

POLICY RESOLUTION

INVESTMENT MATURITIES OF REPLACEMENT RESERVES FUNDS

WHEREAS, the Association of Apartment Owners of Hawaiki Tower, Inc. is empowered with the custody and control of all funds of the Association pursuant to Article V. ADMINISTRATION, Section I. Management (I), of the Bylaws of Hawaiki Tower,

WHEREAS, the replacement reserves fund represents a large pool of money which is collected over time from the AOA members for the purpose of funding future replacement costs of the common elements as required by law. The expected requirements for future funding are based on a reserves study that considers the useful life of components and extends over a 25-year period. The current investment portfolio is invested in insured instruments as approved by the Board of Directors in 2003, with the longest maturity being three years (2007 maturity).

WHEREAS, this policy shall be applicable to the investment of replacement reserves funds until such time as this resolution is rescinded, modified, or amended by the Board of Directors,

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors adopts the following policy regarding the investment of replacement reserves funds:

The Board of Directors of Hawaiki Tower, Inc. agrees to remove the limitation on the duration of investments from two years (Board resolution dated April 28, 2003). The current written investment policy for the replacement reserve funds, as unmodified, allows the maturities on any and all investment vehicles for replacement reserves funds, including Certificates of Deposits (CDs), to be as long as, but not to exceed, 80 months. The Board further agrees that the investment policy will be to purchase additional investments over time in successively longer maturities up to the 80-month limit. This agreement shall supercede the Board resolution of April 28, 2003 that limited the maturity of Certificates of Deposits (CDs) to a maximum of two years. The Treasurer and the managing agent will coordinate the solicitation of investment rate quotes at a proposed maturity(ies) for these future purchases of investments greater than one-year and present them to the Board at regularly schedule Board meetings ahead of time for agreement. The Treasurer will include the final purchase information for any such investments in the monthly Treasurer's Report to the Board.

CERTIFICATE OF OFFICERS

We, Patricia Kawakami and Alies Mohan, officers and directors of the Association of Apartment Owners of Hawaiki Tower, Inc., hereby certify that the foregoing Resolution was duly and regularly adopted by the Board on July 26, 2004 and passed by a unanimous vote of said Board.

IN WITNESS THEREOF, we hereto set our hand and corporate seal this 26th day of July 2004.

Officer: _____

Officer: _____