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Total No. of Pages: 7

AMENDMENT OF BY-LAWS OF  
ASSOCIATION OF APARTMENT OWNERS OF KAHANA FALLS  
(TMK: 2-4-10:32; Condo Map No. 1494)

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, all of the land and improvements constituting that certain condominium property regime known as "KAHANA FALLS" was submitted to a condominium property regime created by and existing pursuant to that certain Declaration of Condominium Property Regime recorded in the Bureau of Conveyances of the State of Hawai'i as Document No. 91-61027 (the "Declaration") and

WHEREAS, the Association of Apartment Owners of Kahana Falls was established by said Declaration and is governed by the By-Laws of Association of Apartment Owners of Kahana Falls (the "AOAO") recorded in said Bureau as Document No. 91-61028 (the "By-Laws"); and

WHEREAS, in accordance with §514B-108(e), Hawai'i Revised Statutes, the By-Laws may be amended by the vote or written consent of unit owners representing at least sixty-seven percent of the common interest; and

WHEREAS, in accordance with Article IV, Section 7 of the Declaration Of Covenants, Conditions And Restrictions For Time Interval Ownership At Kahana Falls recorded in said Bureau as Document No. 92-062936, (the "DCCR"), the Board of Directors of the Kahana Falls Interval Owners Association "IOA") shall act as the agent and attorney-in-fact for all interval owners with respect to all AOAO matters ; and

WHEREAS, all units of the Project are subject to the DCCR; and

WHEREAS, the Board of Directors of the IOA as attorney in fact for the unit owners has given its written consent to amend the By-Laws as set forth hereinbelow,

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

I. Article I, Section 3 of the By-Laws is amended in pertinent part to read:

... Thereafter the annual meetings of the Association shall be held within ten (10) months of the end of each calendar year.

II. Article I, Section 6 of the By-Laws is amended to read:

Section 6. Quorum. The presence at any meeting in person or by proxy of ten percent (10%) of apartment owners shall constitute a quorum, and the acts (including the adoption of decisions) of a majority of the apartment owners present in person or by proxy at any meeting at which a quorum is present shall be the acts of the Association except as otherwise provided herein; provided that any votes allocated to any area that constitutes a common element under Section 514A-13(h), Hawai'i Revised Statutes, as amended (HRS) shall not be cast at any meeting of the Association. The term "ten percent (10%) of apartment owners" herein means the owners of apartments to which are appurtenant more than ten percent (10%) of the common interests established by the Declaration, any other specified percentage of the apartment owners means the owners of apartments to which are appurtenant such percentage of the common interests.

III. Article I, Section 7 of the By-Laws is amended in pertinent part to read:

Section 7. Voting. ... Votes may be cast in person or by proxy by the respective apartment owners as shown in the record of ownership of the Association, provided that votes with respect to all apartments that are subject to that certain Declaration of Covenants, Conditions and Restrictions for Time Interval Ownership at Kahana Falls recorded in the Bureau as Document No. 92-062936, as amended ("DCCR"), shall be cast by a person designated by the Board of Directors of the Kahana Falls Interval Owners Association as provided in Article IV, Section 7 of the DCCR. ...

IV. Article II, Section 1 of the By-Laws is amended to read:

Section 1. Number and Qualifications. (a) The affairs of the Association shall be governed by a Board of Directors composed of no less than three (3) nor more than nine (9) persons, provided that until such time as the Apartment Owners determine otherwise at least ninety (90) days prior to an annual meeting by written consent or at a special meeting called for the purpose, the Board shall be composed of seven (7) persons, provided that any reduction in the number of directors shall affect only vacant positions and shall not shorten the term of any director. All members of the Board of Directors shall be owners, co-owners, beneficiaries having the power of direction under a land trust as defined herein, trustees of the trust as to an apartment owned in trust (other than a land trust), vendees under an agreement of sale, or an officer, partner, member, or other person authorized to act on behalf of any other legal entity which owns an apartment. The resident manager of the Project, if any, may not serve on the Board even though otherwise qualified hereunder. There shall not be more than one (1) representative on the Board of Directors from any one (1) apartment.

(b) Nominations for election to the Board of Directors shall be made by a Nominating Committee. Self-nominations may also be made by the submission of statements as set forth below. The Nominating Committee shall consist of a Chair, who shall be a member of the Board of Directors, and one (1) or more apartment owners who may but need not be members of the Board. The Nominating Committee shall be appointed by the Board of Directors not less than ninety (90) days prior to each annual meeting at which directors are to be elected and shall serve until the adjournment of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled. Apartment owners wishing to be nominated shall submit a statement in accordance with Chapter 514B, Hawai'i Revised Statutes, indicating the apartment owner's qualifications to serve on the Board and reasons for wishing to serve on the Board to the Nominating Committee by such deadline as the Nominating Committee shall establish from time to time but not less than sixty (60) days before any meeting at which directors are to be elected. The names of all persons submitting statements shall be listed on any proxy form distributed by the Association, with the candidates nominated by the Nominating Committee appropriately identified as such and all candidates' statements shall be distributed together with any such proxy form. Such proxy shall allow the apartment owner to direct the proxy holder to vote for the candidate(s) designated by the apartment owner, provided that the Association shall have no responsibility for assuring that the proxy holder votes as directed and no vote by a proxy holder shall be void or invalid by reason of the proxy holder not voting as directed.

(c) No apartment owner shall be qualified to seek election to or to serve on the Board who is delinquent for ninety days or more in the payment of common expense assessments, fines, penalties, late fees, interest, or any other amounts owed to the Association of any kind whatsoever as of 4:30 p.m., Hawai'i Standard Time, on the second business day prior to any meeting of the Association at which directors are to be elected or re-elected.

V. Article II, Section 4 of the By-Laws is amended to read:

Section 4. Election and Term. Election of Directors shall be by secret ballot at each annual meeting , provided that if the number of candidates nominated is equal to or less than the number of vacancies to be filled, the candidates so nominated shall be deemed to have been elected by acclamation. Except as provided hereinbelow, Directors shall hold office for a period of two (2) years commencing at the adjournment of the meeting at which they have been elected or until their respective successors have been elected, subject to removal as herein provided, provided further that the terms of the five (5) directors to be elected at the 2010 annual meeting shall be divided into classes as follows: two (2) shall be elected for one (1) year terms and three (3) shall be elected for two (2) year terms, with the candidates receiving the most votes being elected to the longer terms. Thereafter three (3) or four (4) directors, as the case may be, shall be elected in each subsequent year. In the event of any increase or decrease in the number of directors, the terms of the directors shall be divided such that as nearly as possible one-half of the directors shall be elected each year.


The seat of any director who becomes delinquent for ninety days or more in the payment of common expense assessments, fines, penalties, late fees, interest, or any other amounts owed to the Association of any kind whatsoever shall automatically become vacant at midnight, Hawai'i Standard Time, on the ninety-first day of such delinquency. No director whose seat becomes vacant by reason of such delinquency shall be eligible for appointment or election to the Board for as long as such delinquency continues and until thirty days after payment in full of all amounts owed to the Association.

AND the undersigned officers of the AOA do hereby certify that the foregoing amendments were approved by the written consent of the Board of Directors of the Kahana Falls Interval Owners Association as agent and attorney-in-fact for all unit owners of the Project.

IN ALL OTHER RESPECTS, the By-Laws, as herein and heretofore amended, are ratified and affirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed these presents this \_\_\_\_ day  
of \_\_\_\_\_, 2009

ASSOCIATION OF APARTMENT OWNERS OF  
KAHANA FALLS

By   
(Signature)

RICHARD ROLL  
(Printed Name)

Its: PRESIDENT  
(Office Held)

By   
(Signature)

GARRY DE BOER  
(Printed Name)

Its: SECRETARY  
(Office Held)

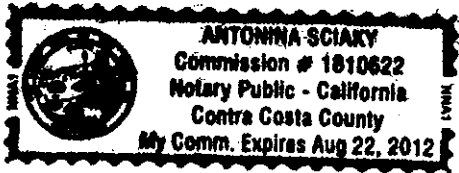
# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Contra Costa }

On Nov. 5, 2009 before me, Antonina Sciaky  
Date Here Insert Name and Title of the Officer

personally appeared \*Richard Roll\*  
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.  
 Signature Antonina Sciaky  
Signature of Notary Public

Place Notary Seal Above

### OPTIONAL

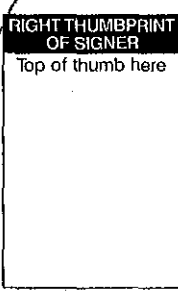
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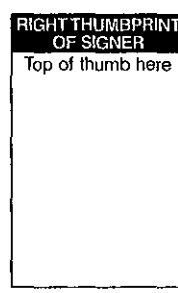
#### Capacity(ies) Claimed by Signer(s)

- Signer's Name: \_\_\_\_\_
- Individual
  - Corporate Officer — Title(s): \_\_\_\_\_
  - Partner —  Limited  General
  - Attorney in Fact
  - Trustee
  - Guardian or Conservator
  - Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_  
 \_\_\_\_\_  
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- Signer's Name: \_\_\_\_\_
- Individual
  - Corporate Officer — Title(s): \_\_\_\_\_
  - Partner —  Limited  General
  - Attorney in Fact
  - Trustee
  - Guardian or Conservator
  - Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STATE OF New Jersey )

) :SS

COUNTY OF Passaic )

On this 09 day of Nov., 2009, before me appeared Garry De Boer, to me personally known or proved to me on the basis of satisfactory evidence, who said that he is the Secretary of the Association of Apartment Owners of Kahana Falls, a Hawai'i condominium association, and that said instrument was executed on behalf of said Association by authority of its Board of Directors, and said officer acknowledged that said instrument was executed as the free act and deed of said Association.

Ingrid S. Mendez  
(signature)

Ingrid S. Mendez  
(printed name)

Notary Public in and for said State and County

My commission expires: Oct 12 2, 012

**INGRID S. MENDEZ**  
**NOTARY PUBLIC OF NEW JERSEY**  
**MY COMMISSION EXPIRES OCT. 12, 2012**