

STATE OF HAWAII  
BUREAU OF CONVEYANCES  
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/s/ LESLIE T. KOBATA, Registrar  
TAW 7

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Return by Mail ( ) Pickup (X) To:

Attn: Kaliko Siu  
GENTRY HOMES, LTD.  
733 Bishop Street, Suite 1400  
Honolulu, Hawaii 96813

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Document Title: FIRST AMENDMENT TO BYLAWS OF THE ASSOCIATION OF  
APARTMENT OWNERS OF KEALI'I BY GENTRY I

Developer: GENTRY KGC, LLC, a Hawaii limited liability company

Description: First Amendment to Bylaws, dated December 18, 2019 and recorded as  
Document No. A-73340681

This property was previously a portion of Lot 6770, as shown on Map 571 of Land Court  
Application 1069, now deregistered from the Land Court System by Document No. A-71711038,  
recorded in the Bureau of Conveyances of the State of Hawaii on August 20, 2019.

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TMK No.: (1) 9-1-16-228 (portion)

**FIRST AMENDMENT TO  
BYLAWS OF THE ASSOCIATION OF  
APARTMENT OWNERS OF KEALI'I BY GENTRY I**

**RECITALS:**

1. GENTRY KGC, LLC, a Hawaii limited liability company, whose principal place of business and post office address is 733 Bishop Street, Suite 1400, Honolulu, Hawaii 96813 ("Developer"), submitted certain real property to a condominium property regime established under the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended, by that certain Declaration of Condominium Property Regime of Keali'i By Gentry I, dated December 18, 2019, and recorded in the Bureau of Conveyances of the State of Hawaii (the "Bureau") as Document No. A-73340680 (the "Declaration"), which real property is described on Exhibit "A" attached to the Declaration, thereby establishing the Keali'i By Gentry I condominium project (the "Project").

2. Simultaneously with the recording of the Declaration in the Bureau, Developer filed that certain Condominium Map No. 6053 (the "Condominium Map") in the Bureau and recorded those certain Bylaws of the Association of Apartment Owners of Keali'i By Gentry I, dated December 18, 2019, and recorded in the Bureau as Document No. A-73340681 (the "Bylaws").

3. Pursuant to Section 18.1 of the Declaration, at any time prior to Recording of the first Apartment deed conveying an Apartment to a party other than Developer, Developer may amend the Declaration (including the Bylaws) in any manner, without the approval, consent or joinder of any Apartment purchaser or anyone else.

4. Pursuant to Article X, Section 16(a) of the Bylaws, the Bylaws may be amended by the written consent of at least sixty-seven percent (67%) of the Apartment Owners.

5. As of the Effective Date (defined below), Developer has not Recorded the first Apartment deed conveying an Apartment to a party other than Developer, and, therefore, owns one hundred percent (100%) of the Apartments.

6. Developer desires to amend the Bylaws as set forth in this First Amendment to Bylaws of the Association of Apartment Owners of Keali'i By Gentry I (this "Amendment").

7. Unless otherwise defined in this Amendment, all capitalized terms (other than those at the beginning of sentences) shall have the definitions given to them in the Declaration.

**AMENDMENT:**

In consideration of the Recitals, Developer hereby amends the Bylaws as follows:

Subsection (a) of Article V, Section 7 [titled "Insurance – Casualty and Liability"] is hereby amended in its entirety to read as follows:

**"(a.1)** Pursuant to Section 514B-143(a)(1) of the Act, the Board, on behalf of and at the common expense of the Association, shall purchase and at all times maintain, as a common expense, property insurance covering all of the Project's common elements (exclusive of limited common elements). The property insurance maintained by the Association shall insure against damage, destruction or loss by fire and other perils covered by an ISO Commercial Property "Special" Causes of Loss Form or its equivalent with an Agreed Amount Endorsement written on a Replacement Cost basis and an Increased Cost of Construction endorsement. The property insurance maintained by the Association shall be in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements, at the time the insurance is purchased and at each renewal date. Except as provided in Section 14 of the Declaration [Damage and Destruction], in every case of such loss or damage, all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing or otherwise reinstating the applicable common elements in a good and substantial manner according to the Project's original plans or such modified plans conforming to laws and ordinances then in effect as shall be first approved as provided in the Declaration or these Bylaws. Any deficiency in insurance proceeds shall be handled as described in Section 14 of the Declaration. The policy shall be issued by a responsible insurance company authorized to do business in Hawaii. Every policy of insurance maintained by the Association shall (unless unobtainable at reasonable cost):

- (i)** Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of, set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any Apartment Owner;
- (ii)** Contain no provision relieving the insurer from liability for loss occurring while the hazard to any insured common element is increased (whether or not within the knowledge or control of the Board) because of any breach of warranty or condition or any other act or neglect by the Board or any Apartment Owner or any other Persons under either of them (the Board will, however, give notice to the insurers of an increased hazard as soon as practical);
- (iii)** Provide that the policy may not lapse, be canceled or reduced by amount or type of coverage (whether or not requested by the Board) except by the insurer giving at least sixty (60) days prior written notice to the Board and to any other Person in interest who shall have requested such notice from the insurer;
- (iv)** Contain a waiver by the insurer of any right of subrogation against the Association and the Board;

- (v) Contain a waiver by the insurer of any right to deny liability because of vacancy of fewer than 85% of the Apartments; and
- (vi) Contain a provision requiring the insurer, at the commencement of the policy and on each anniversary date, to provide the Board with a written summary in layman's terms of the policy. The summary shall include the type of policy, a description of the coverage and limits, amount of annual premium, and renewal dates. The Board shall provide this information to each Apartment Owner.

(a.2) In accordance with Section 514B-143(c) of the Act and considering that the Project contains detached apartments, the Board, under the control of the Developer, has determined that it is in the best interest of the Association for each Apartment Owner to purchase and maintain, at its own expense, property insurance covering the entirety of the Apartment Owner's Apartment, the contents of the Apartment, the fixtures and appliances of the Apartment (including the wall coverings and floor coverings), as well as the limited common elements (including the Private Yard Area and improvements thereon) appurtenant to the Apartment. The property insurance maintained by each Apartment Owner must insure against damage, destruction or loss by fire and other perils and provide coverage for special form causes of loss, in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage for the increased costs of construction due to building code requirements, at the time the insurance is purchased and at each renewal date, and, if the location of the Apartment Owner's Apartment is located in an identified flood hazard area, as designated by the Federal Emergency Management Agency, then the Apartment Owner shall purchase flood insurance in an amount required by the Apartment Owner's Mortgage lender, if any. The Association shall be listed as the certificate holder on the required insurance policy and the Apartment Owner shall deliver evidence of the required insurance coverage to the Association (via the Managing Agent) annually. If an Apartment Owner fails to deliver such evidence, then, unless and until the Apartment Owner delivers evidence of the required insurance coverage to the Association, the Association shall have the right (but not the obligation) to purchase the required insurance on behalf of such Apartment Owner, and all of the costs incurred by the Association for doing so shall be charged to such Apartment Owner as a special assessment, which shall be a lien on such Owner's Apartment in accordance with Article VI, Section 4 [Default in Payment of Assessments] of these Bylaws. Upon the written request of the Board, copies of the required insurance policies procured by the Apartment Owners shall be made available for inspection by the Board. In every case of such loss or damage, all insurance proceeds shall be used as soon as reasonably possible by the Apartment Owner for rebuilding, repairing or otherwise reinstating the Apartment Owner's Apartment in a good and substantial manner according to the original plans and elevations for the Apartment or such modified plans conforming to laws and ordinances then in effect as shall be first approved as provided in the Declaration or these Bylaws. The Apartment Owner shall make up from the Apartment

Owner's own funds any deficiency in any insurance proceeds required to repair and to reconstruct the damaged Apartment and improvements in the foregoing manner. Each Apartment Owner shall be fully and individually responsible for the payment of all premiums relating to the required insurance policy or policies. Each Apartment Owner agrees to indemnify and hold harmless all other Apartment Owners and the Association from and against any liability or damages relating to a failure by such Apartment Owner to satisfy the Owner's insurance obligations under these Bylaws and the Declaration. The policies shall be issued by a responsible insurance company authorized to do business in Hawaii. Every policy of insurance maintained by the Apartment Owners shall (unless unobtainable at reasonable cost):

- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of, set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for the Association;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to the insured Apartment is increased (whether or not within the knowledge or control of the Apartment Owner) because of any breach of warranty or condition or any other act or neglect by the Apartment Owner or any other Persons under the Apartment Owner;
- (iii) Provide that the policy may not lapse, be canceled or reduced by amount or type of coverage (whether or not requested by the Apartment Owner) except by the insurer giving at least sixty (60) days prior written notice to the Apartment Owner and to any other Person in interest who shall have requested such notice from the insurer;
- (iv) Contain a waiver by the insurer of any right of subrogation against the Apartment Owner;
- (v) Contain a provision requiring the insurer, at the commencement of the policy and on each anniversary date, to provide the Apartment Owner with a written summary in layman's terms of the policy. The summary shall include the type of policy, a description of the coverage and limits, amount of annual premium, and renewal dates; and
- (vi) Contain a standard Mortgagee clause with special condominium endorsement, which shall:
  - (a) provide that such insurance as to the interest of any Mortgagee shall not be invalidated by any act or neglect of the Board or the Apartment Owner or any Persons under any of them; and

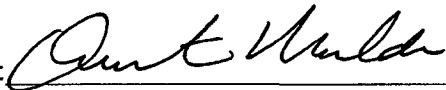
- (b) waive any provision invalidating such Mortgagee clause by reason of the failure of any Mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the Mortgagee pay any premium thereon, and any contribution clause."

Except as amended by this Amendment and all other previously Recorded amendments, the Bylaws shall continue in full force and effect as first written.

Developer has signed this Amendment as of May 4, 2020 (the "Effective Date").

GENTRY KGC, LLC,  
a Hawaii limited liability company

By: Gentry Homes, Ltd., a Hawaii corporation  
Its Member

By: 

Name: Quentin Machida

Title: President

"Developer"

