

RECORDATION REQUESTED BY:

Crockett & Nakamura

AFTER RECORDATION, RETURN TO:

Crockett & Nakamura
P. O. Box NNN
Wailuku, Maui, Hawaii 96793

RETURN BY: MAIL (X) PICK-UP ()

AMENDED MAUI SANDS BY-LAWS

KNOW ALL MEN BY THESE PRESENTS:

1. A Declaration of Horizontal Property Regime (the "Maui Sands Declaration" or the "Declaration"), dated November 16, 1964, recorded with the Bureau of Conveyances of the State of Hawaii at Liber 5076, Page 212, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 364363, submitted the property therein more particularly described to a horizontal property regime under the laws of the State of Hawaii (the "Maui Sands Horizontal Property Regime" or the "Maui Sands Property", as the case may be), which is known as "Maui Sands".

2. The Maui Sands Association of Apartment Owners (the "Association"), an unincorporated association established by the Maui Sands Declaration, and organized under the Hawaii Horizontal Property Regime Act, consists of the owners of the apartments of the Maui Sands Horizontal Property Regime.

3. There was annexed to the Maui Sands Declaration, made a part thereof, and also concurrently filed with the Office

January 7, 1983
November 7, 1983

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COPY

of the Assistant Registrar of the Land Court of the State of Hawaii and recorded with the Bureau of Conveyances of the State of Hawaii, By-Laws for the government of the Maui Sands Association of Apartment Owners and the operation of the Maui Sands Property (the "Maui Sands By-Laws").

4. The Maui Sands Declaration and the Maui Sands By-Laws are noted upon Transfer Certificate of Title Nos.

02,624 and 107,400

issued by the Land Court of the State of Hawaii.

5. At a meeting of the Maui Sands Association of Apartment Owners duly called and held April 28, 1984-----

the owners of apartments of the Maui Sands Horizontal Property Regime, to which appertained, in the aggregate, "common interests" exceeding seventy-five percent (75%) of the entire common interests appertaining to all of the apartments of the Maui Sands Horizontal Property Regime, voted to amend the Maui Sands By-Laws by adopting the "Amended Maui Sands By-Laws", a true copy of which is annexed hereto and made a part hereof.

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CERTIFICATE

Allen Belmont Carpenter and Nelen Topham

President and Secretary, respectively, of the Maui Sands Association of Apartment Owners, an unincorporated association organized under the Hawaii Horizontal Property Act, do hereby certify that the foregoing Amended Maui Sands By-Laws, a true copy of which is annexed hereto and made a part hereof, was duly adopted and enacted by the apartment owners of the Maui Sands Horizontal Property Regime and by the Maui Sands Association of Apartment Owners, at a meeting duly called and held April 28, 1984

and that they have been duly authorized and directed by the apartment owners of the Maui Sands Horizontal Property Regime and by the Maui Sands Association of Apartment Owners to cause the same to be filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii, to be noted upon each Transfer Certificate of Title issued by the Land Court of the State of Hawaii for the Maui Sands Property, and to cause the same to be recorded in the Bureau of Conveyances of the State of Hawaii.

Dated at Lahaina, Maui

this 15th day of May, 1984

MAUI SANDS ASSOCIATION OF APARTMENT OWNERS

By Allen Belmont Carpenter
Its President

By Nelen Topham
Its Secretary

State of Hawaii)
City & County of Honolulu) ss.

On this 21st day of May, 1984,
before me appeared Helen Topham, to me
personally known, who, being by me duly sworn did say that
she is Secretary of the MAUI SANDS
ASSOCIATION OF APARTMENT OWNERS

an unincorporated association established under the
Maui Sands Declaration Of Horizontal Property Regime
dated November 16, 1964, recorded with the Bureau of
Conveyances of the State of Hawaii at Liber 5076, Page 212,
and filed in the Office of the Assistant Registrar of the Land
County of the State of Hawaii as Document No. 364363

and organized under the horizontal property regime statute
of the State of Hawaii, that said instrument was signed in behalf
of the said MAUI SANDS ASSOCIATION OF APARTMENT OWNERS
by authority of its members and
said Helen Topham acknowledged said
instrument to be the free act and deed of the said MAUI SANDS
ASSOCIATION OF APARTMENT OWNERS

and that the said MAUI SANDS ASSOCIATION OF APARTMENT OWNERS
has no seal.

George M. ...
NOTARY PUBLIC, First District
Circuit
My commission expires: 2/1/86

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AMENDED MAUI SANDS BY-LAWS

WHEREAS:

The apartment owners of the Maui Sands Horizontal Property Regime (the "Horizontal Property Regime"), being the members of the Maui Sands Association of Apartment Owners (the "Association"), did, at a meeting duly called and held April 28, 1984-----,

adopt the following "Amended Maui Sands By-Laws" for the government of the business and affairs of the Association and the regulation of the Maui Sands Property (the "Property").

NOW THEREFORE, the Maui Sands apartment owners do hereby declare that each apartment and all of the common and limited common elements that constitute the Horizontal Property Regime be, and the same is hereby held, and the same shall be held, used, conveyed, hypothecated, encumbered, leased, rented, repaired, reconstructed, renovated, rebuilt, improved, regulated and governed in every respect, in accordance with and subject to the limitations, restrictions, covenants, conditions and by-laws herein contained, and as the same may from time to time be amended. And the Maui Sands apartment owners do hereby approve, adopt and establish the by-laws herein contained for the government of the business and affairs of the Association and the regulation of the Maui Sands Property, and, further, hereby entirely repeal the existing Maui Sands By-Laws.

1. Statutory Basis.

The Horizontal Property Regime has been established under and pursuant to HAW. REV. STAT. Chapter 514A, and the terms used herein shall have the same meaning given by such statute. In the event of any conflict between this document and such statute, the statute shall control. If such statute should be amended or reenacted, such amendment or reenactment shall govern and regulate this Horizontal Property Regime, without any amendment to or of the Maui Sands Declaration (as amended, the "Declaration"), and without any amendment to or of these Amended By-Laws.

2. Voting Owners.

There shall be one "Voting Owner" of each apartment. The voting owner, who need not be an owner, shall be designated by the owner or owners of each apartment by written notice delivered to the Board of Directors. Such designation shall be revocable at any time by written notice delivered to the Board of Directors by any owner, or by the death or judicially declared incompetence of any owner. Any designation of a voting owner that is circulated with any notice for a meeting of the Association shall be valid only for that meeting (including any reconvened meeting following any adjournment thereof) for which that notice of meeting was given. Such powers of designation and revocation may be exercised by any guardian or the personal representative of the estate of a deceased owner, if, and in such case, the interest of such owner in such apartment is subject to administration in his.. estate. In the absence of any such designation of a voting owner, the owner or owners of an apartment shall be deemed to

be the voting owners of that apartment; and if any apartment be owned by more than one owner (and whether such owners shall hold such apartment jointly, commonly or by the entireties), any one of such owners present in person at any meeting of the Association shall be deemed to be the voting owner of such apartment, and if there be more than one of such owners present at any meeting, and if there be any dispute among them as to which of them shall be deemed to be the voting owner of such apartment, then the majority of them then present shall select a voting owner (irrespective of their relative interests, interest, to such apartment). An owner shall have the right to irrevocably designate some person or persons (natural or corporate) as the voting owner of an apartment. A voting owner shall have the power to appoint one or more persons as his proxy to attend a particular annual or special meeting of the Association for such voting owner, to vote and act at such meeting of the Association for such voting owner, subject to such conditions, restrictions or instructions, if any, as such voting owner may impose. Each such proxy shall expire upon, and shall have no validity after, the adjournment sine die of the particular meeting of the Association for which it was given.

3. Votes.

Each voting owner shall have a vote at each meeting of the Association equal to the common interest appurtenant to the apartment for which he votes. The votes for all of the apartments total one hundred. The term "majority of apartment owners" or any other term or phrase used herein relating or..

referring to any stated fraction or percentage of the apartment owners or voting owners shall refer to the vote appurtenant to each apartment, the total of all such votes, or, as the case may be, the stated percentage or fraction of the total of all such votes. Any person (or entity) who wants to attend and vote at a meeting of the Association as the voting owner for any apartment must be so registered on the list of owners and voting owners kept by the Secretary of the Association not less than twenty-four hours before the time fixed for the commencement of that meeting.

4. Notices.

Any notice permitted or required to be delivered as herein provided may be delivered either personally or by mail. If delivery is by mail, such notice shall be deemed to have been delivered seventy-two (72) hours after the deposit of such notice with any government mail service, postage prepaid, addressed to the person entitled to such notice at his last known address on file with the Secretary of the Association. After filing a written request for notice with the Secretary of the Association, the mortgagee under any recorded mortgage or other security interest to any apartment shall have a right to any notice required to be given to an owner or voting owner of such an apartment, and the delivery of such notice, which shall be in addition to the notice required to be delivered to the owner or voting owner, shall not be complete until notice shall have been delivered to such mortgagee. Such request for notice need not be renewed, and shall remain in effect until the same be withdrawn or the security interest in such apartment released. The Secretary of the Association shall give each

voting owner written notice of such annual and special meeting of the Association. Such notice of meeting shall be delivered not less than fourteen (14) days prior to the day fixed for the assembly of such meeting. Such notice of meeting shall contain at least:

- (a) The time and the day for the assembly of such meeting.
- (b) The place for such meeting.
- (c) The items on the agenda for such meeting.
- (d) A standard form of proxy, if any, authorized by the Board of Directors of the Association.

5. Meetings Of Association Of Apartment Owners.

There shall be an annual meeting of the voting owners of the Association within five months following the end of the fiscal year established for the Association at the Property, or elsewhere within the State of Hawaii as determined by the Board of Directors. The Board of Directors shall fix the exact time and the day for each annual meeting of the Association. Special meetings of the Association shall be held:

- (i) When requested by the President;
- (ii) When requested by a member of the Board of Directors; or
- (iii) When requested by the voting owners representing not less than one-fifth (1/5) of the apartments.

Each request for a special meeting shall be in writing, and shall set forth the purpose for that meeting and the items of business proposed to be considered at the requested special meeting. Each request for a special meeting shall be delivered to the Secretary. The President shall forthwith fix a reasonable time and day for the requested special meeting, and shall prepare the agenda for the requested special meeting, which agenda shall permit the consideration of the items of business proposed for consideration in the request for the special meeting. Every special meeting of the Association shall be held at the Property. Voting owners representing a majority of the apartment owners shall constitute a quorum at any meeting of the Association. Unless expressly otherwise herein provided, any action may be taken or ratified, any resolution enacted, any administrative rules and regulations governing the details of the operation and use of the common elements or the apartments adopted or amended, at any meeting of the Association, upon the affirmative vote of a majority of the voting owners present at any such meeting. Only the items of business on the agenda for an annual or special meeting, as set forth in the notice for that meeting, shall be considered or acted upon at that meeting. In the absence of a quorum at any meeting of the Association, a majority of the voting owners present may, without providing for further notice of meeting, adjourn such meeting from time to time in order to secure the presence of a quorum. Each meeting of the Association shall be conducted in accordance with Roberts Rules Of Order;

provided, that at the commencement of any meeting of the Association other accepted rules for the conduct of such meetings may be adopted for that meeting, and for all subsequent meetings of the Association, upon the affirmative vote of a majority of the voting owners then present.

6. Board Of Directors.

At each annual meeting of the Association the voting owners shall elect members to the Board of Directors. The Board of Directors shall consist of six (6) persons, all of whom shall be either an owner of an apartment, a co-owner of an apartment, an officer of a corporate owner of an apartment, a general partner of an apartment owned by a partnership, or the purchaser of an apartment purchased under an agreement of sale. There shall not be more than one representative on the Board of Directors from any one apartment. The first Board of Directors shall consist of two directors (the directors who receive the highest votes) elected for a term of three years; two directors (the directors who receive the third and fourth highest votes) elected for a term of two years; and two directors (the directors who receive the fifth and sixth highest votes) elected for a term of one year. Thereafter, upon the expiration of the term of a director, each director shall be elected for a term of three years. At each annual meeting of the Association, any voting owner may nominate from the floor one or more persons for election as a director. Any

vacancy in the Board of Directors shall be filled by the remaining members thereof, and the person so appointed to the Board of Directors shall serve for the unexpired term of his predecessor in office. Meetings of the Board of Directors shall be called, held and conducted, and the Board of Directors shall act, in accordance with Robert's Rules Of Order, or such other accepted rules for the conduct of meetings as the Board of Directors shall adopt and from time to time amend; any such rules adopted by a Board of Directors shall continue in effect after the expiration of the term of office of such Board of Directors, until amended or revoked by their successors. The members of the Board of Directors shall not be compensated for their service. No member of the Board of Directors shall vote or cast proxy upon any matter pending before the Board of Directors in which he has a conflict of interest. A resident manager for the Association shall not be a member of the Board of Directors. The members of the Board of Directors may meet by means of a conference telephone (or similar communication equipment) by means of which all the persons participating in the meeting can hear each other at the same time.

7.1. Officers.

The principal officers of the Association shall be a President, a Secretary and a Treasurer. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other subordinate officers as in the discretion of the Board of Directors may be necessary.

7.2. Appointment Of Officers.

The Board of Directors shall each year elect a President from among its members, who shall preside over meetings of the Association and the Board of Directors. The Board of Directors shall each year also elect a Secretary and a Treasurer, who need not be members of the Board of Directors or owners or voting owners of apartments. In the event of the absence or incapacity of the President the Secretary shall act as the acting President.

7.3. Removal Of Officers.

Each officer shall hold office for one year following his appointment, at the pleasure of the Board of Directors, and until his successor is qualified. Upon the affirmative vote of a majority of the members of the Board of Directors any officer

may be removed, with or without cause.

7.4. President.

The President shall exercise general supervision and direction of the business and affairs of the Association. The President shall also have the powers and duties customarily incidental to such office, and such other powers and duties as may be given to him elsewhere in these By-Laws or as may be assigned to him by the Board of Directors.

7.5. Secretary.

The Secretary shall keep the list of owners and voting owners and the minutes of all meetings of the Association and of the Board of Directors. The Secretary shall determine whether a voting owner is present and entitled to vote at meetings of the Association. The Secretary shall record all votes upon resolutions voted upon at meetings of the Association and at meetings of the Board of Directors. The Secretary shall keep the minute book for the Association, wherein all resolutions shall be recorded, and such other books and records of the Association as the Board of Directors shall direct. The Secretary shall keep the minute book for the Association at the Property, at a particular place thereat designated by the Board of Directors, and the minutes of the meetings of the Board of Directors and of the Association shall be available for examination there by each apartment owner at convenient hours. At the request of an apartment owner, the Secretary shall mail copies of the minutes of meetings of the Board of Directors and of the Association to such owner. The Secretary shall also have the powers and duties customarily incidental to such office, and such other powers and duties as may be given to him elsewhere in these By-Laws or as may be assigned to him by the President or the Board of Directors.

7.6. Treasurer.

The Treasurer shall be responsible for the money and funds of the Association, and he shall be responsible for the keeping of full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all money of the Association in the name of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also have the powers and duties customarily incidental to such office, and such other powers and duties as may be given to him elsewhere in these By-Laws or as may be assigned to him by the President or the Board of Directors.

8. Committees.

The Board of Directors shall have the power to create, by resolution or resolutions enacted by a majority of the entire Board of Directors, such standing and ad hoc committee or committees which may have and exercise such power or powers of the Board of Directors provided by statute, the Declaration, or these By-Laws, with respect to the management of the business and affairs of the Association, or the administration of the common elements of the Property, as the Board of Directors shall from time to time deem necessary. Each such committee shall include not less than one member of the Board of Directors, and may include such number of apartment owners or voting owners, as the case may be, as the Board of Directors shall

provide by resolution. Such a committee may be established to investigate and to report to the Board of Directors with respect to a particular problem, in which case such committee shall not exercise any power or powers of the Board of Directors, and such committee need not include one member of the Board of Directors. No such committee shall have the power to fill any vacant directorship, nor the power to appoint or remove any person from any of the principal or subordinate offices of the Association, nor the power to determine the common expenses or to adopt the annual budget for the Association. Each such committee shall have such name as shall be stated in the enabling resolution enacted by the Board of Directors.

9. Appointment Of Auditor.

The voting owners shall have the power to appoint, by the adoption of an appropriate resolution at any meeting of the Association, a certified public accountant, who shall examine and audit, and report to the voting owners upon, the records, books of account, and transactions of business of the Association in such detail and for such period of time as the voting owners shall determine at the time of the adoption of such resolution.

10. Indemnification.

The Association shall indemnify every director, officer or employee, or any former director, officer or employee (hereinafter called "indemnitee"), and their respective heirs, executors and administrators, against reasonable costs and expenses, including judgments, fines, penalties, amounts paid in settlement and attorney's fees (hereinafter called "expenses"),

incurred in connection with any civil or criminal action, suit or administrative proceeding to which an indemnitee shall be made a party by reason of his being or having been a director, officer or employee of the Association, except however, in relation to those expenses attributable to such portion or portions of the matters involved as to which it shall be adjudged in such proceeding that he has been guilty of negligence or misconduct in the performance of his duties to the Association. In the event of a settlement, indemnification shall be provided only as to the matters covered by the settlement as to which the Association is advised by its counsel that the indemnitee was not guilty of negligence or misconduct in the performance of his duties to the Association. The foregoing right of indemnification shall be in addition to any rights provided by law.

11. Powers Of Board Of Directors.

The affairs of the Association shall be administered by the Board of Directors, through the President, Secretary, Treasurer and Manager or Managing Agent, if any, for and on behalf of the apartment owners. The Board of Directors shall meet at least once during each fiscal year and that meeting shall be called the annual meeting of the Board of Directors. The Board of Directors may hold such additional meetings during each fiscal year as may be necessary or convenient for the administration of the affairs of the Association. Written notice of each meeting of the Board of Directors shall be mailed to each director not less than ..

fourteen (14) days prior to the date for such meeting. Written notice of the annual meeting of the Board of Directors shall be given to each apartment owner and each voting owner in a reasonable manner at least fourteen (14) days prior to such meeting.

The Board of Directors shall have such powers reasonably necessary or convenient for the administration of the affairs of the Association and may do all such acts and things, except such acts and things as by law, the Declaration, or these By-Laws, are expressly reserved to the voting owners or to the apartment owners, and shall have the power to enter upon such contract or contracts for and on behalf of the Association, as may be necessary to exercise such power. Such powers of the Board of Directors shall include, without limitation, the following:

- (a) To operate, care for and maintain the common elements.
- (b) To determine the common expenses required for the administration of the affairs of the Association, and for the operation, care, upkeep, security and maintenance of the common elements.
- (c) To collect the common expenses from the apartment owners.
- (d) To employ, supervise and dismiss the personnel necessary for the maintenance, care, repair, replacement and operation of the common elements and for the administration of the affairs of the Association.

- (e) To establish and maintain reasonable reserves and sinking funds for the future repair, maintenance and replacement of the common elements, and for general administrative and operating expenses.
- (f) To obtain such utility service (if not separately metered or charged) as may be necessary for the apartments, and such utility service as may be necessary for the common elements.
- (g) To purchase apartments of the Horizontal Property Regime at foreclosure or other judicial sale in the name of the Association.
- (h) To obtain and pay the premiums for insurance in the amount of the full replacement value of the Property which shall insure the Property against loss or damage by fire and such other insurable perils as shall appear to be reasonably necessary, and such other insurance (including without limitation general liability insurance) as may be required in the course of the administration of the affairs of the Association and in the operation, care, upkeep, security and maintenance of the common elements.
- (i) To borrow money on behalf of the Association; provided, that the total outstanding amount of such loans shall not, without the approval of a majority of the voting owners, at any time exceed the amount of TWENTY FIVE THOUSAND DOLLARS (\$25,000.00).

(j) To deposit and withdraw funds of the Association with and from banks and like institutions.

(k) To establish a fiscal year for the Association.

(l) To enforce the provisions of these Amended By-Laws, the Declaration, and any administrative Rules and Regulations duly enacted for the use of the apartments or the common elements.

The voting owners may, except as otherwise provided by law, by resolution prospectively restrict any of the powers of the Board of Directors; provided that the enactment of such a resolution by the voting owners shall not, in any event, (i) impair the validity of any contract or obligation previously entered upon by the Board of Directors, or under the authority of the Board of Directors, or of any transfer of property, or any interest in property, previously made by the Board of Directors or under the authority of the Board of Directors, or (ii) conflict with any provision of the Declaration, or conflict with any provision of these Amended By-Laws.

The Board of Directors shall not, in any event, have the power to conduct a business for profit on behalf of the apartment owners or any of them; nor shall the Board of Directors have the power to convey, transfer, mortgage or encumber any of the common elements of the Property.

12. Manager.

The Board of Directors shall have the power to engage a Manager or Managing Agent (who may be a corporate person). The Board of Directors shall have the power to

delegate to such Manager or Managing Agent, subject to such restriction or restrictions as the voting owners may from time to time impose on the exercise of such powers by the Board of Directors, the following powers of the Board of Directors:

(a) To operate, maintain and care for the common elements.

(b) To collect the common expenses from the apartment owners.

(c) To employ, supervise and dismiss personnel necessary for the maintenance, care and operation of the common elements and for the administration of the affairs of the Association.

(d) To obtain such utility service (if not separately metered or charged) as may be necessary for the apartments, and such utility service as may be necessary for the common elements.

The Manager or Managing Agent shall not have the power to enter upon or execute any contract or to assume any liability on behalf of the Board of Directors, or of the Association, in an amount in excess of FIFTEEN THOUSAND and 00/100 DOLLARS (\$15,000.00), pursuant to any power delegated by the Board of Directors. Any power or powers delegated to the Manager or Managing Agent by the Board of Directors may be prospectively revoked by the Board of Directors without notice to the Manager or Managing Agent or to any third person.

13. Collection Of Common Expenses.

"Common Expenses" shall mean all costs, expenses, fees and charges incurred by the Association, or which the Board of Directors expect the Association will incur, for the administration of the affairs of the Association and for the operation, care, repair and maintenance of the common elements, including without limitation the costs and expenses incurred for the operation, care, repair and maintenance of all central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heating, televisions, sewage disposal, and other utilities, and for any premiums for insurance against loss or damage by fire and such other perils to the Property as the Board of Directors shall deem to be reasonably necessary, for any premium for general liability insurance as hereafter provided, and for any utility service (if not separately metered or charged) as may be necessary for the apartments, and for the common elements, and for the maintenance of any reasonable reserve or sinking fund for the future repair, maintenance or replacement of the common elements, for general administrative and operation expenses of the Association, and all costs, expenses, fees and charges called "common expenses" by HAW. REV. STAT. Chapter 514A, as amended or reenacted, or by the Declaration.

Not less than thirty (30) days before the beginning of each fiscal year established for the Association, the Board of Directors shall prepare and adopt a budget for the next fiscal year and shall determine the amount of the total

common expenses for the next fiscal year (which shall include the amount of any deficit in the common expenses for the current fiscal year or for any prior fiscal year). The total amount of such common expenses for the next fiscal year, as approved by the Board of Directors, shall be assessed against, charged to, and as provided by law shall (together with any accrued interest, collection costs and reasonable attorney's fee upon any delinquent amount) constitute a lien upon each apartment on the first day of such fiscal year in proportion to the common interest appurtenant to each apartment. The share of such common expenses for each apartment shall be paid in monthly installments, which shall be due and payable on the first day of each month of each fiscal year established for the Association. (If the Board of Directors should change the fiscal year established for the Association, or if the estimate of the common expenses for any fiscal year should appear to be incorrect, the Board of Directors shall have the power to revise its budget as of the first day of the next month of the current fiscal year.) Not less than fifteen (15) days before the beginning of each fiscal year established for the Association, the Board of Directors shall notify each apartment owner of the amount of the total common expenses determined for the next fiscal year, and the proportion thereof for which his apartment will be liable. (If the Board of Directors should revise its budget for any current fiscal year, then the Board of Directors shall give each apartment owner written notice, not less than fifteen (15) days before the effective date of such revised budget, of the revised amount of

the total common expenses determined for the remaining part of the current fiscal year, and the proportion thereof for which his apartment is liable. If the Board of Directors increases the current budget, then the amount of such increase for which each apartment is liable shall be assessed against, charged to, and as provided by law shall (together with any accrued interest, collection costs and reasonable attorney's fee upon any delinquent amount) constitute a lien upon, each apartment on the effective date of such revised budget.)

14. Special Assessments.

The voting owners shall have the power, by the affirmative vote of a majority of the voting owners of all the apartments, to levy a special assessment against the apartments, which shall be apportioned among the apartments in proportion to the common interest appurtenant to each apartment, and which (together with any accrued interest, collection fees and reasonable attorney's fee upon any delinquent amount.) shall constitute a lien upon each such apartment as provided by law, to fund the renovation, reconstruction, or alteration of the common elements, or of some substantial portion thereof, or the construction of some addition to the common elements, or to fund the purchase of an apartment of the Horizontal Property Regime or to satisfy any extraordinary expense or liability of the Association. Such special assessment shall be due and payable at such time or times as such voting owners shall provide. The Secretary shall, within fifteen (15) days after the enactment by such voting owners of the resolution authorizing such special assessment, notify each

apartment owner of the amount of the special assessment for which his apartment is liable and the date or dates at which the same will be due. As hereinafter provided in section 28, if a deficiency (as therein defined) exists for the reconstruction of any damaged or destroyed common elements, then, unless a seventy-five percent (75%) majority of the voting owners of all the apartments vote in favor of a resolution instructing the Board of Directors not to proceed with such reconstruction, a special assessment in the amount of the deficiency shall be levied and shall exist upon the apartments (without any further vote or action on the part of the voting owners).

15. Accrual Of Interest Upon Delinquent Assessment.

Interest shall accrue at the rate of twelve per cent (12%) a year, or at such higher rate of interest as may be permitted by law, upon any delinquent assessment for common expenses, or upon any delinquent special assessment. The accrual of such interest shall start on the day following the payment date fixed for such assessment.

16. Liability Of Apartment Owners.

Each apartment owner or owners shall be personally liable (and if there be more than one owner of any apartment, they shall be jointly and severally liable) for the full amount of any special assessment or assessment for common expenses against his apartment, irrespective of the date or dates on which such assessments, or portions thereof, came due. The Board of Directors shall have the right to enforce such personal liability of each apartment owner by an action for a money