual whose name is printed on a line next to this box;
- (3) To the board of directors as a whole and that the vote be made on the basis of the preference of the majority of the board; or
- (4) To those directors present at the meeting and the vote to be shared with each board member receiving an equal percentage.

Neither the Board nor any Director shall use Association funds to solicit proxies; provided that this shall not prevent a Director from exercising his right as an apartment owner under Section 10A.

Nothing in this section shall affect the holder of any proxy under a first mortgage of record encumbering an apartment or under an agreement of sale affecting an apartment. (See Endnote 3)

Section 10A. Solicitation of Proxies. No resident manager, or Managing Agent shall solicit, for use by the manager or Managing Agent, any proxies from any apartment owner, nor shall the resident manager or Managing Agent cast any proxy vote at any Association meeting except for the purpose of establishing a quorum. Any Board of Directors that intends to use Association funds to distribute proxies 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 posted notice a request by any owner for use of Association funds to solicit proxies accompanied by a statement, the Board shall mail to all owners either:

(A) 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

(B) 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 statement shall not exceed one hundred words, indicating the owner's qualifications to serve on the Board and reasons for wanting to receive proxies.

No board of directors shall adopt any rule prohibiting the solicitation of proxies or distribution of materials relating to association matters on the common elements by apartment owners; provided that a board of directors may adopt rules regulating reasonable time, place, and manner of such solicitations or distributions, or both. A board of directors may prohibit commercial solicitations. (See Endnote 4)

Section 11. 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 12. Order of Business. All meetings shall be conducted in accordance with Roberts Rules of Order, or other accepted rules for the conduct of meetings. The order of business at all 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 Board of Directors.
- (f) Report of Committees.
- (g) Election of Members of the Board of Directors (when so required)
- (h) Decision to elect requirement of yearly audit of Association books by a Certified Public Account.

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 not less than three (3) nor more than nine (9) persons, the exact amount thereof which shall be divisible by three to be determined at the organizational meeting, each of whom shall be an Owner or Co-Owner, or vendee under an agreement of sale of record of an Apartment, but who need not be a resident of the Project. In the case of a corporate Owner the member of the Board shall be an officer of the corporation, or in the case of a fiduciary Owner shall be a representative of such fiduciary. The partners in a general partnership and the general partner of a limited partnership shall be deemed Owners of an Apartment for the purpose of qualification as a director. No resident manager shall serve on the Board of Directors. (See Endnote 5)

Section 2. Powers and Duties. The Board of Directors shall have all powers necessary for the administration of the affairs of the Association and may do all such acts and things therefor as are not by law, the Declaration, or by these By-Laws directed to be exercised or done only by the Apartment Owners.

Section 3. Election and Terms. Election of Directors shall be in the manner hereinabove provided. Directors shall hold office for a period of three (3) years and until their respective successors have been elected, subject to removal as herein

provided, except that at the first annual meeting one-third (1/3) of the Directors shall be elected for one (1) year, one-third (1/3) for two (2) years, and one-third (1/3) for three (3) years. Elections shall be by secret ballot and the Director(s) receiving the greatest number of votes shall be elected for a term of three (3) years; the Director(s) receiving the next largest number of votes shall be elected for a term of two (2) years and the Director(s) receiving the least number of votes shall be elected for a term of one (1) year.

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. Death, incapacity or resignation of any Director, or his continuous absence from the State of Hawaii for more than six (6) months, or his ceasing to be an Owner or Co-Owner of an Apartment, shall cause his office to become vacant.

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 Apartment Owners and a successor shall then and there be elected to fill the vacancy thus created, provided that no Director may be removed if the votes cast against his removal would be sufficient to elect him if cumulatively voted at an annual election of Directors. Such removal and replacement shall be in accordance with all applicable requirements and procedures in these By-Laws for the removal and replacement of Directors, including, but not limited to, any provisions relating to cumulative voting. If such removal and replacement is to occur at a special Association meeting, the call for such meeting shall be by the President or by a petition to the Secretary or Managing Agent signed by not less than twenty-five per cent of the apartment owners as shown in the Association's record of ownership; and provided further that

if the Secretary or Managing Agent shall fail to send out the notices for the special meeting within fourteen days of receipt of the petition, then the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices for the special meeting in accordance with the requirements of these By-Laws. Except as otherwise provided herein, such meeting for the removal and replacement from office of directors shall be scheduled, noticed, and conducted in accordance with these By-Laws. Any Director whose removal has been proposed by the Apartment Owners shall be given an opportunity to be heard at such meeting. Unexcused absence from three consecutive regular or special meetings of the Board of Directors shall be grounds for removal of that Director by a majority vote of the remaining members of the Board, in which event, at the meeting at which such Director is removed a successor shall be elected by the Board to serve the unexpired term of the Director so removed. (See Endnote 6)

Section 6. Annual Meetings. An organizational meeting of the Board of Directors shall be held at the place of and immediately following each annual meeting of the Association. Notice of the meeting of the Board of Directors shall be given in a reasonable manner at least fourteen days, if practicable, prior to such meeting. 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 Directors, but at least one (1) such meetings 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 one (1) day 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 eight (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 (2) Directors.

Section 8A. Owner Attendance at Board Meetings. (a) All meetings of the Board of Directors, other than executive sessions, shall be open to all members of the Association, and Association members who are not on the Board of Directors may participate in any deliberation or discussion, other than executive sessions, unless a majority of a quorum of the Board of Directors votes otherwise.

(b) The Board of Directors, with the approval of a majority of a quorum of its members, may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters or litigation in which the Association is or may become involved. The nature of any and all business to be considered in executive session shall first be announced in open session. (See Endnote 7)

Section 8B. Meeting minutes. (a) Minutes of meetings of the Board of Directors and Association shall include the recorded vote of each Board member on all motions except motions voted on in executive session.

(b) Minutes of meetings of the board of directors and association of apartment owners shall be approved at the next succeeding meeting; provided that for board of directors meetings, no later than the second succeeding meeting.

(c) Minutes of all meetings shall be available within seven calendar days after approval and unapproved final drafts of the minutes of a meeting shall be available within sixty days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session. (See Endnote 8)

Section 8C. 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. (See Endnote 9)

Section 9. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all members of the Board are present at any meeting of the Board no notice 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 votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, 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 originally called may be transacted without further notice. A Director shall not vote or cast proxy at any Board meeting on any issue in which he has a conflict of interest. All meetings shall be conducted in accordance with Roberts Rules of Order, or other accepted rules for the conduct of meetings.

Section 11. In compliance with Sections 514A-95 and 514A-95.1 of the condominium law, the Board of Directors shall require that all directors, officers, employees and agents of the Association handling or responsible for funds belonging to or administered by the Association furnish adequate fidelity bonds in favor of the Association. The premiums on such bonds shall be paid by the Association. Such bonds shall in no event be in an amount less than 1-1/2 times the Association's estimated annual operating expenses and reserves and every such bond shall: (See Endnote 10)

(a) Provide that the bond may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days' prior written notice to the Board, every first mortgagee and every other person in interest who shall have requested such notice; and

(b) Contain a waiver of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 12. Compensation. No Director shall receive any compensation for acting as a Director unless set by the Owners at any special or annual meeting of the Association. Directors shall not expend Association funds for their travel, Directors' fees, and per diem, unless owners are informed and a majority approve of these expenses. (See Endnote 11)

Section 13. Documents Provided to Board. Each Board member will be supplied with a current version of Chapter 514A, Hawaii Revised Statutes, the Declaration and the By-Laws for the project at Association expense. (See Endnote 12)

Section 14. Duty of Directors. Each Director shall owe the Association a fiduciary duty in the performance of the Director's responsibilities. (See Endnote 13)

Section 15. Educational Expenses. The Directors may expend association funds, which shall not be deemed to be compensation to the Directors, to educate and train themselves in subject areas directly related to their duties and responsibilities as Directors; provided that the approved annual operating budget include these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for economy travel expenses within the State, all other travel expenses incurred under this section shall be subject to the requirements of Section 514A-82(b)(10), Hawaii Revised Statutes and Section 12 of this article. (See Endnote 14)

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 from the Board of Directors. Any two offices except that of the President may be combined. The Board may also 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. (See Endnote 15)

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

Section 3. Removal. Any officer may be removed either with or without cause by vote of a majority of the members of the Board, 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 the 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 maintain and keep the financial records and books of account of the Association, prepare regular reports thereof and be responsible for the proper deposit and custody in the name of the Association of all its funds and securities.

Section 8. Auditor. The Association shall annually appoint as auditor a certified public accountant or an accounting firm with certified public accountants to audit the books and financial records of the Association as required by law or directed additionally by the Board of Directors. The person so appointed or so serving shall not be an officer of the Association nor own any interest in any Apartment. The Association shall provide owners with a copy of the annual audit report as required by Section 514A-96, HRS. (See Endnote 16)

Section 9. Execution of Agreements, Contracts, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two of the President, Vice-President, Secretary/Treasurer or by such other person or persons as may be designated by the Board.

Section 10. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V ADMINISTRATION

Section 1. Management. The Board of Directors shall at all times manage and operate the Project and have such powers and duties as may be necessary

or property therefor including without limitation:

(a) Supervision of its immediate management and operation;

(b) Maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto;

(c) Purchase, maintenance and replacement of any equipment and provision of all water and utility services required for the common elements;

(d) Provision at each Apartment of all water, sewer, electricity and such other utility services and utilities as the Board shall deem necessary either at the expense of such Apartment or as a common expense as determined by the Board;

(e) Employment, supervision and dismissal of such personnel as may be necessary for the maintenance, repair, replacement, and operation of the Project; provided the Association's employees shall not engage in selling or renting apartments in the project except Association-owned units, unless such activity is approved by an affirmative vote of sixty-five per cent of the Association members; (See Endnote 17)

(f) Preparation at least sixty (60) days before each fiscal year of a proposed budget and schedule of assessments for such year, subject to the requirements of Section 1A of this Article; (See Endnote 18)

(g) Collection of all installments of assessments levied and payment of all common expenses authorized by the Board;

(h) Purchase and maintenance in effect of all policies of hazard and liability insurance for the Project required by the Declaration and Chapter 514A, Hawaii Revised Statutes, and such other insurance and bonds as may be required or authorized by the Declaration or the Board; (See Endnote 19)

(i) Custody and control of all funds of the Association, maintenance of full and accurate books of account and records of such funds and preparation of regular financial reports thereof; and

(j) Notification of all persons having any interest in any Apartment according to the Association's record of ownership of delinquency exceeding sixty (60) days in the payment of any assessment against such Apartment.

(k) Notification in writing of all institutional holders of first mortgages on apartments, as shown in the Association's record of ownership or of which the Secretary of the Association has been given written notice, of any loss to, or taking of, the common elements of the Project if such loss or taking exceeds TEN THOUSAND DOLLARS (\$10,000.00);

(l) Notification in writing to the institutional holder of the first mortgage on any Apartment as shown in the Association's record of ownership or of which the Secretary of the Association has been given written notice, of any loss to such Apartment which exceeds ONE THOUSAND DOLLARS (\$1,000.00).

Section 1 A. Budgets and Reserves.

(a) The Board of Directors shall prepare and adopt an annual operating budget and distribute it to the apartment. 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 accrual 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; and

(7) Information as to whether the amount the association must collect for the fiscal year to fund the estimated replacement reserves was calculated using a per cent funded or cash flow plan. The method or plan shall not circumvent the estimated replacement reserves amount determined by the reserve study pursuant to paragraph (4).

(b) The association shall assess the apartment owners to either fund a minimum of fifty per cent of the estimated replacement reserves or fund one hundred per cent of the estimated replacement reserves when using a cash flow plan. For each fiscal year, the association shall collect the amount assessed to fund the estimated replacement reserves for that fiscal year reserves, as determined by the association's plan except that the Association may follow rules adopted by the Real Estate Commission to permit an association to fund in increments, over three years, estimated replacement reserves which have been substantially depleted by an emergency.

(c) The Association shall compute the estimated replacement reserves by a formula which is based on the estimated life and the estimated capital expenditure or major maintenance required for each part of the property. The estimated replacement reserves shall include:

- (1) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and
- (2) Separate, designated reserves for each part of the property for which capital expenditures or major maintenance will exceed \$10,000. Parts of the property for which capital expenditures or major maintenance will not exceed \$10,000 may be aggregated in a single designated reserve.

(d) Neither the Association nor an apartment owner, director, officer, managing agent, or employee of the Association who makes a good faith effort

to calculate the estimated replacement reserves for the Association shall be liable if the estimate subsequently proves incorrect.

(e) At the request of the Real Estate Commission, the Association shall provide a copy of the annual operating budget of the Association as part of the Association's registration with the commission under Section 514A-95.1, Hawaii Revised Statutes.

(f) The Board may not exceed its total adopted annual operating budget by more than twenty per cent during the fiscal year to which the budget relates, except in emergency situations. Prior to the imposition or collection of an assessment under this paragraph, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Owners with the notice of assessment.

(g) The requirements of this section shall override any requirements in the Association's Declaration, By-Laws, or any other Association documents relating to preparation of budgets, calculation of reserve requirements, assessment and funding of reserves, with the exception of:

- (1) Any provisions relating to the repair and maintenance of property,
- (2) Any requirements in the Association's Declaration, By-Laws, or any other Association documents which require the Association to collect more than fifty per cent of reserve requirements; or
- (3) Any provisions relating to upgrading the common elements, such as additions, improvements, and alterations to the common elements.

(h) Subject to the procedures of Section 514A-94, Hawaii Revised Statutes, and any rules adopted by the Real Estate Commission, if the Board fails to comply with this section, any apartment owner may enforce compliance by the Board. In any proceeding to enforce compliance, if the Board has not prepared an annual

operating budget and reserve study, the Board shall have the burden of proving it has complied with this section.

(i) As used in this section:

"Capital expenditure" means an expense which results from the purchase or replacement of an asset whose life is greater than one year, or the addition of an asset which extends the life of an existing asset for a period greater than one year.

"Cash flow plan" means a minimum twenty-year projection of an association's future income and expense requirements to fund fully its replacement reserves requirements each year during that twenty-year period, except in an emergency; provided that it does not include a projection of special assessments or loans during that twenty-year period, except in an emergency.

"Emergency situation" means extraordinary expenses:

- (1) Required by an order of a court;
- (2) Necessary to repair or maintain any part of the property for which the Association is responsible where a threat to personal safety on the property is discovered;
- (3) Necessary to repair any part of the property for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget; or
- (4) Necessary to respond to any legal or administrative proceeding brought against the Association that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget.
- (5) Necessary for the Association to obtain adequate insurance for the property which the Association must insure.

"Major maintenance" means an expenditure for maintenance or repair which will result in extending the life of an asset for a period greater than one year.

"Replacement reserves" means funds for the upkeep, repair, or replacement of those parts of the property including, but not limited to roofs, walls, decks, paving, and equipment, which the Association is obligated to maintain. (See Endnote 20)

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible Hawaii managing agent, who meets all of the requirements of Section 514A-95, Hawaii Revised Statutes, to manage and control the Project subject at all times to direction by the Board, with all of the administrative functions set forth specifically in the preceding section 1 and such other powers and duties and at such compensation as the Board may establish from time to time. Any decision by the Association to terminate the professional management of the Project and to undertake self-management of the Project may not be effected without the prior written consent of at least seventy-five percent (75%) of the institutional holders of first mortgages on the Apartments (based upon one vote for each first mortgage owned). Every such employment contract shall provide: (a) that it may be terminated by the Board of Directors with or without cause on no more than ninety (90) days' written notice; (b) that in no event shall a termination fee be due or owing the managing agent; and, (c) in no event may such employment contract be for a fixed term exceeding one (1) year. The managing agent employed or retained by the Association shall at all times provide evidence of a fidelity bond in the minimum amount of \$25,000.00. (See Endnote 21)

Section 3. Representation. The President or Secretary, 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 proceedings, without prejudice to the rights of any Apartment Owners, individually to appear, sue or be sued. Service of process on two (2) or more Apartment Owners in any such action, suit or proceeding may be made on the President or Secretary or as otherwise permitted in the Declaration.

ARTICLE VI
OBLIGATIONS OF APARTMENT OWNERS

Section 1. Assessments for Common Expense. The Owner of each Apartment shall be liable for and pay a share of the common expenses in proportion to his interest in the common elements appurtenant to his Apartment. Common expenses shall include all charges, costs and expenses whatsoever incurred by the Association for and in connection with the administration and operation of the Project, including without limitation all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on each Apartment and the percentage interest in the common elements appertaining thereto or the personal property or any other interest of the Owner), assessments, insurance, including fire and other casualty and liability insurance, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any fire, accident or nuisance thereon, cost of repair, re-instatement, rebuilding and replacement of the premises, yard, janitorial, and other similar services, wages, accounting and legal fees, management fees, if any, and other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common elements, including limited common elements, and the costs of all utility services, including water, electricity, gas, garbage disposal, and any other similar services unless separately metered or

otherwise separately attributable to any Apartment or group of Apartments in which case the amounts charged or attributed to each Apartment or group of Apartments as determined by the Board with the advice of the Accountant shall be payable by the Owner of such Apartment or Apartments. The common expenses may also include such amounts as the Board may deem proper to make up any deficit in the common expenses for any prior year. The common expenses may also include such amount as may be required for the purchase or lease of any Apartment by the Board or its designee, corporate or otherwise, on behalf of the Association as permitted under Hawaii law or these By-Laws. Payment of the common expenses shall be made to the Board as agent of the Owners of the Apartments, and the Board shall transmit said payments on behalf of each such Owner to the third person entitled to said payments from each Owner, PROVIDED, HOWEVER, that the Board may not purchase an Apartment and hold the same or lease an Apartment for a period in excess of one (1) year without obtaining the approval of the Owners of at least seventy-five percent (75%) of the Apartments.

Section 1A. Owners May Not Withhold Assessments.

(a) No Apartment Owner shall withhold any assessment claimed by the Association. An Apartment Owner who disputes the amount of an assessment may request a written statement clearly indicating:

- (1) The amount of common expenses included in the assessment, including the due date of each amount claimed;
- (2) The amount of any penalty, late fee, lien filing fee, and any other charge included in the assessment;
- (3) The amount of attorneys' fees and costs, if any, included in the assessment;
- (4) That under Hawaii law, an Apartment Owner has no right to withhold assessments for any reason;
- (5) That an Apartment Owner has a right to demand mediation or

arbitration to resolve disputes about the amount or validity of an Association's assessment, provided the Apartment Owner immediately pays the assessment in full and keeps assessments current; and

- (6) That payment in full of the assessment does not prevent the Owner from contesting the assessment or receiving a refund of amounts not owed.

Nothing in this section shall limit the rights of an Owner to the protection of all fair debt collection procedures mandated under federal and state law.

(b) An Apartment Owner who pays an Association the full amount claimed by the Association may file in small claims court or require the Association to mediate to resolve any disputes concerning the amount or validity of the Association's claim. If the Apartment Owner and the Association are unable to resolve the dispute through mediation, either party may file for arbitration under Part VII of Chapter 514A, Hawaii Revised Statutes; provided that an Apartment Owner may only file for arbitration if all amounts claimed by the Association are paid in full on or before the date of filing. If the Apartment Owner fails to keep all Association assessments current during the arbitration, the Association may ask the arbitrator to temporarily suspend the arbitration proceedings. If the Apartment Owner pays all Association assessments within thirty days of the date of suspension, the Apartment Owner may ask the arbitrator to recommence the arbitration proceedings. If the owner fails to pay all Association assessments by the end of the thirty day period, the Association may ask the arbitrator to dismiss the arbitration proceedings. The Apartment Owner shall be entitled to a refund of any amounts paid to the Association which are not owed. (See Endnote 22)

Section 2. Payment as Agent. The Board will pay or cause to be paid on behalf of the Owners, all common expenses. The Board, on behalf of all Owners, will maintain or cause to be maintained separate books of account of common

expenses in accordance with recognized accounting practices and will have such books of account available for inspection by each Owner or his authorized representative at reasonable business hours. The Board will annually render or cause to be rendered a statement to each Owner of all receipts and disbursements during the preceding year, which statement shall be certified by the Auditor. Each Owner, or principal, shall be liable for and pay his share, determined as aforesaid, of all common expenses and the Board shall be responsible, as agent for each Owner, only to transmit the payments made by the Owner to third persons to whom such payments would otherwise be made by the Owner. The Board collecting the common expenses shall not be liable for payment of said common expenses as a principal but only as the agent of all Owners to transmit said payments to third person to whom such payments would otherwise be made by the Owner.

Section 3. Taxes and Assessments. Each Owner of an Apartment shall be obligated to have the real property taxes for his own Apartment and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of all such real property taxes so determined. The foregoing shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each Apartment and a percentage interest in the common elements appertaining thereto, or the personal property or other interest of the Owner. Each Owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each Owner shall be obligated to pay to the Board his proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire premises or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire

premises or any part of the common elements, the Board may pay such taxes or assessments and shall assess the same to the Owners in their proportionate share as determined by the Board. Such assessments by the Board shall be secured by lien created in the manner herein specified.

Section 4. Default in Payment of Assessments. Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed. If the Owner shall fail to pay his assessment when due he may be assessed an additional assessment not to exceed ten dollars (\$10.00) for each such default. All delinquent assessments shall bear interest at the rate of one percent (1%) per month from the due date of such assessment. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Board may enforce each such obligation as follows:

(a) By suit or suits of law to enforce each assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special meeting thereof. Each such action shall be brought in the name of the Board and the Board shall be deemed to be acting on behalf of all Owners. Any judgment rendered in any such action shall include, where permissible under law, a sum for reasonable attorney's fees in such amount as the court may adjudge against such defaulting Owner. Upon full satisfaction of any such judgment, it shall be the duty of the Board to cause to be executed and delivered to the judgment debtor an appropriate satisfaction of such judgment.

(b) At any time within ninety (90) days after the occurrence of any such default, the Board (acting upon the authorization of a majority thereof at any regular or special meeting) may give a notice to the defaulting Owner with copy to the Mortgagee of such Owner, if such Mortgagee has furnished its name and address to the Board, which said notice shall state the date of the delinquency, the amount of the delinquency and make a demand for payment thereof. If such

delinquency is not paid within ten (10) days after delivery of such notice, the Board may elect to file a claim of lien against the Apartment of such delinquent Owner. Such claim of lien shall state (1) the name of the delinquent Owner or reputed Owner, (2) a description of the Apartment against which claim of lien is made, (3) the amount claimed to be due and owing less any offsets allowed, (4) that the claim of lien is made by the Board pursuant to the terms of these By-Laws and of Chapter 514A, Hawaii Revised Statutes, as amended, and (5) that a lien is claimed against said described Apartment in an amount equal to the amount of the stated delinquency. Any such claim of lien shall be signed and acknowledged by the President and/or the Secretary of the Board and shall be dated as of the date of execution. Upon recordation of a duly executed original or copy of such claim of lien with the Bureau of Conveyances of the State of Hawaii the Board shall thereafter have all remedies provided by Section 514A-90, Hawaii Revised Statutes, as amended. Each default shall constitute a separate basis for a claim of lien or a lien. The Association, through the Board, may enforce a lien created pursuant to Section 514A-90, HRS, in any manner permitted by law, including non-judicial or power of sale foreclosure procedures authorized by Chapter 667, HRS, as amended. In the event the foreclosure is under power of sale, the Board or any person designated by it in writing, shall be entitled to actual expenses and such fees as may be allowed by law. The certificate of sale shall be executed and acknowledged by the President and Secretary of the Board or by the person conducting the sale. (See Endnote 23)

(c) For the purposes of this section, a certificate executed and acknowledged in the manner hereinabove provided under penalty of perjury shall be conclusive upon the Board and the Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any Owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his Apartment (or the fact that all assessments due are

paid if such is the case) within fifteen (15) days after demand therefor. In the event any claims of lien have been recorded and thereafter the Board shall receive payment in full of the amount claimed to be due and owing them, upon demand of the Owner or his successor and payment of a reasonable fee, not to exceed ten dollars (\$10.00), the Board shall execute and acknowledge, in the manner provided above, a release of lien, stating the date of the original claim of lien, the amount claimed, the date, the book and page number of the claim of lien as recorded in the Office of the Bureau of Conveyances of the State of Hawaii, the fact that the lien has been fully satisfied, and that the particular lien is released and discharged, such release of lien to be delivered to the Owner or his successor.

Section 5. Collection from Tenant. If any 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 continues, demand and receive from any tenant or lessee, hereinafter the "LESSEE", of the Owner occupying the Apartment, the rent due or becoming due from such Lessee to the Owner up to an amount sufficient to pay all sums due from the Owner, including interest, if any, and any such payment of rent to the Board by the Lessee shall be sufficient discharge of such rent as between the Lessee and the 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 a consent to or approval of any lease by the Owner or a release or discharge of any of the obligations of the Owner hereunder or an acknowledgment of any rights or duties hereunder. In the event that the Board makes demand upon the Lessee as aforesaid the Lessee shall be obligated to make the said payments to the Board as demanded, PROVIDED, HOWEVER, the Board may not exercise this right in the event a receiver has been appointed to take charge of the premises pending a mortgage foreclosure, or if a mortgagee is in possession pending such foreclosure. (See Endnote 24)

Section 6. Waiver. The failure of the Board to insist in any one or more instances upon a strict performance or compliance with any of the covenants hereunder to be kept and performed by the Owner, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or summary proceeding, shall not be construed as a waiver, or a relinquishment of the future right to enforce such covenant, option, right, or remedy, and such covenant, option, right, or remedy shall continue and remain in full force and effect at all times. The receipt by the Board of any sum paid by any Owner hereunder, with or without knowledge of the Board of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver, express or implied by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the President or Secretary of the Board pursuant to authority contained in the resolution of the Board.

Section 7. Maintenance of Apartments. All maintenance and repairs to any Apartment shall be made by the Owners of such Apartment. An Apartment Owner shall not use the same for any purpose which will injure the reputation of the building or premises. Such Owner shall not suffer anything to be done or kept in the Apartment or elsewhere on the premises which will jeopardize the soundness of the building or premises, or which will interfere with or unreasonably disturb the rights of other Owners, or which will obstruct access and ingress to and from the building, parking lot, and appurtenant structures, or which will increase the rate of fire insurance on the building or the contents thereof or which will reduce the value of the premises. An Apartment Owner shall not do any work which will jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament, nor may any Apartment Owner add any material structure or excavate any additional basement or cellar without in every such case the unanimous consent of all the other Apartment Owners being first obtained; PROVIDED, HOWEVER, that additions to or alterations of an Apartment made within

such Apartment or within a limited common element appurtenant to and for the exclusive use of such Apartment shall require approval only by the Board. It is intended that the exterior of the building shall present a uniform appearance and to effect that end the Board may control and regulate the painting, decoration, or otherwise improving of visible exterior surfaces.

Section 8. Use of Project.

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

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

(c) Every Apartment Owner and occupant shall at all times keep his Apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

(d) 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 nor alter or remove any furniture, furnishings or equipment of the common elements.

(e) Except as otherwise provided in Article VIII, Section 17 of these by-laws, no Apartment Owner or occupant shall erect or place in the Project any building or structure including fences and walls, nor make any additions or alterations to any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications including detailed plot plan, prepared by a licensed architect if so required by the Board and approved by the Board and a majority of Apartment Owners (or such larger percentage required by law or the Declaration) including

all Owners of Apartments thereby directly affected. (See Endnote 25)

(f) No Apartment Owner shall decorate or landscape any entrance, hallways, planting area or lanai appurtenant to his Apartment except in accordance with standards therefore established by the Board of Directors or specific plans approved in writing by the Board.

(g) All occupants shall avoid making noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other occupants.

(h) No garments, rugs, or other objects shall be hung from the windows or facades of the Project or otherwise displayed in public view.

(i) No rugs or other objects shall be dusted or shaken from the windows or doors of any Apartment or cleaned by beating or sweeping on any walkways, patios, entries or other exterior part of the Project.

(j) No refuse, garbage 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.

(k) Except as otherwise provided in Article VIII, Section 17 no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, cats and other 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 purpose, nor allowed on any common elements except in transit when carried or on a 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. (See Endnote 26)

(l) Except as otherwise provided in Article VIII, Section 17 of these by-laws no Apartment Owner or occupant shall without the written approval of the

Board of Directors install any wiring for electrical or telephone installations, machines or airconditioning units, or other equipment or appurtenances whatsoever on the exterior of any building of the Project or protruding through the walls, windows or roof thereof. (See Endnote 27)

(m) No Apartment Owner or occupant shall erect, place or maintain any television or other antennas on the Project visible from any point outside of his apartment, except such make of antennas as shall be approved by and erected under the supervision of the Board. (See Endnote 28)

(n) 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.

Section 9. House Rules. The Board of Directors upon giving 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, amend or repeal any supplemental rules and regulations governing details of the operation and use of the common elements not inconsistent with any provision of law, the Declaration or these By-Laws.

Section 10. Expenses of Enforcement. Every Apartment Owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments against such Apartment, foreclosing its lien therefore or enforcing any provisions of the Condominium Property Act, Declaration or these By-Laws against such Owner or any occupant of such Apartment, a tenant or employee of an owner, or any other person who may in any manner use the property; provided that if the claims upon which the Association takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees,

incurred by any such person or persons as a result of the action of the Association, shall be promptly paid on demand to such person or persons by the Association.

(b) If any claim by an owner is substantiated in any action against the Association, any of its officers or Directors, or its Board of Directors to enforce any provision of the Declaration, these By-Laws, the House Rules, or Chapter 514A, then all reasonable and necessary expenses, costs and attorneys' fees incurred by an owner shall be awarded to such owner; provided that no such award shall be made in any derivative action unless:

(1) The owner first shall have demanded and allowed reasonable time for the Board of Directors to pursue such enforcement; or,

(2) The owner demonstrates to the satisfaction of the court that a demand for enforcement made to the Board of Directors would have been fruitless.

If any claim by an owner is not substantiated in any court action against an Association, any of its officers or Directors, or its Board of Directors to enforce any provision of the Declaration, these by-laws, the House Rules, or Chapter 514A, then all reasonable and necessary expenses, costs, and attorneys' fees incurred by the Association shall be awarded to the Association, unless the action was filed in small claims court or prior to filing the action in a higher court the owner has first submitted the claim to mediation, or to arbitration under part VII of Chapter 514A, and made a good faith effort to resolve the dispute under any of those procedures. (See Endnote 29)

Section 11. Record of Ownership. Every Apartment Owner shall promptly cause to be duly recorded or filed of record the deed, lease, assignment or other conveyance to him of such Apartment or other evidence of his title thereto and shall file such lease with and present such other evidence of his title to the Board of Directors through the managing agent, and the Secretary shall maintain all such information in the record of ownership of the Association. The Board of Directors, through the Secretary, shall keep an accurate and current list of members of the

Association and their current addresses and the names and addresses of the vendees under agreements of sale of apartments, if any, at a place designated by the Board.

Section 12. Assessments. All assessments paid by members of the Association, or any portion thereof used or to be used by the Association, or any portion thereof used or to be used by the Association for capital improvements or any other capital expenditure shall not be treated as income to the Association but as capital contributions by members of the Association and shall be credited by the Association as paid in surplus.

ARTICLE VII

MORTGAGES

Section 1. Notice to Board of Directors. An Apartment Owner who mortgages any interest his apartment shall notify the Association through the Managing Agent or Secretary of the name and address of his mortgagee and within ten (10) days after the execution of the same shall file a conformed copy of such mortgage with the Association; the Association shall maintain such information in a book entitled "Mortgages of Apartments".

Section 2. Notice of Unpaid Common Expenses. The Association whenever so requested in writing by an apartment owner or any mortgagee of any interest of an Apartment shall promptly report to such person any then unpaid assessments for common expenses due from the Apartment Owner involved.

Section 3. Notice of Default. The Board, when giving notice to an Apartment Owner of default in paying common expenses or other default, shall send a copy of such notice to each holder or a mortgage covering such apartment or interest therein his name and address as theretofore furnished to the Association. In each and every case where the mortgagee has submitted a request, the Association shall notify the mortgagee of any unpaid assessment which is 30 days or more

delinquent.

Section 4. Examination of Books. Each Apartment Owner and each mortgagee shall be permitted to examine the books and records of the Association or the Project at reasonable times on business days, and each mortgagee shall have the right to require the submission of annual reports and other financial data.

Section 5. Mortgage Protection. Notwithstanding any provision to the contrary in these By-Laws:

(a) Any first mortgagee who obtains title to an Apartment pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed in lieu of foreclosure, will not be liable for such Apartment's unpaid dues or charges which accrue prior to the date of acquisition of title to such Apartment by the mortgagee or acquirer pursuant to foreclosures of the mortgagor or deed in lieu of foreclosure.

(b) All taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the State of Hawaii shall relate only to the individual Apartments and not the condominium Project as a whole.

(c) The Declaration and By-Laws shall not give an Apartment Owner or any other party priority over any rights of the first mortgagees of Apartments pursuant to their mortgages in the case of a distribution to the Apartment Owners of insurance proceeds or condemnation awards for losses to or a taking of the Apartments, common elements or both.

(d) Notwithstanding any of the provisions of these By-Laws, no amendment of this section shall affect the rights of the holder of any mortgage who has notified the Association of its interest unless such mortgagee consents to the filing of such amendment.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Rules and Regulations. Each owner recognizes the right of the

Board from time to time to establish and amend such uniform rules and regulations (herein referred to as House-Rules) as the Board may deem necessary for the management and control of the apartments and the common elements and the limited common elements and each owner agrees that his rights under this instrument shall be in all respects subject to the appropriate rules and regulations which shall be taken to be a part hereof; and each owner agrees to obey all such rules and regulations as the same now are or may from time to time be amended, and to see that the same are faithfully observed by his invitees, guests, employees and sub-lessees. Such rules and regulations shall uniformly apply to and be binding upon all occupants of an Apartment.

The Board in its discretion shall be authorized to provide for a system of specific fines and penalties for the violation by any owner of the provisions of these By-Laws, the Declaration and the House Rules. Upon the vote or written consent of a majority of the Directors such fines and penalties shall be binding on all owners and shall be enforceable by the Board as a special assessment. Such a remedy shall have such other remedies as are provided for by applicable law, these By-Laws, the Declaration and the House Rules. Any House Rules on fines and penalties promulgated pursuant to this Section shall provide for the following:

(1) A written notice of the violations and fine assessed shall be provided to the owner(s) against whom such assessments are made. Such notice shall include the date, approximate time (if applicable), description of the violation and amount of the fine assessed;

(2) A procedure for the owner to appeal any fine or penalty imposed by giving written notice to the Board within 30 days of the notice; and,

(3) A Panel of at least three (3) persons (one of whom shall be designated as chairman), who may or may not be owners, who shall hear the appeal on the fines and charges and evaluate the evidence on the violation. A written decision shall be rendered by the Panel within thirty (30) days of the hearing.
(See Endnote 30)

Section 2. Abatement and Enjoinment Violations by Apartment Owners. The violation of any rule or regulation adopted by the Board, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other right set forth in these By-Laws:

(a) To enter the Apartment in which, or as to which, such violation or breach exists and to summarily abate and remove at the expense of the defaulting Apartment Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and all costs thereof, including reasonable attorneys' fees, shall be assessed against the defaulting Apartment Owners.

Section 3. Maintenance and Repair of Common Elements. All maintenance, repair and replacement to the common elements, whether located inside or outside of an Apartment shall be made by the Board and shall be charged to all the Owners as a common expense unless otherwise provided in the Declarations or by law, unless necessitated by the negligence, misuse, or neglect of an Apartment Owner, or his invitee, guest, employee, tenants, or lessee in which latter incident the cost and expense of the repair shall be chargeable to the Apartment Owner.

Section 4. Right of Access. An Apartment Owner shall grant a right of access to his Apartment to any person authorized by the Board, or the project manager, if any, for the purpose of making inspections or for the purpose of correcting any condition originating in his Apartment and threatening any other Apartment or common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his Apartment, or elsewhere in the buildings, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be deemed granted, to

be effective immediately, whether the Owner is present at the time or not.

Section 5. Owners May Incorporate. All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a non-profit corporation formed pursuant to the laws of the State of Hawaii for the purposes herein set forth. Said corporation shall be formed upon the written approval of a majority of the Apartment Owners. Formation of such corporation however shall in no way alter the terms, covenants and conditions set forth herein and the Articles of Incorporation and By-Laws of said corporation shall be subordinated hereto and controlled hereby. Any action taken by said corporation which said action is in violation of the Declarations, or these By-Laws shall be void and of no force and effect whatsoever.

Section 6. Indemnification of Officers, Directors, and Employees. The members of the Board of Directors, the Association Officers, and Association employees shall not be liable to the Apartment Owners for any mistake of judgment or otherwise except for their own individual gross negligence or willful misconduct. The Association shall indemnify and hold harmless each Director, Officer and employee of the Association against all costs, expenses and liabilities including the amounts of judgment, amounts paid in compromise settlements, and amounts paid for services of counsel, and other related expenses which may be incurred by or imposed upon him in connection with any claim, action, suit, proceeding investigation or inquiry hereafter made, instituted, or threatened in which he may be involved as a party or otherwise by reason of his being or having been a Director, Officer or employee, or by reason of any action taken or authorized or approved by him or any omission to act as such Director, Officer, or employee, whether or not he continues to be a Director, Officer or employee at the time of the incurring or imposition of such costs, expenses or liabilities, except that such costs, expenses or liabilities as shall relate to matters as to which he is liable by reason of his gross negligence or willful misconduct toward the Association in the performance of his duties as such Director, Officer, or employee. As to whether or not a Director, Officer, or employee was liable by reason of gross negligence or

willful misconduct toward the Association in the performance in his duties as such, in the absence of a final adjudication of the existence of such liability, the Board and each Director and Officer thereof may conclusively rely upon an opinion of legal counsel selected by the Board. The foregoing right of indemnification shall not be exclusive of other rights to which any said Director, Officer or employee may be entitled as a matter of law, or otherwise, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, and assigns of each such Director, Officer and employee.

Section 7. Minutes of Association and Board Meetings. The minutes of all meetings of the Board of Directors and the Association of Apartment Owners shall be available for examination by the Apartment Owners at convenient hours at a place to be designated by the Board.

Section 8. Subordination. These By-Laws are subordinate and subject to all provisions of the Declaration, and any amendments thereto, and the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as from time to time amended, which shall control in case of any conflict. Unless the context otherwise requires, all terms herein shall have the same meaning as in the Declaration or Condominium Property Act.

Section 9. Notices. All notices hereunder shall be sent by registered or certified mail to the Board in care of the Manager, or if there be no Manager, to the office of the Board, or to such other address as the Board may hereafter designate from time to time by notice in writing given to the Board. All notices shall be deemed to have been given when mailed, except notices of changes of address which shall be deemed to have been given when received.

Section 10. Interpretation. The provisions of these By-Laws shall be liberally construed to effectuate the purpose of creating a uniform condominium complex whereby the Association shall carry out and pay for the operation and maintenance of the Project as mutually beneficial and efficient establishment. In case any provision hereof 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 Apartment Owners.

Section 11. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions hereof.

Section 12. Gender. The use of any gender in these By-Laws shall be deemed to include either or both of the other genders, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 13. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 14. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law or the Declaration by vote or by the written consent of not less than sixty-five percent (65%) of the Apartment Owners at any meeting of the Association duly called for that purpose, such amendment to be effective only upon the recording of an amendment to the By-Laws; and further provided that any proposed By-Laws with the rationale for the proposal may be submitted by the Board of Directors or by a volunteer Apartment Owners' committee. If submitted by that committee, it shall be accompanied by a petition signed by not less than twenty-five per cent of the Apartment Owners as shown in the Association's record of ownership. The proposed By-Laws, rationale, and ballots for voting on any proposed By-Law shall be mailed by the Board of Directors to the Owners at the expense of the Association for vote or written consent without change within thirty days of the receipt of the petition by the Board of Directors. The vote or written consent required to adopt the proposed By-Law shall not be less than sixty-five per cent of all Apartment Owners; provided that the vote or written consent must be obtained within one hundred twenty days after mailing. In the event that the By-Law is duly adopted, then the Board shall cause the By-Law

amendment to be recorded in the Bureau of Conveyances or filed in the Land Court, as the case may be. The volunteer Apartment Owners' committee shall be precluded from submitting a petition for a proposed By-Law which is substantially similar to that which has been previously mailed to the Owners within one year after the original petition was submitted to the Board. This subsection shall not preclude any apartment owner or voluntary Apartment Owners' committee from proposing any By-Law amendment at any annual Association meeting. (See Endnote 31)

Section 15. Records of the Association. The Association shall make available records as required by the Condominium Property Act, including but not limited to Sections 514A-82.2, 514A-83.4, 514A-83.5, 514A-84, 514A-84.5, and 514A-85. (See Endnote 32)

Section 16. Association's Right of Entry. The apartment owners shall have the irrevocable right, to be exercised by the Board of Directors, to have access to each apartment from time to time during reasonable hours as may be necessary for the operation of the property or for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments. (See Endnote 33)

Section 17. Discrimination Prohibited. The Association shall not engage in any prohibited discrimination. The apartment owners adopt the following provisions to implement that policy, which shall apply regardless of any contrary requirement in the Association documents:

(a) In granting or withholding any approval or consent required under the Association documents, the Board of Directors shall avoid any prohibited discrimination.

(b) In enforcing any requirement of the Association documents, the Board shall avoid any prohibited discrimination against children, particularly in evaluating any request relating to occupancy restrictions or leasing or renting any apartment located in the Project.

(c) The Board may suspend any requirement of the Association documents which, if enforced, would result in prohibited discrimination. If the

Board suspends any requirement which can be amended only with Apartment Owner approval, the Board shall propose the amendment or deletion of the requirement at the next meeting of the apartment owners, whether annual or special. The Board or the apartment owners may call a special meeting of the apartment owners for that purpose, in compliance with the By-Laws.

(d) A disabled occupant of the Project may keep a certified guide dog, signal dog, or other animal required because of the occupant's disability. If such an animal causes a nuisance, the occupant will be given a reasonable opportunity to resolve the problem by measures which fall short of removing the animal from the Project. If the Board determines those measures have been unsuccessful, it may require removal of the animal. If the Board requires removal, the occupant will be allowed reasonable time to obtain a suitable substitute animal. During that time, the animal creating the nuisance will be allowed to remain on the Project, provided its continued presence does not create an unreasonable imposition on any other occupant. In addition, a disabled guest of an apartment owner or occupant may bring a certified guide dog, signal dog, or other animal required for assistance onto the Project, provided the animal does not cause a nuisance or unreasonable disturbance.

(e) At their own expense, disabled occupants may: (i) make reasonable modifications to an apartment or the common areas; and (ii) have reasonable exemptions from requirements of the Association documents, to enable the occupants to have full use and enjoyment of the Project. A disabled occupant requiring a modification or exemption shall submit a written request to the Board specifying the nature of the request and why it is necessary. The Board shall not unreasonably withhold or delay its consent to the request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days after the Board receives it.

As used in this section: "Prohibited discrimination" means any discrimination prohibited by any Federal or State law or any ordinance of the City and County of Honolulu. "Association documents": means the Declaration, By-Laws, House Rules,

or any other documents of the Association. (See Endnote 34)

CERTIFICATE OF ADOPTION

The undersigned hereby adopt the above as the Restated By-Laws of the Association of Apartment Owners of Fairway Gardens, this 26TH day of OCTOBER, 2001.

ASSOCIATION OF APARTMENT OWNERS
OF FAIRWAY GARDENS

By Sham A. Suzuki
Its BOARD PRESIDENT

By Naalyn Tzath
Its Board Director

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

On this 26th day of October, 2001, before me appeared Sharon A Suzuki, to me personally known, who, being by me duly sworn, did say that he/~~she~~ is the ^{Board} President of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS, a condominium Association; that said Association has no seal, and that said instrument was executed on behalf of said Association by authority of its Board of Directors, and the said Sharon A Suzuki acknowledged said instrument to be the free act and deed of said Association.

Fay A Taira

Notary Public Fay A Taira
State of Hawaii

My Commission Expires: 12-9-2003

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

On this 26th day of October, 2001, before me appeared Maxilyn Tagata, to me personally known, who, being by me duly sworn, did say that he/~~she~~ is the Board Director of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS, a condominium Association; that said Association has no seal, and that said instrument was executed on behalf of said Association by authority of its Board of Directors, and the said Maxilyn Tagata acknowledged said instrument to be the free act and deed of said Association.

Fay A Taira

Notary Public Fay A Taira
State of Hawaii

My Commission Expires: 12-9-2003

ENDNOTES

The following endnotes correspond to provisions in the By-Laws which have been restated to conform to Chapter 514A, Hawaii Revised Statutes, and the Federal Fair Housing Act, as amended (42 U.S.C. Sections 3601 et seq.), and to integrate all amendments made to the By-Laws. These Restated By-Laws correctly set forth without change the corresponding provisions of the original By-Laws, as amended, and supersede the original By-Laws and all prior amendments thereto. This Restatement was made solely for the purpose of information and convenience. In the event of a conflict, the Restated By-Laws shall be subordinate to the cited statute.

1. Act 65 (SLH, 1988) redesignated the Horizontal Property Act as the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes ("HRS"). Therefore, throughout this restatement, references to the previous usage have been amended to reflect present terminology. In addition, the Association incorporated on 15 June 1994 and became the Association of Apartment Owners of Fairway Gardens, Inc.
2. Article III, Section 3 was amended by the First Amendment of the By-Laws of the Association of Apartment Owners of Fairway Gardens dated 7 June 1994 and recorded as Land Court document 2157375.
3. Article II, Section 10 has been amended to conform to Section 514A-83.2, HRS, which states formal requirements for proxies, states when they must be submitted to the Association, and places limits on their solicitation and use.
4. Article II, Section 10A has been added to incorporate the requirements of Section 514A-82(b)(4) and 514A-83.3, HRS, relating to this solicitation of proxies by resident managers, managing agents, and Board members.
5. Article III, Section I was amended by the Second Amendment to Declaration Horizontal Property Regime for Fairway Gardens dated 18 August 1980 and recorded as Land Court Document 1027622.
6. Article III, Section 5 has been amended to incorporate the requirements of Section 514A-82(b)(1), HRS, relating to the removal and replacement of Board members and the call of a meeting for that purpose.
7. Article III, Section 8A has been added to incorporate the requirements of Section 514A-83.1, HRS, relating to the right of owners to attend Board meetings and the right of the Board to adjourn and reconvene in executive session.

8. Article III, Section 8B has been added to incorporate the requirements of Section 514A-83.4, HRS, requiring that the minutes of Board meetings include the recorded vote of each Board member except for motions voted on in executive session, and the other requirements relating to distribution of minutes.
9. Article III, Section 8C was added to incorporate the requirements of Section 514A-82(b)(9), HRS, relating to posting of notice of Board of Directors' meetings.
10. Article III, Section 11 has been amended to incorporated a reference to the fidelity bond requirements of Sections 514A-95 and 514A-95.1, HRS.
11. Article III, Section 12 was amended to add the restrictions of Section 514A-82(b)(10), HRS, on the rights of Board members to spend Association funds for their travel, fees, and per diem unless the owners approve.
12. Article III, Section 13 was added to incorporate the requirements of Section 514A-82(b)(11), HRS, relating to the documents which must be provided to members of the Board of Directors.
13. Article III, Section 14 has been added to incorporate the requirement of Section 514A-82.4, HRS, imposing a fiduciary duty on all Directors to the Association of Apartment Owners.
14. Article III, Section 15 has been added to incorporate the requirements of Section 514A-82(b)(12) relating to education expenses.
15. Article IV, Section 1 was amended to incorporate the requirements of Section 514A-82(b)(7), HRS, prohibiting an owner from acting as an officer of the Association and an employee of the Association's managing agent.
16. Article IV, Section 8 has been amended to reference the requirements of Section 514A-96, HRS, relating to distribution of audit information to owners.
17. Article V, Section 1(e) has been amended to incorporate the restrictions of Section 514A-82(b)(8), HRS, on the right of Association employees to sell or rent apartments in the condominium in which they are employed, without owner approval.
18. Article V, Section 1(f) has been amended to reference the requirements of Section 514A-83.6, HRS, relating to Association reserves. The requirements of that section have been incorporated into the restated By-Laws as Article V, Section 1A.

19. Article V, Section 1(h) has been amended to incorporate a reference to the insurance requirements stated in Section 514A-86, HRS.
20. Article V, Section 1A has been added to incorporate the requirements of Section 514A-83.6, HRS, relating to Association budgets and reserves.
21. Article V, Section 2 has been amended to incorporate a reference to the specific requirements of Section 514A-95, HRS, for managing agents of condominium projects in Hawaii.
22. Article VI, Section 1A has been amended to incorporate the provisions of Section 514A-90(c) and (d) restricting an owner's right to withhold assessments from the Association, providing owners with a right to receive a full statement of all amounts owed, and permitting an owner who pays amounts claimed by the Association to request arbitration or mediation to resolve any disputes about the amounts owed.
23. Article VI, Section 4(b) incorporates Section 514A-82(b)(13), which authorizes non-judicial foreclosures by the association.
24. Section 514A-90.5 includes additional requirements on collecting rent from a tenant.
25. For the same reason, Article VI, Section 8(e) has been amended to reference Article VIII, Section 17 of the By-Laws and the special rights it provides to disabled residents or guests of the project.
26. Article VI, Section 8(k) has been amended to incorporate a reference to Article VIII, Section 17 of the By-Laws, which recognizes a special rights which the Federal Fair Housing Act provides for disabled occupants and guests of the project who require pets.
27. For the same reason, Article VI, Section 8(l) has been amended to reference Article VIII, Section 17 of the By-Laws and the special rights disabled occupants may have to install equipment made necessary by their disability.
28. The Telecommunications Act of 1996 and the rules adopted by the Federal Communication Commission Implementing section 207 of that act greatly restrict an association's authority to limit an owner or resident from installing antennas and small satellite dishes designed to receive video programming.
29. Article VI, Section 10 has been amended to incorporate the requirements of Section 514A-94, HRS, relating to the rights of apartment owners and the Association to collect attorney's fees for the cost to enforce the requirements

of the law and the project documents.

30. Article VIII, Section 1 was amended by the Second Amendment of Horizontal Property Regime for Fairway Gardens (Amendment to Bylaws) dated 22 November 1989 and recorded as Land Court document 2173782.
31. Article VIII, Section 14 has been amended to incorporate the requirements for owner approval of By-Law amendments by written consent stated in Section 514A-82(b)(2), HRS. Article VIII, Section 14 has also been amended to incorporate the requirements of Section 514A-82(b)(2), HRS, relating to: (i) the rights of a volunteer owners' committee comprised of apartment owners to propose amendments to the By-Laws of the Association; and (ii) the reduction in the owner approval for amendment of the By-Laws from 75 percent to 65 percent.
32. Article VIII, Section 15 has been added to refer to specific requirements in the condominium law, particularly Section 514A-83.5, HRS, relating to the rights of apartment owners to review documents, books and records of the Association.
33. Article VIII, Section 16 has been added to incorporate the rights given to the Association by Section 514A-82(b)(6), HRS, to enter the apartments of owners in the project when necessary for the operation of the property or in the case of emergencies.
34. Article VIII, Section 17 has been added to outline the rights provided to families with children and disabled occupants and guests of the project by the Federal Fair Housing Act and Chapter 515, Hawaii Revised Statutes.

EXHIBIT "A"

ALL of that certain parcel of land situate at Moanalua, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 3358, area 85,231 square feet, as shown on Map 489, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1074 of the Trustees under the Will and of the Estate of Samuel M. Damon, deceased.

BEING the same premises described in Transfer Certificate of Title No.227,733 issued to Association of Apartment Owners of Fairway Gardens.

EXCEPTING AND RESERVING therefrom unto the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, all artesian and other underground water and rights thereto appurtenant to said premises, as reserved in Deed dated October 7, 1965, filed as Land Court Document No. 372554, also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 51 63, Page 496, said Trustees released all right to enter upon surface of lands to exercise said exception and reservation in Document No. 372554, including any rights of ingress and egress upon said lands by Release dated October 12, 1965 and filed as Document No. 372562, also recorded as aforesaid in Liber 51 63, Page 572.

SUBJECT, HOWEVER, to the covenants as contained in Declaration made by Clarence Thing Chock Ching, husband of Dorothy Tom Ching, Thomas Awai, widower, and Fong Ting Mau, husband of Rose Yet Kui Mau, general partners of International Development Company, a registered limited partnership, dated November 24, 1970 and filed as Land Court Document No. 520605, to which reference is hereby made.

TOGETHER WITH all built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes, range, refrigerator, disposal, and TV antenna presently situate in or used in connection with each of the apartments in the building located upon the above described real property.

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
101	281,953	102	228,376
103	405,037	104	392,940
105	228,968	108	347,980
109	228,534	110	402,340
201	406,681	202	264,895
203	401,112	204	433,724
205	418,312	206	349,433
207	351,106	208	322,433
209	346,563	210	223,617
301	291,746	302	313,350
303	320,005	304	408,716
305	227,727	306	339,439
307	405,316	308	419,110
309	228,626	310	421,400
401	227,863	402	413,307
403	364,328	404	227,908
405	377,659	406	314,494
407	423,860	408	408,422
409	366,465	410	227,733
501	247,103	502	433,749
503	283,786	504	413,652
505	228,568	506	418,406
507	380,318	508	267,973
509	353,488	510	315,788
601	315,115	602	384,242
603	279,099	604	318,430
605	353,852	606	278,870
607	325,130	608	276,428
609	335,502	610	330,311
701	227,747	702	228,154
703	227,530	704	256,522

E X H I B I T " A " CONTINUE

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
705	249,875	706	348,950
707	228,085	708	341,906
709	231,783	710	289,451
801	228,240	802	322,101
803	273,808	804	391,558
805	227,751	806	393,057
807	332,983	808	424,066
809	387,699	810	329,739
901	351,640	902	227,754
903	227,755	904	284,293; 284,294
905	271,760	906	324,067
907	227,756	908	390,309
909	337,017	910	378,507
1001	227,759	1002	426,852
1003	337,415	1004	228,118
1005	234,797	1006	369,453
1007	428,480	1008	229,629
1009	366,564	1010	227,763
1101	278,184	1102	341,364
1103	303,291	1104	370,528
1105	267,626	1106	228,084
1107	415,745	1108	368,591
1109	284,217	1110	424,804
1201	351,581	1202	320,193
1203	370,162	1204	418,416
1205	338,398	1206	371,442
1207	370,160	1208	317,768
1209	404,768	1210	314,286
1301	372,880	1302	389,914
1303	229,712	1304	261,706
1305	227,777	1306	332,061

EXHIBIT "A" CONTINUE

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
1307	389,565	1308	334,991
1309	426,999	1310	394,488
1401	299,425	1402	329,863
1403	417,581	1404	227,821
1405	423,472	1406	292,741
1407	389,022	1408	389,017
1409	424,042	1410	229,822

END OF EXHIBIT "A"

FAIRWAY GARDENS
Parking Stall Assignment

Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:
101	171	407	167	801	81	1105	15
102	100	408	168	802	82	1106	16, 32
103	99	409	87, 169	803	93	1107	17
104	98	410	170	804	94	1108	18
105	59			805	125	1109	19
*108	60	501	131	806	126	1110	20
109	40	502	132	807	127		
110	39	503	133	808	128	1201	21, 83
		504	134	809	129	1202	22
201	141	505	135	810	130	1203	23
202	142	506	124, 136			1204	24, 114
203	143	507	137	901	31	1205	25
204	144	508	138	902	38	1206	26
205	145	509	139	903	113	1207	27
206	146	510	140	904	112	1208	28
207	147			905	111	1209	29
208	148	601	61	906	96	1210	30
209	149	602	62	907	7		
210	150	603	63	908	8	1301	37, 51
		604	64, 115	909	97	1302	52
301	151	605	65	910	95	1303	53
302	152	606	66			1304	54
303	153	607	4, 67	1001	101	1305	55
304	154	608	68	1002	102	1306	56
305	155	609	69	1003	103	1307	57
306	86, 156	610	70	1004	104	1308	58

EXHIBIT "B"

Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:
307	157			1005	105	1309	9
308	158	701	71	1006	106	1310	10
309	119, 159	702	72	1007	107		
310	160	703	73	1008	108	1401	41, 84
		704	74	1009	85, 109	1402	42
401	3, 161	705	75	1010	110	1403	43
402	162	706	76			1404	44
403	163	707	77	1101	11	1405	45
404	164	708	78	1102	12	1406	46
405	165	709	79	1103	13	1407	47
406	166	710	80	1104	14	1408	48
						1409	49
						1410	50, 172

Guest Parking: 88, 89, 90, 91, 92 (all for compact cars)

*Apt. #108, Additional Stalls: 1, 2, 5, 6, 33, 34, 35, 36, 84, 116, 117, 118, 120, 121, 122, 123, 124 (all for compact cars, not including #60)

Parking Stall Amendments (transferring stalls):

Document No.	Dated	Stall to Apartment No.
1039593	September 23, 1980	Stall 3 to Apt. 401
1048369	September 30, 1980	Stall 86 to Apt. 306
1048370	October 20, 1980	Stall 119 to Apt. 309
1048371	October 1, 1980	Stall 87 to Apt. 409
1048372	September 18, 1980	Stall 124 to Apt. 506
1048373	September 18, 1980	Stall 4 to Apt. 607
1048374	September 22, 1980	Stall 85 to Apt. 1009
Document	Dated	Stall to Apartment No.

1048375	September 19, 1980	Stall 37 to Apt. 1301
1048376	September 22, 1980	Stall 84 to Apt. 1401
1049696	January 2, 1981	Stall 32 to Apt. 1106
1054490	January 29, 1981	Stall 172 to Apt. 1410
1434819	January 21, 1987	Stall 83 to Apt. 1201
1506602	October 27, 1987	Stall 114 to Apt. 1204
1660800	August 15, 1989	Stall 115 to Apt. 605

EXHIBIT "B" ENDS

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24
C
BSCW

L-463 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

JAN 25, 2002 09:30 AM

Doc No(s) 2772958

on Cert(s) AS LISTED HEREIN

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

CA/MP

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL () PICKUP () TO:

JOHN A. MORRIS/lj
ASHFORD & WRISTON
P.O. BOX 131
HONOLULU, HAWAII 96810

Total pages:

FIRST RESTATEMENT OF THE
DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF FAIRWAY GARDENS

WHEREAS, 5210 LIKINI PARTNERS ("OWNER-DEVELOPER"), a Hawaii limited partnership, was the owner in fee simple of the real property described in Exhibit "A" and the certificates of title attached hereto and incorporated herein by this reference, ("PROPERTY"); and

WHEREAS, the Owner-Developer converted the property into a 138-unit multi-family condominium dwelling project, with appurtenant improvements ("PROJECT"), in accordance with the plans filed in the Office of the Bureau of Conveyances of the State of Hawaii as Condominium File Plan #410, the "CONDOMINIUM MAP", or "PLAN", which by this reference is incorporated herein and made a part hereof,

WHEREAS, in order to create a condominium project consisting of the land and the improvements situated on it, the Owner-Developer submitted its interest in the Property to the Condominium Property Regime established by the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, the ("ACT") by recording a Declaration dated January 28, 1980 as Land Court Document No. 1000625, to create the Project known as FAIRWAY GARDENS, and declared that the

Property was to be subject to the declarations, restrictions and conditions stated in the declaration and in the By-Laws filed with the Declaration and made a part of it by reference ("BY-LAWS"), the restrictions and conditions being covenants running with the land for the benefit of, Owner-Developer, its successors and assigns and all subsequent owners and lessees, administrators, successors and assigns, whose acquisition of any interest in the Project signifies that this Declaration and the By-Laws are accepted, ratified and will be complied with. (See Endnote 1)

WHEREAS, Section 514A-82.2, Hawaii Revised Statutes, authorizes the Board of Directors of the Association established by the By-Laws to restate the Declaration to include in it any amendments and to conform its provisions to the law by a resolution adopted by the Board of Directors; and

WHEREAS, at a meeting duly called, the Board of Directors resolved to restate the Declaration, pursuant to Section 514A-82.2, Hawaii Revised Statutes, in the manner stated below;

1. The Project: The Condominium Property Regime established hereby shall be known as "FAIRWAY GARDENS."

2. Description of Land: The land submitted to the Condominium Property Regime is that which is described in Exhibit "A" attached hereto and incorporated herein and is submitted in fee simple.

3. Description of Building: One hundred thirty-eight (138) feehold estates are hereby designated in the spaces within the perimeter and party walls, floors and ceilings of each of the 138 apartment units, herein called "APARTMENT" contained within the Project. Said building and apartments therein are designated on said File Plan Map and are more particularly hereinafter described:

(a) Apartment Building: The building which contains the apartments is a 14-story reinforced concrete structure. Two elevators serve the parking level and each of the 14 residential floors. Additional access and egress is provided by stairwells, one at each end of the building.

(b) Apartment Number: Apartments on the first floor are numbered 101, 102, 103, 104, 105, 108, 109 and 110 and, apartments on the second through fourteenth floors are numbered consecutively 01 through 10, with each apartment number preceded by the appropriate number to designate the particular floor upon which that apartment unit is located.

(c) Apartment Types: The project consists of 18 basic types of apartments, each apartment including reverses, and each apartment being typical of all other apartments of the same type. Apartment types are designated as Types A, A-1, A-2, A-3 units; Types B, B-1 units; Types C, C-1 units; Types D, D-1, D-2 units; Types E, E-1, E-2 units; Type F; Type G; and Type H. The 18 basic apartment types are described as follows:

1) Type A Units: Type A apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type A unit is 691 square feet. There are 24 Type A units numbered 206, 207, 208, 209, 306, 307, 308, 309, 406, 407, 408, 409, 506, 507, 508, 509, 606, 607, 609, 706, 707, 709, 806 and 809.

2) Type A-1 Units: Type A-1 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type A-1 unit is 691 square feet. There are 20 Type A-1 units numbered 608, 708, 807, 808, 906, 907, 908, 909, 1006, 1007, 1008, 1009, 1106, 1107, 1108, 1109, 1206, 1207, 1208 and 1209.

3) Type A-2 Units: Type A-2 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type A-2 unit is 755 square feet. There are 6 Type A-2 units numbered 710, 810, 910, 1010, 1110 and 1210.

4) Type A-3 Units: Type A-3 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full

bath. The total floor area of each Type A-3 unit is 755 square feet. There are 5 Type A-3 units numbered 210, 310, 410, 510 and 610.

5) Type B Units: Type B apartment units contain a combined living/dining area, kitchen, three bedrooms, one full bath and a one-half bath. The total floor area of each Type B unit is 816 square feet. There are 5 Type B units numbered 201, 301, 401, 501 and 601.

6) Type B-1 Units: Type B-1 apartment units contain a combined living/dining area, kitchen, three bedrooms, one full bath and a one-half bath. The total floor area of each Type B-1 unit is 816 square feet. There are 8 Type B-1 units numbered 701, 801, 901, 1001, 1101, 1201, 1301 and 1401.

7) Type C Units: Type C apartment units contain a combined living/dining area, kitchen, one bedroom and one full bath. The total floor area of each Type C unit is 515 square feet. There are 7 Type C units numbered 202, 302, 402, 502, 602, 702 and 802.

8) Type C-1 Units: Type C-1 apartment units contain a combined living/dining area, kitchen, one bedroom and one full bath. The total floor area of each Type C-1 unit is 515 square feet. There are 6 Type C-1 units numbered 902, 1002, 1102, 1202, 1302 and 1402.

9) Type D Units: Type D apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type D unit is 688 square feet. There are 25 Type D units numbered 204, 304, 404, 504, 603, 604, 703, 704, 705, 803, 805, 903, 905, 1003, 1005, 1103, 1105, 1203, 1205, 1303, 1305, 1308, 1403, 1405 and 1408.

10) Type D-1 Units: Type D-1 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full

bath. The total floor area of each Type D-1 unit is 688 square feet. There are 22 Type D-1 units numbered 203, 205, 303, 305, 403, 405, 503, 505, 605, 804, 904, 1004, 1104, 1204, 1304, 1306, 1307, 1309, 1404, 1406, 1407 and 1409.

11) Type D-2 Units: Type D-2 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type D-2 unit is 753 square feet. There are 2 Type D-2 units numbered 1310 and 1410.

12) Type E Units: Type E apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type E unit is 715 square feet. There are 2 Type E units numbered 104 and 109.

13) Type E(end) Unit: Type E(end) apartment unit contains a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of the Type E(end) unit is 706 square feet. There is one Type E(end) unit numbered 101.

14) Type E-1 Unit: Type E-1 apartment unit contains a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of the Type E-1 unit is 690 square feet. There is one Type E-1 unit numbered 103.

15) Type E-2 Unit: Type E-2 apartment unit contains a combined living/dining area, kitchen two bedrooms and one full bath. The total floor area of the Type E-2 unit is 746 square feet. There is one Type E-2 unit numbered 110.

16) Type F Unit: Type F apartment unit contains a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of the Type F unit is 669 square feet. There is one Type F unit numbered 102.

17) Type G Unit: Type G apartment unit contains a combined living/dining area, kitchen, one bedroom and one full

bath. The total floor area of the Type G unit is 422 square feet. There is one Type G unit numbered 105.

18) Type H Unit: Type H apartment unit contains a combined living/dining area, kitchen, one bedroom and one full bath. The total floor area of the Type H unit is 541. There is one Type H unit numbered 108.

d) Delineation of Apartments: Notwithstanding any provisions herein contained to the contrary, the respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls, or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, shafts, wires, conduits or other utility service lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements as herein provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing within its perimeter or party walls, door and door frames, window and window frames, the lanai air space (if any), the inner decorated or finished- surfaces of all walls, floors and ceilings, and all fixtures and appurtenances originally installed therein.

e) Apartment Amenities: Each apartment unit will be equipped with a washer/dryer unit, garbage disposal, range with cleaning oven, refrigerator, plumbing and electrical fixtures, kitchen and bath cabinetry, carpeting, vinyl asbestos tile flooring and drapery in the living room. Kitchens will have formica countertops.

f) Access to Apartment: As shown on the Condominium Map, each apartment has immediate access to an entryway and then via an elevator to sidewalks, all of the foregoing being common elements.

g) Parking: A total of 172 parking stalls will be provided. These stalls will be located on the ground level. A loading area will be located

outside of but adjacent to the structure. Parking stalls will be assignments as per Exhibit "B", attached hereto. All apartments will have parking stalls.

h) Storage and Recreation Area: On each floor of the building there will be located a space for storage. There is also a space for recreation on the ground floor.

i) Reference to Condominium Map: References hereby made are to the Condominium File Plan Map which shows the location and configuration of the building, the common areas and facilities of the Project, the parking, and location, area and configuration of the apartments within the Project building.

4. Common Elements: The common elements will include the limited common elements hereinafter defined and all other portions of the Project other than the apartments, and all other common elements mentioned in the Act which are actually included in the Project, all of the same being one freehold estate including specifically but without limitation the following;

- a) The Property in fee simple;
- b) All foundations, columns, girders, floor slabs, beams, supports, unfinished perimeter and load-bearing walls, chases, entries and roofs;
- c) Yards, grounds, landscaping, swimming and wading pools and other recreational facilities;
- d) All parking areas, including guest stalls as indicated on Exhibit "B";
(See Endnote 2)
- e) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.
- f) All refuse facilities; mailboxes and related appurtenances; water sprinkler systems; fire control and warning devices; security systems except that portion thereof installed in individual apartments and any and all other apparatus and installations of common use and all other parts of the Property

necessary or convenient to its existence, maintenance and safety, or normally in common use.

5. Limited Common Elements: Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such a apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

a) Parking space(s) shall be assigned to apartments by Owner-Developer upon the original conveyance thereof according to the Schedule of Parking Stall Assignments, Exhibit "B" herein.

b) All load-bearing walls within the perimeter of each apartment, the entirety of perimeter nonparty walls, and the interior one-half of all perimeter party walls, whether or not load-bearing, shall be appurtenant to that apartment in which they are located; PROVIDED, HOWEVER, that the interior painted, stained, or otherwise treated party fence or wall separating any lanai or patio areas of condominium apartment units be deemed a limited common element.

6. Percentage of Undivided Interest: The undivided percentage interest in the common elements appurtenant to each apartment, herein called "COMMON INTEREST", and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting, are as follows:

TYPE APT.	Net. Flr. Area (Sq. Ft.)	%Common Interest In Common elements Each Apartment	No. Apts.	Total Areas Each Type Sq. Ft.	%Common Interest per Type - Total
A	691	.72692	24	16,584	17.44608
A-1	691	.72692	20	13,820	14.53840

A-2	755	.79425	6	4,530	4.76550
A-3	755	.79425	5	3,775	3.97125
B	816	.85842	5	4,080	4.29210
B-1	816	.85842	8	6,528	6.86736
C	515	.54177	7	3,605	3.79239
C-1	515	.54177	6	3,090	3.25062
D	688	.72377	25	17,200	18.09425
D-1	688	.72377	22	15,136	15.92294
D-2	753	.79216	2	1,506	1.58432
E	715	.75218	2	1,430	1.50436
E-1	690	.72589	1	690	.72589
E-2	746	.78479	1	746	.78479
E(end)	706	.74271	1	706	.74271
F	669	.70379	1	669	.70379
G	422	.44394	1	422	.44394
H	541	.56931	1	541	.56931
			138	95,058	100.00000

(See Endnote 3)

7. Other Easements: In addition to the exclusive easements established in the limited common elements, the apartments and common elements shall have and be subject to the following easements

a) Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided; and in all other apartments and common elements in the building in which the apartment is located for support.

b) If any part of the common elements encroaches upon any apartment or limited common element or if any apartment or limited common element encroaches upon the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the project shall be partially or totally destroyed and then rebuilt or in the event of any shifting, settlement or movement of any parts of the common elements or apartments or limited common elements due to such construction, shifting, settlement or movement shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

c) Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other apartments or limited common elements and serving his apartment. Each apartment and the limited common elements shall be subject to an easement in favor of the owners of all other apartments to use the pipes, ducts, cables, wires, conduits, public utilities, and other common elements serving such other apartments and located in such units.

d) The Association of Owners shall have the right, to be exercised by its Board of Directors, or the resident manager or managing agent to enter each apartment and the limited common elements from time to time during reasonable hours as may be appropriate for the operation of the Project or at any time for making emergency repairs therein which may be necessary to prevent damage to any apartment or common element.

8. ALTERATION AND TRANSFER OF INTERESTS. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, shall not be separated from such apartment except as herein provided, and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned

or described in the conveyance or other instrument. Except as herein expressly provided the common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Act. Any such exclusive easement, as a limited common element or otherwise, for the use of parking stall may be conveyed to another apartment owner by a written instrument expressly identifying the apartment to which the parking stall will become appurtenant, which written instrument shall be denominated as an amendment to this Declaration. To the extent that the joinder of apartment owners in addition to those directly affected may be required in order to validate the amendment of the Declaration for the limited purpose of transferring such easement, such joinder shall be accomplished by power of attorney from each of the owners not affected to the owners, the acceptance of ownership of an apartment subject to this Declaration being a grant of such power and the grant, being coupled with an interest, being irrevocable. The transfer and amendment of Declaration shall be effective upon recording in the Bureau of Conveyances of the State of Hawaii. A copy of said conveyance and amendment of Declaration shall be given to the Association of Apartment Owners by the affected owners within fifteen (15) days of the filing thereof.

9. Purpose: The condominium apartment units shall be used for the following purposes and shall be subject to the following restrictions:

a) The apartments shall be occupied and used only as permanent single family residences by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The respective apartment owners shall have the absolute right to rent or lease such apartment subject to all provisions of this Declaration.

b) The owner of an apartment shall not use the same for any purpose which will injure the reputation of the Project. Such owner shall not suffer anything to be done or kept in said apartment or elsewhere which will jeopardize the soundness of the building or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the public walkways, access areas, parking areas, and other

common elements, or which will increase the rate of fire insurance on the building or contents thereof, or which will reduce the value of the Project.

c) The owner of an apartment shall not, without the prior written consent of the Board of Directors of the Association of Apartment Owners make any structural alterations in or additions to the apartment or make any alterations in or additions to the exterior of the apartment including awnings, jalousies or screens, or to any other portion or portions of the common elements unless otherwise provided in the By-Laws.

10. ADMINISTRATION OF PROJECT. Administration of the project shall be vested in the Association of Apartment Owners, the "Association", consisting of all apartments owners of the Project in accordance with the By-Laws. Operation of the project and maintenance, repair, replacement and restoration of the common elements, and any additions and alterations thereto shall be in accordance with the provisions of the Act, this Declaration and the By-Laws and specifically but without limitation the Association shall:

a) Make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks, and parking areas which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the Project or any part thereof.

b) Keep all common elements of the Project in a strictly clean and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority for the time being applicable to the Project or the use thereof.

c) Well and substantially repair, maintain, amend and keep all common elements of the Project, including without limitation the building thereof, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep said land and all adjacent land between any street boundary of the Project and the established curb or street line in a neat and attractive condition and all trees, shrubs and grass thereon in good

cultivation and replant the same as may be necessary, and repair and make good all defects in the common elements of the Project herein required to be repaired by the Association, of which notice shall be given by any owner or his agent, within thirty (30) days after the giving of such notice.

d) Except as provided in Section 18.1 of this Declaration, before commencing or permitting construction of any improvement on the Project, obtain and deposit with the Board a bond or certificate thereof naming as obligee the Board and collectively all other apartment owners as their interests may appear, in a penal sum not less than one hundred percent (100%) of the estimated cost of such construction and with a corporate surety authorized to do business in Hawaii, guaranteeing completion of such construction free and clear of all mechanics' and materialmen's liens. (See Endnote 4)

e) Have the right, to be exercised by its Board of Directors or Managing Agent to enter any apartments and limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein required to prevent damage to any apartments or common elements or for the installation, repair or replacement of any common elements.

f) Except as provided in Section 18.1 of this Declaration, not erect or place on the Project any building or structure including fences and walls, nor make additions or structural alterations to or exterior changes of any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications including a detailed plot plan, prepared by a licensed architect if so required by the Board, first approved in writing by the Board and also approved by a majority of apartment owners (or such larger percentage as required by law or this Declaration) including all owners of apartments thereby directly affected, and complete any such

improvements diligently after the commencement thereof. (See Endnote 4)

g) Not make or suffer any strip or waste or unlawful, improper or offensive use of the Project.

h) Not erect, place or maintain or have erected any T.V. or other antennas on the project visible from any point outside of said Project. (See Endnote 5)

i) Have the right, to be exercised by the Board of Directors, to determine the use of all unassigned parking stalls.

11. COMMON EXPENSES:

a) The Board of Directors of the Association, the "BOARD", shall estimate the annual common expenses in advance for each calendar year. Such common expenses shall include:

(1) Water, sewer, garbage, electricity, telephone, gas and other utilities expenses to be provided for the common areas and to the apartments if not separately metered or otherwise charged as the direct liability of the respective apartments owners and not a liability of the Association as an apartment owner.

(2) Costs of goods, supplies, and services to provide for the maintenance, repair and operation of the building, common areas, and limited common areas.

(3) Costs of insurance and bonds required by this Declaration.

(4) The cost of services of a manager of the Project, if any, including any allowances to a resident manager.

(5) Legal and accounting costs for operation of the building and enforcement of the Declaration, By-Laws and rules.

(6) Costs of maintenance and repair required for any apartment or apartments to protect or preserve the common

areas or other parts of the building, if after notice the owners thereof have failed to make such repairs.

(7) Such other costs and expenses as may be paid from the common area and expense fund as herein provided for.

Common expenses may include such other goods and services as the Board may deem advisable for the property and its management, except that the Board shall not make capital additions or improvements to the property having a cost of more than \$1,000 in the aggregate during any calendar year other than for repairing or restoring the common areas as provided for in this Declaration, without first obtaining an affirmative vote of two-thirds (2/3) of the total voting power.

b) As of the first day of each calendar month during the year, one-twelfth (1/12th) of the total estimated common expenses for the year plus a reasonable sum for contingencies less any surplus from the prior year and any expected receipts for the current year, all as determined by the Board, shall be assessed to each apartment in proportion of the apartment's percentage of interest in the common area. If such estimate and determination by the Board shall be inadequate to provide for the operation and management of the property for any reason, including without limitation nonpayment of any assessments, the Board may proportionately adjust the assessment at any time. The assessments shall be levied by mailing to the owner of each apartment at the address shown in the records of the Association, a written statement setting forth the amount of the assessment against the individual apartments. Notwithstanding the time such written notice is given or the estimate is made, the assessment shall be due and payable for the period or periods as the Board shall determine for the purpose of establishing the lien therefor. An assessment which is not paid within 15 days after a statement therefor is mailed or delivered shall be delinquent and shall

bear interest at the rate of ten percent (10%) per annum from the date until paid. The common expenses shall be paid from sums received because of the assessments and such sums, together with any other receipts on behalf of property, shall belong to the Association.

c) All funds received by the Association shall be used for the purposes designated in this Declaration.

d) Unpaid assessments shall constitute a lien on each apartment against which the assessment was made as set forth in Section 514A-90, Hawaii Revised Statutes, as amended and the owner of such apartment shall pay such assessment before the same is delinquent. The Board, or its manager, may initiate an action to enforce payment of any delinquent assessment and in such event the owner liable therefor shall pay all of the costs and expenses incurred incident thereto including a reasonable sum as attorneys fees, all of which shall be secured by the lien herein provided for. In addition thereto the Board, or its manager, may enforce collection of delinquent assessments in any one or more of the following methods:

(1) After ten (10) days prior to notice to the owner of intent to sever utilities for delinquent assessments, the utilities to the apartment on which the assessment remains delinquent may be severed and disconnected in whole or part until the assessments are paid or otherwise provided for to the satisfaction of the Board.

(2) An action may be commenced on behalf of the apartment owners, to foreclose the lien for assessments in the manner that mortgages are foreclosed. In addition, the Association, through the Board may enforce the lien using a non-judicial or power of sale foreclosure procedure authorized by Chapter 667. (See Endnote 6)

e) If an apartment owner shall rent his apartment and the assessments on the apartment are delinquent, then the Board, at its

option, may demand and receive from such tenant as long as the delinquencies continue, the rent due or to become due in amount sufficient to pay all sums due from the owner. Payment of such rent to the Association shall discharge the tenant's obligations to the apartment owner to the extent of such payment. No demand or acceptance of rent under this paragraph shall be deemed to be a consent or approval of the apartment rental or a waiver of the owner's obligations hereunder. No tenant shall have the right to question the authority of the Board to make the demand hereunder but shall be obligated to comply with the demand.

12. COMPLIANCE WITH DECLARATION AND BY-LAWS: All apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the provisions of this Declaration, the By-Laws, and all agreements, decisions and determinations of the Association as lawfully made or amended from time to time, and failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board, resident Manager or Managing agent on behalf of the Association or, in a proper case, by any aggrieved apartment owner; in the event of the failure of any apartment owner to comply fully with any of the same within thirty (30) days after written demand therefor by the Association, the Association shall promptly give written notice of such failure to the holder of any first mortgage of such apartment or the apartment lease demising the same, as shown in the Association's record of ownership or who has given the Board notice of its interest through the Secretary of the Association or the Managing Agent.

13. Resident Manager or Managing Agent: Operation of the Project shall be conducted for the Association by a responsible managing agent or resident manager who shall be appointed by the Board of Directors of the Association in accordance with the By-Laws. The resident manager or managing agent is hereby authorized to receive service of legal process in all cases provided in said Act. The

initial resident manager or managing agent will be designated by the Developer prior to the obtaining of a Certificate of Readiness for Occupancy from the appropriate governmental authority. Until such time as the resident manager or managing agent is designated, and his address or place of business known the person upon whom process may be served is Edward J. Bybee, % Rother & Bybee, Attorneys at Law, 322 Dillingham Transportation Bldg., 735 Bishop Street, Honolulu, Hawaii, 96813.

14. INSURANCE:

a) The Association at its common expense shall at all times keep all buildings of the project, including the common elements and, whether or not part of the common elements, all exterior and interior walls, floors, and ceilings, in accordance with the as-built condominium plans and specifications, insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in Hawaii having a financial rating by Best's Insurance Reports of Class VI or better in an amount sufficient to provide for the full repair or full replacement thereof without deduction for depreciation, in the name of the Association as trustee for all apartment owners and mortgagees according to the loss or damage to their respective apartments and appurtenant common interest payable in case of loss to such bank or trust company authorized to do business in the State of Hawaii as the Board shall designate for the custody and disposition as herein provided of all proceeds of such insurance, and from time to time cause to be deposited promptly with the Secretary of the Association, true copies of such insurance policies or current certificates thereof, without prejudice to the right of each apartment owner to insure his apartment for his own benefit. Flood insurance can also be provided under the provisions of the Federal Flood Disaster Protection Act of 1973 if the property is located and identified as flood hazard area as designated by the Department of Housing and Urban Development with minimum limits equal to the aggregate of the outstanding principal balances of all mortgage loans

on apartments in the project or the maximum limits of coverage are available under the National Flood Insurance Act of 1968, as amended, whichever is less. The members of the Association may by majority vote at any meeting of the Association require that the exterior glass of the project also be insured under such policy. Every such policy of insurance shall:

(1) Contain no provisions limiting or prohibiting other insurance by any Apartment Owners such right being provided by Statute, but if obtainable, shall provide that the liability of the insurer shall not be affected by nor shall the insured claim any right of set-off, counterclaim, or apportionment, proration, or contribution by reason of any such other insurance;

(2) Contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building whether or not within the control or knowledge of the Board, or if obtainable, shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board or any apartment owner or tenant of any apartment, or by reason of any act or neglect of the Board or any apartment owner or tenant of any apartment;

(3) Provide that such policy and the coverage thereunder may not be cancelled or substantially modified (whether or not requested by the Board) except by the insurer giving at least sixty (60) days prior written notice thereof to the Board, every first mortgagee of an apartment and every other person in interest who shall have requested such notice of the insurer;

(4) Contain a provision waiving any right of subrogation by the insurer to any right of the Board against any apartment owner or lessee of any Apartment;

(5) Contain a provision waiving any right of the insurer to repair, rebuild or replace, if a decision is made not to repair, reinstate, rebuild or restore the damage or destruction;

(6) Provide that any loss shall be adjusted with the Board and the mortgagee of any apartment directly affected by the loss;

(7) Contain a standard mortgage clause which:

(i) Shall name the holder of any mortgage affecting any Apartment whose name shall have been furnished to the Board;

(ii) Shall provide that the insurance as to the interest of the mortgagee shall not be invalidated by any act or neglect of the Board or any apartment owner or tenant of any Apartment;

(iii) Shall waive any requirement invalidating such mortgagee clause by reason of the failure of the mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium due or to become due under the policy, PROVIDED, HOWEVER, in case the Board shall fail to pay the premium due or to become due under the policy, the mortgagee may pay the same prior to the effective date of the termination of the policy, any contribution clause, and any right to be subrogated to the right of any mortgagee against any apartment owner or lessee of any apartment or the Board or to require an assignment of any mortgage to the insurer, except that the insurer will have the right of subrogation to the extent of insurance proceeds received by and retained by the mortgagee if the insurer shall claim

no liability as to the mortgagor or any apartment owner but without impairing mortgagee's right to sue;

(iv) Shall provide without affecting the protection afforded to the mortgagee by such mortgagee clause, any proceeds payable under such clause shall be payable to a corporate trustee selected by the Board who shall be a bank, trustee, savings and loan association, escrow company or other person, firm, or corporation licensed to do business in the State of Hawaii and doing business in the City and County of Honolulu, herein referred to as the "INSURANCE TRUSTEE" or "TRUSTEE";

(v) Shall provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages on any apartment, and the respective order and preference, whether or not named therein;

8) provide for payment of the proceeds to the insurance trustee;

9) Provide that the insurer at the inception of the policy and on each anniversary date thereof, shall provide the Board with a written summary, in laymen's terms, of the policy. This summary shall include, without limitation, a description of the type of policy, the coverage and limits thereof, the amount of the annual premium, and the renewal dates. Upon receipt of such summary from the insurer, the Board shall provide the summary to the apartment owners.

b) The Board, on behalf of the Association at its common expense, shall procure and maintain from a company or companies qualified to do business in Hawaii a policy or policies (the "POLICY") of Public Liability Insurance to insure the Board, each apartment owner, and the managing agent, if any, and

other employees of the Association of Apartment Owners, if any, against claims for personal injury, death and property damage arising out of the condition of the Project or activities thereon or sidewalks or contractors of construction work under a Comprehensive General Liability form to include but not be limited to (i) Water Damage Legal Liability, (ii) Non-Automobile Coverage, (iii) Fire Damage Legal Liability, (iv) Contractual Liability, and (v) Independent Contractors Liability. The policy shall contain minimum limits of not less than \$1,000,000.00 for injury to one or more persons in any one accident or occurrence and/or for property damage, without prejudice to the right of any apartment owners to maintain additional liability insurance for the respective apartments. Any such policy or insurance shall:

1) Provide that the same shall not be invalidated by any act or neglect of the Board, or apartment owners or any persons under any of them;

2) Contain a waiver by the insurer of any right of subrogation to any right of the Board or apartment owner against any of them or any other persons under them;

3) Contain a "severability of interest" endorsement precluding the insurer from denying the claim of an apartment owner because of negligent acts of the Association or other apartment owners; and

4) Provide that the policy and the coverage thereunder may not be cancelled or substantially modified (whether or not requested by the Board) except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board, every first mortgagee of an apartment and every other person in interest who shall have requested such notice of the insurer.

c) The Board may also procure insurance against such additional risks as the Board may deem advisable for the protection of the apartment owners as is normally carried with respect to properties of like character in the City and County of Honolulu.

d) The Board shall review not less frequently than annually the adequacy of its insurance program and shall report in writing its conclusions and actions taken on such review to each apartment owner and to the holder of any mortgage on any apartment who shall have requested a copy of any such report. At the request of any mortgagee of any apartment the Board shall furnish to such mortgagee copies of all policies hereinabove referenced. Copies of all policies of insurance procured by the Board shall be available for inspection by any apartment owner or purchaser holding a contract to purchase an interest in an apartment at the office of the secretary of the Board or office of the manager. Any coverage procured by the Board shall be without prejudice to the right of any apartment owner to insure such apartment and the contents thereof for their own benefit and at their own expense.

15. Damage and Destruction: If the building is damaged by fire or other casualty which is insured against, the insurance proceeds shall be used by the Insurance Trustee for payment of the contractor employed by the Board to rebuild to repair such building, including paint, floor covering and fixtures, in accordance with *the original plans and specifications therefor, or if reconstruction in accordance with said design is not permissible under the laws then enforced, in accordance with such modified plan as shall be previously approved by the Board and the mortgagees of record holding any interest in any apartment directly affected thereby; provided that in the event said modified plan eliminates any Apartment and such Apartment is not reconstructed, the Insurance Trustee shall pay to the owner of said Apartment the*

portion of said insurance proceeds allocable to said Apartment (less the proportionate share of said Apartment chargeable to debris removal) and shall disburse the balance of insurance proceeds. The insurance proceeds shall be paid by the Trustee to the contractor employed for such construction and in accordance with the terms of the contract for such construction and in accordance with the terms of this paragraph. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding the common elements, the Board is expressly authorized to pay such costs in excess of the insurance proceeds from any funds on hand, and if such funds are insufficient for that purpose, the Board shall levy a special assessment on the owners of apartments in proportion to their respective common interest. Any costs in excess of the insurance proceeds for the repairing and/or rebuilding of any apartment shall be specifically assessed solely against such apartment and said special assessment shall be secured by the lien created by these Declarations.

a) The cost of the work shall be paid out from time to time at the direction of the Board, by the Trustee, as the work progresses, but subject to the following conditions:

(1) The work shall be in charge of an architect, engineer, or competent contractor (who may be an employee of the Board).

(2) Each request for payment shall be made on seven (7) days prior notice to the Trustee and shall be accompanied by a certificate to be made by such architect, engineer or contractor, stating that all of the work completed has been done in compliance with the approved plans and specifications and that the sum requested is justly required to reimburse the Board for payments made by the Board to or is justly due to, the contractor, subcontractors, materialmen, laborers, architects, engineers, or other persons rendering services or materials for the work and that when added to all sums

previously paid out by the Trustee the sum required does not exceed the value of the work done to the date of such certificate, less any retainage, if any.

(3) Each request shall be accompanied by waivers of liens satisfactory to the Trustee, covering that part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Trustee that there has not been filed with respect to the premises any mechanic's or other lien or instrument for the retention of title in respect of any part of the work not discharged of record.

(4) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the premises legal.

(5) The fees and expenses of the Trustee as determined by the Board and the Trustee shall be paid by the Association as common expenses, and such fees and expenses may be deducted from any proceeds at any time in the hands of the Trustee.

(6) Such other conditions not inconsistent with the foregoing as the Trustee may reasonably request and impose.

b) Upon the completion of the work and payment in full therefor any proceeds of insurance then remaining in the hands of the Board or Trustee shall be paid or credited to the owners of the apartments (or to the holder of any mortgage on an apartment if there be a mortgage) in proportion to their respective common interest.

c) To the extent that any loss, damage or destruction to the building or the property is covered by insurance procured by the Board, the Board shall have no claim or cause of action for such loss, damage or destruction against any apartment owner or lessee thereof. To the extent that any loss, damage or destruction to the property of any apartment owner or lessee is covered by insurance procured by such owner or lessee, the owner or lessee shall have no claim or cause of action for any loss, damage or destruction against the Board, the manager, if any, any other apartment owner, or the Association. All policies of insurance referred to in this paragraph shall contain appropriate waivers of subrogation.

d) The provisions of this Paragraph shall constitute the procedure by which a determination is made by the apartment owners to repair, restore, reconstruct or rebuild in the event of damage or destruction as provided in Section 514A-11(9) of the Act. Each apartment owner, and any party claiming by, through or under such owner, hereby consents and agrees to the provisions hereof by the act of accepting an interest in the property. In the event that any provision of this Paragraph shall be determined to be invalid or unenforceable by any court of competent jurisdiction, then such determination shall not effect the validity of any other provision of this Declaration. In case at any time or times any improvements of the project shall be damaged or destroyed by any insured casualty, such improvements shall be rebuilt, repaired or restored unless seventy-five percent (75%) of the apartment owners vote to the contrary at a meeting of the Association to be held either within ninety (90) days after the occurrence of such damage or destruction or within thirty (30)

days after the loss has been finally adjusted with the insurer, whichever is later.

16. CONDEMNATION: In the event of a taking in condemnation or by eminent domain of part or all of the common elements, all compensation payable for or on account of taking shall be equitably apportioned between the apartment owners and their respective mortgagees, if any. All portions of any such award payable on account of the apartment owners and their respective mortgagees, if any, shall be payable to a condemnation trustee, who shall be a bank or trust company designated by the Board doing business in the State of Hawaii. The Board of Directors shall arrange for the repair and restoration of the buildings and improvements in accordance with the design thereof immediately prior to such condemnation or, if such repair and restoration in accordance with said design are not permissible under the laws then in force, in accordance with such modified plan as shall be previously approved by the Board and the mortgagee of record of any interest in an apartment directly affected thereby. In the event of a partial taking under which any apartment is eliminated or not restored, the condemnation trustee shall disburse the portion of the proceeds of such award allocable to said apartment, less the proportionate share of said apartment in the cost of debris removal, to the owner of said apartment and his mortgagees, if any, in satisfaction of his interest in said apartment. The condemnation trustee shall disburse the remainder of the proceeds of such award to the contractor engaged in such repair and restoration in appropriate progress payments and in the event such proceeds are insufficient to pay the costs thereof the Board is expressly authorized to pay such excess costs from the maintenance fund and if the maintenance fund is insufficient for this purpose the Board shall levy a special assessment on the owners of apartments in proportion to their common interest. In the event sums are received in excess of the cost of repairing and restoring the remaining buildings and improvements, or in the event all the buildings and improvements are so taken or condemned, such excess proceeds or said proceeds, as the case may be, shall be divided between the owners of apartments and their respective mortgagees, if any, in accordance with their respective interests in the common elements.

17. UNINSURED CASUALTY: In case at any time or times any improvements of the Project shall be damaged or destroyed by any casualty not herein required to be insured against, such improvements shall be rebuilt, repaired or restored unless seventy-five percent (75%) of the apartment owners vote to the contrary. Any such approved restoration of the common elements shall be completed diligently by the Association at its common expense and the apartment owners shall be solely responsible for any restoration of their respective apartments so damaged or destroyed, according to the original plans and elevation thereof, or such other plan first approved as provided herein. Unless such restoration is undertaken within a reasonable time after such casualty, the Association at its common expense shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good orderly condition and even grade.

18. ALTERATION OF PROJECT: Restoration or replacement of the Project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from said Condominium File Plan or map of the Project, shall be undertaken by the Association and accompanied by the written consent of each apartment owner and of the holders of all liens affecting any such apartments which is affected by restoration or improvement, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered certified as built by a registered architect or professional engineer

18.1. ALTERATIONS BY DISABLED OCCUPANTS. Regardless of anything to the contrary in this Declaration, the By-Laws, or the House Rules, disabled occupants shall: (1) be permitted to make reasonable modifications to their apartments and/or the common elements, at their expense, if the modifications are necessary to enable them to use and enjoy their apartments and/or the common elements; provided that any disabled occupant wishing to make modifications or to obtain an exemption first

submits a written request to the Board, and the Board consents in writing to the request. The request must state in detail the nature of the request and the reason that the disabled occupant needs to make modifications or to be granted an exemption. The Board shall not unreasonably withhold or delay its consent to the request, and any request shall be deemed to be granted if the Board does not respond in writing, within forty-five (45) days of the Board's receipt of the request. The Board may condition its consent upon the disabled occupant complying with the following conditions:

1. The disabled occupant must provide plans and specifications, including detailed plot plans, if requested, at the disabled occupant's expense;

2. The disabled occupant must agree to, if necessary, submit the plans and specifications to an engineer or other expert selected by the board for review and approval, at the disabled occupant's expense;

3. The disabled occupant must agree to, if necessary, an inspection of the proposed additions or alterations during the course of construction and/or following completion of construction, by an engineer or other expert selected by the Board at the disabled occupant's expense;

4. The disabled occupant must strictly comply with all applicable laws, ordinances, and regulations of any governmental entity; and

5. The disabled occupant must obtain any necessary building permits, at the disabled occupant's expense. (See Endnote 7)

19. MAINTENANCE RESERVE FUND: In compliance with Chapter 514A, Hawaii Revised Statutes, the Board shall establish and maintain a Maintenance Reserve Fund by the assessment of and payment by all apartment owners in equal monthly installments of their respective proportionate shares of such reasonable annual amount as the Board may estimate as adequate to cover each apartment owner's obligations to provide for utilities, insurance, maintenance, repair and replacement of the common elements, and other expenses of administration of the Project, which shall be deemed conclusively to be a common expense of the Project. The Board may include reserves for contingencies in such assessments, and such assessments may from time to time be increased or reduced in the discretion of the

Board. The proportionate interest of each apartment owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such apartment even though not expressly mentioned or described in the conveyance thereof. In case the Condominium Property Regime hereby created shall be terminated or waived, said Fund remaining after full payment of all common expenses of the Association shall be distributed to all apartment owners in their respective proportionate shares except for the owners of any apartments then reconstituted as a new Condominium Property Regime. (See Endnote 8)

20. AMENDMENT OF DECLARATION: Except as otherwise provided in the Act this Declaration may be amended by vote or written consent of the owners of not less than seventy-five percent (75%) of the interest in the common elements, effective only upon the recording of an instrument setting forth such amendment and vote, duly executed by such owners or by the proper officers of the Association; PROVIDED, HOWEVER, that notwithstanding the lease, sale or conveyance of any of the apartments, the Developer hereby reserves the right, without the joinder or consent of any other persons then owning or leasing the apartments, from time to time to amend their Declaration (and when applicable, the Condominium Map) by: (See Endnote 9)

a) Filing the "as built" verified statement (with plans, if applicable) required by Section 514A of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict lay-out, location, apartment numbers, and dimensions of the apartments as built, or (ii) so long as any plans filed therewith involve only immaterial changes to the lay-out, location, apartment numbers, or dimensions of the apartments as built.

In case of a modification or amendment of the By-Laws, this Declaration may be amended to set forth such modification or amendment pursuant to such percentage vote as is required by the By-Laws to render the modification or amendment thereof effective.

22. COMPLIANCE WITH ORDINANCES, ETC.: The Project consists in part of an existing structure being converted to a condominium and the Project is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction. No variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time the Project was constructed or from any current ordinance, code, rule, regulation or other requirement.

23. DEFINITIONS: Where used herein the terms "majority" or "majority of apartment owners" herein means the owners of apartments to which are appurtenant more than fifty percent (50%) of the common interest, and any specified percentage of the apartment owners means the owners of apartments to which are appurtenant such percentage of the common interest.

24. INVALIDITY: The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all other provisions of this Declaration shall continue in full force and effect as if such invalid provision had not be included herein.

25. OPERATION OF THE PROJECT: The operation of the Project shall be governed by this Declaration, the By-Laws and the House Rules adopted by the Board of Directors of the Association. Each apartment shall comply strictly with this Declaration, the By-Laws and said House Rules.

IN WITNESS WHEREOF, the undersigned have executed this Restated Declaration this 26th day of OCTOBER, 2001

ASSOCIATION OF APARTMENT OWNERS
OF FAIRWAY GARDENS

By Sharon A. Suzuki
Print Name: SHARON A. SUZUKI

Its BOARD PRESIDENT
(Please Print)

By Maxilyn Tagata
Print Name: Maxilyn Tagata
Its Board Director
(Please Print)

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

On this 26th day of October, 2001, before me appeared Sharon A Suzuki, to me personally known, who, being by me duly sworn, did say that he/she is the Board President of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS, an incorporated association, that said Association has no seal, and that said instrument was executed on behalf of said Association by authority of its Board of Directors and said Sharon A Suzuki acknowledged that he/she executed said instrument as the free act and deed of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS.

Fay A Taira

Print Name: Fay A Taira
Notary Public, State of Hawaii

My Commission Expires: 12-9-2003

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

On this 26th day of October, 2001, before me appeared Maxilyn Tagata, to me personally known, who, being by me duly sworn, did say that he/she is the Board Director of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS, an incorporated association, that said Association has no seal, and that said instrument was executed on behalf of said Association by authority of its Board of Directors and said Maxilyn Tagata acknowledged that he/she executed said instrument as the free act and deed of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS.

Fay A. Tai
Print Name: Fay A. Tai
Notary Public, State of Hawaii

My Commission Expires: 12-9-2003

ENDNOTES

The following endnotes correspond to provisions in the Declaration of Condominium Property Regime as restated to conform to Chapter 514A, Hawaii Revised Statutes, and the Federal Fair Housing Amendments Act (42 U.S.C. Sections 3601 et seq.), and to integrate all amendments made to the project's declaration. This restatement was made solely for purposes of information and convenience. The restated declaration of condominium property regime correctly states without change the corresponding provisions of the original declaration, as amended, and supersedes the original declaration and all prior amendments to it. In the event of a conflict, the restated declaration shall be subordinate to the original declaration, amendments and cited statutes.

1. Throughout this restatement, references to "horizontal" property regime and "horizontal" property act have been changed by substituting "condominium" for "horizontal" in accordance with Act 65 (SLH 1988). References to "Chapter 514" have also been changed to "Chapter 514A."

2. Section 4 d) was amended by the "First Amendment to Declaration of Horizontal Property Regime for Fairway Gardens dated April 10, 1980 and recorded as Land Court Document No. 1007855 ("First Amendment").

3. The table in Section 6 was amended by the "Second Amendment to Declaration of Horizontal Property Regime for Fairway Gardens dated August 18, 1980 and recorded as Land Court Document No. 1027662 (the "Second Amendment").

4. Section 10 d) has been amended to include a reference to Paragraph 18.1, which was added to conform to the requirements of the Fair Housing Amendments Act, as amended (42 U.S.C. Section 3601, et seq.) relating to alterations by disabled owners and residents. Section 10 f) has been amended for the same reason.

5. The Telecommunications Act of 1996 and the rules adopted by the Federal Communications Commission greatly restrict an association's authority to limit the installation of antennas and small satellite dishes designed to receive video programming.

6. Section 514A-82(b)(13) also authorizes power of sale, non-judicial foreclosures.

7. Section 18.1 has been added to provide a clear statement that disabled owners and residents will be permitted to make all alterations and additions to their apartment and the Project authorized by the Fair Housing Amendments Act and Chapter 515, Hawaii Revised Statutes.

8. Section 19 has been amended to refer to the requirements of Section 514A-83.6 and to incorporate the change made by the Second Amendment of the Declaration of Horizontal Property Regime of Fairway Gardens, dated August 18, 1980 and recorded as Land Court Document No. 1027622.

9. Section 20 of the Declaration was amended to include the change made to Section 514A-11 permitting amendments to the declaration be made by written consent, without a meeting, as well as by a vote at a meeting.

EXHIBIT "A"

ALL of that certain parcel of land situate at Moanalua, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 3358, area 85,231 square feet, as shown on Map 489, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1074 of the Trustees under the Will and of the Estate of Samuel M. Damon, deceased.

BEING the same premises described in Transfer Certificate of Title No.227,733 issued to Association of Apartment Owners of Fairway Gardens.

EXCEPTING AND RESERVING therefrom unto the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, all artesian and other underground water and rights thereto appurtenant to said premises, as reserved in Deed dated October 7, 1965, filed as Land Court Document No. 372554, also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 51 63, Page 496, said Trustees released all right to enter upon surface of lands to exercise said exception and reservation in Document No. 372554, including any rights of ingress and egress upon said lands by Release dated October 12, 1965 and filed as Document No. 372562, also recorded as aforesaid in Liber 51 63, Page 572.

SUBJECT, HOWEVER, to the covenants as contained in Declaration made by Clarence Thing Chock Ching, husband of Dorothy Tom Ching, Thomas Awai, widower, and Fong Ting Mau, husband of Rose Yet Kui Mau, general partners of International Development Company, a registered limited partnership, dated November 24, 1970 and filed as Land Court Document No. 520605, to which reference is hereby made.

TOGETHER WITH all built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes, range, refrigerator, disposal, and TV antenna presently situate in or used in connection with each of the apartments in the building located upon the above described real property.

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
101	281,953	102	228,376
103	405,037	104	392,940
105	228,968	108	347,980
109	228,534	110	402,340
201	406,681	202	264,895
203	401,112	204	433,724
205	418,312	206	349,433
207	351,106	208	322,433
209	346,563	210	223,617
301	291,746	302	313,350
303	320,005	304	408,716
305	227,727	306	339,439
307	405,316	308	419,110
309	228,626	310	421,400
401	227,863	402	413,307
403	364,328	404	227,908
405	377,659	406	314,494
407	423,860	408	408,422
409	366,465	410	227,733
501	247,103	502	433,749
503	283,786	504	413,652
505	228,568	506	418,406
507	380,318	508	267,973
509	353,488	510	315,788
601	315,115	602	384,242
603	279,099	604	318,430
605	353,852	606	278,870
607	325,130	608	276,428
609	335,502	610	330,311
701	227,747	702	228,154
703	227,530	704	256,522

E X H I B I T " A " CONTINUE

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
705	249,875	706	348,950
707	228,085	708	341,906
709	231,783	710	289,451
801	228,240	802	322,101
803	273,808	804	391,558
805	227,751	806	393,057
807	332,983	808	424,066
809	387,699	810	329,739
901	351,640	902	227,754
903	227,755	904	284,293; 284,294
905	271,760	906	324,067
907	227,756	908	390,309
909	337,017	910	378,507
1001	227,759	1002	426,852
1003	337,415	1004	228,118
1005	234,797	1006	369,453
1007	428,480	1008	229,629
1009	366,564	1010	227,763
1101	278,184	1102	341,364
1103	303,291	1104	370,528
1105	267,626	1106	228,084
1107	415,745	1108	368,591
1109	284,217	1110	424,804
1201	351,581	1202	320,193
1203	370,162	1204	418,416
1205	338,398	1206	371,442
1207	370,160	1208	317,768
1209	404,768	1210	314,286
1301	372,880	1302	389,914
1303	229,712	1304	261,706
1305	227,777	1306	332,061

EXHIBIT "A" CONTINUE

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
1307	389,565	1308	334,991
1309	426,999	1310	394,488
1401	299,425	1402	329,863
1403	417,581	1404	227,821
1405	423,472	1406	292,741
1407	389,022	1408	389,017
1409	424,042	1410	229,822

END OF EXHIBIT "A"

FAIRWAY GARDENS
Parking Stall Assignment

Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:
101	171	407	167	801	81	1105	15
102	100	408	168	802	82	1106	16, 32
103	99	409	87, 169	803	93	1107	17
104	98	410	170	804	94	1108	18
105	59			805	125	1109	19
*108	60	501	131	806	126	1110	20
109	40	502	132	807	127		
110	39	503	133	808	128	1201	21, 83
		504	134	809	129	1202	22
201	141	505	135	810	130	1203	23
202	142	506	124, 136			1204	24, 114
203	143	507	137	901	31	1205	25
204	144	508	138	902	38	1206	26
205	145	509	139	903	113	1207	27
206	146	510	140	904	112	1208	28
207	147			905	111	1209	29
208	148	601	61	906	96	1210	30
209	149	602	62	907	7		
210	150	603	63	908	8	1301	37, 51
		604	64, 115	909	97	1302	52
301	151	605	65	910	95	1303	53
302	152	606	66			1304	54
303	153	607	4, 67	1001	101	1305	55
304	154	608	68	1002	102	1306	56
305	155	609	69	1003	103	1307	57
306	86, 156	610	70	1004	104	1308	58

EXHIBIT "B"

Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:	Apt. #:	Parking Stall:
307	157			1005	105	1309	9
308	158	701	71	1006	106	1310	10
309	119, 159	702	72	1007	107		
310	160	703	73	1008	108	1401	41, 84
		704	74	1009	85, 109	1402	42
401	3, 161	705	75	1010	110	1403	43
402	162	706	76			1404	44
403	163	707	77	1101	11	1405	45
404	164	708	78	1102	12	1406	46
405	165	709	79	1103	13	1407	47
406	166	710	80	1104	14	1408	48
						1409	49
						1410	50, 172

Guest Parking: 88, 89, 90, 91, 92 (all for compact cars)

*Apt. #108, Additional Stalls: 1, 2, 5, 6, 33, 34, 35, 36, 84, 116, 117, 118, 120, 121, 122, 123, 124 (all for compact cars, not including #60)

Parking Stall Amendments (transferring stalls):

Document No.	Dated	Stall to Apartment No.
1039593	September 23, 1980	Stall 3 to Apt. 401
1048369	September 30, 1980	Stall 86 to Apt. 306
1048370	October 20, 1980	Stall 119 to Apt. 309
1048371	October 1, 1980	Stall 87 to Apt. 409
1048372	September 18, 1980	Stall 124 to Apt. 506
1048373	September 18, 1980	Stall 4 to Apt. 607
1048374	September 22, 1980	Stall 85 to Apt. 1009
Document	Dated	Stall to Apartment No.

1048375	September 19, 1980	Stall 37 to Apt. 1301
1048376	September 22, 1980	Stall 84 to Apt. 1401
1049696	January 2, 1981	Stall 32 to Apt. 1106
1054490	January 29, 1981	Stall 172 to Apt. 1410
1434819	January 21, 1987	Stall 83 to Apt. 1201
1506602	October 27, 1987	Stall 114 to Apt. 1204
1660800	August 15, 1989	Stall 115 to Apt. 605

EXHIBIT "B" ENDS

Rothwell + Byler
587-5311

TG
Fairway Gardens
Decom

1007855
STATE OF HAWAII
LAND COURT
FILED

80 APR 17 8:01

ASSISTANT CLERK
DATE OF DEPOSIT 2/19/84
PAGE 1/1

RECORDATION REQUESTED BY:

AFTER RECORDATION, RETURN TO:

RETURN BY: MAIL() PICKUP()

FIRST AMENDMENT TO DECLARATION
OF HORIZONTAL PROPERTY REGIME
FOR FAIRWAY GARDENS

WHEREAS, 5210 LIKINI PARTNERS, a Hawaii limited partnership, with its principal place of business at Suite 2002, 615 Piikoi Street, Honolulu, State of Hawaii, caused that certain Declaration of Horizontal Property Regime under Chapter 514A, Hawaii Revised Statutes, for Fairway Gardens ("Declaration"), dated January 28, 1980, to be filed on March 7, 1980, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1000625 and caused to be filed as Condominium Map No. 410, both of which are noted in Transfer Certificate of Title No. 219,084 issued to 5210 Likini Partners, a registered Hawaii limited partnership; and

WHEREAS, 5210 LIKINI PARTNERS, which is the sole owner of all of the apartments created by and described in the Declaration and the By-Laws ("By-Laws") attached thereto, and depicted in the Condominium Map, desires to amend said Declaration:

NOW, THEREFORE:

1. Paragraph 4d) on page 10 of the Declaration stating as follows: "d) All parking areas;" is hereby amended by adding after the word "area" and before the semicolon the words ", including guest stalls as indicated on Exhibit 'B'".

9999-1 123

219084 Fairway Gardens

FAIRWAY GARDENS

Parking Stall Assignment

APT. #	Parking Stall #	APT. #	Parking Stall #	APT. #	Parking Stall #	APT. #	Parking Stall #
101	171	407	167	801	81	1105	15
102	100	408	168	802	82	1106	16
103	99	409	169	803	93	1107	17
104	98	410	170	804	94	1108	18
105	59			805	125	1109	19
*108	60	501	131	806	126	1110	20
109	40	502	132	807	127		
110	39	503	133	808	128	1201	21
		504	134	809	129	1202	22
201	141	505	135	810	130	1203	23
202	142	506	136			1204	24
203	143	507	137	901	31	1205	25
204	144	508	138	902	38	1206	26
205	145	509	139	903	113	1207	27
206	146	510	140	904	112	1208	28
207	147			905	111	1209	29
208	148	601	61	906	96	1210	30
209	149	602	62	907	7		
210	150	603	63	908	8	1301	51
		604	64	909	97	1302	52
301	151	605	65	910	95	1303	53
302	152	606	66			1304	54
303	153	607	67	1001	101	1305	55
304	154	608	68	1002	102	1306	56
305	155	609	69	1003	103	1307	57
306	156	610	70	1004	104	1308	58
307	157			1005	105	1309	9
308	158	701	71	1006	106	1310	10
309	159	702	72	1007	107		
310	160	703	73	1008	108	1401	41
		704	74	1009	109	1402	42
401	161	705	75	1010	110	1403	43
402	162	706	76			1404	44
403	163	707	77	1101	11	1405	45
404	164	708	78	1102	12	1406	46
405	165	709	79	1103	13	1407	47
406	166	710	80	1104	14	1408	48
						1409	49
						1410	50

Guest Parking: 88, 89, 90, 91, 92 (all for compact cars)

*Apt. #108, Additional Stalls: 1, 2, 3, 4, 5, 6, 32, 33, 34, 35, 36, 37, 83, 84, 85, 86, 87, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 172 (all for compact cars, not including #60)

ET 16, 125 ml

HAWAII ESCROW & TITLE, INC.
P. O. Box 3113
Honolulu, Hawaii 96802

1027652

STATE OF HAWAII
LAND COURT
FILED

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ASSISTANT CLERK
NOTED ON DATE 2/9/84
BOOK 1152

RECORDATION REQUESTED BY:

HAWAII ESCROW & TITLE, INC.
P. O. Box 3113

Honolulu, Hawaii 96802
AFTER RECORDATION, RETURN TO:

HAWAII ESCROW & TITLE, INC.
P. O. Box 3113

Honolulu, Hawaii 96802
RETURN BY: MAIL () PICKUP (X)

SECOND AMENDMENT TO DECLARATION
OF HORIZONTAL PROPERTY REGIME
FOR FAIRWAY GARDENS

WHEREAS, 5210 LIKINI PARTNERS, a Hawaii limited partnership, with its principal place of business at Suite 2002, 615 Piikoi Street, Honolulu, State of Hawaii, caused that certain Declaration of Horizontal Property Regime under Chapter 514A, Hawaii Revised Statutes, for Fairway Gardens ("Declaration"), dated January 28, 1980, to be filed on March 7, 1980, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1000625 and caused to be filed as Condominium Map No. 410, both of which are noted in Transfer Certificate of Title No. 219,084 issued to 5210 Likini Partners, a registered Hawaii limited partnership, and caused said Declaration to be amended by instrument dated April 10, 1980, and filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1007855; and

WHEREAS, 5210 LIKINI PARTNERS, which is the sole owner of all of the apartments created by and described in the Declaration and the By-Laws ("By-Laws") attached thereto, and depicted in the Condominium Map, desires to amend said Declaration:

NOW, THEREFORE:

1. The table pertaining to the percentage of undivided interest in the common elements contained in

paragraph 6 shall be replaced by the table in Exhibit "A" attached hereto.

2. The first sentence of paragraph 19 of the Declaration shall read:

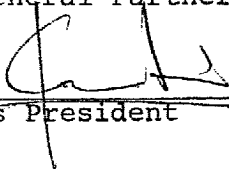
19. Maintenance Reserve Fund: The Board shall establish and maintain a Maintenance Reserve Fund by the assessment of and payment by all apartment owners in equal monthly installments of their respective proportionate shares of such reasonable annual amount as the Board may estimate as adequate to cover each apartment owner's obligations to provide for utilities, insurance, maintenance, repair and replacement of the common elements, and other expenses of administration of the Project, which shall be deemed conclusively to be a common expense of the Project.

3. The second sentence in Article III, Section 1 of the By-Laws attached to the Declaration shall be amended to read: "In the case of a corporate owner the member of the Board shall be an officer of the corporation, or in the case of a fiduciary Owner shall be a representative of such fiduciary."

IN WITNESS WHEREOF, 5210 LIKINI PARTNERS has executed this instrument this 18th day of August, 1980.

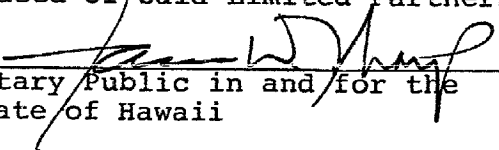
5210 LIKINI PARTNERS, A Hawaii
Limited Partnership

By K. K. H., INC., A Hawaii
Corporation
Its General Partner

By 
Its President

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

On this 18th day of August, 1980, before me personally appeared KANE K. HUI, to me personally known, who being by me duly sworn, did say that he is the President of K. K. H. INC., a Hawaii corporation; that said corporation executed the foregoing instrument as General Partner of 5210 LIKINI PARTNERS, a Hawaii Limited Partnership; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; and that said instrument was signed and sealed on behalf of the Limited Partnership by authority of said corporation's Board of Directors; and said officer acknowledged that he executed the same as the free act and deed of said Limited Partnership.



Notary Public in and for the
State of Hawaii

My commission expires: 7-21-84

EXHIBIT "A"

<u>TYPE APT.</u>	<u>Net. Flr. Area (Sq.Ft.)</u>	<u>%Common Interest In Common Elements Each Apartment</u>	<u>No. Apts.</u>	<u>Total Area Each Type Sq. Ft.</u>	<u>%Common Interest per Type - Total</u>
A	691	.72692	24	16,584	17.44608
A-1	691	.72692	20	13,820	14.53840
A-2	755	.79425	6	4,530	4.76550
A-3	755	.79425	5	3,775	3.97125
B	816	.85842	5	4,080	4.29210
B-1	816	.85842	8	6,528	6.86736
C	515	.54177	7	3,605	3.79239
C-1	515	.54177	6	3,090	3.25062
D	688	.72377	25	17,200	18.09425
D-1	688	.72377	22	15,136	15.92294
D-2	753	.79216	2	1,506	1.58432
E	715	.75218	2	1,430	1.50436
E-1	690	.72589	1	690	.72589
E-2	746	.78479	1	746	.78479
E (end)	706	.74271	1	706	.74271
F	669	.70379	1	669	.70379
G	422	.44394	1	422	.44394
H	541	.56931	1	541	.56931
			<u>138</u>	<u>95,058</u>	<u>100.00000</u>

JP
135
'L-292

STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

AUG 22. 1994 02:00 PM

Doc No(s) 2173782

on Cert(s) AS LISTED HEREIN

/s/ S. FURUKAWA
ASSISTANT REGISTRAR

LAND COURT SYSTEM

REGULAR SYSTEM

RETURN BY: MAIL [] PICKUP []

TO: JOHN A. MORRIS, ESQ.
IWAI GOTO & MORRIS
SUITE 502, HASEKO CENTER
820 MILILANI STREET
HONOLULU, HI 96813
(808) 537-1935

SECOND AMENDMENT TO DECLARATION
OF HORIZONTAL PROPERTY REGIME
FOR FAIRWAY GARDENS
(AMENDMENT TO BY-LAWS)

PARTY TO THE DOCUMENT:

Association of Apartment
Owners of Fairway Gardens

PROPERTY DESCRIPTION:

Fairway Gardens Condominium

TCT NO. (See Exhibit "A")

WHEREAS, 5210 LIKINI PARTNERS, a Hawaii limited
partnership, with its principal place of business at Suite 2002,

615 Piikoi Street, Honolulu, State of Hawaii, caused that certain Declaration of Horizontal Property Regime under Chapter 514A, Hawaii Revised Statutes, for Fairway Gardens ("Declaration"), dated January 28, 1980, to be filed on March 7, 1980, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1000625 and caused to be filed Condominium Map No. 410, both of which are noted on the Transfer Certificate of Title listed in Exhibit "A" attached hereto; and

WHEREAS, the operation of Fairway Gardens is governed by the By-Laws of the Association of Apartment Owners of Fairway Gardens (hereinafter referred to as the By-Laws") which are annexed to and made a part of the Declaration; and

WHEREAS, pursuant to the procedures set forth in Hawaii Revised Statutes §514A-82(b)(2), the owners of greater than sixty-five percent (65%) of all apartment owners of Fairway Gardens condominium project, being desirous of amending the By-Laws, by vote or written consent have voted in favor of the proposed amendment to the By-Laws.

NOW, THEREFORE, the By-Laws of the Association of Apartment Owners of Fairway Gardens are hereby amended as follows:

I. Article VIII, Section 1. of the By-Laws of the Association of Apartment Owners of Fairway Gardens is amended to provide as follows: (Amended portions are underscored)

ARTICLE VIII
GENERAL PROVISIONS

Section 1. Rules and Regulations. Each owner recognizes the right of the board from time to time to establish and amend such uniform rules and regulations (herein referred to as House-Rules) as the Board may deem necessary for the management and control of the apartments and the common elements and the limited common elements and each owner agrees that his rights under this instrument shall be in all respects subject to the appropriate rules and regulations which shall be taken to be a part hereof; and each owner agrees to obey all such rules and regulations as the same now are or may from time to time be amended, and to see that the same are faithfully observed by his invitees, guests, employees and sub-lessees. Such rules and regulations shall uniformly apply to and be binding upon all occupants of an Apartment.

The Board in its discretion shall be authorized to provide for a system of specific fines and penalties for the violation by any owner of the provisions of these By-Laws, the Declaration and the House Rules. Upon the vote or written consent of a majority of the Directors such fines and penalties shall be binding on all owners and shall be enforceable by the Board as a special assessment. Such a remedy shall have such other remedies as are provided for by applicable law, these By-Laws, the Declaration and the House Rules. Any House Rules on fines and penalties promulgated pursuant to this Section shall provide for the following:

(1) A written notice of the violations and fine assessed shall be provided to the owner(s) against whom such assessments are made. Such notice shall include the date, approximate time (if applicable), description of the violation and amount of the fine assessed;

(2) A procedure for the owner to appeal any fine or penalty imposed by giving written notice to the Board within 30 days of the notice; and,

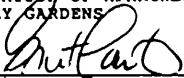
(3) A Panel of at least three (3) persons (one of whom shall be designated as chairman), who may or may not be owners, who shall hear the appeal on the fines and charges and evaluate the evidence on the violation. A written decision shall be rendered by the Panel within thirty (30) days of the hearing.

The undersigned officers of the Association of Apartment Owners of Fairway Gardens condominium project hereby certify that pursuant to the procedures set forth in Hawaii Revised Statutes §514A-82(b)(2), the owners of greater than sixty-five (65%) of the apartment owners of Fairway Gardens condominium project have by vote or by written consent voted to amend the By-Laws of the Association of Apartment Owners of Fairway Gardens as above provided.

IN WITNESS WHEREOF, the Association of Apartment Owners of Fairway Gardens has executed this instrument on this 22nd day November, 1989.

ASSOCIATION OF APARTMENT OWNERS OF
FAIRWAY GARDENS

GRANT TANIMOTO
PRESIDENT

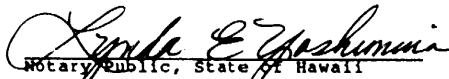
By: 
Its

GERALD L. FITZ
VICE PRESIDENT

By: 
Its

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

On this 17th day of November, 1989, before me appeared Garret Taniguchi to me personally known, who, being by me duly sworn, did say that he/she is the President of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS; that said Association does not have a seal; that he/she has read the foregoing instrument; that he/she knows the contents thereof and the statements made therein are true and correct; that said instrument was signed on behalf of said Association by authority of the By-Laws of the said Association upon the direction of the Board of Directors thereof; and he/she acknowledged said instrument to be the free act and deed of said Association.


Notary Public, State of Hawaii

My commission expires: 3/27/92

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

On this 22nd day of November, 1989, before me appeared Harold P. Poy to me personally known, who, being by me duly sworn, did say that he/she is the Vice President of the ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS; that said Association does not have a seal; that he/she has read the foregoing instrument; that he/she knows the contents thereof and the statements made therein are true and correct; that said instrument was signed on behalf of said Association by authority of the By-Laws of the said Association upon the direction of the Board of Directors thereof; and he/she acknowledged said instrument to be the free act and deed of said Association.


Notary Public, State of Hawaii

My commission expires: 6/15/90

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
101	436,429	102	228,376
103	405,037	104	392,940
105	228,968	108	347,980
109	228,534	110	402,340
201	406,681	202	264,895
203	401,112	204	433,724
205	418,312	206	349,433
207	351,106	208	322,433
209	346,563	210	223,617
301	291,746	302	313,350
303	320,005	304	408,716
305	227,727	306	339,439
307	405,316	308	419,110
309	228,626	310	421,400
401	227,863	402	413,307
403	364,328	404	227,908
405	377,659	406	314,494
407	423,860	408	408,422
409	366,465	410	227,733
501	247,103	502	433,749
503	283,786	504	413,652
505	228,568	506	418,406
507	380,318	508	267,973
509	353,488	510	315,788
601	315,115	602	384,242
603	279,099	604	318,430
605	353,852	606	278,870
607	325,130	608	276,428
609	335,502	610	330,311
701	227,747	702	228,154
703	385,530	704	256,522

E X H I B I T " A "

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
705	435,940	706	436,565
707	228,085	708	341,906
709	231,783	710	289,451
801	228,240	802	322,101
803	273,808	804	391,558
805	227,751	806	393,057
807	332,983	808	424,066
809	387,699	810	329,739
901	351,640	902	227,754
903	227,755	904	284,293; 284,294
905	271,760	906	324,067
907	227,756	908	390,309
909	337,017	910	378,507
1001	227,759	1002	426,852
1003	337,415	1004	228,118
1005	434,537	1006	369,453
1007	428,480	1008	229,629
1009	366,564	1010	227,763
1101	278,184	1102	341,364
1103	303,291	1104	370,528
1105	267,626	1106	228,084
1107	415,745	1108	368,591
1109	284,217	1110	424,804
1201	351,581	1202	320,193
1203	370,162	1204	418,416
1205	338,398	1206	371,442
1207	370,160	1208	317,768
1209	404,768	1210	314,286
1301	372,880	1302	389,914
1303	229,712	1304	261,706
1305	227,777	1306	332,061

FAIRWAY GARDENS - T C T NUMBERS

<u>Apt. No.</u>	<u>TCT Number</u>	<u>Apt. No.</u>	<u>TCT Number</u>
1307	389,565	1308	334,991
1309	426,999	1310	394,488
1401	299,425	1402	329,863
1403	417,581	1404	227,821
1405	423,472	1406	292,741
1407	389,022	1408	389,017
1409	424,042	1410	229,822

HAWAII ESCROW & TITLE, INC
P. O. Box 3113
Honolulu, Hawaii 96802

Et 16, 125

ET-16, 125

1000625

STATE OF HAWAII
LAND CONSERVATION
FILES

80 MAR 7 P 1: 39

ASSISTANT COUNTY CLERK
NOTED ON CERTIFICATE 2/19084
BOOK _____ PAGE _____

RECORDATION REQUESTED BY:
HAWAII ESCROW & TITLE, INC.
P. O. Box 3113
Honolulu, Hawaii 96802

AFTER RECORDATION, RETURN TO:

HAWAII ESCROW & TITLE, INC.
P. O. Box 3113
RETURN BY Hawaii Title () PICKUP ()

DECLARATION OF HORIZONTAL PROPERTY REGIME
FAIRWAY GARDENS

WHEREAS, 5210 LIKINI PARTNERS, hereinafter called "OWNER-DEVELOPER", a Hawaii limited partnership, whose principal place of business is Suite 2002, 615 Piikoi Street, City and County of Honolulu, State of Hawaii, is the owner in fee simple of the real property described in Exhibit "A" attached hereto and incorporated herein by this reference, hereinafter called "PROPERTY",

AND, WHEREAS, the Owner-Developer intends to convert said property into a 138-unit multi-family condominium dwelling project, with appurtenant improvements, herein called the "PROJECT", in accordance with the plans filed in the Office of the Bureau of Conveyances of the State of Hawaii as Condominium File Plan # 410, the "CONDOMINIUM MAP", or "PLAN", which by this reference is incorporated herein and made a part hereof,

NOW, THEREFORE, in order to create a condominium project consisting of said land and improvements which are situated thereon, the Owner-Developer hereby submits its interest in the Property to the Horizontal Property Regime established by the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, the "ACT", such Project to be known as FAIRWAY GARDENS, and in furtherance thereof,

1984

the Owner-Developer makes the declarations as to divisions, limitations, restrictions, covenants and conditions and hereby declares and agrees that the Property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to said declarations, restrictions and conditions set forth herein and in the By-Laws filed herewith and made a part hereof by reference, as the same may from time to time be amended, herein called "BY-LAWS", which declarations, restrictions and conditions shall constitute covenants running with the land and shall be binding on, and shall inure to the benefit of, Owner-Developer, its successors and assigns and all subsequent owners and lessees, administrators, successors and assigns. All of the following provisions of this Declaration are intended to create mutual equitable servitudes upon each apartment within said Regime and create reciprocal rights between the respective owners of all apartments. The mere acquisition of any interest in the Project will signify that this Declaration and said By-Laws are accepted, ratified and will be complied with.

1. The Project: The Horizontal Property Regime established hereby shall be known as "FAIRWAY GARDENS."
2. Description of Land: The land submitted to the Horizontal Property Regime is that which is described in Exhibit "A" attached hereto and incorporated herein and is submitted in fee simple.
3. Description of Building: One hundred thirty-eight (138) feehold estates are hereby designated in the spaces within the perimeter and party walls, floors and

ceilings of each of the 138 apartment units, herein called "APARTMENT" contained within the Project. Said building and apartments therein are designated on said File Plan Map and are more particularly hereinafter described:

a) Apartment Building: The building which contains the apartments is a 14-story reinforced concrete structure. Two elevators serve the parking level and each of the 14 residential floors. Additional access and egress is provided by stairwells, one at each end of the building.

b) Apartment Number: Apartments on the first floor are numbered 101, 102, 103, 104, 105, 108, 109 and 110 and apartments on the second through fourteenth floors are numbered consecutively 01 through 10, with each apartment number preceded by the appropriate number to designate the particular floor upon which that apartment unit is located.

c) Apartment Types: The project consists of 18 basic types of apartments, each apartment including reverses, and each apartment being typical of all other apartments of the same type. Apartment types are designated as Types A, A-1, A-2, A-3 units; Types B, B-1 units; Types C, C-1 units; Types D, D-1, D-2 units; Types E, E-1, E-2 units; Type F; Type G; and Type H. The 18 basic apartment types are described as follows:

1) Type A Units: Type A apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The

total floor area of each Type A unit is 691 square feet. There are 24 Type A units numbered 206, 207, 208, 209, 306, 307, 308, 309, 406, 407, 408, 409, 506, 507, 508, 509, 606, 607, 609, 706, 707, 709, 806 and 809.

2) Type A-1 Units: Type A-1 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type A-1 unit is 691 square feet. There are 20 Type A-1 units numbered 608, 708, 807, 808, 906, 907, 908, 909, 1006, 1007, 1008, 1009, 1106, 1107, 1108, 1109, 1206, 1207, 1208 and 1209.

3) Type A-2 Units: Type A-2 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type A-2 unit is 755 square feet. There are 6 Type A-2 units numbered 710, 810, 910, 1010, 1110 and 1210.

4) Type A-3 Units: Type A-3 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type A-3 unit is 755 square feet. There are 5 Type A-3 units numbered 210, 310, 410, 510 and 610.

5) Type B Units: Type B apartment units contain a combined living/dining area, kitchen, three bedrooms, one full bath and a one-half bath. The total floor area of each

Type B unit is 816 square feet. There are 5 Type B units numbered 201, 301, 401, 501 and 601.

6) Type B-1 Units: Type B-1 apartment units contain a combined living/dining area, kitchen, three bedrooms, one full bath and a one-half bath. The total floor area of each Type B-1 unit is 816 square feet. There are 8 Type B-1 units numbered 701, 801, 901, 1001, 1101, 1201, 1301 and 1401.

7) Type C Units: Type C apartment units contain a combined living/dining area, kitchen, one bedroom and one full bath. The total floor area of each Type C unit is 515 square feet. There are 7 Type C units numbered 202, 302, 402, 502, 602, 702 and 802.

8) Type C-1 Units: Type C-1 apartment units contain a combined living/dining area, kitchen, one bedroom and one full bath. The total floor area of each Type C-1 unit is 515 square feet. There are 6 Type C-1 units numbered 902, 1002, 1102, 1202, 1302 and 1402.

9) Type D Units: Type D apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type D unit is 688 square feet. There are 25 Type D units numbered 204, 304, 404, 504, 603, 604, 703,

704, 705, 803, 805, 903, 905, 1003, 1005,
1103, 1105, 1203, 1205, 1303, 1305, 1308,
1403, 1405 and 1408.

10) Type D-1 Units: Type D-1 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type D-1 unit is 688 square feet. There are 22 Type D-1 units numbered 203, 205, 303, 305, 403, 405, 503, 505, 605, 804, 904, 1004, 1104, 1204, 1304, 1306, 1307, 1309, 1404, 1406, 1407 and 1409.

11) Type D-2 Units: Type D-2 apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type D-2 unit is 753 square feet. There are 2 Type D-2 units numbered 1310 and 1410.

12) Type E Units: Type E apartment units contain a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of each Type E unit is 715 square feet. There are 2 Type E units numbered 104 and 109.

13) Type E(end) Unit: Type E(end) apartment unit contains a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of the Type E(end) unit is 706 square feet. There is one Type E(end) unit numbered 101.

14) Type E-1 Unit: Type E-1 apartment unit contains a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of the Type E-1 unit is 690 square feet. There is one Type E-1 unit numbered 103.

15) Type E-2 Unit: Type E-2 apartment unit contains a combined living/dining area, kitchen two bedrooms and one full bath. The total floor area of the Type E-2 unit is 746 square feet. There is one Type E-2 unit numbered 110.

16) Type F Unit: Type F apartment unit contains a combined living/dining area, kitchen, two bedrooms and one full bath. The total floor area of the Type F unit is 669 square feet. There is one Type F unit numbered 102.

17) Type G Unit: Type G apartment unit contains a combined living/dining area, kitchen, one bedroom and one full bath. The total floor area of the Type G unit is 422 square feet. There is one Type G unit numbered 105.

18) Type H Unit: Type H apartment unit contains a combined living/dining area, kitchen, one bedroom and one full bath. The total floor area of the Type H unit is 541. There is one Type H unit numbered 108.

d) Delineation of Apartments: Notwithstanding any provisions herein contained to the contrary, the respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls, or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, shafts, wires, conduits or other utility service lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements as herein provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing within its perimeter or party walls, door and door frames, window and window frames, the lanai air space (if any), the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures and appurtenances originally installed therein.

e) Apartment Amenities: Each apartment unit will be equipped with a washer/dryer unit, garbage disposal, range with cleaning oven, refrigerator, plumbing and electrical fixtures, kitchen and bath cabinetry, carpeting, vinyl asbestos tile flooring and drapery in the living room. Kitchens will have formica countertops.

f) Access to Apartment: As shown on the Condominium Map, each apartment has immediate access to an entryway and then via an elevator to sidewalks, all of the foregoing being common elements.

g) Parking: A total of 172 parking stalls will be provided. These stalls will be located on the ground level. A loading area will be located outside of but adjacent to the structure. Parking stalls will be assignments as per Exhibit "B", attached hereto. All apartments will have parking stalls.

h) Storage and Recreation Area: On each floor of the building there will be located a space for storage. There is also a space for recreation on the ground floor.

i) Reference to Condominium Map: References hereby made are to the Condominium File Plan Map which shows the location and configuration of the building, the common areas and facilities of the Project, the parking, and location, area and configuration of the apartments within the Project building.

4. Common Elements: The common elements will include the limited common elements hereinafter defined and all other portions of the Project other than the apartments, and all other common elements mentioned in the Act which are actually included in the Project, all of the same being one freehold estate including specifically but without limitation the following:

- a) The Property in fee simple;
- b) All foundations, columns, girders, floor slabs, beams, supports, unfinished perimeter and load-bearing walls, chases, entries and roofs;

c) Yards, grounds, landscaping, swimming and wading pools and other recreational facilities;

d) All parking areas;

e) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

f) All refuse facilities; mailboxes and related appurtenances; water sprinkler systems; fire control and warning devices; security systems except that portion thereof installed in individual apartments and any and all other apparatus and installations of common use and all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

5. Limited Common Elements: Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

a) Parking space(s) shall be assigned to apartments by Owner-Developer upon the original conveyance thereof according to the Schedule of Parking Stall Assignments, Exhibit "B" herein.

b) All load-bearing walls within the perimeter of each apartment, the entirety of perimeter non-party walls, and the interior one-half of all perimeter party walls, whether or not load-bearing, shall be appurtenant to that apartment in which they are located; PROVIDED, HOWEVER, that the interior painted, stained, or otherwise treated party fence or wall separating any lanai or patio areas of condominium apartment units be deemed a limited common element.

6. Percentage of Undivided Interest: The undivided percentage interest in the common elements appurtenant to each apartment, herein called "COMMON INTEREST", and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting, are as follows:

TYPE APT.	Net. Flr. Area (Sq.Ft.)	%Common Interest In Common Elements Each Apartment	No. Apts.	Total Area Each Type Sq. Ft.	%Common Interest per Type - Total
A	691	.72692	24	16,584	17.44608
A-1	691	.72692	20	13,820	14.53849
A-2	755	.79425	6	4,530	4.76551
A-3	755	.79425	5	3,775	3.97125
B	816	.85842	5	4,080	4.29211
B-1	816	.85842	8	6,528	6.86738
C	515	.54177	7	3,605	3.79242
C-1	515	.54177	6	3,090	3.25064
D	688	.72377	25	17,200	18.09425
D-1	688	.72377	22	15,136	15.92294
D-2	753	.79216	2	1,506	1.58432
E	715	.75218	2	1,430	1.50436
E-1	690	.72589	1	690	.72589
E-2	746	.78479	1	746	.78479
E (end)	706	.74271	1	706	.74271
F	669	.70379	1	669	.70379
G	422	.44394	1	422	.44394
H	541	.56913	1	541	.56913
			138	95,058	100.00000

7. Other Easements: In addition to the exclusive easements established in the limited common elements, the apartments and common elements shall have and be subject to the following easements:

a) Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided; and in all other apartments and common elements in the building in which the apartment is located for support.

b) If any part of the common elements encroaches upon any apartment or limited common element or if any apartment or limited common element encroaches upon the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the project shall be partially or totally destroyed and then rebuilt or in the event of any shifting, settlement or movement of any parts of the common elements or apartments or limited common elements due to such construction, shifting, settlement or movement shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

c) Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located

in any of the other apartments or limited common elements and serving his apartment. Each apartment and the limited common elements shall be subject to an easement in favor of the owners of all other apartments to use the pipes, ducts, cables, wires, conduits, public utilities, and other common elements serving such other apartments and located in such units.

d) The Association of Owners shall have the right, to be exercised by its Board of Directors, or the resident manager or managing agent to enter each apartment and the limited common elements from time to time during reasonable hours as may be appropriate for the operation of the Project or at any time for making emergency repairs therein which may be necessary to prevent damage to any apartment or common element.

8. Alteration and Transfer of Interest: The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, shall not be separated from such apartment except as herein provided, and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument. Except as herein expressly provided the common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Act. Any such exclusive easement, as a limited common element or otherwise, for the use of parking stall(may be conveyed to another apartment owner by a written instrument expressly identifying the apartment to which the parking stall

will become appurtenant, which written instrument shall be denominated as an amendment to this Declaration. To the extent that the joinder of apartment owners in addition to those directly affected may be required in order to validate the amendment of the Declaration for the limited purpose of transferring such easement, such joinder shall be accomplished by power of attorney from each of the owners not affected to the owners, the acceptance of ownership of an apartment subject to this Declaration being a grant of such power and the grant, being coupled with an interest, being irrevocable. The transfer and amendment of Declaration shall be effective upon recording in the Bureau of Conveyances of the State of Hawaii. A copy of said conveyance and amendment of Declaration shall be given to the Association of Apartment Owners by the affected owners within fifteen (15) days of the filing thereof.

9. Purposes: The condominium apartment units shall be used for the following purposes and shall be subject to the following restrictions:

a) The apartments shall be occupied and used only as permanent single family residences by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests and for no other purposes. The respective apartment owners shall have the absolute right to rent or lease such apartment subject to all provisions of this Declaration.

b) The owner of an apartment shall not use the same for any purpose which will injure the reputation

of the Project. Such owner shall not suffer anything to be done or kept in said apartment or elsewhere which will jeopardize the soundness of the building or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the public walkways, access areas, parking areas, and other common elements, or which will increase the rate of fire insurance on the building, or contents thereof, or which will reduce the value of the Project.

c) The owner of an apartment shall not, without the prior written consent of the Board of Directors of the Association of Apartment Owners make any structural alterations in or additions to the apartment or make any alterations in or additions to the exterior of the apartment including awnings, jalousies or screens, or to any other portion or portions of the common elements unless otherwise provided in the By-Laws.

10. Administration of the Project: Administration of the Project shall be vested in the Association of Apartment Owners, the "ASSOCIATION", consisting of all apartment owners of the Project in accordance with the By-Laws. Operation of the Project and maintenance, repair, replacement and restoration of the common elements, and any additions and alterations thereto shall be in accordance with the provisions of the Act, this Declaration, and the By-Laws, and specifically but without limitation the Association shall:

a) Make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks and parking areas which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the Project or any part thereof.

b) Keep all common elements of the Project in a strictly clean and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority for the time being applicable to the Project or the use thereof.

c) Well and substantially repair, maintain, amend and keep all common elements of the Project, including without limitation the buildings thereof, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep said land and all adjacent land between any street boundary of the Project and the established curb or street line in a neat and attractive condition and all trees, shrubs and grass thereon in good cultivation, and replant the same as may be necessary, and repair and make good all defects in the common elements of the Project herein required to be repaired by the Association, of which notice shall be given by any owner or his agent within thirty (30) days after the giving of such notice.

d) Before commencing or permitting construction of any improvement on the Project, obtain and deposit with the Board a bond or certificate thereof naming as obligees the Board and collectively all other apartment owners as their interests may appear, in a penal sum not less than one hundred percent (100%) of the estimated cost of such construction and with a corporate surety authorized to do business in Hawaii, guaranteeing completion of such construction free and clear of all mechanics' and materialmen's liens.

e) Have the right, to be exercised by its Board of Directors or Managing Agent to enter any apartments and limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein required to prevent damage to any apartments or common elements or for the installation, repair or replacement of any common elements.

f) Not erect or place on the Project any building or structure including fences and walls, nor make additions or structural alterations to or exterior changes of any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications including detailed plot plan, prepared by a licensed architect if so required by the Board, first approved in writing by the Board

and also approved by a majority of apartment owners (or such large percentage as required by law or this Declaration) including all owners of apartments thereby directly affected, and complete any such improvements diligently after the commencement thereof.

g) Not make or suffer any strip or waste or unlawful, improper or offensive use of the Project.

h) Not erect, place, maintain or have erected any T.V. or other antennas on the project visible from any point outside of the Project.

i) Have the right, to be exercised by the Board of Directors, to determine the use of all unassigned parking stalls.

11. Common Expenses:

a) The Board of Directors of the Association, the "BOARD", shall estimate the annual common expenses in advance for each calendar year. Such common expenses shall include:

(1) Water, sewer, garbage, electricity, telephone, gas and other utilities expenses to be provided for the common areas and to the apartments if not separately metered or otherwise charged as the direct liability of the respective apartments owners and not a liability of the Association as an apartment owner.

(2) Costs of goods, supplies, and services to provide for the maintenance, repair and operation of the building, common areas, and limited common areas.

(3) Costs of insurance and bonds required by this Declaration.

(4) The cost of services of a manager of the Project, if any, including any allowances to a resident manager.

(5) Legal and accounting costs for operation of the building and enforcement of the Declaration, By-Laws and rules.

(6) Costs of maintenance and repair required for any apartment or apartments to protect or preserve the common areas or other parts of the building, if after notice the owners thereof have failed to make such repairs.

(7) Such other costs and expenses as may be paid from the common area and expense fund as herein provided for.

Common expenses may include such other goods and services as the Board may deem advisable for the property and its management, except that the Board shall not make capital additions or improvements to the property having a cost of more than \$1,000 in the aggregate during any calendar year other than for repairing or restoring the common areas as provided for in this Declaration, without first obtaining an affirmative vote of two-thirds (2/3) of the total voting power.

b) As of the first day of each calendar month during the year, one-twelfth (1/12th) of the total estimated common expenses for the year plus a reasonable sum for contingencies less any surplus from the prior year and any expected receipts for the current year, all as determined by the Board, shall be assessed to each apartment in proportion of the apartment's percentage of interest in the common area. If such estimate and determination by the Board shall be inadequate to provide for the operation and management of the property for any reason, including without limitation nonpayment of any assessments, the Board may proportionately adjust the assessment at any time. The assessments shall be levied by mailing to the owner of each apartment at the address shown in the records of the Association, a written statement setting forth the amount of the assessment against the individual apartments. Notwithstanding the time such written notice is given or the estimate is made, the assessment shall be due and payable for the period or periods as the Board shall determine for the purpose of establishing the lien therefor. An assessment which is not paid within 15 days after a statement therefor is mailed or delivered shall be delinquent and shall bear interest at the rate of ten percent (10%) per annum from the date until paid. The common expenses shall be paid from sums received because of the assessments

and such sums, together with any other receipts on behalf of property, shall belong to the Association.

c) All funds received by the Association shall be used for the purposes designated in this Declaration.

d) Unpaid assessments shall constitute a lien on each apartment against which the assessment was made as set forth in Section 514A-90, Hawaii Revised Statutes, as amended and the owner of such apartment shall pay such assessment before the same is delinquent. The Board, or its manager, may initiate an action to enforce payment of any delinquent assessment and in such event the owner liable therefor shall pay all of the costs and expenses incurred incident thereto including a reasonable sum as attorneys fees, all of which shall be secured by the lien herein provided for. In addition thereto the Board, or its manager, may enforce collection of delinquent assessments in any one or more of the following methods:

(1) After ten (10) days prior to notice to the owner of intent to sever utilities for delinquent assessments, the utilities to the apartment on which the assessment remains delinquent may be severed and disconnected in whole or part until the assessments are paid or otherwise provided for to the satisfaction of the Board.

(2) An action may be commenced on behalf of the apartment owners, to foreclose the lien for assessments in the manner that mortgages are foreclosed.

e) If an apartment owner shall rent his apartment and the assessments on the apartment are delinquent, then the Board, at its option, may demand and receive from such tenant as long as the delinquencies continue, the rent due or to become due in amount sufficient to pay all sums due from the owner. Payment of such rent to the Association shall discharge the tenant's obligations to the apartment owner to the extent of such payment. No demand or acceptance of rent under this paragraph shall be deemed to be a consent or approval of the apartment rental or a waiver of the owner's obligations hereunder. No tenant shall have the right to question the authority of the Board to make the demand hereunder but shall be obligated to comply with the demand.

12. Compliance with Declaration and By-Laws: All apartment owners, their tenants, families, servants, and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the provisions of this Declaration, the By-Laws, and all agreements, decisions and determinations of the Association as lawfully made or amended from time to time, and failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the

Board, resident Manager or Managing agent on behalf of the Association or, in a proper case, by any aggrieved apartment owners; in the event of the failure of any apartment owner to comply fully with any of the same within thirty (30) days after written demand therefor by the Association, the Association shall promptly give written notice of such failure to the holder of any first mortgage of such apartment or the apartment lease demising the same, as shown in the Association's record of ownership or who has given the Board notice of its interest through the Secretary of the Association or the Managing Agent.

13. Resident Manager or Managing Agent: Operation of the Project shall be conducted for the Association by a responsible managing agent or resident manager who shall be appointed by the Board of Directors of the Association in accordance with the By-Laws. The resident manager or managing agent is hereby authorized to receive service of legal process in all cases provided in said Act. The initial resident manager or managing agent will be designated by the Developer prior to the obtaining of a Certificate of Readiness for Occupancy from the appropriate governmental authority. Until such time as the resident manager or managing agent is designated, and his address or place of business known the person upon whom process may be served is Edward J. Bybee, c/o Rother & Bybee, Attorneys at Law, 322 Dillingham Transportation Bldg., 735 Bishop Street, Honolulu, Hawaii, 96813.

14. Insurance:

- a) The Association at its common expense shall

at all times keep all buildings of the project, including the common elements and, whether or not part of the common elements, all exterior and interior walls, floors, and ceilings, in accordance with the as-built condominium plans and specifications, insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in Hawaii having a financial rating by Best's Insurance Reports of Class VI or better in an amount sufficient to provide for the full repair or full replacement thereof without deduction for depreciation, in the name of the Association as trustee for all apartment owners and mortgagees according to loss or damage to the respective apartments and appurtenant common interest payable in case of loss to such bank or trust company authorized to do business in the State of Hawaii as the Board shall designate for the custody and disposition as herein provided of all proceeds of such insurance, and from time to time cause to be deposited promptly with the Secretary of the Association, true copies of which insurance policies or current certificates thereof, without prejudice as to the right of each apartment owner to insure his apartment for his own benefit. Flood insurance can also be provided under the provisions of the Federal Flood Disaster Protection Act of 1973 if the property is located and identified as flood hazard area as designated by the

Department of Housing and Urban Development with minimum limits equal to the aggregate of the outstanding principal balances of all mortgage loans on apartments in the project or the maximum limits of coverage are available under the National Flood Insurance Act of 1968, as amended, whichever is less. The members of the Association may by majority vote at any meeting of the Association require that the exterior glass of the project also be insured under such policy. Every such policy of insurance shall:

(1) Contain no provisions limiting or prohibiting other insurance by any Apartment Owners such right being provided by Statute, but if obtainable, shall provide that the liability of the insurer shall not be affected by nor shall the insured claim any right of set-off, counterclaim, or apportionment, proration, or contribution by reason of any such other insurance;

(2) Contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the buildings whether or not within the control or knowledge of the Board, or if obtainable, shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board or any apartment owner or tenant of any apartment, or by reason of any

act or neglect of the Board or any apartment owner or tenant of any apartment;

(3) Provide that such policy and the coverage thereunder may not be cancelled or substantially modified (whether or not requested by the Board) except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board, every first mortgagee of an apartment and every other person in interest who shall have requested such notice of the insurer;

(4) Contain a provision waiving any right of subrogation by the insurer to any right of the Board against any apartment owner or lessee of any Apartment;

(5) Contain a provision waiving any right of the insurer to repair, rebuild or replace, if a decision is made not to repair, re-instate, rebuild or restore the damage or destruction;

(6) Provide that any loss shall be adjusted with the Board and the mortgagee of any apartment directly affected by the loss;

(7) Contain a standard mortgage clause which:

(i) Shall name the holder of any mortgage affecting any Apartment whose name shall have been furnished to the Board;

(ii) Shall provide that the insurance as to the interest of the mortgagee shall

not be invalidated by any act or neglect of the Board or any apartment owner or tenant of any Apartment;

(iii) Shall waive any requirement invalidating such mortgagee clause by reason of the failure of the mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium due or to become due under the policy, PROVIDED, HOWEVER, in case the Board shall fail to pay the premium due or to become due under the policy, the mortgagee may pay the same prior to the effective date of the termination of the policy, any contribution clause, and any right to be subrogated to the right of any mortgagee against any apartment owner or lessee of any apartment or the Board or to require an assignment of any mortgage to the insurer, except that the insurer will have the right of subrogation to the extent of insurance proceeds received by and retained by the mortgagee if the insurer shall claim no liability as to the mortgagor or any apartment owner but without impairing mortgagee's right to sue;

(iv) Shall provide without affecting the protection afforded to the mortgagee by such mortgagee clause, any proceeds

payable under such clause shall be payable to a corporate trustee selected by the Board who shall be a bank, trustee, savings and loan association, escrow company or other person, firm, or corporation licensed to do business in the State of Hawaii and doing business in the City and County of Honolulu, herein referred to as the "INSURANCE TRUSTEE" or "TRUSTEE";

(v) Shall provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages on any apartment, and the respective order and preference, whether or not named therein;

8) Provide for payment of the proceeds to the insurance trustee;

9) Provide that the insurer at the inception of the policy and on each anniversary date thereof, shall provide the Board with a written summary, in laymen's terms, of the policy. This summary shall include, without limitation, a description of the type of policy, the coverage and limits thereof, the amount of the annual premium, and the renewal dates. Upon receipt of such summary from the insurer, the Board shall provide the summary to the apartment owners.

b) The Board, on behalf of the Association at its common expense, shall procure and maintain from a company or companies qualified to do business in Hawaii a policy or policies (the "POLICY") of Public Liability Insurance to insure the Board, each apartment owner, and the managing agent, if any, and other employees of the Association of Apartment Owners, if any, against claims for personal injury, death and property damage arising out of the condition of the Project or activities thereon or sidewalks or contractors of construction work under a Comprehensive General Liability form to include but not be limited to (i) Water Damage Legal Liability, (ii) Non-Automobile Coverage,, (iii) Fire Damage Legal Liability, (iv) Contractual Liability, and (v) Independent Contractors Liability. The policy shall contain minimum limits of not less than \$1,000,000.00 for injury to one or more persons in any one accident or occurrence and/or for property damage, without prejudice to the right of any apartment owners to maintain additional liability insurance for the respective apartments. Any such policy or insurance shall:

- 1) Provide that the same shall not be invalidated by any act or neglect of the Board, or apartment owners or any persons under any of them;

- 2) Contain a waiver by the insurer of any right of subrogation to any right of the Board

or apartment owner against any of them or any other persons under them;

3) Contain a "severability of interest" endorsement precluding the insurer from denying the claim of an apartment owner because of negligent acts of the Association or other apartment owners; and,

4) Provide that the policy and the coverage thereunder may not be cancelled or substantailly modified (whether or not requested by the Board) except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board, every first mortgagee of an apartment and every other person in interest who shall have requested such notice of the insurer.

c) The Board may also procure insurance against such additional risks as the Board may deem advisable for the protection of the apartment owners as is normally carried with respect to properties of like character in the City and County of Honolulu.

d) The Board shall review not less frequently than annually the adequacy of its insurance program and shall report in writing its conclusions and actions taken on such review to each apartment owner and to the holder of any mortgage on any apartment who shall have requested a copy of any such report. At the request of any mortgagee of any apartment

the Board shall furnish to such mortgagee copies of all policies hereinabove referenced. Copies of all policies of insurance procured by the Board shall be available for inspection by any apartment owner or purchaser holding a contract to purchase an interest in an apartment at the office of the secretary of the Board or office of the manager. Any coverage procured by the Board shall be without prejudice to the right of any apartment owner to insure such apartment and the contents thereof for their own benefit and at their own expense.

15. Damage and Destruction: If the building is damaged by fire or other casualty which is insured against, the insurance proceeds shall be used by the Insurance Trustee for payment of the contractor employed by the Board to rebuild or repair such building, including paint, floor covering and fixtures, in accordance with the original plans and specifications therefor, or if reconstruction in accordance with said design is not permissible under the laws then enforced, in accordance with such modified plan as shall be previously approved by the Board and the mortgagees of record holding any interest in any apartment directly affected thereby; provided that in the event said modified plan eliminates any Apartment and such Apartment is not reconstructed, the Insurance Trustee shall pay to the owner of said Apartment the portion of said insurance proceeds allocable to said Apartment (less the proportionate share of said Apartment chargeable to debris removal) and shall disburse the balance of insurance proceeds.

The insurance proceeds shall be paid by the Trustee to the contractor employed for such construction and in accordance with the terms of the contract for such construction and in accordance with the terms of this paragraph. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding the common elements, the Board is expressly authorized to pay such costs in excess of the insurance proceeds from any funds on hand, and if such funds are insufficient for that purpose, the Board shall levy a special assessment on the owners of apartments in proportion to their respective common interest. Any costs in excess of the insurance proceeds for the repairing and/or rebuilding of any apartment shall be specifically assessed solely against such apartment and said special assessment shall be secured by the lien created by these Declarations.

a) The cost of the work shall be paid out from time to time at the direction of the Board, by the Trustee, as the work progresses, but subject to the following conditions:

(1) The work shall be in charge of an architect, engineer, or competent contractor (who may be an employee of the Board).

(2) Each request for payment shall be made on seven (7) days prior notice to the Trustee and shall be accompanied by a certificate to be made by such architect, engineer or contractor, stating that all of the work completed has been done in compliance with the approved plans and

specifications and that the sum requested is justly required to reimburse the Board for payments made by the Board to or is justly due to, the contractor, subcontractors, materialmen, laborers, architects, engineers, or other persons rendering services or materials for the work and that when added to all sums previously paid out by the Trustee the sum required does not exceed the value of the work done to the date of such certificate, less any retainage, if any.

(3) Each request shall be accompanied by waivers of liens satisfactory to the Trustee, covering that part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Trustee that there has not been filed with respect to the premises any mechanic's or other lien or instrument for the retention of title in respect of any part of the work not discharged of record.

(4) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the premises legal.

(5) The fees and expenses of the Trustee as determined by the Board and the Trustee shall be paid by the Association as common expenses,

and such fees and expenses may be deducted from any proceeds at any time in the hands of the Trustee.

(6) Such other conditions not inconsistent with the foregoing as the Trustee may reasonably request and impose.

b) Upon the completion of the work and payment in full therefor any proceeds of insurance then remaining in the hands of the Board or Trustee shall be paid or credited to the owners of the apartments (or to the holder of any mortgage on an apartment if there be a mortgage) in proportion to their respective common interest.

c) To the extent that any loss, damage or destruction to the building or the property is covered by insurance procured by the Board, the Board shall have no claim or cause of action for such loss, damage or destruction against any apartment owner or lessee thereof. To the extent that any loss, damage or destruction to the property of any apartment owner or lessee is covered by insurance procured by such owner or lessee, the owner or lessee shall have no claim or cause of action for any loss, damage or destruction against the Board, the manager, if any, any other apartment owner, or the Association. All policies of insurance referred to in this paragraph shall contain appropriate waivers of subrogation.

d) The provisions of this Paragraph shall constitute the procedure by which a determination is made by the apartment owners to repair, restore, reconstruct or rebuild in the event of damage or destruction as provided in Section 514A-11(9) of the Act. Each apartment owner, and any party claiming by through or under such owner, hereby consents and agrees to the provisions hereof by the act of accepting an interest in the property. In the event that any provision of this Paragraph shall be determined to be invalid or unenforceable by any court of competent jurisdiction, then such determination shall not effect the validity of any other provision of this Declaration. In case at any time or times any improvements of the project shall be damaged or destroyed by any insured casualty, such improvements shall be rebuilt, repaired or restored unless seventy-five percent (75%) of the apartment owners vote to the contrary at a meeting of the Association to be held either within ninety (90) days after the occurrence of such damage or destruction or within thirty (30) days after the loss has been finally adjusted with the insurer, whichever is later.

16. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the common elements, all compensation payable for or on account of taking shall be equitably apportioned between the apartment owners

and their respective mortgagees, if any. All portions of any such award payable on account of the apartment owners and their respective mortgagees, if any, shall be payable to a condemnation trustee, who shall be a bank or trust company designated by the Board doing business in the State of Hawaii. The Board of Directors shall arrange for the repair and restoration of the buildings and improvements in accordance with the design thereof immediately prior to such condemnation or, if such repair and restoration in accordance with said design are not permissible under the laws then in force, in accordance with such modified plan as shall be previously approved by the Board and the mortgagee of record of any interest in an apartment directly affected thereby. In the event of a partial taking under which any apartment is eliminated or not restored, the condemnation trustee shall disburse the portion of the proceeds of such award allocable to said apartment, less the proportionate share of said apartment in the cost of debris removal, to the owner of said apartment and his mortgagees, if any, in satisfaction of his interest in said apartment. The condemnation trustee shall disburse the remainder of the proceeds of such award to the contractor engaged in such repair and restoration in appropriate progress payments and in the event such proceeds are insufficient to pay the costs thereof the Board is expressly authorized to pay such excess costs from the maintenance fund and if the maintenance fund is insufficient for this purpose the Board shall levy a special assessment on the

owners of apartments in proportion to their common interests. In the event sums are received in excess of the cost of repairing and restoring the remaining buildings and improvements, or in the event all the buildings and improvements are so taken or condemned, such excess proceeds or said proceeds, as the case may be, shall be divided between the owners of apartments and their respective mortgagees, if any, in accordance with their respective interests in the common elements.

17. Uninsured Casualty: In case at any time or times any improvements of the Project shall be damaged or destroyed by any casualty not herein required to be insured against, such improvements shall be rebuilt, repaired or restored unless seventy-five percent (75%) of the apartment owners vote to the contrary. Any such approved restoration of the common elements shall be completed diligently by the Association at its common expense and the apartment owners shall be solely responsible for any restoration of their respective apartments so damaged or destroyed, according to the original plans and elevation thereof, or such other plan first approved as provided herein. Unless such restoration is undertaken within a reasonable time after such casualty, the Association at its common expense shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good orderly condition and even grade.

18. Alteration of Project: Restoration or replacement of the Project or any building or other structure thereof or construction of any additional building or other structure

or structural alteration or addition thereto, different in any material respect from said Condominium File Plan or map of the Project, shall be undertaken by the Association and accompanied by the written consent of each apartment owner and of the holders of all liens affecting any such apartment which is affected by restoration or improvement, and in accordance with the complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered certified as built by a registered architect or professional engineer.

19. Maintenance Reserve Fund: The Board shall establish and maintain a Maintenance Reserve Fund by the assessment of and payment by all the apartment owners in equal monthly installments of their respective proportionate shares of such reasonable annual amount as the Board may estimate as adequate to cover each apartment owner's obligations to provide for utilities, insurance, maintenance and repair of the common elements, and other expenses of administration of the Project, which shall be deemed conclusively to be a common expense of the Project. The Board may include reserves for contingencies in such assessment, and such assessment may from time to time be increased or reduced in the discretion of the Board. The proportionate interest of each apartment owner in said Fund cannot be withdrawn or separately assigned but shall be deemed to be transferred with such apartment

even though not expressly mentioned or described in the conveyance thereof. In case the Horizontal Property Regime hereby created shall be terminated or waived, said Fund remaining after full payment of all common expenses of the Association shall be distributed to all apartment owners in their respective proportionate shares except for the owners of any apartments then reconstituted as a new Horizontal Property Regime.

20. Amendment of Declaration: Except as otherwise provided in the Act this Declaration may be amended by vote of the owners of not less than seventy-five percent (75%) of the interest in the common elements, effective only upon recording of an instrument setting forth such amendment and vote, duly executed by such owners or by the proper officers of the Association, PROVIDED, HOWEVER, that notwithstanding the lease, sale or conveyance of any of the apartments, the Developer hereby reserves the right, without the joinder or consent of any other persons then owning or leasing the apartments, from time to time to amend this Declaration (and when applicable, the Condominium Map) by:

a) Filing the "as built" verified statement (with plans, if applicable) required by Section 514A of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict lay-out, location, apartment numbers, and dimensions of the apartments as built, or (ii) so long as any plans filed therewith involve only

immaterial changes to the lay-out, location, apartment numbers, or dimensions of the apartments as built.

In case of a modification or amendment of the By-Laws, this Declaration may be amended to set forth such modification or amendment pursuant to such percentage vote as is required by the By-Laws to render the modification or amendment thereof effective.

22. Compliance with Ordinances, etc.: The Project consists in part of an existing structure being converted to a condominium and the Project is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction. No variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time the Project was constructed or from any current ordinance, code, rule, regulation or other requirement.

23. Definitions: Where used herein the terms "majority" or "majority of apartment owners" herein means the owners of apartments of which are appurtenant more than fifty percent (50%) of the common interest, and any specified percentage of the apartment owners means the owners to which are appurtenant such percentage of the common interest.

24. Invalidity: The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all other provisions of this Declaration shall continue in full force and effect as if such invalid provision had not been included herein.

25. Operation of the Project: The operation of the Project shall be governed by this Declaration, the By-Laws and the House Rules adopted by the Board of Directors of the Association. Each apartment shall comply strictly with this Declaration, the By-Laws and said House Rules.

IN WITNESS WHEREOF, the undersigned hereto has
set his hand at Honolulu, Hawaii, this 28th day of January,
1980 .

OWNER-DEVELOPER

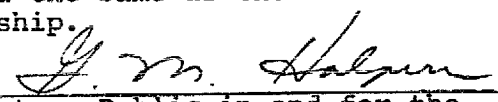
5210 Likini Partners, a Hawaii
limited partnership

By K. K. H., INC.
Its General Partner

By 
Its President

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

On this 28th day of January, 1980, before me
personally appeared KANE K. HUI, to me personally known, who
being by me duly sworn, did say that he is the president of
K. K. H. INC., a Hawaii corporation; that said corporation
executed the foregoing instrument as General Partner of 5210
LIKINI PARTNERS, a Hawaii Limited Partnership; that the seal
affixed to the foregoing instrument is the corporate seal of
said corporation; and that said instrument was signed and
sealed on behalf of the Limited Partnership by authority of
said corporation's Board of Directors; and said officer
acknowledged that he executed the same as the free act and
deed of said Limited Partnership.


Notary Public in and for the
State of Hawaii

My commission expires: 9/2/80

EXHIBIT "A"

ALL of that certain parcel of land situate at Moanalua, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 3358, area 85,231 square feet, as shown on Map 489, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1074 of the Trustees under the Will and of the Estate of Samuel M. Damon, deceased.

BEING the same premises described in Transfer Certificate of Title No. 219,084 issued to 5210 LIKINI PARTNERS, a registered Hawaii limited partnership.

EXCEPTING AND RESERVING therefrom unto the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, all artesian and other underground water and rights thereto appurtenant to said premises, as reserved in Deed dated October 7, 1965, filed as Land Court Document No. 372554, also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5163, Page 496, said Trustees released all right to enter upon surface of lands to exercise said exception and reservation in Document No. 372554, including any rights of ingress and egress upon said lands by Release dated October 12, 1965 and filed as Document No. 372562, also recorded as aforesaid in Liber 5163, Page 572.

SUBJECT, HOWEVER, to the covenants as contained in Declaration made by Clarence Thing Chock Ching, husband of Dorothy Tom Ching, Thomas Awai, widower, and Fong Ting Mau, husband of Rose Yet Kui Mau, general partners of International Development Company, a registered limited partnership, dated November 24, 1970 and filed as Land Court Document No. 520605, to which reference is hereby made.

TOGETHER WITH all built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes, range, refrigerator, disposal, and TV antenna presently situate in or used in connection with each of the apartments in the building located upon the above described real property.

END OF EXHIBIT "A"

RECORDATION REQUESTED BY:

AFTER RECORDATION RETURN TO:

RETURN BY: MAIL() PICKUP()

BY-LAWS OF THE
ASSOCIATION OF APARTMENT OWNERS OF
FAIRWAY GARDENS

The following By-Laws shall apply to the above-named condominium project (herein called the "Project"), as described in and created by Declaration of Horizontal Property Regime (herein called the "Declaration") to be recorded in the Bureau of Conveyances of the State of Hawaii contemporaneously herewith and of which these By-Laws are a part, and to all present and future owners, tenants and occupants of any apartment of the Project and all other persons who shall at any time use the Project.

ARTICLE I

INTRODUCTORY PROVISIONS

Section 1. Definitions. The terms used herein shall have the meanings ascribed to them in Chapter 514A of the Horizontal Property Act of the State of Hawaii, the "ACT", except as expressly provided herein to the contrary. The term "common elements" means those elements designated in the Declaration from time to time as common elements and limited common elements. The term "percentage of undivided interest" means the ratio of ownership of the common element of each individual apartment as the same bears to the whole of the common elements. The term "project" includes the land, buildings and all other improvements thereon (including the apartments and the common elements) and easements, rights and appurtenances thereunto belonging, together with all other property affixed thereto and intended for use in connection therewith. The term "Rules and Regulations" means the Rules and Regulations or House Rules for the conduct

of occupants and the building adopted by the Board of Directors as hereinafter provided. "Owner" or "Apartment Owner" means a person owning severally or as a co-tenant an Apartment and the common interest appurtenant thereto, to the extent of such interest so owned; PROVIDED, HOWEVER, that a lessee of an Apartment may be deemed to be an Owner to the extent that a lessor assigns his voting rights and other rights of ownership to said lessee by lease filed with the Board of Directors; and PROVIDED, FURTHER, HOWEVER, that a buyer of an Apartment under an agreement of sale shall be deemed to be an owner, except to the extent that the seller thereunder reserves voting rights and other rights of ownership under said agreement of sale. "Apartment" as used herein has the same meaning and definition as contained in the Act and as is sometimes hereafter called a condominium unit or units and includes each of the apartments of the Project. The term "Association" means the Association of Apartment Owners.

Section 2. Conflicts. These By-Laws are set forth to comply with the requirements of the Act as amended. In case any of these By-Laws conflict with the provisions of the Act, or of the Declarations, the provisions of said Act or of the Declarations, as the case may be, shall control.

Section 3. Application. All present and future owners, mortgagees, tenants and occupants of apartments and their employees, and any other persons who may use any part of the Project in any manner are subject to these By-Laws, the Declarations, and the Rules and Regulations. The acceptance of a conveyance or the entering into of a lease or an agreement

of sale, or the act of occupancy, of an Apartment shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted and ratified, and that the person so accepting, entering, or occupying shall comply with these By-Laws, the Rules and Regulations and provisions of the Declaration.

ARTICLE II

MEMBERSHIP IN THE ASSOCIATION

Section 1. Qualifications. All Owners of an Apartment(s) within the Project shall constitute the Association of Apartment Owners. 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, at which time his membership in the Association shall automatically cease, subject to the provision with regard to application of these By-Laws hereinabove set forth.

Section 2. Place of Meeting. Meetings of the Association shall be held at the Project or such other suitable place in the State of Hawaii convenient to the Apartment Owners as may be designated by the Board.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held as called by the Project Developer as soon as practicable after the completion of the Project and its readiness for occupancy, and in any case not later than 180 days after recordation of the first Apartment conveyance provided forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) is not sold at the end of one year from the date of recordation of the first Apartment sold, an annual meeting shall be called if ten percent (10%) of the Apartment Owners so

request. At such meeting the Apartment Owners shall elect a Board of Directors to conduct the affairs of the Association until the first annual meeting of the Association. Following the organizational meeting annual meetings of the Association shall be held on the second Tuesday in the third calendar month following the close of the fiscal year of the Association as fixed by the Board of Directors.

Section 4. Regular Meetings. In addition to the annual meeting the Board may by resolution establish regular meetings at semi-annual, quarter-annual, or other regular intervals.

Section 5. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President, or of any one (1) Director or upon the written request of not less than twenty-five percent (25%) of all of the Apartment Owners presented to the Association Secretary.

Section 6. Notice of Meetings. The Secretary shall give written or printed notice of each annual, regular or special meeting to every Apartment Owner according to the Association's record of ownership at least fourteen (14) days before the date set for such meeting, stating whether it is an annual, regular or special meeting, the authority for the call thereof, the place, day and hour of such meeting, the items on the agenda and the purpose therefor, and enclosing a standard proxy form authorized by the Association, if any, in any of the following ways: (1) by delivering it to him personally, or (2) by mailing it postage prepaid, addressed to him at his address as it appears on the Association's record of ownership. If notice is given pursuant to the provisions of this Section, the failure of any Apartment Owner to receive actual notice of

any meeting shall in no way invalidate such 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 to such Owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 7. Quorum. The presence at any meeting in person or by proxy of Owners having one-half (1/2) or more of the total authorized votes of all Apartment Owners shall constitute a quorum at all meetings of the Association.

Section 8. Majority Vote. The vote of a majority of Apartment Owners at a meeting at which a quorum shall be present shall be binding upon all Apartment Owners for all purposes except wherein the Declaration or these By-Laws or by law, a higher percentage vote is required. As used in these By-Laws, the terms "majority of Apartment Owners" shall mean those Apartment Owners having more than fifty percent (50%) of the total authorized votes present at any meeting of the Apartment Owners, and any specified percentage of the total votes.

Section 9. Voting.

(a) Except as hereinafter provided voting shall be on a percentage basis, and the percentage of the total vote to which each Apartment is entitled shall be the percentage of the common interests assigned to such Apartment in the Declaration.

(b) If not less than forty-eight (48) hours prior to the time fixed for any meeting of the Association

for the election of Directors not less than thirty-three percent (33%) of the Owners shall deliver to the President or Secretary of the Association a request in writing that the election of the Directors to be elected be by cumulative voting, then each Owner shall be entitled to cumulate his votes and may cast for any one or more nominees to the Board of Directors a vote equivalent to the votes which such Owner is entitled to, multiplied by the number of Directors to be elected. Each Owner shall be entitled to cumulate his votes and give all thereof to one nominee or to distribute his votes in such manner as he shall determine among any and all of the nominees, and the nominees receiving the highest number of votes on the foregoing basis, up to the total number of Directors to be elected, shall be deemed elected.

(c) Votes may be cast in person or by proxy by the respective Apartment Owner as shown on the records of ownership of the Association. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the 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, upon request, 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 share of such vote in proportion to his share of

ownership in such Apartment.

Section 10. Proxies and Pledges. The authority given by any Apartment Owner to another person to represent him at meetings of the Association shall be in writing, signed by such Owner and filed with the Secretary, and unless limited by its terms shall continue until revoked by writing filed with the Secretary or by the death or incapacity of such Owner, except that a proxy form which accompanies a notice of meeting shall be valid for the meeting to which the notice pertains and its adjournment only. 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 through the Secretary or Manager, shall be exercised only as designated in such instrument until the written release or other termination thereof is filed with the Board in like manner. The Owner may designate any person as proxy and the proxy may be limited as the Apartment Owner desires and indicates.

Section 11. 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 12. Order of Business. All meetings shall be conducted in accordance with Roberts Rules of Order, or other accepted rules for the conduct of meetings. The order of business at all 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 Board of Directors
- (f) Report of Committees
- (g) Election of members of the Board of Directors (when so required)
- (h) Decision to elect requirement of yearly audit of Association books by a Certified Public Accountant.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) nor more than nine (9) persons, the exact amount thereof which shall be divisible by three to be determined at the organizational meeting, each of whom shall be an Owner or Co-Owner, or vendee under an agreement of sale of record of an Apartment, but who need not be a resident of the Project. In the case of a corporate Owner the member of the Board shall be an officer, shareholder or employee of the corporation, or in the case of a fiduciary Owner shall be a representative of such fiduciary. The partners in a general partnership and the general partner of a limited partnership shall be deemed Owners of an Apartment for the purpose of qualification as a director. No resident manager shall serve on the Board of Directors.

Section 2. Powers and Duties. The Board of Directors shall have all powers necessary for the administration of the affairs of the Association and may do all such acts and things therefor as are not by law, the Declaration,

or these By-Laws directed to be exercised or done only by the Apartment Owners.

Section 3. Election and Term. Election of Directors shall be in the manner hereinabove provided. Directors shall hold office for a period of three (3) years and until their respective successors have been elected, subject to removal as herein provided, except that at the first annual meeting one-third (1/3) of the Directors shall be elected for one (1) year, one-third (1/3) for two (2) years, and one-third (1/3) for three (3) years. Elections shall be by secret ballot and the Director(s) receiving the greatest number of votes shall be elected for a term of three (3) years; the Director(s) receiving the next largest number of votes shall be elected for a term of two (2) years and the Director(s) receiving the least number of votes shall be elected for a term of one (1) year.

Section 4. Vacancies. Vacancies in the Board of Directors caused for 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. Death, incapacity or resignation of any Director, or his continuous absence from the State of Hawaii for more than six (6) months, or his

ceasing to be an Owner or Co-Owner of an Apartment shall cause his office to become vacant.

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 Apartment Owners and a successor may then and there be elected to fill the vacancy thus created, provided that no Director may be removed if the votes cast against his removal would be sufficient to elect him if cumulatively voted at an annual election of Directors. Any Director whose removal has been proposed by the Apartment Owners shall be given an opportunity to be heard at such meeting. Unexcused absence from three consecutive regular or special meetings of the Board of Directors shall be grounds for removal of that Director by a majority vote of the remaining members of the Board, in which event, at the meeting at which such Director is removed a successor shall be elected by the Board to serve the unexpired term of the Director so removed.

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. Notice of the meeting of the Board of Directors shall be given in a reasonable manner at least fourteen days, if practicable, prior to such meeting. At such meeting the Board shall elect the officers of the Association for the ensuing year.

Section 7. Regular Meeting. 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

Directors, but at least one (1) such meeting shall be held during each calendar quarter of every year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, or by mail, telephone, or telegraph at least one (1) day 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 eight (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 (2) Directors.

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

Section 10. Quorum of Board. At all meetings of the Board a majority of the total number of Directors established by these By-Laws shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum

present, 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 originally called may be transacted without further notice. A Director shall not vote or cast proxy at any Board meeting on any issue in which he has a conflict of interest. All meetings shall be conducted in accordance with Roberts Rules of Order, or other accepted rules for the conduct of meetings.

Section 11. The Board of Directors shall require that all directors, officers, employees and agents of the Association handling or responsible for funds belonging to or administered by the Association furnish adequate fidelity bonds in favor of the Association. The premiums on such bonds shall be paid by the Association. Such bonds shall in no event be in an amount less than 1-1/2 times the Association's estimated annual operating expenses and reserves and every such bond shall:

(a) Provide that the bond may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days' prior written notice to the Board, every first mortgagee and every other person in interest who shall have requested such notice; and

(b) Contain a waiver of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 12. Compensation. No Director shall receive any compensation for acting as a Director unless set

by the Owners at any special or annual meeting of the Association.

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 from the Board of Directors. Any two offices except that of President may be combined. The Board may also appoint an Assistant-Treasurer, an Assistant-Secretary, and such other offices as in its judgment may be necessary.

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

Section 3. Removal. Any officer may be removed either with or without cause by vote of a majority of the members of the Board, 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 the 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 maintain and keep the financial records and books of account of the Association, prepare regular reports thereof and be responsible for the proper deposit and custody in the name of the Association of all its funds and securities.

Section 8. Auditor. The Association shall annually appoint as auditor a certified public accountant or an accounting firm with certified public accountants to audit the books and financial records of the Association as required by law or directed additionally by the Board of Directors. The person so appointed or so serving shall not be an officer of the Association nor own any interest in any Apartment.

Section 9. Execution of Agreements, Contracts, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two

of the President, Vice-President, Secretary/Treasurer or by such other person or persons as may be designated by the Board.

Section 10. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V

ADMINISTRATION

Section 1. Management. The Board of Directors shall at all times manage and operate the Project and have such powers and duties as may be necessary or proper therefor including without limitation:

- (a) Supervision of its immediate management and operation;
- (b) Maintenance, repair, replacement and restoration of the common elements and any additional and alterations thereto;
- (c) Purchase, maintenance and replacement of any equipment and provision of all water and utility services required for the common elements;
- (d) Provision at each Apartment of all water, sewer, electricity and such other utility services and utilities as the Board shall deem necessary either at the expense of such Apartment or as a common expense as determined by the Board;
- (e) Employment, supervision and dismissal of such personnel as may be necessary for the maintenance, repair, replacement, and operation of the Project;
- (f) Preparation at least sixty (60) days before each fiscal year of a proposed budget and schedule of assessments for such year;

(g) Collection of all installments of assessments levied and payment of all common expenses authorized by the Board;

(h) Purchase and maintenance in effect of all policies of hazard and liability insurance for the Project required by the Declaration and such other insurance and bonds as may be required or authorized by the Declaration or the Board;

(i) Custody and control of all funds of the Association, maintenance of full and accurate books of account and records of such funds and preparation of regular financial reports thereof;

(j) Notification of all persons having any interest in any Apartment according to the Association's record of ownership of delinquency exceeding sixty (60) days in the payment of any assessment against such Apartment;

(k) Notification in writing of all institutional holders of first mortgages on apartments, as shown in the Association's record of ownership or of which the Secretary of the Association has been given written notice, of any loss to, or taking of, the common elements of the Project if such loss or taking exceeds TEN THOUSAND DOLLARS (\$10,000.00);

(l) Notification in writing to the institutional holder of the first mortgage on any Apartment as shown in the Association's record of ownership or of which the Secretary of the Association has been given written notice, of any loss to such Apartment which exceeds ONE THOUSAND DOLLARS (\$1,000.00).

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible Hawaii managing agent to

manage and control the Project subject at all times to direction by the Board, with all the administrative functions specifically set forth in the preceding section 1 and such other powers and duties and at such compensation as the Board may establish from time to time. Any decision by the Association to terminate the professional management of the Project and to undertake self-management of the Project may not be effected without the prior written consent of at least seventy-five percent (75%) of the institutional holders of first mortgages on the Apartments (based upon one vote for each first mortgage owned). Every such employment contract shall provide: (a) that it may be terminated by the Board of Directors with or without cause on no more than ninety (90) days' written notice; (b) that in no event shall a termination fee be due or owing the managing agent; and, (c) in no event may such employment contract be for a fixed term exceeding one (1) year. The managing agent employed or retained by the Association shall at all times provide evidence of a fidelity bond in the minimum amount of \$25,000.00.

Section 3. Representation. The President or Secretary, 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 proceedings without prejudice to the rights of any Apartment Owner, individually to appear, sue or be sued. Service of process on two (2)

or more Apartment Owners in any such action, suit or proceeding may be made on the President or Secretary or as otherwise permitted in the Declaration.

ARTICLE VI

OBLIGATIONS OF APARTMENT OWNERS

Section 1. Assessment for Common Expense. The Owner of each Apartment shall be liable for and pay a share of the common expenses in proportion to his interest in the common elements appurtenant to his Apartment. Common expenses shall include all charges, costs and expenses whatsoever incurred by the Association for and in connection with the administration and operation of the Project, including without limitation all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on each Apartment and the percentage interest in the common elements appertaining thereto or the personal property or any other interest of the Owner), assessments, insurance, including fire and other casualty and liability insurance, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any fire, accident or nuisance thereon, cost of repair, re-instatement, rebuilding and replacement of the premises, yard, janitorial, and other similar services, wages, accounting and legal fees, management fees, if any, and other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common elements, including limited common elements, and the costs of all utility services, including water, electricity, gas, garbage disposal, and any other similar services unless separately metered or otherwise separately attributable to any

Apartment or group of Apartments in which case the amounts charged or attributed to each Apartment or group of Apartments as determined by the Board with the advice of the Accountant shall be payable by the Owner of such Apartment or Apartments. The common expenses may also include such amounts as the Board may deem proper to make up any deficit in the common expenses for any prior year. The common expenses may also include such amount as may be required for the purchase or lease of any Apartment by the Board or its designee, corporate or otherwise, on behalf of the Association as permitted under Hawaii law or these By-Laws. Payment of the common expenses shall be made to the Board as agent of the Owners of the Apartments, and the Board shall transmit said payments on behalf of each such Owner to the third person entitled to said payments from each Owner, PROVIDED, HOWEVER, that the Board may not purchase an Apartment and hold the same or lease an Apartment for a period in excess of one (1) year without obtaining the approval of the Owners of at least seventy-five percent (75%) of the Apartments.

Section 2. Payment as Agent. The Board will pay or cause to be paid on behalf of the Owners, all common expenses. The Board, on behalf of all Owners, will maintain or cause to be maintained separate books of account of common expenses in accordance with recognized accounting practices and will have such books of account available for inspection by each Owner or his authorized representative at reasonable business hours. The Board will annually render or cause to be rendered a statement to each Owner of all receipts and disbursements during the preceding year, which statement shall be

certified by the Auditor. Each Owner, or principal, shall be liable for and pay his share, determined as aforesaid, of all common expenses and the Board shall be responsible, as agent for each Owner, only to transmit the payments made by the Owner to third persons to whom such payments would otherwise be made by the Owner. The Board collecting the common expenses shall not be liable for payment of said common expenses as a principal but only as the agent of all Owners to transmit said payments to third person to whom such payments would otherwise be made by the Owner.

Section 3. Taxes and Assessments. Each Owner of an Apartment shall be obligated to have the real property taxes for his own Apartment and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of all such real property taxes so determined. The foregoing shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each Apartment and a percentage interest in the common elements appertaining thereto, or the personal property or other interest of the Owner. Each Owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each Owner shall be obligated to pay to the Board his proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire premises or any part of the common elements as a whole and not separately, such payment to be made as

directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire premises or any part of the common elements, the Board may pay such taxes or assessments and shall assess the same to the Owners in their proportionate share as determined by the Board. Such assessments by the Board shall be secured by lien created in the manner herein specified.

Section 4. Default in Payment of Assessments. Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed. If the Owner shall fail to pay his assessment when due he may be assessed an additional assessment not to exceed ten dollars (\$10.00) for each such default. All delinquent assessments shall bear interest at the rate of one percent (1%) per month from the due date of such assessment. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Board may enforce each such obligation as follows:

(a) By suit or suits of law to enforce each assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special meeting thereof. Each such action shall be brought in the name of the Board and the Board shall be deemed to be acting on behalf of all Owners. Any judgment rendered in any such action shall include, where permissible under law, a sum for reasonable attorney's fees in such amount as the court may adjudge against such defaulting Owner. Upon full satisfaction of any

such judgment, it shall be the duty of the Board to cause to be executed and delivered to the judgment debtor an appropriate satisfaction of such judgment.

(b) At any time within ninety (90) days after the occurrence of any such default, the Board (acting upon the authorization of a majority thereof at any regular or special meeting) may give a notice to the defaulting Owner with copy to the Mortgagee of such Owner, if such Mortgagee has furnished its name and address to the Board, which said notice shall state the date of the delinquency, the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid within ten (10) days after delivery of such notice, the Board may elect to file a claim of lien against the Apartment of such delinquent Owner. Such claim of lien shall state (1) the name of the delinquent Owner or reputed Owner, (2) a description of the Apartment against which claim of lien is made, (3) the amount claimed to be due and owing less any offsets allowed, (4) that the claim of lien is made by the Board pursuant to the terms of these By-Laws and of Chapter 514A, Hawaii Revised Statutes, as amended, and (5) that a lien is claimed against said described Apartment in an amount equal to the amount of the stated delinquency. Any such claim of lien shall be signed and acknowledged by the President and/or the Secretary of the Board and shall be dated as of the date of execution. Upon recordation of a duly executed original or copy of such claim of lien with the Bureau of Conveyances of the State of Hawaii, the Board shall thereafter have all remedies provided by

Section 514A-90, Hawaii Revised Statutes, as amended. Each default shall constitute a separate basis for a claim of lien or a lien. In the event the foreclosure is under power of sale, the Board or any person designated by it in writing, shall be entitled to actual expenses and such fees as may be allowed by law. The certificate of sale shall be executed and acknowledged by the President and Secretary of the Board or by the person conducting the sale.

(c) For the purposes of this section, a certificate executed and acknowledged in the manner hereinabove provided under penalty of perjury shall be conclusive upon the Board and the Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any Owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his Apartment (or the fact that all assessments due are paid if such is the case) within fifteen (15) days after demand therefor. In the event any claims of lien have been recorded and thereafter the Board shall receive payment in full of the amount claimed to be due and owing them, upon demand of the Owner or his successor and payment of a reasonable fee, not to exceed ten dollars (\$10.00), the Board shall execute and acknowledge, in the manner provided above, a release of lien, stating the date of the original claim of lien, the amount claimed, the date, the book and page number of the claim of lien as recorded in the Office of the Bureau of Conveyances of the State of Hawaii, the fact that the lien has been fully satisfied, and that the particular lien is released and discharged, such release of lien to be delivered to the Owner or his successor.

Section 5. Collection from Tenant. If any 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 continues, demand and receive from any tenant or lessee, hereinafter the "LESSEE", of the Owner occupying the Apartment, the rent due or becoming due from such Lessee to the Owner up to an amount sufficient to pay all sums due from the Owner, including interest, if any, and any such payment of rent to the Board by the Lessee shall be sufficient discharge of such rent as between the Lessee and the 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 a consent to or approval of any lease by the Owner or a release or discharge of any of the obligations of the Owner hereunder or an acknowledgement of any rights or duties hereunder. In the event that the Board makes demand upon the Lessee as aforesaid the Lessee shall be obligated to make the said payments to the Board as demanded, PROVIDED, HOWEVER, the Board may not exercise this right in the event a receiver has been appointed to take charge of the premises pending a mortgage foreclosure, or if a mortgagee is in possession pending such foreclosure.

Section 6. Waiver. The failure of the Board to insist in any one or more instances upon a strict performance or compliance with any of the covenants hereunder to be kept and performed by the Owner, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or summary proceeding, shall not be construed as a waiver, or a relinquishment of the future right to enforce

such covenant, option, right, or remedy, and such covenant, option, right, or remedy shall continue and remain in full force and effect at all times. The receipt by the Board of any sum paid by any Owner hereunder, with or without knowledge of the Board of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver, express or implied by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the President or Secretary of the Board pursuant to authority contained in the resolution of the Board.

Section 7. Maintenance of Apartment. All maintenance and repairs to any Apartment shall be made by the Owners of such Apartment. An Apartment Owner shall not use the same for any purpose which will injure the reputation of the building or premises. Such Owner shall not suffer anything to be done or kept in the Apartment or elsewhere on the premises which will jeopardize the soundness of the building or premises, or which will interfere with or unreasonably disturb the rights of other Owners, or which will obstruct access and ingress to and from the building, parking lot, and appurtenant structures, or which will increase the rate of fire insurance on the building or the contents thereof or which will reduce the value of the premises. An Apartment Owner shall not do any work which will jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament, nor may any Apartment Owner add any material structure or excavate any additional basement or cellar without in every such case the unanimous consent of all the other

Apartment Owners being first obtained; PROVIDED, HOWEVER, that additions to or alterations of an Apartment made within such Apartment or within a limited common element appurtenant to and for the exclusive use of such Apartment shall require approval only by the Board. It is intended that the exterior of the building shall present a uniform appearance and to effect that end the Board may control and regulate the painting, decoration, or otherwise improving of visible exterior surfaces.

Section 8. Use of Project.

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

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

(c) Every Apartment Owner and occupant shall at all times keep his Apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

(d) 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 nor alter or remove any furniture, furnishings or equipment of the common elements.

(e) No Apartment Owner or occupant shall erect or place in the Project any building or structure including

fences and walls, nor make any additions or alterations to any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with the plans and specifications including detailed plot plan, prepared by a licensed architect if so required by the Board and approved by the Board and a majority of Apartment Owners (or such larger percentage required by law or the Declaration) including all Owners of Apartments thereby directly affected.

(f) No Apartment Owner shall decorate or landscape any entrance, hallways, planting area or lanai appurtenant to his Apartment except in accordance with standards therefore established by the Board of Directors or specific plans approved in writing by the Board.

(g) All occupants shall avoid making noises and using musical instruments, radios, televisions, and amplifiers in such manner as may disturb other occupants.

(h) No garments, rugs or other objects shall be hung from the windows or facades of the Project or otherwise displayed in public view.

(i) No rugs or other objects shall be dusted or shaken from the windows or doors of any Apartment or cleaned by beating or sweeping on any walkways, patios, entries or other exterior part of the Project.

(j) No refuse, garbage 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.

(k) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, cats and other 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 purpose, 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.

(l) No Apartment Owner or occupant shall without written approval of the Board of Directors install any wiring for electrical or telephone installations, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of any building of the Project or protruding through the walls, windows or roof thereof.

(m) No Apartment Owner or occupant shall erect, place or maintain any television or other antennas on the Project visible from any point outside of his apartment, except such make of antennas as shall be approved by and erected under the supervision of the Board.

(n) 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.

(k) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, cats and other 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 purpose, 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.

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(n) 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.

Section 9. House Rules. The Board of Directors upon giving 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, amend or repeal any supplemental rules and regulations governing details of the operation and use of the common elements not inconsistent with any provision of law, the Declaration or these By-Laws.

Section 10. Expenses of Enforcement. Every Apartment Owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments against such Apartment, foreclosing its lien therefore or enforcing any provisions of the Horizontal Property Act, Declaration or these By-Laws against such Owner or any occupant of such Apartment.

Section 11. Record of Ownership. Every Apartment Owner shall promptly cause to be duly recorded or filed of record the deed, lease, assignment or other conveyance to him of such Apartment or other evidence of his title thereto and shall file such lease with and present such other evidence of his title to the Board of Directors through the managing agent, and the Secretary shall maintain all such information in the record of ownership of the Association. The Board of Directors, through the Secretary, shall keep an accurate and current list of members of the Association and their current addresses and the names and addresses of the vendees under agreements of sale of apartments, if any, at a place designated by the Board.

Section 12. Assessments. All assessments paid by members of the Association, or any portion thereof used or to be used by the Association for capital improvements or any other capital expenditure shall not be treated as income to the Association but as capital contributions by members of the Association and shall be credited by the Association as paid in surplus.

ARTICLE VII

MORTGAGES

Section 1. Notice to Board of Directors. An Apartment Owner who mortgages any interest in his apartment shall notify the Association through the Managing Agent or Secretary of the name and address of his mortgagee and within ten (10) days after the execution of the same shall file a conformed copy of such mortgage with the Association; the Association shall maintain such information in a book entitled "Mortgages of Apartments".

Section 2. Notice of Unpaid Common Expenses. The Association whenever so requested in writing by an apartment owner or any mortgagee of any interest of an Apartment shall promptly report to such person any then unpaid assessments for common expenses due from the Apartment Owner involved.

Section 3. Notice of Default. The Board, when giving notice to an Apartment Owner of default in paying common expenses or other default, shall send a copy of such notice to each holder or a mortgage covering such apartment or interest therein his name and address as theretofore furnished to the Association. In each and every case where the

mortgagee has submitted a request, the Association shall notify the mortgagee of any unpaid assessment which is 30 days or more delinquent.

Section 4. Examination of Books. Each Apartment Owner and each mortgagee shall be permitted to examine the books and records of the Association or the Project at reasonable times on business days, and each mortgagee shall have the right to require the submission of annual reports and other financial data.

Section 5. Mortgage Protection. Notwithstanding any provision to the contrary in these By-Laws:

(a) Any first mortgagee who obtains title to an Apartment pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed in lieu of foreclosure, will not be liable for such Apartment's unpaid dues or charges which accrue prior to the date of acquisition of title to such Apartment by the mortgagee or acquirer pursuant to foreclosures of the mortgagor or deed in lieu of foreclosure.

(b) All taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the State of Hawaii shall relate only to the individual Apartments and not the condominium Project as a whole.

(c) The Declaration and By-Laws shall not give an Apartment Owner or any other party priority over any rights of the first mortgagees of Apartments pursuant to their mortgages in the case of a distribution to the Apartment Owners of insurance proceeds or condemnation awards for losses to or a taking of the Apartments, common elements or both.

(d) Notwithstanding any of the provisions of these By-Laws, no amendment of this section shall affect the rights of the holder of any mortgage who has notified the Association of its interest unless such mortgagee consents to the filing of such amendment.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Rules and Regulations. Each owner recognizes the right of the Board from time to time to establish and amend such uniform rules and regulations (herein referred to as House-Rules) as the Board may deem necessary for the management and control of the apartments and the common elements and the limited common elements and each owner agrees that his rights under this instrument shall be in all respects subject to the appropriate rules and regulations which shall be taken to be a part hereof; and each owner agrees to obey all such rules and regulations as the same now are or may from time to time to time be amended, and to see that the same are faithfully observed by his invitees, guests, employees and sub-lessees. Such rules and regulations shall uniformly apply to and be binding upon all occupants of an Apartment.

Section 2. Abatement and Enjoyment Violations by Apartment Owners. The violation of any rule or regulation adopted by the Board, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other right set forth in these By-Laws:

(a) To enter the Apartment in which, or as to

which, such violation or breach exists and to summarily abate and remove at the expense of the defaulting Apartment Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and all costs thereof, including reasonable attorneys' fees, shall be assessed against the defaulting Apartment Owner.

Section 3. Maintenance and Repair of Common Elements.

All maintenance, repair and replacement to the common elements, whether located inside or outside of an Apartment shall be made by the Board and shall be charged to all the Owners as a common expense unless otherwise provided in the Declarations or by law, unless necessitated by the negligence, misuse, or neglect of an Apartment Owner, or his invitee, guest, employee, tenants, or lessee in which latter incident the cost and expense of the repair shall be chargeable to the Apartment Owner.

Section 4. Right of Access. An Apartment Owner shall grant a right of access to his Apartment to any person authorized by the Board, or the project manager, if any, for the purpose of making inspections or for the purpose of correcting any condition originating in his Apartment and threatening any other Apartment or common element, or for the purpose of performing installations, alterations or repairs

to the mechanical or electrical services or other common elements in his Apartment, or elsewhere in the buildings, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be deemed granted, to be effective immediately, whether the Owner is present at the time or not.

Section 5. Owners May Incorporate. All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a non-profit corporation formed pursuant to the laws of the State of Hawaii for the purposes herein set forth. Said corporation shall be formed upon the written approval of a majority of the Apartment Owners. Formation of such corporation however shall in no way alter the terms, covenants and conditions set forth herein and the Articles of Incorporation and By-Laws of said corporation shall be subordinated hereto and controlled hereby. Any action taken by said corporation which said action is in violation of the Declarations, or these By-Laws shall be void and of no force and effect whatsoever.

Section 6. Indemnification of Officers, Directors, and Employees. The members of the Board of Directors, the Association Officers, and Association employees shall not be liable to the Apartment Owners for any mistake of judgment or otherwise except for their own individual gross negligence or willful misconduct. The Association shall indemnify and hold harmless each Director, Officer and employee of the Association against all costs, expenses and liabilities,

including the amounts of judgment, amounts paid in compromise settlements, and amounts paid for services of counsel, and other related expenses which may be incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted, or threatened in which he may be involved as a party or otherwise by reason of his being or having been a Director, Officer or employee, or by reason of any action taken or authorized or approved by him or any omission to act as such Director, Officer, or employee, whether or not he continues to be a Director, Officer or employee at the time of the incurring or imposition of such costs, expenses or liabilities, except that such costs, expenses or liabilities as shall relate to matters as to which he is liable by reason of his gross negligence or willful misconduct toward the Association in the performance of his duties as such Director, Officer, or employee. As to whether or not a Director, Officer, or employee was liable by reason of gross negligence or willful misconduct toward the Association in the performance in his duties as such, in the absence of a final adjudication of the existence of such liability, the Board and each Director and Officer thereof may conclusively rely upon an opinion of legal counsel selected by the Board. The foregoing right of indemnification shall not be exclusive of other rights to which any said Director, Officer or employee may be entitled as a matter of law, or otherwise, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, and assigns of each such Director, Officer and employee.

Section 7. Minutes of Association and Board Meetings. The minutes of all meetings of the Board of Directors and the Association of Apartment Owners shall be available for examination by the Apartment Owners at convenient hours at a place to be designated by the Board.

Section 8. Subordination. These By-Laws are subordinate and subject to all provisions of the Declaration, and any amendments thereto, and the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as from time to time amended, which shall control in case of any conflict. Unless the context otherwise requires, all terms herein shall have the same meaning as in the Declaration or Horizontal Property Act.

Section 9. Notices. All notices hereunder shall be sent by registered or certified mail to the Board in care of the Manager, or if there be no Manager, to the office of the Board, or to such other address as the Board may hereafter designate from time to time by notice in writing given to the Board. All notices shall be deemed to have been given when mailed, except notices of changes of address which shall be deemed to have been given when received.

Section 10. Interpretation. The provisions of these By-Laws shall be liberally construed to effectuate the purpose of creating a uniform condominium complex whereby the Association shall carry out and pay for the operation and maintenance of the Project as a mutually beneficial and efficient establishment. In case any provision hereof shall be held invalid, such invalidity shall not render invalid any

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 Apartment Owners.

Section 11. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions hereof.

Section 12. Gender. The use of any gender in these By-Laws shall be deemed to include either or both of the other genders, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 13. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 14. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law or the Declaration by vote of not less than seventy-five percent (75%) of the Apartment Owners at any meeting of the Association duly called for that purpose, such amendment to be effective only upon the recording of an amendment to the Declaration setting forth such amendment of the By-Laws.

CERTIFICATE OF ADOPTION

The undersigned, being the owner and developer

of all apartments of the Project, hereby adopt the fore-
going By-Laws of the Association of Apartment Owners of
FAIRWAY GARDENS, this 28th day of January, 1980.

5210 Likini Partners, a Hawaii
limited partnership

By K. K. H., INC.
Its General Partner

By 
Its President

**FAIRWAY GARDENS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR PERIOD ENDED 05/31/2010**

BUD ACCT 1454 DESCRIPTION	CURRENT MONTH			YEAR TO DATE			FISCAL BEG. 1
	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR	
CASH RECEIPTS:							
5100 MAINTENANCE FEE	69042.82	68548.00	494.82	352154.08	342740.00	9414.08	102.7
5190 LEGAL FEE REIMBURSEMENT	0.00	0.00	0.00	3074.52	0.00	3074.52	
5270 INTEREST FROM INVESTMENTS	143.95	270.00	-126.05	826.41	1350.00	-523.59	
5290 INTEREST FROM CHECKING	5.64	0.00	5.64	22.27	0.00	22.27	
5360 LATE CHARGES	110.00	0.00	110.00	560.27	0.00	560.27	
5378 FINES	50.00	0.00	50.00	375.00	0.00	375.00	
TOTAL CASH RECEIPTS	69352.41	68818.00	534.41	357012.55	344090.00	12922.55	103.8
UTILITIES:							
6010 ELECTRICITY	13672.43	15000.00	-1327.57	69134.14	75000.00	-5865.86	
6020 TELEVISION	4149.75	4191.00	-41.25	20395.44	20955.00	-559.56	
6030 WATER	2503.40	2880.00	-376.60	13226.40	14400.00	-1173.60	
6040 SEWER	7070.47	7000.00	70.47	35892.00	35000.00	892.00	
6050 GAS	0.00	0.00	0.00	49.51	0.00	49.51	
6060 TELEPHONE	393.55	390.00	3.55	1991.62	1950.00	41.62	
TOTAL UTILITIES	27789.60	29461.00	-1671.40	140689.11	147305.00	-6615.89	95.5
CONTRACTS:							
6223 WINDOW CLEANING	0.00	0.00	0.00	392.67	400.00	-7.33	
6230 ELEVATOR	3055.23	0.00	3055.23	6110.46	6540.00	-429.54	
6280 PEST CONTROL	0.00	0.00	0.00	356.02	720.00	-363.98	
6300 REFUSE	1153.46	1335.00	-181.54	6131.19	6675.00	-543.81	
6310 SECURITY EQUIPMENT	0.00	310.00	-310.00	2373.91	1550.00	823.91	
6330 ROOF MAINTENANCE	0.00	12.00	-12.00	0.00	12.00	-12.00	
6340 TREE TRIMMING	0.00	0.00	0.00	1518.32	3996.00	-2477.68	
6372 COMMON AREA PLUMBING	0.00	417.00	-417.00	0.00	2085.00	-2085.00	
6376 FIRE SYSTEMS	0.00	175.00	-175.00	2121.80	875.00	1246.80	
6378 HEAT PUMP MAINTENANCE	157.07	225.00	-67.93	1429.32	1125.00	304.32	
6381 MISC VENDORS	94.24	50.00	44.24	94.24	250.00	-155.76	
TOTAL CONTRACTS	4460.00	2524.00	1936.00	20527.93	24228.00	-3700.07	84.7
BUILDING MAINTENANCE:							

FAIRWAY GARDENS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR PERIOD ENDED 05/31/2010

BUD ACCT 1154 DESCRIPTION	CURRENT MONTH				YEAR TO DATE				FISCAL YR. 1
	ACTUAL	BUDGET	VAR.	BUDGET	ACTUAL	BUDGET	VAR.	BUDGET	
6530 CLEANING & BUILDING SUPPLIES	190.35	390.00	-199.65	1372.53	1950.00	-577.47			
6550 GROUNDS	633.53	200.00	433.53	2945.97	1000.00	1945.97			
6560 ELECTRICAL/LIGHTING	0.00	225.00	-225.00	270.10	1125.00	-854.90			
6570 PLUMBING	0.00	0.00	0.00	99.48	0.00	99.48			
6580 POOL	0.00	150.00	-150.00	114.14	750.00	-635.86			
TOTAL BUILDING MAINTENANCE	823.88	965.00	-141.12	4802.22	4825.00	-22.78		99.5	
PROFESSIONAL SERVICES:									
6810 ADMIN SUPPLIES & SVCS	693.13	775.00	-81.87	3319.34	3875.00	-555.66			
6812 ASSOCIATION ADMIN EXPENSE	79.60	200.00	-120.40	1246.97	1000.00	246.97			
6850 MANAGEMENT SERVICES	1890.47	1890.00	0.47	9452.35	9450.00	2.35			
6870 AUDIT/PUBLIC ACCOUNTING	0.00	0.00	0.00	947.41	996.00	-48.59			
6880 LEGAL FEES	883.34	400.00	483.34	5740.32	2000.00	3740.32			
TOTAL PROFESSIONAL SERVICES	3546.54	3265.00	281.54	20706.39	17321.00	3385.39		119.5	
PAYROLL AND BENEFITS:									
7010 PAYROLL-MANAGER	2630.77	3000.00	-369.23	13153.84	15000.00	-1846.16			
7020 PAYROLL-MAINTENANCE	3473.60	3335.00	138.60	17368.00	16675.00	693.00			
7070 WORKERS COMPENSATION	0.00	0.00	0.00	1572.00	1560.00	12.00			
7080 TDI	0.00	0.00	0.00	181.07	232.00	-50.93			
7090 HEALTH CARE	1111.32	1323.00	-211.68	5556.60	6615.00	-1058.40			
7100 PAYROLL TAXES	588.54	501.00	87.54	3049.90	2505.00	544.90			
7140 PAYROLL PREPARATION	150.00	153.00	-3.00	750.00	765.00	-15.00			
TOTAL PAYROLL AND BENEFITS	7954.23	8312.00	-357.77	41631.41	43352.00	-1720.59		96.0	
OTHER EXPENSES:									
7310 INSURANCE-PROPERTY	3138.50	2990.00	148.50	15545.14	14950.00	595.14			
7341 INSURANCE-UMBRELLA-GENERAL	0.00	145.00	-145.00	147.36	725.00	-577.64			
7371 UNINSURED EXPENSES	3400.00	0.00	3400.00	15265.96	0.00	15265.96			
7510 MORTGAGE/LOAN PAYMENT	485.83	587.00	-101.17	2429.15	2935.00	-505.85			
7520 WATER STORAGE TANK-LOAN	1782.43	1895.00	-112.57	8912.15	9475.00	-562.85			
7530 #503 MAINT FEE	496.15	1000.00	-503.85	2480.75	5000.00	-2519.25			
7531 #503 MORTGAGE	0.00	600.00	-600.00	0.00	3000.00	-3000.00			
7550 MISCELLANEOUS EXPENSE	53.00	0.00	53.00	580.76	0.00	580.76			

PREPARED FOR
5210 ILIKINI STREET
HONOLULU HI 96818

PAGE: 3

FAIRWAY GARDENS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR PERIOD ENDED 05/31/2010

PREPARED BY
HAWAIIANA MANAGEMENT COMPANY, LTD

DESCRIPTION	CURRENT MONTH			YEAR TO DATE			FISCAL BEG.
	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR	
BLD ACCT 1154							1
7551 SPECIAL EVENT COMMITTEE	0.00	42.00	-42.00	0.00	210.00	-210.00	
7710 REAL PROPERTY TAX	0.00	160.00	-160.00	450.24	480.00	-29.76	
7720 STATE GENERAL EXCISE TAX	0.00	0.00	0.00	97.34	120.00	-22.66	
TOTAL OTHER EXPENSES	9355.91	7419.00	1936.91	45908.85	36895.00	9013.85	124.4
TOTAL OPERATING EXPENSES	53930.16	51946.00	1984.16	274265.91	273926.00	339.91	100.1
OPERATING SURPLUS/DEFICIT	15422.25	16872.00	-1449.75	82746.64	70164.00	12582.64	117.9
CAPITAL IMPR AND MAJOR REP & REPL							
8512 ROOF-MAIN, CAR PORT, BATH	0.00	0.00	0.00	0.00	45000.00	-45000.00	
8518 BACKFLOW PREVENTER VALVE	0.00	0.00	0.00	0.00	8000.00	-8000.00	
8519 PLATFORM LIFT	0.00	0.00	0.00	6639.48	0.00	6639.48	
8570 PLUMBING UPGRADES	0.00	0.00	0.00	9694.24	0.00	9694.24	
TOTAL CAPITAL IMPR AND MAJO	0.00	0.00	0.00	16333.72	53000.00	-36666.28	30.8
TOTAL CASH DISBURSEMENTS	53930.16	51946.00	1984.16	290599.63	326926.00	-36326.37	88.9
CHANGE IN SECURITY DEPOSITS	50.00	0.00	50.00	200.00	0.00	200.00	0.0
CHANGE TO TOTAL CASH & RESERVE	15472.25	16872.00	-1399.75	66612.92	17164.00	49448.92	

PREPARED FOR
 5210 LIHANI STREET
 HONOLULU HI 96818

PAGE: 1

**FAIRWAY GARDENS
 RESERVE STATEMENT
 AS OF 05/31/2010**

PREPARED BY
 HAWAIIANA MANAGEMENT COMPANY, LTD.

BID NUM: 1154

FISCAL BEG: 01 PAGE: 1

INDIVIDUAL RESERVES BY ACCOUNT:

1523 HSB LQ #5100736254
 1524 HSB #5327398860
 1750 HCCU LQ #790395
 1751 HCCU #79039517542
 1826 BOR #678026105

	TERM	MATURES	RATE	BEGINNING BALANCE	TRANSFERS TO/(FROM)	ENDING BALANCE
	03	MONTHS	7/16/2010	72,314.50	64.52	72,379.02
				29,524.73	27.21	29,551.94
	06	MONTHS	8/1/2010	102.09	0.00	102.09
	03	MONTHS	6/18/2010	41,264.94	52.22	41,317.16
				50,134.56	0.00	50,134.56
TOTAL RESERVES				193,340.82	143.95	193,484.77

PREPARED FOR
5210 LAIKINI STREET
HONOLULU HI 96818

PAGE: 1

FAIRWAY GARDENS
RESERVE STATEMENT
AS OF 05/31/2010

PREPARED BY
HAWAIIANA MANAGEMENT COMPANY, LTD.

BID NUM: 1154

FISCAL BEG: 01 PAGE: 1

RESERVES BY INSTITUTION:

BANK OF THE ORIENT
HAWAII CENTRAL CREDIT UNION
HOMESTREET BANK

TOTAL RESERVES

CPB OPERATING ACCOUNT
PETTY CASH

TOTAL CASH AND RESERVES

LESS: SECURITY DEPOSITS

TOTAL ASSOC. CASH AND RESERVES

BEGINNING CASH BAL.-B.O.Y. 259,806.41

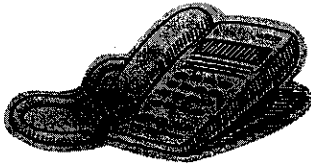
BEGINNING BALANCE	TRANSFERS TO/(FROM)	ENDING BALANCE
50,134.56	0.00	50,134.56
41,367.03	52.22	41,419.25
101,839.23	91.73	101,930.96
<u>193,340.82</u>	<u>143.95</u>	<u>193,484.77</u>
116,106.26	15,328.30	131,434.56
1,500.00	0.00	1,500.00
<u>310,947.08</u>	<u>15,472.25</u>	<u>326,419.33</u>
4,760.00	50.00	4,810.00
<u>306,187.08</u>	<u>15,422.25</u>	<u>321,609.33</u>

*Fairway Gardens
House Rules*



Our Good Neighbor Policy

Effective: February 1991
Revised: **July 2009**



Frequently Called Numbers

	Please notify	Number
Emergency - medical, fire, police, domestic disturbance, theft, noise	Emergency Services (Also notify the Resident Manager for fire and police matters)	911 954-0366 (cell)
Bulk disposal – appliances, furniture, etc.	City and County Bulk Pickup	523-4685
Cable TV signal problems	Time Warner Oceanic	643-2100
Elevator – malfunction	Resident Manager	839-1484 (office) 954-0366 (cell)
Enterphone – programming	Resident Manager	839-1484 (office)
Hazardous material disposal	City & County Refuse Division	768-3401
Phone service	Hawaiian Tel	643-4375
Plumbing repair	Resident Manager	839-1484 (office)
Power outage	Hawaiian Electric Co.	548-7961
Security keys - purchase, program	Resident Manager	839-1484
Towing	contracted tow company	see postings around property
Water – leaks, lack of hot water	Resident Manager	839-1484 (office) 954-0366 (cell)
Window – alternative window replacement	Resident Manager Coastal Windows	839-1484 (office) 676-0529

Requirements



A working smoke alarm is mandatory in your unit.



Walkways and stairwells must be kept clear at all times.

Fire code prohibits loitering, smoking, slippers, playing, plants, welcome mats, wagons or anything else in the hallways or stairwells. Items left outside your unit will be removed and discarded.



No smoking

State law prohibits smoking within 20 feet of the doors, windows, and ventilation intakes of the project's common elements. Smoking is also prohibited in the walkways, stairwells, inside the lobby, outside lobby entry area and in all other common areas of the property unless the area is designated as a smoking area and has an Association ash can.

Homeowner's Insurance

Owners must purchase and maintain an active homeowner's insurance policy pursuant to the condominium law and the Board resolution dated Oct 16, 2008.

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Addendum 1 – Non-discrimination Policy

1. General Provisions

Fairway Gardens' House Rules help to maintain a friendly, pleasant and congenial atmosphere for all residents. They are based on the project's governing documents such as the declaration and bylaws, city, state, and federal laws and ordinances, common sense, consideration for others, health and safety requirements, and respect for persons and property.

The rules apply uniformly to and are specifically binding upon all owners, tenants and residents of Fairway Gardens. Owners are responsible to see that these rules are faithfully observed by their invitees, guests, employees and sub lessees. The rules are enforced by the Board of Directors through the Resident Manager and the Managing Agent. Violation fees are charged against the unit owner.

Certain circumstances and situations may arise that are not specifically covered. Such occurrences and their resolution will be kept in line with the intent of these rules by the Resident Manager and Board of Directors.

These House Rules supplement, but do not alter, the obligation of owners as stated in the Fairway Gardens Declaration and By-Laws.

These House Rules supersede all previously distributed House Rules and may be amended or altered by the Board of Directors from time to time.

You can do your part to keep Fairway Gardens a pleasant place to live by abiding by these House Rules. We also ask that you help by reporting violations to the Resident Manager as soon as they occur. All information you provide will remain confidential.

2. Definitions

2.1 Apartment means the space enclosed by the walls, floor, ceiling and windows of an individual unit, including installed carpet, drapes, cabinets, appliances and fixtures.

2.2 Board of Directors means the elected members of the Association of Apartment Owners of Fairway Gardens.

2.3 Common Elements or Common Area means the building, grounds, lobby, corridors, stairwells, roof, parking areas, equipment rooms, playgrounds, pool, recreation room, and all other spaces exclusive of apartments.

2.4 Occupants means owners of apartments in Fairway Gardens, their lessees or tenants, or family members of any of the foregoing.

2.5 Owners means the holders of title as duly recorded at the Bureau of Conveyances and/or with the Assistant Registrar of the Land Court of the State of Hawaii.

2.6 Premise means all or any part of the Fairway Gardens condominium, including the building, grounds, recreational and parking areas.

2.7 Resident Manager means the person employed by the Board of Directors to enforce the House Rules and carry out other duties.

3. Violation of House Rules

The Managing Agent, Resident Manager or Board of Directors shall issue a notice of the violation and/or levy a fine against the Owner responsible for any violation of these House Rules. An Owner shall be responsible for all conduct of any sub-lessee, renter or tenant who occupies his apartment and shall be responsible for payment of all fines incurred as a result of the sub-lessee, renter or tenant's conduct.

The applicable fines, as determined by the Board of Directors are indicated after each section. Recurrence of a violation within a rolling 12 months will result in doubling of the fine amount from the last occurrence (ie \$25, \$50, \$100, \$200). For violations that require corrective action (ie door replacement, missing window jalousies, etc), corrective action must be completed within 30 days from the date of the initial notification. Failure to take corrective action will result in doubling of the fine amount every 30 days (ie \$25, \$50, \$100, \$200) until the date the Association is notified that the correction has been made. In writing, Owners may ask the Board to grant an extension of the 30-day correction requirement if there are reasonable reasons beyond the owner's control for corrections to take longer than 30 days.

Fine payments are due within thirty (30) days after notice date. The Association will add 5% simple interest per month late charge based off of the fine amount each month fine payments are late. All fines and late charges are special assessments against the Owner. If necessary, a lien will be placed on the apartment. All legal fees and costs incurred shall also be the responsibility of the unit's Owner.

Continuous repeated violations will result in legal action taken against the violator and/or the owner. Nothing contained herein shall be interpreted to prevent or delay the Board and/or Managing Agent from immediately enjoining, abating, removing, or remedying – through automatic fines, legal action, or any other means – any violation or breach that may impair or in any way affect the value or safety of the Project or the use, enjoyment, safety, or health of any apartment owner or resident.

Owners have a right to appeal fines. Please refer to section 32 of the house rules that explain the appeals process.

4. Threats Against Association Employees or Board Members

Yelling at, swearing at, or verbally or physically threatening or making threatening gestures to the resident manager, Association employees, or board members will not be tolerated, and will be referred to the Association's legal counsel to pursue to the fullest extent of the law.

Fine: \$100



5. Registration of New Occupants

5.1 Registration Time Period

Prior to or within 7 days of moving into the Fairway Gardens, new occupants must register with the Resident Manager and complete the Fairway Gardens Registration Form consisting of the following information:

1. The names of all persons residing in the apartment
2. Day and evening contact phone numbers for all residents
3. Name, description and photograph of pet (if applicable)
4. License number, make, model, and color of vehicles
5. Names and phone numbers of whom to contact in the event of an emergency
6. If you are a renter, the name and contact numbers of your rental agent or landlord
7. Any special needs of residents in case of an emergency (optional)
8. Primary language of occupants in case of an emergency (optional)

Fine: \$25

5.2 Changes to Registration Information

Any registration information that changes must be updated by residents within seven (7) days of such change. All information will be kept confidential and will not be used for purposes other than for the administration of Fairway Gardens.

Fine: \$25

6. Occupancy

6.1 Occupancy Limits

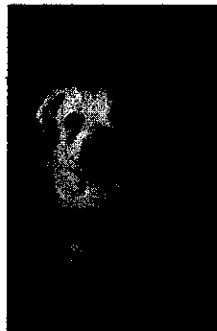
The number of persons residing in each unit shall not exceed the occupancy limits under the Housing code of the City and County of Honolulu.

Fine: \$100

6.2 Guests

Any occupant who plans to host a guest for seven (7) or more consecutive days shall inform the Resident Manager of the guest's name and length of stay prior to or upon the guest's arrival.

Fine: \$50



7. Pets

7.1 Number of Pets

Occupants are allowed to keep no more than two pets per apartment (ie: 2 cats or 2 small to mid-size dogs, or 1 cat and 1 small to mid-sized dog). Other household pets such as birds or fish are also allowed in moderation. All dogs and cats must be registered with the Resident Manager. Registration will require a photograph of the dog or cat.

Fine: \$50

Residents, who had more than two (2) pets at the time these revisions were adopted, (February 1, 2005), were allowed to retain their additional pet(s) under a "Pet Grandfather Clause."

7.2 Pets in Common Areas

Pets are permitted in the common areas only while under owner's control and supervision on a leash, in a carrier, or being carried and causing no undue stress or disturbances to other residents. For health and sanitary reasons, pets are not permitted in the fenced barbecue area. Service animals are permitted in common areas to afford disabled persons equal opportunity to use and enjoy these areas.

Fine: \$50

7.3 Cleaning up After Pets

Owners are responsible for cleaning up after their pets if a mess is created in the common area. The disposal of pet litter or similar substance in apartment toilets is strictly prohibited.

Fine: \$50

7.4 Banning Pets

Any pet causing objectionable noise, stress, threats, or injury to any person or property damage shall be banned from Fairway Gardens.

7.5 No Breeding Pets

Pets are not to be kept or bred for commercial purposes.

Fine: \$50



8. Moving

8.1 Advance Notice for Moves

Advance notice of at least two (2) days must be given to the Resident Manager before occupants move into or out of Fairway Gardens. Moving of large household items (e.g., appliances, sofas, beds, etc.) must be coordinated through the Resident Manager. All moving activities must be done through the rear lobby door on the Ala Ilima Street side. Any damage caused to the common areas during moving shall be the responsibility of the unit owner. The owner shall incur all costs for repair.

Fine: \$50

8.2 Moving Hours

Moving hours are as follows:

Monday to Saturday	9:00 a.m. - 3:30 p.m.
Sunday	Moving is not permitted

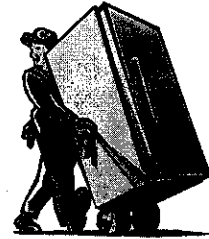
Fine: \$50

8.3. Moving Deposit

A \$50.00 deposit shall be collected from occupants before moving into or out of Fairway Gardens. Occupants will receive elevator keys and elevator pads. Fines for violations during moving shall be deducted from the moving deposit. Upon completion of the move, the Resident Manager will inspect the elevators and other common areas. If no damage was incurred, the full deposit will be returned to the occupant. Otherwise, fines will be assessed for the cost of repair.

8.4 Deliveries

- Residents shall notify the Resident Manager 24-hours in advance of deliveries of furniture, appliances or any large household items.
- Deliveries should be made via the building's rear entrance.
- Residents need to be present during deliveries.



Fine: \$25

9. Units

9.1 Homeowner's Insurance is Mandatory

Chapter 514B of the Hawaii Revised Statutes requires unit owners to carry an active homeowner's insurance policy with minimum coverage of at least \$25,000 for personal property and dwelling. If the owner does not have an active policy, the Association may purchase a policy for the unit and charge the cost back to the unit owner.

9.2 Use of Units

All apartments shall be used for residential purposes only. No apartment shall be used for any illegal, improper or offensive purpose or used as a tenement or rooming house or in connection with the carrying on of any trade or business.

Fine: \$100



9.3. Repair and Maintenance of Unit Interiors

The repair and maintenance of apartment interiors is the responsibility of individual occupants. Occupants are responsible for maintaining the interior of the unit itself as well as fixtures in such a manner as not to cause damage to other apartments or the common elements, or to interfere with the rights of other occupants.

Fine: \$100

9.4 Notice of Damaging Conditions

Occupants shall immediately notify the Board of Directors or Resident Manager (and the Owner, if different from the occupant) of any condition which, if left un-repaired, may cause damage to the common elements or other units. Examples include plumbing leaks, broken window frames or loose glass jalousies, etc.

Fine: \$100



10. Home Renovations

10.1 Moving of Bulk Home Renovation Materials

Homes involving the moving in or out of bulk materials, such as lumber, cabinets, doors, appliances, drywall, carpet, flooring, and bathtubs need to be coordinated with the resident manager. Materials must be moved through the lobby back door (Ala Ilima Street side). Moving of bulk home renovation items must be done during approved moving hours.

Monday to Saturday	9:00 a.m. - 3:30 p.m.
Sundays	Moving is not permitted

Fine: \$50

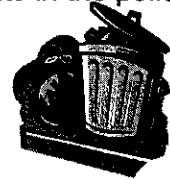
10.2 Home Renovation Noise

Noises such as pounding, sawing, sanding, drilling, chipping, scraping, jack hammering, etc and the use of power tools are only allowed between the hours of 9 a.m. and 5 p.m. only.

Fine: \$100

Any home renovation noise disturbance outside of the times allowed that results in the police being called.

Fine: \$100



10.3 Home Renovation Material Disposal

Bulk renovation items being disposed of must be removed from the premises and not thrown down the trash chute nor left in Fairway Gardens common areas (ie trash bins, trash room, walkways, stairwells, etc). Residual trash must be cleaned from walkways, elevators, and all other common areas.

Fine: \$50

Bulky items may be left at the Likini Street curb outside the ewa-side driveway for City and County bulk pickup only on the weekend before the 1st Monday of each month.

Fine: \$50

10.4 Home Renovation to Building Structure Prohibited

No modifications shall be made which affect the structural members of the building, the common areas or the common utilities.

Fine: \$100 in addition to all expenses for restoration.

10.5 Alterations to Building Exterior Prohibited

No alterations, installations or changes of any nature are permitted to the exterior surface of the building without the prior written approval of the Board of Directors.

Fine: \$100

11 Unit Front Doors

11.1 Front Door Appearance

In accordance with the Fairway Gardens Declarations, the maintenance and replacement of unit front doors are the responsibility of the apartment owners. Doors should be polished, covered with laminate or varnish, and kept in good condition.

Fine: \$50

11.2 Replacement Doors

Replacement doors must be the same size as the original door. Door finishes must match or be close to the original brown door color with wood grain showing and unpainted. Door fixtures must match the color and design of current uniform doors.

Fine: \$50

11.3 Door Frames

Door frames must be the same color paint trim as the rest of the building's door frames.

Fine: \$50

11.4 Door Opening Direction

No exterior doors may open outward toward the walkway.

12. Flammables

12.1 Flammables Prohibited in Units

Occupants shall not bring into their units, the building or common areas, any flammable oils or fluids such as gasoline, kerosene, powder, firework, or other articles hazardous to life, limb or property. This includes motorcycles, mopeds or other equipment using these flammable materials, unless such motorcycles, mopeds or other equipment are properly parked in the parking lot and do not violate any other rules.

Materials used for home repair (e.g., paint thinner etc.) are allowed only on a short-term basis during renovation projects, but must be taken off the property immediately thereafter or properly stored in a fireproof cabinet.

Fine: \$250

13. Windows

13.1 Alternative Window Types

For owners who would like to replace their existing windows and window frames with an alternative type, the Board has approved several designs of vinyl framed windows from Coastal Windows. Installation must be coordinated with the resident manager.

Fine: \$100

13.2 Window Coverings

Draperies, blinds or covering against windows or doors facing the exterior of the building shall be neutral white in color. All draperies must be properly hung and in good condition. Reflective window film is prohibited. Non-reflective window tinting is allowed for picture windows. Tint must be properly applied to cover the entire picture window and must be maintained in good condition – no bubbling, cracking, or peeling. Tint must be of the following brand and color: Llumar DR 2552 CDF.

Fine: \$50 and removal of non-standard item

13.3 Windows - Use of

No articles (laundry, towels, rugs, etc.) shall be hung from the window жалousies or frames or from walkways.

Fine: \$15



13.4 Windows – Items Showing From

Except as allowed by the Federal communications Commission's Over-the-Air Reception Devices (OTARD) rules, objects, including garments, rugs, vents, aerials or antennas shall not be hung in doorways or stored near window areas in such a way that they are visible from outside the building.

Fine: \$50

13.5. Seasonal Window Decorations

Seasonal decorations, such as Christmas lights, are permitted in windows 30-days before an event, provided they are removed within 15 days after the event.

Fine: \$25

13.6 Window Jalousies

All window jalousies must be present and must be mounted properly and secure. Missing jalousies are not permitted. Jalousies must be uniform and maintained as originally installed (clear or frosted).

Fine: \$25

13.7 Throwing Items from Windows and Walkways Prohibited

Nothing shall be dusted or shaken from upper floor windows or walkways. This includes garments, rugs, mops, dust, rubbish or any other item. Nothing shall be thrown or emptied by occupants or their guests out of windows, doors or off walkways on any part of the building.

Fine: \$50

13.8 Window Screens

If window screens are present, they must be properly mounted without visible tears or holes.

Fine: \$25

14. Landscaping

No apartment owner or occupant shall landscape or decorate any entrance, entry lanai or common plant area without the prior written approval of the Board of Directors.

Fine: \$15

15. Unit Air Conditioners

Air conditioners are **not** allowed in units due to their high energy consumption.

Fine: \$100

16. Keys



16.1 Security Keys

Security keys for the building's entry doors have been issued to owners. Additional keys may be purchased **only by owners** from the Resident Manager for \$50.00.

16.2 Unit Keys

The association **will not** retain duplicate keys to individual apartments.

17. Emergencies

Occupants are responsible for calling the Police Department, Fire Department, ambulance or doctor in emergencies. Any emergency that affects the safety of other residents (including flooding, fire, theft, etc.) must immediately be brought to the attention of the Resident Manager.

Fine: \$100

18. Common Areas

Occupants are personally responsible for any damage or destruction to any common or limited element caused by themselves or guests. Owners are ultimately responsible for any damage or destruction to any common or limited elements caused by themselves, their unit occupants, or their guests.

Fine: \$100

18.1 Use of Common Areas

The grounds, walkways, lobby, stairways, elevators, building entrances, driveways and other similar common elements shall be used strictly for entry into and exit out from the parking and apartment areas. In accordance with fire marshal regulations, they shall be kept free of obstructions including furniture, surfboards, packages, plants, laundry baskets, shopping carts, bicycles, toys, footwear, etc at all times.

Fine: \$25

18.2 Profanity Prohibited in Common Areas

No excessive, repeated, or loud swearing or use of profanity while in the common areas.

Fine: \$50

18.3 No Playing or Loitering in Common Areas

Occupants playing or loitering in the lobby, driveways, parking areas, stairwells, elevators, or walkways is not permitted.

Fines: \$ 25

18.4. No Riding in Common Areas

Bicycles, skates, skateboards, etc. must be walked to the ground level and to the roadway before being used.

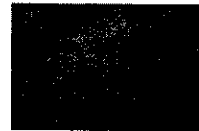
Fine: \$25

18.5 No Tampering with Security Devices

Tampering with any entrance lock, security camera, or the enterphone system to enter the grounds or building without the proper key is prohibited.

Tampering with any security device (ie doors, door jambs, security cameras, or entry systems) to alter its function to work or close properly is prohibited.

Fine: \$100



18.6 No Alteration or Removal of Items from Common Areas

Furnishings, equipment and plants of the common elements shall not be altered, moved, or removed.

Fine: \$50 plus cost of repair or replacement

18.7 No Smoking, Eating or Drinking in Elevators

Smoking, eating and drinking are not allowed in the elevators.

Fine: \$15

18.8 No Smoking in All Common Areas

Smoking is not allowed in all common areas such as stairways, walkways, in the lobby, outside the lobby, in the parking lot, in the barbeque area, or the pool.

Fine: \$15

18.9 No Climbing

Climbing any fence, wall, pole, or tree is prohibited.

Fine: \$25

18.10 Package Deliveries

The Board of Directors and the Resident Manager are not responsible for packages or other deliveries left for occupants and guests in any common area, nor for any article left with an employee or any property of occupants or guests placed or left in or about Fairway Gardens.

18.11 No Soliciting

Except as permitted by the Hawaii Revised Statutes HRS 514B-123(j), person-to-person, door-to-door, or telephone soliciting is not permitted.



Fine: \$25

18.12 No Littering or Vandalism

Littering, writing, marking, marring or defacement of any part of the common walls, floors, ceilings, furnishings and/or landscaping is strictly prohibited. Vandals will be prosecuted to the fullest extent of the law.

Fine: \$100 plus costs of repair or replacement

18.13 Storage Rooms

Floors 2 – 14 have a common area storage room for occupant's use. The Association shall not be held responsible for any items lost, stolen, or damaged while in the storage room.

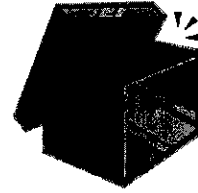
18.13.1 Access to Storage Rooms

Storage access is controlled by the Resident Manager. Fairway Gardens staff must accompany occupants at all times while they add or remove articles from the storage room.

18.13.2 Packaging Requirements of Items in Storage

Items placed in the storage room must be boxed or packaged. Each box or package must be clearly marked with:

- occupant's name
- unit number
- date the item entered storage



If items are not properly packaged and properly marked, the Association may dispose of the items.

18.13.3 Flammable Items Prohibited from Storage

Occupants shall not place into storage any poisonous items or flammable oils or fluids such as gasoline, kerosene, powder, firework, or other articles hazardous to life, limb or property. This includes equipment that uses these flammable materials.

Fine: \$100

18.13.4 Registration of Items in Storage

Items in storage must be registered with the office. Items that are not registered will be disposed of in accordance with the law.

18.14 No Shopping Carts

No store-owned shopping carts are allowed to be brought onto the Fairway Gardens premises.

Fine: \$25

18.15 No Feeding of Birds and Stray or Feral Animals

Fine: \$25

19. Bulletins and Notices

19.1 Permission to Post Notices

Occupants who wish to post notices in common areas must first get permission from the Resident Manager or Board of Directors. Notices for the lobby bulletin board shall be written or typed on a 5" x 7" index card or smaller if possible. Larger notices may be disallowed due to space constraints. Notices must be dated and will be removed at the end of 30 days or earlier, if requested. Occupants shall notify the Resident Manager whenever the notice is no longer needed.

Fine: \$25

19.2 No Removal or Defacement of Association Notices

Fine: \$25

20. Swimming Pool

Warning: Use of the pool is at the risk of the individual.

THERE IS NO LIFEGUARD ON DUTY.



20.1 Pool Safety

Occupants are responsible for their own safety and for the safety of household members and guests. Occupants must ensure that family members and guests who are non-swimmers or weak swimmers are accompanied at all times in the pool area by someone who can ensure their safety. The Board of Directors strongly recommends that all persons who use the pool, especially minors, be accompanied by someone else who can ensure their safety.

20.2 Guests Must be Accompanied; Minors Should be Accompanied

Occupants must accompany their guests while they are at the pool. For the sake of children's health and safety, minors age 12 and under should be accompanied by a resident adult.

Fine: \$50

20.3 Leak Proof Undergarments

Persons who are incontinent or not toilet-trained shall not use the pools unless they wear garments which will prevent leaks.

Fine: \$50

20.4 Pool Hours

The pool and surrounding area are for use by occupants and their guests between the hours of 9:00 a.m. and 9:00 p.m. Sundays – Thursdays; 9 a.m. and 10 p.m. Fridays and Saturdays.

Fine: \$15

20.5 Number of Guests Allowed

Pool guests are limited to two (2) per apartment unless more are authorized by the Resident Manager.

Fine: \$15

20.6 Board of Health Requirements

Any person having any skin disease, sore or inflamed eyes, nasal or ear discharge, or any communicable disease, may not use the pool. This complies with the Board of Health requirements.

Fine: \$100

20.7 Shower Before Entering Pool

Before entering the pool, all swimmers shall:

1. Take a shower
2. Remove all sunscreen lotions, hairpins and other accessories

Fine: \$15



20.8 Actions and Items Prohibited in Pool Area

The following actions and items are strictly prohibited in the pool area:

1. Horseplay, running, screaming or other boisterous conduct
2. Splashing of water
3. Spitting and blowing of nose (Board of Health requirement)
4. Standing, walking on or jumping from walls or hand rails around the pool
5. Scuba equipment, inner tubes, swim fins, toys or other inappropriate equipment. However, small children accompanied by an adult may use small flotation devices.
6. Food and drinks and any glass or other breakable containers
7. Pets
8. Conduct or noise, which interferes with the rights and comforts of others
9. Loud volume of voices, radios or other audio equipment
10. Vandalism. Vandals will be prosecuted at the fullest extent of the law.
11. Smoking
12. Use of profanity

Fine: \$25

13. Urinating or defecation in the pool

Fine: \$100

20.9 Removal of Personal Items from Pool

All personal items shall be removed when leaving the pool area.

Fine: \$15

20.10 Drying Off

Swimmers shall dry thoroughly before leaving the pool area. Persons dripping water are not permitted to enter the elevator or other common areas of the building.

Fine: \$15

Repeat violators may lose pool privileges for a limited time

21. Recreation Room

Warning: Use of the recreation room is at the risk of the individual.



21.1 Persons Responsible

The occupant using or reserving the room is responsible for the proper conduct of guests and shall see that care is taken not to disturb other occupants in the building. Should any damage occur to the recreation room facilities, the occupant responsible for the reservation shall be assessed for the cost of repairing such damage.

21.2 Indemnity Form

The head of household must sign an indemnity form before use of the exercise room by anyone in their household.

Fine: \$50

21.3 Key Deposit

A refundable \$50.00 deposit is required for fob key access to the recreation room. All or part of this deposit will be kept in the event of damage to the equipment or to the area.

21.4 Hours of Use for Exercising

Occupants may use the recreation room located on the first floor for exercise between the hours of 5:00 a.m. and 11:00 p.m.

Fine for use of the room outside of these times: \$25

21.5 Occupancy Limits for Exercising

No more than 5 persons may use the recreation room at any time for exercising.

Fine: \$20

21.6 Hours of Use for Meetings or Gatherings

The recreation room may also be used for meetings for small gatherings between the hours of 9:00 a.m. and 9:00 p.m. Sundays – Thursdays; 9 a.m. and 10 p.m. Fridays and Saturdays by making advance arrangements with the Resident Manager. Occupants using this room must provide their own tables, chairs, utensils and other equipment.

Hours of use for any particular gathering may be shortened due to excessive noise (at the discretion of the Resident Manager).

Fine for use of the room outside of these times: \$25

21.7 Occupancy Limits

No more than fifteen (15) persons may use the recreation room at any time for meetings or small gatherings.

Fine: \$20

21.8 Noise

The volume of stereos, radios, televisions, musical instruments etc., and voices must be at a moderate level at all times, and at a minimum level after 9:00 p.m. and until 8:00 a.m. All residents shall maintain quiet especially between the hours of 9:00 p.m. and 8:00 a.m.

Fine: \$ 50

22. Barbecue Area

WARNING: Use of the barbeque area is at the risk of the individual.



22.1 Use of BBQ Area

The barbecue area is available for residents to hold gatherings, provided that the following rules are strictly complied with. Residents are fully responsible for the conduct of their guests. Any disturbance may result in forfeiture of deposit (see below), loss of future privileges for a limited period of time, immediate discontinuation of the gathering and the assessment of fine(s) by the Association against the responsible resident and/or the owner (see below). Any disturbance so severe that it requires police assistance can result in appropriate legal action invoked by the Association against responsible parties.

22.2 BBQ Area Hours

No gathering is authorized to commence prior to 9:00 a.m. The playground/barbecue area must be vacated by 9:00 p.m. Sundays – Thursdays and by 10 p.m. Fridays and Saturdays. The official “end” time of a gathering is the time the site is cleared of all guests and restored to its original condition.

Fine: \$25

22.3 BBQ Area Occupancy Limits.

Gatherings of 1 through 10 persons are allowed at any time without notifying the Resident Manager, without reserving the area, and without putting down a deposit.

A gathering of more than 10 persons requires at least two (2) days advance notice. A \$20 cash deposit will be required. The \$20 cash deposit is fully refundable after it has been determined that:

1. The site was cleared and properly cleaned by the designated time.
2. There were no infractions of rules during the gathering.

At no time can the total number of people exceed 25, unless an exception has been granted by the resident manager or the Board of Directors.

Fine: \$25

22.4 Use of Extension Cords

Use of power cords from an electric outlet is prohibited.

Fine: \$25

22.5 Consumption of Alcohol

The consumption of alcohol, in moderation, is allowed, except as prohibited by law.

22.6 How to Reserve the BBQ Grill

Residents who wish to use the gas BBQ grill should do the following:

1. Contact the Resident Manager with the date and time you would like to reserve the grill.
2. Give the Resident Manager a \$20 cash deposit.
3. You will be given an instruction sheet explaining the proper use of the grill and keys to the grill.
4. After using the grill you are expected to brush the grill clean, allow the grill to cool down, then cover and lock the grill up.
5. Return the keys to the Resident Manager no later than one business day after your event.
6. Your \$20 cash deposit will be returned to you if the area was left clean and if there were no rule violations.

Fine for use of the grill without a deposit: \$50

22.7 Noise

The volume of stereos, radios, televisions, musical instruments etc., and voices must be at a moderate level at all times, and at a minimum level after 9:00 p.m. and until 8:00 a.m. All residents shall maintain quiet especially between the hours of 9:00 p.m. and 8:00 a.m.

Fine: \$ 50

Any noise disturbance that results in the police being called.

Fine: \$100

Severe disturbances may result in legal action invoked by the Association against responsible parties.

22.8 Barbecuing Only Permitted in BBQ Area

Barbecuing is permitted within the designated fenced area across the pool only.

Fine: \$ 50
Fine if violation endangers safety or property
or violates the fire code. \$250

22.9 Only Gas Grills Permitted

Barbecuing using charcoal, newspaper, or wood is not allowed to avoid smoke and fire hazard.

Fine: \$ 50

23. Amenities – Suspended Use and Indemnity Form

23.1 Suspension from Using Amenities

A 30-day suspension of privileges for misuse of amenities (pool, barbecue, recreation room) will be enforced against violators.

23.2 Amenities Indemnity Form

All residents must execute an indemnity form for use of the pool, recreation room, and barbecue area. Indemnity forms are available from the resident manager, and must be signed by the head of the household. All amenities are to be used at your own risk. Occupants are responsible for proper use of amenities by members of their household and their guests.

Fine: \$50

24. Occupant Vehicles and Parking



24.1 Vehicle Registration

Occupants shall furnish the Resident Manager with the license number, make, color, and model of car or cars authorized to use their assigned parking stall on a temporary or permanent basis. If a parking stall is being rented, the Owner shall provide the Resident Manager with the name and unit number of the renter in addition to the above information.

Fine: \$25

24.2 Number of Vehicles Allowed.

Occupants shall park one (1) car in their assigned stall.

A motorcycle owned or authorized by an occupant may be parked in the assigned stall in addition to one (1) automobile, providing there is no violation of other rules or obstruction to adjoining stalls. If the occupant does not have a car, then two (2) motorcycles may park in the stall. Motorcycles may not be parked in any other area.

Fine: \$25

24.3 Vehicles Must be Working and Must be Registered

Only wheeled vehicles in working condition with current vehicle license and safety sticker are allowed to park in the stall.

The storage of derelict vehicles, household items, auto accessories or other unrelated items are prohibited.

Fine: \$25

24.4 Stalls Must be Kept Clean

Occupants are responsible for keeping their assigned parking stalls clean and free of contaminants, including oil and coolant stains. Active fluid leaks must be repaired immediately.

Fine: \$25

24.5 Vehicles Must Park in the Center of Their Stalls

Vehicles shall be parked in the center of the assigned stall to avoid inconvenience to others and to avoid obstruction of entrances, exits or passageways in the driveways or parking areas.

Fine: \$10

24.6 Reverse Parking Restriction – Stalls 39 to 58

Occupants in parking stalls 39 through 58 shall park forward (not reverse) in their stalls to prevent exhaust fumes from entering windows of ground floor units.

Fine: \$10

24.7 Major Car Repair Prohibited

Major car repairs such as body work, overhauls, valve adjustments and work requiring the car to be placed on blocks or jacks are prohibited in the parking lot. Changing oil is also prohibited.

Fine: \$50

The following minor emergency repairs and maintenance are permitted:

1. Changing flat tires
2. Replacing battery, spark plugs, air filter
3. Adding water, oil or other fluids

24.8 Parking Lot Speed Limit

The parking lot speed limit is 5 mph.

Fine: \$50



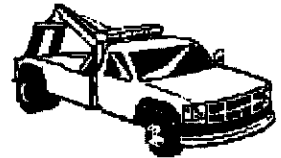
25 Guest Parking

25.1 Guest Parking Stalls

There are five (5) guest parking stalls located near the building's lobby entrance. They can be used by guests for up to six (6) hours at a time. Stalls are available from 6:00 a.m. to 2:00 a.m.

Guest parking is also permitted in the two (2) loading zone/car wash stalls located on the Ewa end of the building daily **ONLY AFTER 7:00 p.m. AND UNTIL 2:00 a.m.**

Fine for parking outside of guest parking stalls or outside of times permitted: \$25
Violators are subject to having their vehicles towed.



25.2 Guest Parking Registration

Guests must register themselves and their vehicles on the sheet located in the lobby or be subject to tow and fines issued to the owner of the unit the guest is visiting.

Fine: \$25

25.3 Occupant Use of Guest Parking Prohibited

Occupants are not permitted to use the guest parking stalls at any time.

Fine: \$10.
Violators are subject to having their vehicles towed.

25.4 Parking Outside of Marked Stalls or Outside of Times Allowed

Vehicles parked on the property outside of marked stalls, adjacent to red curbs, in the loading zone or in guest stalls outside of times or areas allowed are subject to being towed and fines issued to the owner of the unit the guest is visiting.

Fine: \$25

26. Washing of Cars

Cars may be washed only in the loading zone area. Only water hoses with automatic shut-off nozzles are permitted.

Fine: \$10

27. Bicycle and Moped Parking

Bicycles and mopeds shall park in the bicycle rack on the grounds of Fairway Gardens and not in any other area on the grounds.

Fine: \$10

28. Noise



28.1 Quiet Times

Quiet shall be preserved throughout the building at all times. Any conduct and/or noise interfering with the rights and comforts of other occupants is not permitted. The volume of home stereos, car stereos, radios, televisions, musical instruments etc., and voices must be at a moderate level at all times, and at a minimum level after 9:00 p.m. until 8:00 a.m. All residents shall maintain quiet especially between the hours of 9:00 p.m. and 8:00 a.m.

Fine: \$50

28.2 Construction Noise Times

Noises such as pounding, sawing, sanding, drilling, chipping, scraping, jack hammering, etc are allowed between the hours of 9 a.m. and 5 p.m. only.

Fine: \$100

28.3 Severe Noise Disturbances

Any noise disturbance that results in the police being called.

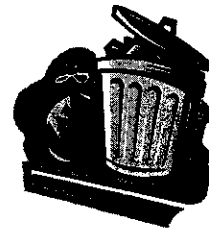
Fine: \$100

29. Trash and Disposal

29.1 Trash Chute Hours.

Use of the trash chute is allowed between 7:00 a.m. and 10:00 p.m.

Fine: \$25



29.2 Trash Must be Securely Bagged

All trash dropped into the trash chute shall be securely bagged before dropping down the chute so that liquids or solids do not spill out from the bag. Pet trash (sand, litter, paper, etc.) must be wrapped securely.

Fine: \$25

29.3 Hand Carry Trash

All boxes, bags, heavy items, sharp items, non-flexible items, or other trash too large to fall freely down the chute must be hand carried down to the trash bin on the ground floor and deposited there. Items longer and/or wider than the trash chute must be carried to the trash bin. All boxes need to be broken down flat to save space in the trash bins and to avoid clogs. Non-flexible items such as metal bars, brackets, boards, small electronic appliances, small furniture parts, etc must be walked down to the trash bin and must not be thrown down the trash chute.

Fine: \$25

Fine for clogging up or damaging the trash chute:
\$50 and cost of repair to trash chute

29.4 Disposal of Hazardous Waste

Hazardous waste material, including explosives or flammable items such as cleaning fluids, motor oils, etc., are not allowed in the trash chute.

Fine: \$100

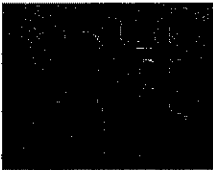
29.5 Disposal of Bulky Items

Disposal of bulky trash (such as furniture, construction debris, or appliances) must be coordinated through the resident manager. Bulky items may not be left anywhere on the property, outside of apartments, without the manager's approval. Bulky items may be left on the Likini Street Ewa driveway curb for City & County monthly bulk pick-up **ONLY ON THE WEEKEND BEFORE THE 1st MONDAY OF THE MONTH.**

Fine: \$100

29.6. Recycling

Recycling of newspaper, glass, and aluminum cans is strongly encouraged. Keep recyclables separate and take them to your nearest recycling center.



30. Water

Water leak prevention is a top priority. The Board strongly recommends owners and tenants periodically check washer hoses, toilet stoppers, faucets and valves, and repair or replace as necessary to prevent leaks.

30.1 Washing Machine Hoses

The Association has provided all occupants with special Floodchek brand (red and blue) washing machine hoses that are guaranteed against bursting and leaking for up to 25 years. If you replace your washer, **do not remove these red and blue washing machine hoses.** If your unit does not have a pair of red and blue hoses, please contact the resident manager to get a pair. It is available at no direct cost to you.

Fine for hose removal: \$50 and cost of replacement hoses

30.2 Water Conservation. Water conservation is a top priority. Your unit has been equipped with water saving devices in the toilet tank and in the shower. Do not remove these devices.

Fine: \$10

Also, please conserve water by taking short showers, don't leave the water running while washing the dishes, brushing teeth or shaving, etc.

30.3 Unattended Running Water

Water shall not be left running or unattended for any length of time. Washing machines are not to be left unattended while they are running.

Fine: \$250

Pursuant to the bylaws, an owner is responsible for any damage to the project caused by the negligence, misuse, or neglect of the owner or his invitee, guest, employee, tenant, or lessee (see Article VII, Section 3 of the Bylaws). The Board strongly recommends that each owner purchase additional liability insurance over and above the required homeowner's insurance.

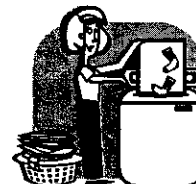
30.4 Proper Use of Water Apparatus

Toilets, disposal, dishwashers and other water apparatus shall not be used for any purpose other than that for which they are designed. Damage to any common element through misuse of such items within the apartment shall be repaired at the expense of the person who caused it.

Fine: \$100

30.5 110/120 Compact Washer/Dryers Only

Only compact-size washer/dryers using 110 or 120 volts are allowed in units unless permission has been granted by the Board.



Fine: \$100

30.6 Water Damage Cause by Units

Any water damage to other units is the responsibility of the tenant/owner of the unit where the leak originates. Owners/occupants must work out the details of compensating others for damage caused by leaks originating from their unit.

30.7 Water Leak Procedure

The following describes action you should take if your unit is leaking water or if you notice a leak affecting your unit.

If your unit is experiencing a water leak:

1. Contact the Resident Manager immediately. Fine: \$100
2. Find the source of the leak and try to stop it by turning shutoff valves off. If the leak is not coming from a pipe with a shut off valve in your unit, ask the Resident Manager to shut-off the stack water valve or the main water valve. Fine: \$100
3. The resident manager or contractor will enter the apartment and take immediate action if a leak from any apartment: (i) threatens other apartments or the common elements, or (ii) may result in the growth of mold.
4. Contact your homeowner's insurance company agent.

The owner remains responsible for the cost of repairing any uninsured damage caused by the owner to: (i) the owner's apartment, (ii) the common elements, or (iii) any other apartment caused by any plumbing fixtures, pipes, drains and other installations located in or serving only the owner's apartment, including the cost of any mold remediation.

If the Association undertakes any remedial work in an owner's apartment that is not covered by insurance, the apartment owner is responsible for restoring the decorated surface of any wall, floor, or ceiling of the apartment to its original condition.

In addition, if the Association must remove any items or covering, including paneling, mirrors, or tile from any wall, floor or ceiling of the apartment to maintain, repair, or replace any plumbing fixtures, pipes, drains and other installations, including fire sprinklers, the apartment owner is responsible for restoring or replacing the item or covering.

31. Heat sources unattended

To prevent fire, occupants may not leave heat sources such as candles, stoves, ovens, lamps, toasters, dryers, fans, or other appliances on and unattended.

Fine: \$250

Pursuant to the bylaws, an owner is responsible for any damage to the project caused by the negligence, misuse, or neglect of the owner or his invitee, guest, employee, tenant, or lessee (see Article VII, Section 3 of the Bylaws). The Board strongly recommends that each owner purchase additional liability insurance over and above the required homeowner's insurance.

32. High Risk Component Inspections

32,1 List of High-Risk Components:

1. Washing machine hoses
2. Dishwasher hoses
3. Clothes dryer lint traps
4. Clothes dryer vents
5. Electrical wiring connections and fixtures
6. Water shut-off valves
7. Plumbing gaskets and seals
8. All faucets in the unit
9. All pipes in the unit and/or feeding the unit
10. All drains in the unit
11. All windows in the unit
12. All window frames in the unit
13. Toilets, flusher mechanisms, and seals
14. Bathtub tiles and grout
15. All plumbing connections and fixtures

32.2 Inspections

The Association may conduct routine inspections of the high-risk components upon notice to the owners and residents or may conduct on the spot inspections in order to investigate an incident that is occurring or that has already occurred.

During the inspection certain high-risk components may be identified as faulty. For purposes of this resolution, a high-risk component is faulty if: (1) the component has failed; and/or (2) the component shows signs that indicate it is near failure in the judgment of the inspector;

The Association may include in the notice of inspections an opportunity for the owner to elect to have the Association repair or replace any faulty high-risk components identified during the inspection at the cost of the owner. The Association is under no obligation to repair or replace the faulty high-risk component, but if it does so, the owner will be responsible for all costs and expenses of the repair or replacement. Nothing in this rule shall override the Association's authority to conduct emergency repair and replacement of unit components.

32.3 Repair or Replacement

If a high-risk component is identified as faulty and/or near failure during an inspection conducted pursuant to this resolution, the high-risk component shall be repaired or replaced

by the time identified in the inspection report or the cover letter unless the Association has repaired or replaced the faulty high-risk component.

In the event that the Association has repaired or replaced a faulty high-risk component pursuant to paragraph B, above, the Association shall notify the owner and assess the owner the cost of the repair or replacement which if unpaid shall constitute a lien on the unit as provided by section 514B-146, Hawaii Revised Statutes.

Within four business days of completion of the repair or replacement of the faulty high-risk component, the owner shall provide a copy of the contractor's invoice showing that the repair or replacement has occurred and/or the Association shall perform a follow up inspection to verify remediation has occurred. If the faulty high-risk component is located in a unit, the unit owner shall be responsible for the cost of repairing or replacing the high-risk components, but the owner will be charged the cost. Notwithstanding anything to the contrary stated in this resolution, the Board in its sole discretion may choose to have the cost of repairing or replacing faulty high-risk component(s) paid for as a common expense.

32.4. Failure to Comply.

If an owner fails to comply with these requirements within the time frame in the inspection report or cover letter, the Association is authorized to enter the unit to perform the requirements with regard to such high-risk components at the sole cost and expense of the unit owner, which costs and expenses shall be a lien on the unit as provided in section 514B-146, Hawaii Revised Statutes.

Nothing in this rule shall be deemed to limit the remedies of the association for damages, or injunctive relief, or both.

33. Appeals

Any owner wishing to appeal a fine must write a letter to the Board of Directors within thirty (30) days of receipt of the citation explaining the reasons for contesting the fine.

The Board of Directors will investigate the situation and contact the owner if they need further clarification.

The Board, or an appeals panel consisting of at least three Board members, will then vote on the resolution of the appeal, and the owner will receive written notice of the decision with thirty (30) days of the Board's determination. If the Board decides in favor of an owner, any fine amounts already paid will be refunded.

An owner may pay the fine when a citation is received and later appeal to avoid being charged any late fees during the appeal process.

Addendum 1 Non-Discrimination Policy

Pursuant to Hawaii Revised Statutes chapter 515, Title VIII of the Civil rights Acts of 1968 as amended by the Fair Housing Amendments of 1988, and our non-discrimination policy, the Association does not discriminate on the basis of race, sex (including gender identity or expression and sexual orientation), color, religion, marital status, familial status, ancestry, disability, age of HIV (human immunodeficiency virus infection) in housing or real estate transactions. It is our policy to extend to all individuals the full and equal enjoyment of the advantages, facilities, privileges and services consistent with Hawaii Revised Statutes Chapter 515 and the Federal Fair Housing Laws. When providing services and facilities or enforcing the rules at the Project, the Association will not allow discrimination, except as permitted by law. In particular, the Association will not treat any person unequally:

- In granting or withholding any approval or consent required under the Association's rules.
- In enforcing requirements of the Association rules about occupancy restrictions or use of the recreational facilities which might unlawfully restrict families with children.
- In connection with requests of disabled occupants or visitors of the project to have guide dogs, signal dogs, or other animals required because of the occupant's or visitor's disability; except that if the animals become a nuisance to others they will not be permitted at the project and will have to be removed.
- In processing requests of disabled occupants to: (i) make reasonable modifications to an apartment or the common area at their own expense; and (ii) have reasonable exemptions from requirements of the Association rules, to enable those occupants to have full use and enjoyment of the project.

The Board will suspend any requirement of the Association rules which, if enforced, could result in unlawful discrimination. If, however, a resident of the project or a visitor is requesting: an animal; modifications to an apartment or the project; or an exemption from the rules because of a disability, the Association will require written confirmation of the disability from a qualified physician, including a statement from the physician as to the reasonable accommodation which is being requested.

Please contact the property manager or resident manager if you have any questions about this policy.



Insurance Solutions

615 Piikoi Street #1711 Honolulu HI 96814
 Phone: (808) 853-3400 Fax: (808) 853-3411

AOAO Fairway Gardens
 5210 Likini St., Honolulu, HI 96818

Contact: Tracy Wong
 Honolulu HI 96814

COVERAGE	COMPANY	POLICY NO.	POLICY PERIOD	ANNUAL PREMIUM	LIMITS
Package Property Building Ordinance Boiler & Machinery	National Surety Corp	MZX 80911243	10/18/09-10	\$35,848	\$23,013,140 Blanket Building & Personal Property Hurricane Deductible 2% All other Perils Deductible \$ 5,000 Co-Insurance 90% Ordinance A: Loss to Undamaged Portion of the Building \$11,500,620 Ordinance B: Demolition Cost \$ 1,000,000 Ordinance C: Increased Cost of Construction \$ 1,000,000
General Liability					General Aggregate \$ 2,000,000 Products/Comp Ops \$ 2,000,000 Personal & Adv Injury \$ 1,000,000 Each Occurrence \$ 1,000,000 Fire Damage \$ 100,000 Medical Expense \$ 10,000
Automobile					CSL Hired/Non-Owned Auto \$ 1,000,000
Employee Benefits					Aggregate Limit \$ 2,000,000 Each Employee \$ 1,000,000 Employee Theft \$ 100,000 Deductible \$ 1,000
Fidelity					
Workers Compensation Payroll: \$73,000	U S Fire Insurance	4086985851	10/18/09-10	\$ 3,114	Bodily Injury-Each Accident \$ 500,000 Bodily Injury-Policy Limit \$ 500,000 Bodily Injury-Each Employee \$ 500,000
Directors & Officers	Continental Casualty Co	0250779877	10/18/09-10	\$ 2,219	Each Loss \$ 2,000,000 Each Policy Year \$ 2,000,000 Deductible \$ 2,500
Umbrella	Fireman's Fund	XAU 00071911762	10/18/09-10	\$ 1,709	Each Occurrence \$ 1,000,000 Aggregate \$ 1,000,000
				\$42,890	Estimated Total Annual Premium

Important: This is a summary only. It does not include all of the terms, exclusions, limitations and conditions of the actual contracts. You must read the actual policies for these details.

LENDER'S DISCLOSURE

ASSOCIATION: FAIRWAY GARDENS

TMK: 1-1-1-058-006

Address: 5210 Likini Street, Honolulu, HI 96816

UNIT # _____

Developer, if construction is incomplete, else Managing Agent:

	Subject Phase	Entire Project
Are all common elements, and/or amenities substantially complete?		YES
Are all units, common areas and facilities within the project?		YES
Does the project conform to existing zoning regulations?		YES
Is there pending litigation against the Developer?		N/A
Number of additional units/phases to be built: Units: Phases:		NONE
If this project a conversion of an existing building, year of conversion?		NO
Are there any adverse environmental factors affecting the project as a whole?		NO
Date when first units made available for sale:		1972
Total number of units:		138
Number of units sold and closed:		138
Anticipated date to hand over association to owners (Month/Year)		N/A
Number of sales in last 90 days:		unknown

Managing Agent:

Association management firm name and telephone:		Hawaiiana Management Co. Ltd. 808-593-9100
Date control of the Association transferred from the developer to unit owners?		1972
Does any one person or entity own more than 10% of the units?		NO
Describe:		
Approximate owner occupancy		61.59%
Is the unit part of a legally established condominium project, in which common areas are owned jointly by unit owners?		YES
Are the units owned in fee simple or leasehold?		Fee Simple
Are the amenities/recreational facilities owned by the Association?		YES
Do the project legal documents include any restrictions on sale which would limit the free transferability of title? (i.e., Age, Restrictions, First Right of Refusal, low moderate income restrictions?)		NO
Do the project legal documents or local zoning limit the amount of time the owner can live in their unit?		NO
Is the budget prepared on an annual basis?		YES
Are there any pending special assessments? If yes, explain:		NO

Number of foreclosures in last 12 months?	3
How many units are over 30 days delinquent?	1 Unit (0.72%)
Total dollar amount of delinquency (over 30 days)	\$2,490
Does the project documentation contain a standard Mortgagee Protection clause?	YES
a. If no, what is in place to insure the lenders 1st lien position?	
If a unit is taken over in foreclosure or deed-in-lieu, for how many months is the mortgagee responsible for delinquent association dues? <u>A non-lender buyer could be responsible for 6 months not to exceed \$3,600.00. to be collected in escrow.</u>	0

*** A copy of the current Budget and Financial statement are available***

Commercial Space

Percentage of common interest:	0%
Is the project a (indicate applicable) Condotel <u>NO</u> ; a Timeshare <u>NO</u>	
Does the property operate as a resort hotel; renting units on a daily basis? If yes, year operation commenced: NO	
Please indicate available services: Check-in rental desk <u>NO</u> Daily maid service <u>NO</u> Restaurant/food service <u>NO</u> Timeshare <u>NO</u> Mandatory rental pool <u>NO</u> Commercial (boutiques, etc.) <u>NO</u>	

Legal


Is the association involved in any litigation, arbitration, mediation or other dispute resolution process?	NO
Attorney:	N/A
Telephone:	N/A

Any information requested of the Attorney is at the inquirer's expense and not the Managing Agent's or the Association's.

Insurance

Company & Agent:	BUSINESS INSURANCE SERVICES / TRACY WONG
Telephone:	592-4067
Flood Insurance Agent/Phone:	NONE

Preparer

Name:	RANDY DAVIDOFF Management Executive		
Telephone:	593-6312		
Signature:		For: RANDY DAVIDOFF	Date: 8/20/10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF
APARTMENT OWNERS OF FAIRWAY GARDENS, INC., REGARDING COLLECTION OF
RENT FROM TENANTS OF DELINQUENT APARTMENT OWNERS

WHEREAS:

An apartment owner's failure to pay maintenance fees and other assessments ("common expenses") undermines the financial stability of the association and imposes an unfair burden on the owners who are paying their common expenses;

Article VI, Section 4 of the By-Laws of the Association of Apartment Owners of Fairway Gardens, Inc., ("Association") requires the board of directors to collect common expenses from a delinquent owner using every reasonable means;

The board has determined that collection of rent from tenants at the project is a reasonable means of collecting delinquent common expenses because the common expenses pay for the services which the tenants receive; and

Since Article VI, Section 5 of the By-Laws authorizes the Board to demand rent from renters or lessees (collectively referred to below as "tenants") of a delinquent apartment owner;

Section 514B-145 authorizes the board, with the approval of the apartment owners, to collect rent from the tenants, as well as the rental agents, of a delinquent apartment owner, to reimburse the association for the owner's unpaid share of the common expenses;

The apartment owners have already approved the collection of rent from tenants of a delinquent apartment owner, pursuant to Article VI, Section 5 of the By-Laws; and

Article VIII, Section 8 of the By-Laws requires that the provisions of the By-Laws must comply with the requirements of Section 514B-145 of the law;

NOW THEREFORE, the Board of Directors of the Association of Apartment Owners of the Association adopts the following resolution to comply with Article VI, Section 5 of the By-Laws and Section 514B-145 of the law:

RESOLVED:

1. If an apartment owner is renting the apartment to a tenant and fails to pay the apartment's share of the common expenses within thirty days after the payment is due, the board of directors may send a written demand to the tenant, or to the owner's rental agent, to pay the tenant's rent directly to the Association. Each month, the board may demand an amount sufficient to pay the amount the owner owes to the Association, provided the board will not demand more in any one month than the tenant actually owes in rent for that month.
2. Before demanding any rent from the tenant, or from the owner's rental agent, the board shall give the owner written notice that the board intends to collect the rent from the

tenant, or from the owner's rental agent. The notice shall be sent to the owner by first-class and certified mail at the owner's address shown on the records of the Association and shall:

- * State the exact amount the Association claims is owed by the apartment owner; and
 - * Indicate that the board intends to collect that amount from the tenant's rent, together with any other amounts that become due and remain unpaid.
3. An owner may ask the board to agree to a payment plan with the owner instead of collecting rent from the tenant, but the board shall not be required to accept a payment plan.
 4. Demanding rent from an owner's tenant or rental agent shall NOT be deemed to prevent the board from proceeding with foreclosure or any other means of collecting the owner's delinquent common expenses.
 5. The collection of rent from an owner's tenant or rental agent shall be subject to the restrictions stated in Subsections 514B-145(e) and (f) of the law.

CERTIFICATE

I hereby certify that the above resolution was adopted pursuant to the BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS, by the Board of Directors of the Association, at a Board meeting on December 16, 2008, 2008, to confirm the procedures already approved by more than 65 percent of the apartment owners in Article VI, Section 5 of the By-Laws and to conform those procedures to the requirements of Section 514B-145 of the law.

DATED: Honolulu, Hawaii, December 16, _____, 2008.

Patricia Chu

Patricia Chu, Secretary
(Print Name)

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
ASSOCIATION OF APARTMENT OWNERS OF THE FAIRWAY GARDENS
AUTHORIZING EKIMOTO & MORRIS, LLLC
TO SIGN LIENS AND RELEASES OF LIENS ON BEHALF OF THE ASSOCIATION

RESOLVED, that the BOARD OF DIRECTORS OF THE ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS ("Association"), pursuant to the By-Laws of the Association, hereby authorizes Ekimoto & Morris, a Limited Liability Law Company, whose principal place of business and mailing address is Ekimoto & Morris, LLLC, American Savings Bank Tower, 1001 Bishop Street, Suite 780, Honolulu, Hawaii 96813, to act as the Association's true and lawful attorney-in-fact, to sign, execute, and acknowledge in the Association's name, any and all liens and releases of liens which arise under Chapter 514B, Hawaii Revised Statutes, and the Declaration or By-Laws, against any of the individual apartments in the Project for unpaid common expenses and costs.

RESOLVED FURTHER, that the Board of Directors, hereby ratifies and confirms the acts of EKIMOTO & MORRIS be done in accordance with this resolution and the collection procedures approved by the Board.

RESOLVED FURTHER, that the rights, powers and authority which this resolution gives EKIMOTO & MORRIS, shall become effective as of the date of the Board's adoption of this resolution, and shall remain in effect as long as EKIMOTO & MORRIS remains the Association's attorneys, or until this resolution is revoked in writing by the Board.

CERTIFICATE

I hereby certify that the above resolution was adopted pursuant to the BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF THE FAIRWAY GARDENS by the Board of Directors of the Association, at a Board meeting on June 3, 2008.

DATED: Honolulu, Hawaii, JUN 12 2008

By Patricia Chu
Print Name: PATRICIA Chu
Its Secretary

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN TO:

RETURN BY: MAIL PICKUP

EKIMOTO & MORRIS
JOHN A. MORRIS, ESQ./nbb
AMERICAN SAVINGS BANK TOWER
1001 BISHOP STREET, SUITE 780
HONOLULU, HAWAII 96813

Total Page(s): 4

POWER OF ATTORNEY

The ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS Condominium Project (hereinafter the "ASSOCIATION"), a condominium association presently existing pursuant to Chapter 514B, Hawaii Revised Statutes, as amended, and that certain Declaration of Horizontal Property Regime of Fairway Gardens dated January 28, 1990, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1000625, as amended and restated, hereby constitutes and appoints EKIMOTO & MORRIS, a Limited Liability Law Company, whose current business and post office address is American Savings Bank Tower, 1001 Bishop Street, Suite 780, City and County of Honolulu, State of Hawaii, its true and lawful attorney-in-

fact to execute and acknowledge any and all Notices of Lien and Releases of Lien which arise, pursuant to said Section 514B-146, against any apartment for unpaid common expenses and for all costs and expenses, including attorney's fees, incurred in the collection thereof; and the ASSOCIATION, through its Board of Directors, hereby ratifies and confirms all that said attorney-in-fact shall do or cause to be done by virtue of this instrument.

The rights, powers and authority of said attorney-in-fact herein granted shall commence and be in full force and effect from the date hereof, and shall terminate when written Notice of Termination is given to said attorney-in-fact and is recorded in said Office of the Assistant Registrar.

IN WITNESS WHEREOF, the ASSOCIATION has caused this instrument to be duly executed this 9th day of JUNE, 2008.

ASSOCIATION OF APARTMENT OWNERS
OF FAIRWAY GARDENS

By: Sharon A. Suzuki
Print Name: SHARON A. SUZUKI
Its: BOARD PRESIDENT

By: Patricia Chu
Print Name: PATRICIA CHU
Its: Secretary


STATE OF HAWAII)
 : ss.
CITY AND COUNTY OF HONOLULU)

On this 9th day of June, 2008, before me
appeared Sharon A Suzuki to me personally known,
who being by me duly sworn, did say that she
is the Board President of the Board of Directors of the
ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS; that the
foregoing instrument was signed on behalf of said Association by authority of its
Board of Directors, and acknowledged that Sharon A Suzuki
executed the same as the free act and deed of said Association.

Fay A Taira
Print Name: Fay A Taira
Notary Public, State of Hawaii
My Commission Expires: 12-9-2011

STATE OF HAWAII)
 : ss.
CITY AND COUNTY OF HONOLULU)

On this 12th day of June, 2008, before me
appeared PATRICIA M. CHIU to me personally known,
who being by me duly sworn, did say that she
is the Secretary of the Board of Directors of the
ASSOCIATION OF APARTMENT OWNERS OF FAIRWAY GARDENS; that the
foregoing instrument was signed on behalf of said Association by authority of its
Board of Directors, and acknowledged that She - Patricia M. Chiu
executed the same as the free act and deed of said Association.


Print Name: Ralph C. Casillo
Notary Public, State of Hawaii
My Commission Expires: 9/26/2009



The Association of Apartment Owners of Fairway Gardens, Inc.
Resolution Regarding High-Risk Components

The Board of Directors (the "Board") of The Association of Apartment Owners of Fairway Gardens, Inc., (the "Association"), under the First Restatement of the Declaration of Condominium Property Regime of Fairway Gardens dated 26 October, 2001 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2772958, hereby adopts the following administrative resolution pursuant to section 514B-138 of the Hawaii Revised Statutes:

Whereas, the Association is an incorporated Hawaii condominium association;

Whereas, the Board is empowered, on behalf of the Association, to regulate the use of the common elements and the apartments of the project pursuant to Article V, Section 1 of the Bylaws and sections 514B-104(a)(6) and 514B-106(a) of the Hawaii Revised Statutes;

Whereas, section 514B-138 of the Hawaii Revised Statutes authorizes the Board, after notice to all unit owners and an opportunity for owner comment, to determine that certain portions of the units, or certain objects or appliances within the units pose a particular risk of damage to other units or the common elements if they are not properly maintained, repaired, or replaced by owners;

Whereas, among other things, leaking plumbing fixtures and washing machines (also including, but not limited to those items listed in Exhibit "A" can cause severe water damage, fire damage, or harm to property or persons at the Project. Delays in taking action to: (i) eliminate water leaks and water intrusion into units; (ii) water leaks and water intrusion into walls, floors, and ceilings; and/or (iii) repair and replace any damage caused by water leaks which may lead to mold problems and expensive remedial action; (iv) eliminate electrical fire hazards which may lead to fire; (v) eliminate window conditions that may cause harm to property or persons;

Whereas, section 514B-137(a) of the Hawaii Revised Statutes requires each unit owner to afford to the Association and its employees, independent contactors, and agents access – during reasonable hours – through the owner's unit reasonably necessary for the operation of the property;

Whereas, section 514B-137(b) of the Hawaii Revised Statutes gives the Association the irrevocable right, to be exercised by the Board, to have access to each unit at any time as may be necessary for making emergency repairs to prevent damage to the common elements or to another unit or units;

Now, therefore, be it resolved that the Board of Directors of The Association of Apartment Owners of Fairway Gardens, Inc., on behalf of the members of the

Association, hereby adopts the following resolutions to designate high-risk components, and establish requirements for high-risk components;

A. Designation of High-Risk Components. The components listed in Exhibit "A" attached to this resolution are designated high-risk components.

B. Inspections. The Association may conduct routine inspections of the high-risk components upon notice to the owners and residents or may conduct on the spot inspections in order to investigate an incident that is occurring or that has already occurred. During the inspection certain high-risk components may be identified as faulty. For purposes of this resolution, a high-risk component is faulty if: (1) the component has failed; and/or (2) the component shows signs that indicate it is near failure in the judgment of the inspector. The Association may include in the notice of inspections an opportunity for the owner to elect to have the Association repair or replace any faulty high-risk components identified during the inspection at the cost of the owner. The Association is under no obligation to repair or replace the faulty high-risk component, but if it does so, the owner will be responsible for all costs and expenses of the repair or replacement. Nothing in this resolution shall override the Association's authority to conduct emergency repair and replacement of unit components.

C. Repair or Replacement. If a high-risk component is identified as faulty and/or near failure during an inspection conducted pursuant to this resolution, the high-risk component shall be repaired or replaced by the time identified in the inspection report or the cover letter unless the Association has repaired or replaced the faulty high-risk component pursuant to paragraph B, above. In the event that the Association has repaired or replaced a faulty high-risk component pursuant to paragraph B, above, the Association shall notify the owner and assess the owner the cost of the repair or replacement which if unpaid shall constitute a lien on the unit as provided by section 514B-146, Hawaii Revised Statutes. Within four business days of completion of the repair or replacement of the faulty high-risk component, the owner shall provide a copy of the contractor's invoice showing that the repair or replacement has occurred and/or the Association shall perform a follow up inspection to verify remediation has occurred. If the faulty high-risk component is located in a unit, the unit owner shall be responsible for the cost of repairing or replacing the high-risk components, but the owner will be charged the cost. Notwithstanding anything to the contrary stated in this resolution, the Board in its sole discretion may choose to have the cost of repairing or replacing faulty high-risk component(s) paid for as a common expense.

D. Failure to Comply with Resolution. If an owner fails to comply with the requirements of this resolution within the time frame in the inspection report or cover letter, the Association is authorized to enter the unit to perform the requirements with regard to such high-risk components at the sole cost and

expense of the unit owner, which costs and expenses shall be a lien on the unit as provided in section 514B-146, Hawaii Revised Statutes.

Be it further resolved that nothing in this resolution shall be deemed to limit the remedies of the association for damages, or injunctive relief, or both.

Exhibit "A"
Fairway Gardens AOA High Risk Component Resolution

1. Washing machine hoses
2. Dishwasher hoses
3. Clothes dryer lint traps
4. Clothes dryer vents
5. Electrical wiring connections and fixtures
6. Water shut-off valves
7. Plumbing gaskets and seals
8. All faucets in the unit
9. All pipes in the unit and/or feeding the unit
10. All drains in the unit
11. All windows in the unit
12. All window frames in the unit
13. Toilets, flusher mechanisms, and seals
14. Bathtub tiles and grout
15. All plumbing fixtures

Certificate

I, Patricia Chu, Secretary of the Board of Directors of The Association of Apartment Owners of Fairway Gardens, Inc., do hereby certify that the above is a true copy of the resolution duly adopted at a meeting of the Board of Directors, duly held on June 16, 2009 and duly entered in the book of minutes of the Association, and that this resolution is in full force and effect.

DATED: Honolulu, Hawaii, June 16, 2009.

THE ASSOCIATION OF APARTMENT
OWNERS OF FAIRWAY GARDENS, INC.

By: Patricia M. Chu

Print Name: Patricia Chu
Its Secretary

Hawaiiana Management Company, Ltd

2010 Monthly Operating Budget For

Fairway Gardens

Approved by Board of Directors on November 17, 2009

DESCRIPTION REVENUE	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUNE 2010	JULY 2010	AUG 2010	SEPT 2010	OCT 2010	NOV 2010	DEC 2010	ANNUAL TOTAL
MAINTENANCE FEES	68,548	68,548	68,548	68,548	68,548	68,548	68,548	68,548	68,548	68,548	68,548	68,548	822,573
INVESTMENT INTEREST	270	270	270	270	270	270	270	270	270	270	270	270	3,240
TOTAL REVENUE	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	68,818	825,813

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
TV CABLE	4,191	4,191	4,191	4,191	4,191	4,191	4,191	4,191	4,191	4,191	4,191	4,191	50,292
WATER	2,880	2,880	2,880	2,880	2,880	2,880	3,015	3,015	3,015	3,015	3,015	3,015	35,367
SEWER	7,000	7,000	7,000	7,000	7,000	7,000	8,260	8,260	8,260	8,260	8,260	8,260	91,560
TELEPHONE	390	390	390	390	390	390	390	390	390	390	390	390	4,680
TOTAL UTILITIES	29,071	29,071	29,071	29,071	29,071	29,071	30,466	30,466	30,466	30,466	30,466	30,466	357,219

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELEVATOR	3,270			3,270			3,270			3,270			13,080
PEST CONTROL	360			360			360			360			1,440
REFUSE	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	16,020
ROOF MAINTENANCE					12								12
TREE TRIMMING	3,996												3,996
COMMON AREA PLUMBING	417	417	417	417	417	417	417	417	417	417	417	417	5,004
SEWER LINE CLEAN							9,996						9,996
FIRE SYSTEMS	175	175	175	175	175	175	175	175	175	175	175	175	2,100
SECURITY EQUIPMENT	310	310	310	310	310	310	310	310	310	310	310	310	3,720
MISC VENDORS	50	50	50	50	50	50	50	50	50	50	50	50	600
HEAT PUMP MAINTENANCE	225	225	225	225	225	225	225	225	225	225	225	225	2,700
WINDOW CLEANING				400						400			800
TOTAL CNTRCT SVCS	10,138	2,512	2,512	6,542	2,524	2,512	16,138	2,512	2,512	6,542	2,512	2,512	59,468

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
CLEANING.BUILDING SUPPL	390	390	390	390	390	390	390	390	390	390	390	390	4,680
GROUNDS	200	200	200	200	200	200	200	200	200	200	200	200	2,400
ELECTRICAL/LIGHTING	225	225	225	225	225	225	225	225	225	225	225	225	2,700
POOL MAINTENANCE	150	150	150	150	150	150	150	150	150	150	150	150	1,800
TOTAL MAINTENANCE	965	965	965	965	965	965	965	965	965	965	965	965	11,580

2010 Monthly Operating Budget For Fairway Gardens

Approved by Board of Directors on November 17, 2009

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	TOTAL
HMC ADMIN SUPPLIES & SVCS	775	775	775	775	775	775	775	775	775	775	775	775	9,300
AOAO ADMIN EXPS	200	200	200	200	200	200	200	200	200	200	200	200	2,400
MANAGEMENT SRVCS	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890	22,686
AUDIT	996												996
LEGAL FEES GENERAL	400	400	400	400	400	400	400	400	400	400	400	400	4,800
TOTAL PROF. SERVICES	4,261	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	40,182

PAYROLL & BENEFITS	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
P/R - MANAGER	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
P/R - MAINTENANCE	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	3,335	40,020
WORKERS COMP	390	390	390	390						800	450	450	3,260
TDI	116			116			116			116			462
HEALTH CARE	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	15,870
PAYROLL TAXES	501	501	501	501	501	501	501	501	501	501	501	501	6,010
PAYROLL PREP	153	153	153	153	153	153	153	153	153	153	153	153	1,840
TOTAL P/R & BENEFITS	8,817	8,702	8,702	8,817	8,312	8,312	8,427	8,312	8,312	9,227	8,762	8,762	103,462

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
INSURANCE MASTER POLICY	2,990	2,990	2,990	2,990	2,990	2,990	2,990			9,200	3,300	3,300	36,730
D AND O INS										2,496			2,496
INSURANCE-UMBRELLA	145	145	145	145	145	145	145			500	250	250	2,015
MORTGAGE/LOAN PAYMENT	587	587	587	587	587	587	587	587	587	587	587	587	7,044
WATER TANK LOAN	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	1,895	22,740
#503 MAINT FEE	500	500	500	500	500	500	500	500	500	500	500	500	6,000
SPECIAL EVENT CMTEE	42	42	42	42	42	42	42	42	42	42	42	42	504
REAL PROPERTY TAX	160		160		160		160		160		160		960
STATE GENERAL EXCISE TAX	60			60			60			60			240
#503 MORTGAGE	600	600	600	600	600	600	600	600	600	600	600	600	7,200
TOTAL OTHER EXP.	6,979	6,759	6,919	6,819	6,919	6,759	6,979	3,624	3,784	15,880	7,334	7,174	85,929

TOTAL OP EXPENSE 60,232 51,274 51,434 55,480 51,056 50,884 66,240 49,144 49,304 66,345 53,304 53,144 657,840

TRANSFER TO RESERVES 8,586 17,544 17,384 13,338 17,762 17,934 2,578 19,674 19,514 2,473 15,514 15,674 167,973



Hawaiiiana Management Company, Ltd.
Pacific Park Plaza, Suite 700
711 Kapiolani Boulevard
Honolulu, Hawaii 96813
Tel: (808) 593-9100
Fax: (808) 593-6333

PROPERTY INFORMATION FORM

(To be used in conjunction with RR105a Sellers' Real Property Disclosure Statement-
Condominium/Co-op/PUD/and other Homeowner Organization)

Disclaimer: The use of this form is not intended to identify the real estate license as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

Completion Date: 1972

Name of Property: FAIRWAY GARDENS

All references hereafter to the word "Property" shall refer to the above.

Property Address: 5210 Likini Street, Honolulu, HI 96816

Property Tax Map Key: 1-1-1-058-006

This property is managed by a licensed real estate broker. Yes No. If a licensed real estate broker, is managing agent registered with the Real Estate Commission as a Condominium Managing Agent? Yes No.

Name of Managing Agent: HAWAIIANA MANAGEMENT COMPANY, LTD.

Managed by this Managing Agent since: June 1, 2000

Managing Agent provides (Check those services that apply):

- Administrative Management Services
- Fiscal Management Services
- Physical Management Services
- Other Management Services -

A. GENERAL & LEGAL

Total number of apartments: 138 Number of guest parking stalls available: 5

If applicable, what percentage of Condominium Apartments has been sold and conveyed (excluding to the Developer)? 100 %.

If applicable, what approximate percentage of Condominium Apartments is owner-occupied? 61.59 %.

Approximately how many foreclosures have been filed by the Board of Directors during the past twelve (12) months? 3.

What approximate percentage of owners is more than one month delinquent in maintenance fees? 0.72 % (1 owner).

****If answer is "yes", using the SAME number below, describe in the space provided.****

- | Yes | No | NTMK (Not to my knowledge) | |
|-------------------------------------|-------------------------------------|----------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (1) Within the past year, has the Board of Directors had discussions with the lessor regarding the purchase of the leased fee interest in the land? <input checked="" type="checkbox"/> Property is Fee Simple. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (2) Is this Property subject to phasing or development of additional increments? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (3) Has the Owners Association or Corporation been in control of the operations of the Property for less than two (2) years? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (4) Are there any lawsuits, arbitration or mediation actions affecting this Property and/or Association other than delinquent owner maintenance fees?
Attorney for Association of Apartment Owners:
_NOTE: Any attorney fees or other costs incurred for further answering this inquiry shall not be at the expense of the Association of Apartment Owners, nor of the Managing Agent. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (5) If property is a Condominium, does any single entity, individual or partnership own more than 10 percent of the common interest of this property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (6) Are any Association or Corporation approvals required for transfer of Ownership? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (7) Is a resident manager's apartment a part of the common elements, or is one owned by the Association or Corporation (does not apply to Planned Unit Developments)? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (8) Is a time share operation existing at this Property? Name of operator: |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (9) Is there a hotel, transient vacation rental operation, or other organized rental program at the Property? Name of operator? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (10) Are there commercial apartments, lots or commercial use of the common areas or common elements at the Property? |

Number of Questions answered "YES" and Explain:

(7) # 503 is owned by the Association of Owners.

B. INSURANCE

Name of Insurance Company or Agency/Broker: Business Insurance Services, Inc.

Name of Insurance Agent: Tracy Wong

Phone: 592-4067

***Certificate of Insurance should be requested directly from the insurance agent.**

****PLEASE NOTE: Owners are required to submit proof of "Homeowners 6" policy coverage showing adequate liability & property coverage.**

****If answer is "yes", using the SAME number below, describe in the space provided.****

Yes No NTMKNote: In case of Planned Unit Development, questions #13 to #15 apply to common areas only.

- | | | | | |
|--------------------------|-------------------------------------|--------------------------|------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (11) | Is the Property located in a designated Flood Hazard Zone? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (12) | Is this Property covered by Flood Insurance? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (13) | Is this Property located in a tsunami inundation area? |

Number of Questions answered "YES" and Explain:

C. FINANCIAL

Financial statements are prepared monthly and are on a cash basis.

Apartment maintenance fees include:

- Water & Sewer
- Hot Water
- Electricity
- Gas
- Air Conditioning
- Cable TV Signal
- Parking
- Recreation/Community Association Dues
- Lease Rent
- Real Property Tax
- Other:
- Other:
- Other:

****If answer is "yes", using the SAME number below, describe in the space provided.****

- | Yes | No | NTMK | |
|-------------------------------------|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (14) Has the Association or Corporation Board of Directors approved a maintenance fee increase, special assessment, or loan? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (15) Are any special assessments or loans in effect at this time? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (16) Are any assessments required to be paid in full at the time of conveyance of ownership? |

Number of Questions answered "YES" and Explain:

(14) An increase of 2 % in maintenance fees beginning January 1, 2010.

D. PROPERTY CONDITION

- There is Reserve Plan Data for any major repairs required or planned with respect to the common elements/common areas of the Property.
- There is no Property Reserve Study available.

E. DISCLAIMER

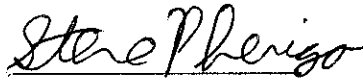
While not guaranteed, the information contained in this Property Information Form is based on information reasonably available to the Managing Agent at the time this form was completed. It has been provided by the Managing Agent at Owner/Seller's request and is believed to be current and correct to the best of the Managing Agent's knowledge at the time this form was completed. All persons relying upon the information contained herein are advised that the information provided cannot be considered a substitute for a careful inspection of the Property and the Property's governing documents, meeting minutes, financial documents and other documentation; and that they should refer to qualified experts in the various professional fields, including but not limited to attorneys, Certified Public Accountants, architects, engineers, contractors and other appropriate professionals for a detailed evaluation of areas where additional clarification or information is desired. The person or entity completing the form is doing so only as an accommodation to the parties and shall not be held liable for any errors or omissions whatsoever. The person or entity completing this form is not required to and has not completed any special investigation, and is only reporting facts already known to that person or entity or readily available. Specifically and without limitation, the person or entity completing the form

has not reviewed any records except official records of meetings in the possession of that person or entity and only for the current year. Where the answer to a question is not applicable, unknown or is otherwise unanswerable, it has been marked "NTMK". Where the Managing Agent has marked "NTMK" or "NO" in response to a question concerning property condition, it must be recognized that this does not mean there may not be a defect which an expert could discover or the passage of time would reveal. Likewise, a problem could be more serious than the Managing Agent, the Association, the Corporation or its Board of Directors knows. All such persons having access to this Property Information Form understand and acknowledge that this Property Information Form is not a warranty or guaranty of any kind by the Managing Agent, the Association or its Board of Directors.

*On-Site Manager's Name : Rodney Saloricman
Phone No. : 839-1484

Date: August 20, 2010

FOR THE BOARD OF DIRECTORS
FAIRWAY GARDENS



RANDY DAVIDOFF

for

Management Executive

HAWAIIANA MANAGEMENT COMPANY, LTD.

Fairway Gardens

Calendar Year 2010 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: R. Davidoff and Hawaiiana Management Company, Ltd on September 15, 2009

Approved by Board of Directors on November 17, 2009

PRESENT RESERVE LEVELS

Projected 2009 Ending Reserve Balance		\$240,000
Required End of 2009 Balance to be 100% Funded		\$604,944
Projected End of Year 2009 Percent Funding		39.7%

2010 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2010 Balance to be 100% Funded		\$650,456
Year 2010 Reserve Outlays		\$71,894
Year 2010 Reserve Contribution Required to be 100% Funded		\$482,350
Plus Projected Operating Expense		\$657,840
Less Other Income		\$3,240
Fully Funded Maintenance Fee Change/Amount	41.0%	\$1,136,950
Management Executive Recommendation	4.0%	\$838,702

BOARD APPROVED YEAR 2010 MAINTENANCE FEES

Operating Expenses		\$657,840
Less Other Income		\$3,240
Maintenance Fee Change/Amount	2.0%	\$822,573
Reserve Contribution		\$167,973
Projected Funding Level/Balance at the End of Year 2010	51.67%	\$336,079

FAIRWAY GARDENS YEAR 2010 RESERVE PROJECTS AS OF NOVEMBER 19, 2009

COST NOW and NORM LIFE values are best estimates by Hawaiiana Management and vendors who were nice enough to inspect the property or give a best guess.

It may be advisable to employ an expert to evaluate those projects with high cost.

RESERVE FUND STATUS - POOLING METHOD						M. FER	NET RES.	MAINT.	
First Plan Year - Calendar	2010	Reference Year	2009	THE MODEL'S FINDINGS FOR % FUNDING		2009 Deficit	CHANGE	CONTRIB	FEEES
Final Plan Year	2029			Recommended Reserve Funding	100%	364,944	41%	410,456	1,136,950
2009 Maintenance Fees	806,448	2010 Maint Fees	822,577	Target Reserve Funding Level	50%	182,472	1%	85,228	811,722
2009 Other Income	3,226	2010 Othr Inc	3,240	Minimum Reserve Funding Level	50%	182,472	1%	85,228	811,722
2009 Operating Expenses	-600,694	2010 Exp	-657,840	EOY 2010 Funding % @ Approved Lev	51.67%		2%	96,083	822,577
2009 Reserve Contribution	208,980	2010 Contribution	167,977	Condition Codes	Source Codes		Source Codes		
Projected Reserves At Start of 2010	240,000	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5
Projected Reserve % at Start of 2010	39.7%	Tgt Ann Contrib	48,183	GOOD	G	Contractor Estimate	2	Statistical Guideline	6
Minimum Inflation	3.0%	Req Contrib-Tgt	230,655	FAIR	F	Engineer/Arch Estimate	3		
Projected Savings Interest	3.0%	App. % Change	2%	POOR	P	Cost When Last Done	4		

CAPITAL INVENTORY												
ITEM	ADJUSTMENT	NORM LIFE	DONE LAST	LAST COST	CO ND	NEXT DUE DATE	COST NOW	COST SRC	FUNDING RQMNT	EOY RES	DEFICIT	
roof - main, car port, bathroom, pump room	-4	10	2004			2010	45,000	3	40,500	40,500		
backflow preventer valve	29	10	1971			2010	8,000	1	7,200	7,200		
electrical repairs - general	-3	5	2008			2010	5,000	3	4,000	4,000		
plumbing repairs - general	25	5	1980			2010	5,000	3	4,000	4,000		
pool - salt system (2)	1	6	2003			2010	4,800	3	4,000	4,000		
pool - deck coating	-3	10	2003			2010	2,000	3	1,800	1,800		
exterior paint	1	7	2003			2011	123,000	1	87,857	87,857		
walkways - initial waterproofing		8	2003			2011	50,000	1	37,500	37,500		
spalling repair		8	2003			2011	10,000	1	7,500	7,500		
heat pump compressor #1		5	2006			2011	5,475	3	3,285	3,285		
waterproof 2nd floor front ledge		8	2003			2011	5,290	3	3,968	3,968		
fire alarm system	12	20	1980			2012	15,870	3	13,490	13,490		
ventilation blowers (5)	3	15	1994			2012	13,225	3	10,580	10,580		
heat pump compressor #2		5	2007			2012	5,475	3	2,190	2,190		
fire hoses, cabinets, extinguishers as needed		5	2007			2012	5,290	3	2,116	2,116		
interphone - kari system		10	2002			2012	3,500	3	2,450	2,450		
pool - filter sand replacement		5	2007			2012	1,600	3	640	640		
exercise equipment		5	2008			2013	3,000	3	600	600		
pool - kiddie pump & motor	5	3	2005			2013	1,250	3	-417	-417		
pool - adult pool pump & motor	7	3	2003			2013	1,250	3	-417	-417		
storage shed	3	7	2003			2013	1,058	3	453	453		
heat pumps (2)		20	1994			2014	74,060	3	55,545	6,705	48,840	
pool - tile	2	15	1997			2014	35,000	3	23,333		23,333	
trash chute - 1st 3 floors		5	2009			2014	15,000	3				
fib entry key system		12	2002			2014	13,754	3	8,023		8,023	
chain link fence	3	20	1991			2014	11,220	3	8,415		8,415	
office pc/software		5	2009			2014	2,100	3				
asphalt slurry seal		6	2009			2015	28,800	3				
railings	5	30	1980			2015	8,925	3	7,140		7,140	
elevator circuitry (2)	16	25	1975			2016	232,000	1	167,040		167,040	
elevator cab interior (2)	11	25	1980			2016	39,400	1	28,368		28,368	
recreation furniture		10	2007			2017	2,116	3	423		423	
pool - filter & valve replacement		10	2007			2017	1,930	3	386		386	
security cameras & dvr recorder	-1	10	2009			2018	26,000	3	2,600		2,600	
hot water storage tanks (2)	1	12	2006			2019	130,000	3	21,667		21,667	
gutter flashing		15	2005			2020	6,665	3	1,777		1,777	
booster pumps (2)		15	2006			2021	38,000	3	7,600		7,600	
asphalt overlay parking lot		20	2002			2022	84,640	3	29,624		29,624	
car port & pump room roof		20	2002			2022	5,290	3	1,852		1,852	
walkways - maintenance waterproofing		14	2009			2023	24,000	3				
lobby renovation		15	2008			2023	20,000	3	1,333		1,333	
parking lot lights		30	1999			2029	18,832	3	6,277		6,277	
pool - bathrooms		20	2009			2029	3,714					
recreation room		20	2009			2029	2,000	3				
elevator - door package w/clutch (2)		25	2009			2034	63,000	1				
hallway lighting		30	2008			2038	7,350	3	245		245	

2009 End Yr Totals

1,208,879

604,944

240,000

364,944

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Fairway Gardens

Board Approved 2010 Cash Flow Plan

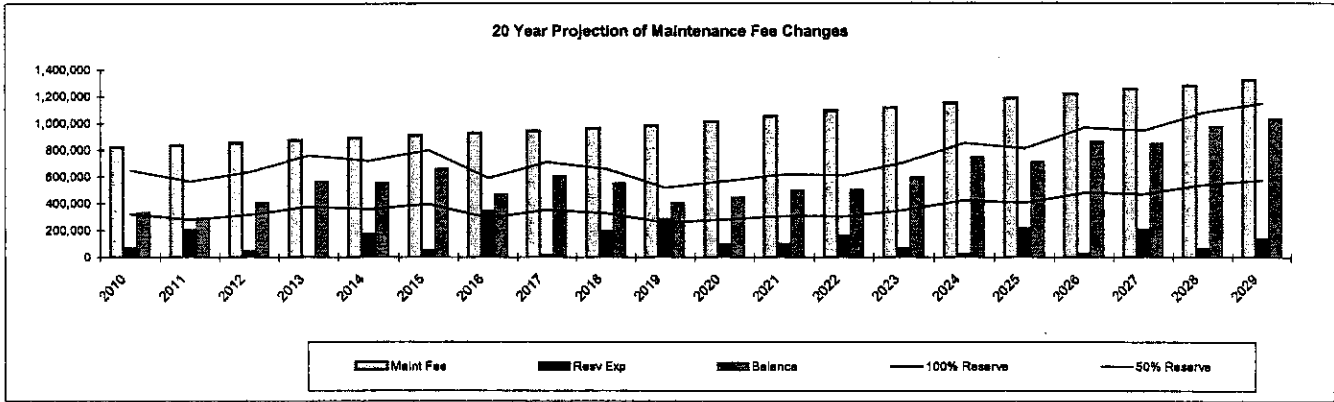
Prepared By: R. Davidoff and Hawaiiana Management Company, Ltd

Maintenance Fee Plan to Accomplish All Known Improvements and Repairs For Next 20 Years

At the Beginning of Calendar Year 2010, Fairway Gardens Will Be 39.7 Percent Funded.

Assumed Rate of Inflation: 3%

Assumed Savings Interest Rate: 3%



Contingency Reserve Fur \$0

CY	Starting	-Reserve	-Loan	-Operating	+Maint.	+Other	+Intern	+Interest	-Ending	% Maint. Fee	Net Reserve	Percent
Year	Balance	Expense	Payments	Expenses	Fees	Income	Bal	Income	Balance	Change	Contrib.	Funded
2010	240,000	71,894	0	657,840	822,577	3,240	336,083	Included	336,083	2.00%	96,083	52%
2011	336,083	205,565	0	677,575	839,028	0	291,971	9,421	301,392	2.0%	(44,112)	53%
2012	301,392	49,130	0	697,902	855,809	0	410,169	10,673	420,842	2.0%	108,777	66%
2013	420,842	7,382	0	718,839	872,925	0	567,546	14,826	582,372	2.0%	146,704	77%
2014	582,372	175,206	0	740,405	890,384	0	557,145	17,093	574,238	2.0%	(25,227)	80%
2015	574,238	56,986	0	762,617	908,191	0	662,826	18,556	681,382	2.0%	88,589	85%
2016	681,382	349,498	0	785,495	926,355	0	472,744	17,312	490,056	2.0%	(208,638)	83%
2017	490,056	20,789	0	809,060	944,882	0	605,089	16,427	621,516	2.0%	115,033	87%
2018	621,516	198,326	0	833,332	963,780	0	553,639	17,627	571,266	2.0%	(67,878)	87%
2019	571,266	288,794	0	858,332	983,056	0	407,196	14,677	421,872	2.0%	(164,070)	81%
2020	421,872	100,666	0	884,082	1,012,547	0	449,672	13,073	462,745	3.0%	27,799	81%
2021	462,745	103,046	0	910,604	1,053,049	0	502,144	14,473	516,617	4.0%	39,399	83%
2022	516,617	166,085	0	937,922	1,095,171	0	507,781	15,366	523,147	4.0%	(8,836)	85%
2023	523,147	71,093	0	966,060	1,117,075	0	603,068	16,893	619,961	2.0%	79,921	88%
2024	619,961	26,641	0	995,042	1,150,587	0	748,865	20,532	769,398	3.0%	128,904	90%
2025	769,398	217,437	0	1,024,893	1,185,104	0	712,172	22,224	734,395	3.0%	(57,226)	90%
2026	734,395	31,782	0	1,055,640	1,220,658	0	867,631	24,030	891,661	3.0%	133,236	92%
2027	891,661	212,436	0	1,087,309	1,257,277	0	849,193	26,113	875,306	3.0%	(42,468)	92%
2028	875,306	63,653	0	1,119,928	1,282,423	0	974,147	27,742	1,001,889	2.0%	98,841	93%
2029	1,001,889	138,432	0	1,153,526	1,320,895	0	1,030,826	30,491	1,061,317	3.0%	28,937	92%