FIRST AMENDMENT TO BYLAWS OF THE
HUALALAI COMMUNITY ASSOCIATION

This First Amendment to the Bylaws of the Hualalai Community Association ("First Amendment"), effective as of the 23rd day of March, 1999, amends the Bylaws of the Hualalai Community Association adopted on the 1st day of August, 1996, by the Directors of the Hualalai Community Association ("Bylaws").

WHEREAS, pursuant to Article 13 of the Bylaws, the Bylaws may be amended or repealed by the vote or written assent of a majority of the voting power of the Community Association and a majority of the votes by Members other than Declarant and Developers as set forth in Section 6.6 of Article IV of the Master Declaration; and

WHEREAS, on the 23rd day of December, 1998, at the Annual Meeting of the Members, it was proposed that the Bylaws be amended as follows:

1. Article 7, Section 7.5 shall be amended by deleting that paragraph in its entirety and replacing it with a new paragraph 7.5 as follows:

Checks and Drafts. Unless previously approved either (i) in the annual operating budget; or (ii) by a contract which was executed by the Board of Directors, all checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Community Association in excess
of $25,000.00 shall be signed or endorsed by the President and Chief Financial Officer.

2. Article 8, Section 8.6 shall be amended by deleting that paragraph in its entirety and replacing it with a new paragraph 8.6 as follows:

   President. The President shall sign all leases, mortgages, deeds and other written instruments and, unless previously approved either (i) in the annual operating budget; or (ii) by a contract which was executed by the Board of Directors, shall co-sign all checks and promissory notes of the Community Association in excess of $25,000.00.

3. Article 8, Section 8.9 shall be amended by deleting that section entirely and replacing it with a new paragraph 8.9 as follows:

   Treasurer. Unless previously approved either (i) in the annual operating budget; or (ii) by a contract which was executed by the Board of Directors, the Treasurer shall co-sign all checks and promissory notes of the Community Association in excess of $25,000 and shall supervise and monitor any checks and promissory notes of lesser amounts signed or endorsed by any officers, employees, or agents authorized by the Community Board and the deposit of all monies and other valuables in the name and to the credit of the Community Association with such depositories as may be designated by the Community Board.

WHEREAS, Section 6.2 of Article IV of the By-Laws of the Master Declaration of Protective Covenants, Conditions, and Restrictions and Reservation of Easements for Hualalai at Historic Ka’upulehu specifies that a quorum exists when there is represented at any meeting, 25% of the total voting power of the members entitled to vote at the meeting; and

WHEREAS, at the Annual Meeting, held on December 23, 1998, there were 900 voting assessment units represented, thus representing 94.43% of the total voting interest. Of the 900 voting assessment units represented, all 900 voting assessment units voted in favor of the proposed Bylaw Amendments; and

WHEREAS, at the Annual Meeting held on December 23, 1998, it was moved, seconded and unanimously approved that the Annual Meeting be adjourned until March 23, 1999 for the sole purpose of soliciting and receiving written consent by the “non” developer members who had not cast their votes on the proposed amendments to the By-Laws which require their consent in order to amend the By-Laws.

WHEREAS, on March 23, 1999, it was reported that of the total fifty-three (53) Written Consent Ballots sent to non-developer members of The Golf Villas at Hualalai, The Hillside Villas at Hualalai and Delegate District 1, all votes (53) were cast unanimously in favor of the
proposed Bylaw amendments, causing the proposed Bylaw amendments to be unanimously approved.

NOW, THEREFORE, the undersigned Secretary of the Community Association has caused this First Amendment to be prepared in furtherance of the action taken by the Members at the meetings held on the 23rd day of December, 1998, and the 23rd day of March, 1999, to amend the Bylaws.

IN WITNESS WHEREOF, the undersigned has caused this Instrument to be duly executed as of the day and year first above written.

HUALALAI COMMUNITY ASSOCIATION, a Hawaii nonprofit corporation

By

DENISE HILL
Secretary/Treasurer
SECOND AMENDMENT TO BYLAWS OF THE
HUALALAI COMMUNITY ASSOCIATION

This Second Amendment to the Bylaws of the Hualalai Community Association ("Second Amendment"), effective as of the 8th day of March 2012, further amends the Bylaws of the Hualalai Community Association adopted on the 1st day of August, 1996, by the Directors of the Hualalai Community Association ("Bylaws").

WHEREAS, pursuant to Article 13 of the Bylaws, the Bylaws may be amended or repealed by the vote or written assent of a majority of the voting power of the Community Association and a majority of the votes by Members other than Declarant and Developers as set forth in Section 6.6 of Article IV of the Master Declaration; and

WHEREAS, on the 24th day of January, 2012, at the Annual Meeting of the Members, it was proposed that the Bylaws be amended as follows:

1. Article 5, Section 5.1(a) shall be amended by deleting that paragraph in its entirety and replacing it with a new paragraph 5.1(a) as follows:

   (a) Number. The Community Board shall be composed of not less than five (5) directors nor more than nine (9) directors. At the first meeting of the Members of the Community Association, and at each subsequent annual meeting, the Members, voting in accordance with Section 2.4 of Article IV of the Master
Declaration of Protective Covenants, Conditions, and Restrictions and Reservations of Easements for Hualalai at Historic Kaupulehu, shall elect not less than five (5) nor more than nine (9) directors, and until the Members of the Community Association shall determine otherwise, the Board of Directors shall consist of five (5) directors.

2. Article 5, Section 5.1(b) shall be amended by deleting that paragraph in its entirety and replacing it with a new paragraph 5.1(b) as follows:

(b) Qualifications. To serve as a director, a person must be either a Member in good standing or an agent of either the Declarant or a Developer, so long as Declarant or such Developer owns a Lot or Condominium in the Property.

3. Article 5, Section 5.2 shall be amended by deleting that section entirely and replacing it with a new paragraph 5.2 as follows:

Election and Term of Office. At the first meeting of the Members of the Community Association, and at each subsequent annual meeting, the Members, voting in accordance with Section 2.4 of Article IV of the Master Declaration of Protective Covenants, Conditions, and Restrictions and Reservations of Easements for Hualalai at Historic Kaupulehu, shall elect not less than five (5) nor more than nine (9) directors, and until the Members of the Community Association shall determine otherwise, the Board of Directors shall consist of five (5) directors. At each annual meeting of the Association, the number of directors for the ensuing year shall be fixed by the Members and the number so designated shall then be elected to hold office until the next annual meeting and thereafter until their successors shall be duly elected. So long as the directors number five (5), there shall be one class of directors which shall hold office concurrently. At such time as the Board of Directors shall number six (6), the directors shall be classified by dividing them into two equal classes. Directors of the first class shall hold office until the first annual meeting of the Members of the Community Association after the number of directors is increased to six (6), at which time the successors of the first class of directors shall be elected for a term of two (2) years. Directors of the second class shall hold office until the second annual meeting of the Members of the Community Association after the number of directors is increased to six (6), at which time the directors of the second class shall be elected for a term of two (2) years. At each annual election of directors, the successors to the class of directors whose term shall expire in that year shall be elected directors for a term of two (2) years, so that the term of office of one class of directors shall expire each year, but each director of whatever class shall hold office until his/her successor shall have been elected and shall qualify, or until his/her
death, or until he/she shall resign or shall have been removed in the manner herein provided.

Except with respect to their respective terms of office, all directors shall have equal powers. In case of any increase in the number of directors, one (1) director shall be added to each class until such time as the Board of Directors shall number nine (9) directors, at which time the directors shall be divided into three (3) classes of three (3) directors each, which classes are to be elected for terms of one (1) year, two (2) years, and three (3) years, respectively, as aforesaid.

In case of any decrease in the number of directors to less than nine (9), but more than five (5), the directors shall be reclassified by dividing them into two (2) classes of not less than three (3) directors each. Nothing herein contained shall be deemed to restrict the power of the members or of the Board of Directors to remove a director for cause. Until such time as the Board of Directors of the Community Association is elected as set forth in this subsection, Declarant shall be vested with all of the powers and charged with all of the duties of the Community Board.

Any person serving as a director may be re-elected, and there is no limit on the number of terms a director may serve. Election of directors shall be by the secret written ballot of the Delegates. All directors hold office until their respective successors are elected.

WHEREAS, the requisite quorum (i.e. Delegates and Hotel and Amenity Members casting not less than 25% of the voting power of the Community Association) was present at the meeting; and

WHEREAS, 70.8628% of the Members voted to approve the amendment;

NOW, THEREFORE, the undersigned Secretary of the Community Association has caused this Second Amendment to be prepared in furtherance of the action taken by the Members at the meeting on the 24th day of January, 2012, to amend the Bylaws.

IN WITNESS WHEREOF, the undersigned has caused this Instrument to be duly executed as of the day and year first above written.

HUALALAI COMMUNITY ASSOCIATION, a
Hawaii nonprofit corporation

By

DENISE HILL
Secretary/Treasurer
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Zoning: Residential, Multi Family - Residential, Parking Lot.
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OF
HUALALAI COMMUNITY ASSOCIATION
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BYLAWS
OF
HUALALAI COMMUNITY ASSOCIATION

ARTICLE 1

Name and Location

The name of this corporation is the Hualalai Community Association (the "Community Association"). The principal business office of the Community Association shall be located in the County and Island of Hawaii, State of Hawaii either within the Property or as close thereto as practicable. The Community Board shall have the power and authority to change such principal office from one location to another within the County.

ARTICLE 2

Definitions

All terms as used in these Bylaws shall, unless stated otherwise, be defined as set forth in that certain Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Hualalai dated May 9, 1996 which has been recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 96-109954 (the "Master Declaration").

ARTICLE 3

Delegate System

Section 3.1 Purpose of Delegate System. To provide for the efficient and effective management of the business to be conducted at the Community Association meetings, the following has or shall be done in the manner specified in these bylaws and elsewhere in the Master Declaration:

(a) The portions of the Residential Areas of the Dedicated Property not subject to a Project Declaration creating a Project Association shall be divided into Delegate Districts as provided in the Master Declaration;

(b) Delegate District Delegates and Alternate Delegate District Delegates shall be selected for each Delegate District to represent the Members of the Community Association therein;

(c) Project Delegates and Alternate Project Delegates shall be selected for each Project located within the Residential Areas of the Dedicated Property and subject to a Project Declaration creating a Project Association, to represent the Members of the Community Association therein (the Delegate District Delegates, the Alternate Delegate District
Delegates, the Project Delegates and the Alternate Project Delegates, and the Non-Residential Delegates and the Alternative Non-Residential Delegates shall sometimes collectively be referred to as the "Delegate(s)" and the "Alternate Delegate(s)"; and

(d) Non-Residential Delegates shall be selected by the Class A Hotel Members (Owners of Hotel Lots) and Class A Amenity Members (Owners of Golf Course Area, Recreational Area and Commercial Area Lots) to represent such Members.

(e) Except for Declarant and Developers only the Delegates and Alternative Delegates, as applicable shall vote upon all matters requiring the vote of Members at any Community Association Meeting.

Section 3.2 Delegates.

(a) Delegates and Alternate Delegates for all Delegate Districts and Projects. Each Delegate District or Project shall have appointed or elected (as applicable) at all times (1) one Delegate to represent the Members in that Delegate District or Project in the manner specified in the Master Declaration and (2) one Alternate Delegate to exercise the powers and duties of the Delegate for each Delegate District or Project whenever the Delegate is absent, disabled or unable to act, as are fully described in subsection (b) below. Any Delegate shall have the power to delegate to any other person and or to committees any of the duties and powers of a Delegate under the Master Declaration.

(b) Alternate Delegates. An Alternate Delegate shall have and exercise the powers and duties of the Delegate for each Delegate District or Project whenever the Delegate is absent, disabled or unable to act. When the Delegate has received any voting instructions at any Delegate District or Project Association meeting, the Alternate Delegate representing that Delegate District or Project shall cast the voting power he represents in accordance with such voting instructions.

Section 3.3 Initial Delegate Selection by Declarant. The Declarant shall have the sole right and power to appoint the initial Delegate and Alternate Delegate for each Delegate District or Project. Such appointments shall be made as soon as reasonably possible after the formation of each Delegate District or Project Association and, in all events, before its initial annual Delegate District or Project Association meeting. Each such Delegate and Alternate Delegate shall represent their Delegate District or Project Association until the Members of that Delegate District or Project Association select a Delegate and an Alternate Delegate at such initial meeting. Declarant shall have the sole right at any time, with or without cause, to remove and replace the Delegate or Alternate Delegate that Declarant has appointed in each Delegate District or Project Association until the Members in that Delegate District or Project Association have selected their own Delegate and Alternate Delegate.
Section 3.4 Delegate Selection by Members.

(a) Projects. The Delegate and the Alternate Delegate of each Project Association shall be the president and vice president, respectively, of that Project Association, who shall be elected at each annual Project Association meeting at the time and in the manner specified in that Project Association’s bylaws and other corporation documents.

(b) Delegate Districts. The Delegate and the Alternate Delegate of each Delegate District shall be elected at each biennial Delegate District meeting for that Delegate District in the manner specified in Section 3.5 below.

(c) Certification to the Community Association. The chairman of any Project Association or Delegate District meeting at which the Delegate or an Alternate Delegate is selected shall certify in writing to the Community Board the name and address of the Delegate or Alternate Delegates selected, the time and place of the meeting at which the selection occurred, and the Delegate District or Project Association which the Delegate and Alternate Delegate represent. The Community Association shall not be obligated to recognize any Delegate or Alternate Delegate, or any person to whom any Delegate or Alternate Delegate has delegated any powers and duties, or the votes or assents of Members cast by any such person, unless the Community Association has first received written confirmation of such appointment or election from the chairman of the meeting at which such person was selected, or in the case of a person to whom certain duties have been delegated, by the Delegate or Alternate Delegate who made such a delegation.

(d) Qualification for Selection. Only members of the Community Association in good standing, or authorized agents or employees of Declarant or a Developer, shall be eligible for selection by the Members as a Delegate or as an Alternate Delegate. With the exception of Delegates or Alternate Delegates who are agents of Declarant or a Developer, upon termination of any Delegate’s or Alternate Delegate’s membership in the Master Association, that Delegate’s or Alternate Delegate’s term of office shall immediately terminate and a new Delegate or Alternate Delegate shall be selected in his place by the Members of that Delegate District or Project Association at a special Delegate District or Project Association meeting called for that purpose.

(e) Term of Office.

(1) Each Project Delegate and Alternate Project Delegate shall continue in office for one (1) year or until he (A) dies or becomes unqualified to serve as provided in subsection (d) above, or (B) resigns or is removed as provided in subsection (f) below, whichever occurs first.

(2) Each Delegate District Delegate and Alternate Delegate District Delegate shall continue in office for two (2) years or until he (A) dies or
becomes unqualified to serve as provided in subsection (d) above, or (B) resigns or is removed as provided in subsection (f) below, whichever occurs first.

(f) Resignation or Removal.

(1) Project Associations. The Delegate or Alternate Delegate of any Project Association may resign or may be removed in the manner provided in the bylaws and other corporation documents of such Project Association for the removal of directors. The appointee to fill any vacancy in the office of president or vice president of any such Project Association (whether caused by death, disqualification, resignation or removal) shall automatically become the appointed Delegate or Alternate delegate (as applicable) of such Project.

(2) Delegate Districts. The Delegate or Alternate Delegate of any Delegate District may resign at any time by giving written notice of resignation to the Community Board at least thirty (30) days before the date on which he desires his resignation to become effective, or may be removed from office with or without cause by a majority of the votes cast on any motion or resolution for removal (if such affirmative votes also constitute a majority of the required quorum) at any special meeting of that Delegate District called by the Community Board for that purpose as provided in these Bylaws; provided however, that in no event shall a Delegate District Delegate or Alternate Delegate District Delegate be removed unless the votes cast in favor of removal equal the lesser of (i) the number of votes which elected such Delegate to his current term, or (ii) a majority of the total voting power of the Members in such Delegate District.

(g) Interim Board Appointments. The Community Board shall have the right to appoint a delegate or an Alternate Delegate to represent the Members of any Delegate District or Project where there is not otherwise a duly selected Delegate or Alternate Delegate. Such appointee(s) shall serve until the Members of that Delegate District or Project Association select their own Delegate or Alternate Delegate, as applicable.

Section 3.5 Specified Delegate Election Procedure. The Delegate and the Alternate Delegate of each Delegate District shall be elected at each biennial Delegate District meeting for that Delegate District, and if required, a replacement Delegate or Alternate Delegate shall be elected at any special Delegate District meeting for that Delegate District called for such purpose, according to the following procedure:

(a) Nominating Committee. The Community Board shall appoint a nominating committee to solicit and accept nominations from among the Members within the Delegate District. The Board shall adopt procedures that provide for a reasonable opportunity for nominees to communicate their qualifications and reasons for candidacy to the Class A Residential Members within the Delegate District.

(b) Election by Ballot. The Delegate and the Alternate Delegate shall be elected by written ballot.
(1) **Board Distributes Ballots.** The Community Board shall cause the election ballots to be distributed to each Class A Residential Member within the Delegate District who is entitled to vote.

(2) **Method of Distribution.** The election ballot shall be delivered to each Class A Residential Member personally or by first class mail (either registered or certified) addressed to the address of that Member within the Property, or to such other address as that Member may specify from time to time.

(3) **Contents of Ballot.** Each election ballot shall set forth (i) the proposed action, (ii) an opportunity to specify the Member's choice among the listed nominees or to write in a name not already listed and (iii) the time by which the Community Board must receive the ballot for it to be counted.

(4) **No Revocation.** A written election ballot may not be revoked.

(c) **Votes Required for Election.** Class A Residential Members shall have the number of votes specified in the Master Declaration. In the case of all Delegate District meetings where both the Delegate and the Alternate Delegate are to be elected, the nominee receiving the greatest number of votes cast shall be elected as the Delegate for that Delegate District for that Delegate District and the nominee receiving the second greatest number of votes cast shall be elected as the Alternate Delegate for that Delegate District. In the case of a special Delegate District meeting where either the Delegate or the Alternate Delegate is to be elected, the nominee receiving the greatest number of votes cast shall be elected to that position.

### Section 3.6 Voting by Delegates

(a) **Voting Through Delegates.**

(1) **Representative System.** Except for Declarant and Developers, who shall cast their own votes (either in person or by proxy), all Community Association meetings shall be attended by Delegates (or Alternate Delegates, as applicable) representing and casting the votes of the Members they represent as follows: (i) Delegate District Delegates and Alternates shall represent and cast the votes of their respective Delegate District; (ii) Project Delegates and their Alternates shall represent and cast the votes of their respective Project Association; and (iii) Non-Residential Delegates shall represent and cast the vote of the respective Class A Hotel Member or Class A Amenity Member who has appointed them. Members who are not Delegates may attend any such Community Association meeting (to the extent of the permissible capacity of the meeting room) but may not participate in any of the deliberations of the Delegates at that meeting or in the voting by the Delegates on any matter.

(2) **Voting Power.** At each Community Association meeting, the Delegate (or Alternate Delegate, as applicable) from each Delegate District or
Project shall exercise the voting power of all of the Residential Class A members in such Delegate District or Project Association. The Non-Residential Delegates shall exercise the voting power of the Member they represent. Any Class C vote for the election of directors shall be cast solely by Declarant.

(b) **Delegate Voting Procedure.**

(1) **Verification of Voting Power.** The Community Board shall have the right, before the Delegates vote on any matter presented to them for a vote, to seek verification from each Delegate District Delegate or Project Delegate of the voting power of the Residential Class A Members within his Delegate District or Project Association including, without limitation, the total voting power of the Delegate District or Project Association as of the Record Date for that vote determined by the Community Board pursuant to Section 7.4 of these Bylaws.

(2) **Voting Rights Generally.** Each Delegate shall cast the votes he represents at any Community Association meeting either personally or by written ballot, and not by proxy. Each Delegate District Delegate or Project Delegate shall cast all of the voting power he represents in his Delegate District or Project Association in the same proportion, as nearly as possible without counting fractional votes, as the Members of that Delegate District or Project Association cast their votes "for" or "against" such action.

(3) **Voting for Directors.** When voting on the election of directors of the Community Association, each Delegate shall cast the actual number of votes as the Members he represents cast for the election of each director nominee.

(4) **Voting When Class B Membership Exists.** Except for the provisions of the Master Declaration regarding the enforcement of bonded obligations, and unless otherwise expressly provided, as long as a Class B Membership exists, any provision of the Master Declaration, the Master Articles or these Bylaws which requires the vote or written consent of a majority or other specified percentage of the voting power of the Community Residential Association shall, before being taken, require the approval of (i) the specified percentage of the voting power of the Delegates attributable to Lots or Condominiums owned by Members other than the Class B Members and (ii) the specified percentage of the voting power attributable to Lots or Condominiums owned by the Class B Members.

(5) **Voting Reports.** To verify compliance with the foregoing voting requirements, each Delegate shall deliver to the chairman of the Community Association meeting at which the vote occurs, a written notice stating (i) the total number and classification of votes in the Delegate District, Project Association or Lot represented by such Delegate, (ii) the number and classification of votes cast by the Delegate in favor of the matter being voted upon, (iii) the number and classification of votes cast by the Delegate against the matter being voted upon, (iv) the number of votes cast by the Delegate in favor of the matter being voted upon, which votes are attributable to Members other than Class B Members, (v) the
number of votes cast by the Delegate against the matter being voted upon, which votes are attributable to Members other than Class B Members, and (vi) the number and classification of votes cast in favor of and against the matter being voted upon, which votes are attributable to Class B or Class C members in response to written instructions from Declarant or Developers given such Delegate. The chairman of such Community Association meeting shall tabulate the total number of votes cast by all Delegates in each of the foregoing categories, and by Declarant and Developers not voting through Delegates, to determine whether the necessary approvals have been obtained.

(6) Presumption of Authority and Binding Effect. For all Community Association business purposes, it shall be conclusively presumed that any Delegate casting votes on behalf of the Members he represents in his Delegate District or Project Association has acted with the consent and authority of all such Members. All agreements and determinations lawfully made by the Community Association in accordance with the voting procedures established herein shall be deemed to be binding on all Members and their respective successors and assigns.

Section 3.7 Delegate District and Project Association Meetings.

(a) Annual Meetings.

(1) Project Associations. The annual meetings for each Project Association shall be held at the time and in the manner specified for annual Project Association meetings in the bylaws and other corporation documents for that Project Association. Whenever possible, the annual Project Association meeting shall be scheduled to occur during the month in which Delegates are to be selected for Delegate Districts. Each Project Association shall cause notice of each of its annual meetings to be given to the Community Board at the same time as notice of that meeting is given to the Members in that Project Association.

(2) Delegate Districts. A biennial Delegate District meeting for each Delegate District shall be held each second year during the month of October or such other month as the Community Board may select from time to time. The exact time and place of each such meeting shall be established by the Community Board. At the first meeting and at each subsequent biennial meeting for each such Delegate District, the Class A Residential Members of that Delegate District shall elect a Delegate and an Alternate Delegate in accordance with the election procedures specified in Section 3.5 above. Notices of biennial meetings shall be given to each Member within the Delegate District, no more than ninety (90) days nor less than ten (10) days prior to the meeting.

(b) Special Meetings.

(1) Called by Delegate. The Delegate may, in his sole discretion, call a special meeting of the Members in his Delegate District or Project Association, pursuant to the procedures adopted by the Community Board, for the purpose of obtaining voting
instructions concerning the manner in which he should vote on any matter to be voted by the Delegates.

(2) **Called by Members.** Upon receipt of a petition signed by not less than five percent (5%) of the Members in a Delegate District or Project, the Delegate shall call a special meeting of the Members in his Delegate District or Project Association, pursuant to the procedures adopted by the Community Board, for the purpose of obtaining voting instructions.

(3) **Called by Board.** The Board shall call a special meeting of the Members of any Delegate District or Project Association to elect a new Delegate or Alternate Delegate, as applicable, for that Delegate District or Project Association whenever (i) the current Delegate or Alternate Delegate, as applicable, dies, resigns or becomes unqualified to serve at any time before the normal expiration his term or (ii) the Community Board receives a petition signed by a majority of the Class A Residential Members within that Delegate District or Project Association requesting removal of the current Delegate or Alternate Delegate, as applicable.

(4) **Called By Declarant or Developers.** As long as Declarant is a Class B or Class C Member, Declarant may, in its sole discretion, call a special meeting of any Delegate District or Project Association and as long as a Developer is a Class B Member such Developer may, in its sole discretion, call a special meeting of any Delegate District or Project Association in which it owns Lots or has constructed or will be constructing Residences, for the purpose of discussing and voting upon matters pertinent to that Delegate District, Project Association or the Community Association.

(c) **Notice and Place of Meetings.** Notices of Delegate District or Project Association special meetings shall be given not less ten (10) days or more than fifty (50) days before the date of the meeting. Notices of Delegate District or Project Association regular meetings shall be given not less than ten (10) days nor more than fifty (50) days before the date of the meeting. All such notices shall specify the place, date and time of such meeting, and the general notice of the business to be transacted. Each such meeting shall be held within the Delegate District or Project or at a meeting place as close thereto as practical as may be fixed from time to time by the Community Board or Project Association. All petitions or requests for special meetings of a Delegate District must be delivered to the president, a vice president or secretary of the Community Association.

(d) **Opportunity to Vote.** Between the date on which a notice of a Delegate District or Project Association meeting is given and the meeting date specified in that notice, the Delegate shall provide an opportunity for each Member in the Delegate District or Project Association to execute proxies, cast written ballots or approve or disapprove any actions in accordance with the voting procedures adopted by the Community Board for Delegate Districts or the applicable Project Association Board.
(e) **Quorum.** The presence at any meeting in person or by proxy of Members entitled to vote at least twenty-five percent (25%) of the total Residential Class A voting power within a Delegate District or Project Association shall constitute a quorum, and if any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than ten (10) days nor more than fifty (50) days from the time the original meeting was called. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is not fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the same manner prescribed for the originally scheduled meeting.

(f) **Chairman and Secretary.** Except as provided in the subsection entitled "Resignation or Removal" of the Section entitled "Delegate Selection by Members" above, the Delegate shall be the chairman to preside over the Delegate District meeting and the Members present shall select a secretary to transcribe minutes of the meeting.

(g) **Approval of Actions.** Any action pertaining to Delegate District or Project Association matters may be taken at any meeting of such Members upon the affirmative vote of the Members having a majority of the total Residential Class A voting power of the Members of such Delegate District or Project Association present at such meeting in person or by proxy, except as otherwise provided in the Master Declaration or Project Declaration.

(h) **Voting Rules.** The Community Board shall adopt, amend and repeal from time to time such rules and regulations as it deems reasonable and appropriate to establish uniform voting forms, including, without limitation, proxy forms, registration books and voting procedures to be utilized by the Delegates in their respective Delegate Districts or Project Associations.

(i) **If No Delegate.** If a Delegate has not been elected or appointed in the manner set forth above to represent a Delegate District or Project Association, a meeting may be called by the Members of such Delegate District or Project Association as aforesaid by notice delivered to the president, a vice president or secretary of the Community Association, and in such event, any such officer shall schedule such meeting and cause notice to be delivered as aforesaid, and the Community Board shall then appoint a committee, officer, employee or agent to preside at such Delegate District or Project Association meeting.

(j) **Certain Actions Prohibited.** Notwithstanding the foregoing, a Delegate District or Project Association is absolutely prohibited from taking any action that would modify any right or obligation of the Delegate imposed by the Restrictions or these Bylaws including, without limitation, the obligation of the Delegate to attend the Community Association meetings and cast the votes of the Members represented.

(k) **Meeting Expenses.** The Community Association shall pay all costs of providing notices and conducting any Delegate District meetings, but the cost shall
be charged as a Special Assessment to the Members of the Delegate District receiving the benefit of such services.

Section 3.8 Proxies

(a) Revocable Proxies.

(1) Every Member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such member or his duly authorized agent and filed with the Delegate of that Member’s Delegate District or Project Association. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the Member executing it, before the vote cast pursuant to that proxy, by writing delivered to the Community Association stating that the proxy is revoked by a subsequent proxy executed by such Member, or (ii) if written notice of the death or incapacity of the maker of the proxy is received by the Delegate of that Member’s Delegate District or Project Association before the vote pursuant to that proxy is counted; provided, however, that no revocable proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of any revocable proxy shall be three (3) years from the date of execution.

(2) Any revocable proxy concerning certain matters which require a vote of the Members is not valid as to such matter unless it sets forth the general nature of the matter to be voted on. These certain matters are as follows:

(A) Removal of a director without cause;
(B) Filling vacancies on the Community Board created by removal of a director;
(C) Approval of transactions involving directors of the Community Association;
(D) Amendment of the Master Articles;
(E) Sale, lease, conveyance, exchange, transfer or other disposition of all or substantially all of the assets of the Community Association;
(F) Merger of the Community Association with another corporation;
(G) Amendment of an agreement of merger:
(H) Voluntary dissolution of the Community Association: and

(i) Distribution of the Community Association’s assets upon dissolution.

(b) **Irrevocable Proxies.** An irrevocable proxy may be given by a Member subject to the following provisions:

(1) The proxy of a Member which states that it is irrevocable is irrevocable for the period specified therein when it is held by:

(A) A person who has purchased or has agreed to purchase the Lot or Condominium giving rise to such Member’s membership in the Community Association;

(B) A creditor of the Community Association or of such Member who extended or continued credit to the Community Association or such Member in consideration of the proxy, if such proxy states the name of the creditor and that the proxy was given in consideration of such extension or continuation of credit;

(C) A person who has contracted to perform services as an employee of the Community Association, if the proxy is required by the contract of employment and if the proxy states that it was given in consideration of such contract of employment, the name of the employee and the period of employment contracted for; or

(D) The Declarant pursuant to any agreement between Declarant and a Developer in connection with such Developer’s acquisition from Declarant of the Lots or Condominiums giving rise to such Developer’s membership in the Community Association.

(2) Notwithstanding the period of irrevocability specified, the proxy becomes revocable (i) if given pursuant to (A) above, when the agreement to purchase is terminated; (ii) if given pursuant to (B) above, when the debt of the Community Association or the Member is paid; (iii) if given pursuant to (C) above, when the period of employment provided for in the contract of employment has terminated; or (iv) if given pursuant to (D) above, when the agreement between Declarant and Developer is no longer in effect with respect to the Lot or Condominium to which the proxy relates.

(3) Any amendment enacted pursuant to Article 13 of these Bylaws restricting or limiting the use of proxies may not affect the validity of a previously issued irrevocable proxy during the term of its irrevocability, so long as it complied with the applicable provisions of these Bylaws when issued.
In any election of directors of the Community Association, any form of proxy that is marked by a Member "withhold," or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director. Failure to comply with this paragraph shall not invalidate any corporation election taken, but may be the basis for challenging the proxy at a meeting.

(c) **Form of Proxy.** Any form of proxy distributed to the Members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters to be acted upon, except it shall not be mandatory that a candidate for election to the Community Board be named in the proxy. The proxy shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise it and the length of time it will be valid.

(d) **Board Rules and Regulations.** The rules and regulations adopted by the Community Board to regulate voting within the Delegate Districts or Project Associations may include the approval of proxy forms to insure compliance with this Section.

**Section 3.9 Board's Special Procedures.** Unless otherwise decided by the Members of a Delegate District or Project Association, the Community Board shall have the power to establish special procedures under which a Delegate may (a) call a special meeting of the Members in his Delegate District or Project Association for the purpose of obtaining voting instructions or (b) may communicate to the Members in his Delegate District or Project Association about actions taken by the Delegates at any Community Association meeting.

**ARTICLE 4**

**Community Association Meetings**

**Section 4.1 Annual Meetings.** The first annual meeting of the Community Association shall be held within one year from the date of the incorporation of the Community Association and each subsequent regular annual meeting of the Community Association shall be held on the same day of the same month of each year thereafter, at the hour set forth in the notice given pursuant to the Section entitled "Notices of Meetings" of these Bylaws; provided, however, that the Community Association by resolution may (a) fix a date for the meeting no more than thirty (30) days before or after that date and (b) fix a new date for an adjourned meeting to be held within thirty (30) days of the date of the scheduled meeting, with notice of the adjourned meeting to be given in accordance with Section 4.4 below. If the day for the annual meeting is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

**Section 4.2 Place of Meeting.** All meetings of the Community Association shall be held within the Property or at a meeting place as close thereto as practical
as the Community Board may by resolution establish from time to time. Unless unusual circumstances exist, such meetings shall not be held outside of the County.

Section 4.3 Special Meetings. Special meetings of the Community Association for any purpose may be called at any time by (i) the Declarant for so long as Declarant is a Class B or Class C Member of the Community Association, (ii) a Developer owning a portion of the Lots or Condominiums in the Property, (iii) any Delegate to the Community Association, when empowered to do so by the Project Association or Delegated District such Delegate represents, (iv) the President of the Community Board; or (iv) the Community Board upon either the vote by a majority of a quorum of its members or upon receipt of a written request for a special meeting signed by Members representing at least five percent (5%) of the total voting power of the Community Association. Upon written request to the President, Vice President or Secretary by any person (other than the Community Board) entitled to call a special meeting, that officer shall cause notice to be delivered to the Delegates and to all Members entitled to vote through such Delegates at least three (3) days prior to the scheduled meeting date, and the meeting shall be held at a time fixed by the Board not less than ten (10) days nor more than fifty (50) days after the receipt of the request except as otherwise provided in the Master Declaration for particular actions such as, and without limitation, those set forth in the Article entitled "Enforcement of Bonded Obligations" of the Master Declaration.

Section 4.4 Notice of Meetings. Written notice of meetings, annual or special, shall be given to each Delegate, and to each Member in the manner prescribed for delivery of notices in the Section entitled "Notices" of the Article entitled "Miscellaneous" of the Master Declaration. All such notices shall be sent to each Delegate and Member entitled thereto not less than ten (10) days nor more than fifty (50) days before each annual meeting or special meeting, and shall specify the place, the date and the time of such meeting and the general nature of the business which the Board intends to present for action by the Members through their respective Delegates. The notices of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Delegates and Members.

Section 4.5 Waiver of Notice. The transactions of any meeting of the Community Association, however called and noticed, and wherever held, are as valid as though had at a meeting held after regular call and notice if a quorum is present, and if, either before or after the meeting, each of the persons entitled to vote who has not voted signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be submitted by the Delegate representing such members or by any Member entitled to vote on his own behalf and filed in the Community Association records or made a part of the minutes of the meeting. Except for matters that may be presented at any meeting to remove a director without cause, to fill a vacancy on the Community Board, to ratify a transaction between the Community Association and one or more of its directors, to approve amendments to the Community Articles, or to elect to voluntarily wind-up and dissolve the Community Association, neither the business to be transacted at nor the
purpose of any regular or special meeting of the Community Association need be specified in any
written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof.

Section 4.6  Quorum. The presence at the meeting of Delegates and
Hotel and Amenity Members casting not less than twenty-five percent (25%) of the voting power
of the Community Association shall constitute a quorum for any action except as otherwise
provided in the Master Declaration. If any meeting cannot be held because a quorum is not
present, the Delegates and Hotel and Amenity Members present may adjourn the meeting to a
time not less than five (5) days nor more than thirty (30) days from the time the original meeting
was called. The quorum for any adjourned meeting shall also be twenty-five percent (25%) of
the voting power of the Community Association.

Section 4.7  Adjourned Meetings. When any originally scheduled or
adjourned meeting of the Community Association, either annual or special, is adjourned for any
reason (including, without limitation, that a quorum was not present) for more than thirty (30)
days or if the time and place for the adjourned meeting are not announced at the original meeting,
or if a new date is fixed for the adjourned meeting after adjournment, notice of the time and
place of the adjourned meeting shall be given in the manner prescribed for the original meeting.

Section 4.8  Voting. Except where a greater portion of the voting power
is required by the Master Declaration, the Master Articles or these Bylaws, a majority of the votes
cast by Delegates at a duly held meeting at which a quorum is present (which affirmative votes
also constitute a majority of the required quorum) shall constitute approval of the Members and
prevail at all meetings. The Delegates present at a duly called or held meeting at which a
quorum is present may continue to transact business until adjournment, notwithstanding the
withdrawal of enough Delegates to leave less than a quorum, if any action taken (other than
adjournment) is approved by Delegates casting at least a majority of the voting power required
to constitute a quorum.

Section 4.9  Order of Business. Unless otherwise indicated by an agenda,
the order of business at Community
Association meetings shall be as follows:

(a) Appointment of an inspector of election by the Community
    Board;

(b) Roll call to determine the voting power represented at the
    meeting;

(c) Proof of notice of meeting or waiver of notice;

(d) Reading of the minutes of the preceding meeting;

(e) Reports of officers;
(f) Reports of committees;

(g) Election of directors (at annual meetings or special meetings held for such purposes);

(h) Unfinished business; and

(i) New business.

Section 4.10 Mortgagee Protection. Written notice of annual or special meetings, upon written request, shall also be given to any First Mortgagee either personally or by sending a copy of the notice through the mail in the manner provided in the Section entitled "Notices" of the Article entitled "Miscellaneous" of the Master Declaration. First Mortgagees shall have the right to attend all Community Association meetings through a representative who has been designated in a writing that has been delivered to the Community Board.

ARTICLE 5

Election of Directors

Section 5.1 Number and Qualification of Directors.

(a) Number. The Community Board shall initially consist of three (3) Directors. The number of directors may be increased or decreased by a duly adopted amendment to these Bylaws, but in no event shall the number of directors ever be less than three (3).

(b) Qualifications. To serve as a director, a person must be either a Member in good standing or an agent of either Declarant or a Developer, so long as Declarant or such Developer owns a Lot or Condominium in the Property. At least one (1) member of the Board of Directors shall be a resident of the State of Hawaii, and in the absence of such member the Board shall not function.

Section 5.2 Election and Term of Office. Until the first annual meeting of the Community Association (described in the Article hereof entitled "Community Association Meetings") is held, the incorporator of the Community Association may do whatever is necessary and proper to perfect the organization of the Community Association, including the adoption of these Bylaws and the appointment of the first directors and officers. All positions on the Community Board shall be filled at the first annual meeting. Of the directors who are elected, the two (2) candidates receiving the lowest number of votes shall be designated Class I directors elected to serve two-year terms and the remaining directors shall be designated Class II directors elected to serve three-year terms. Upon the expiration of such terms, all successor directors shall be elected for two-year terms at alternate annual meetings of the Community Association, but if any such annual meeting is not held, or if the directors are not elected thereat, the directors may...
be elected for two-year terms at any special meeting of the Community Association held for that purpose. Any person serving as a director may be re-elected, and there is no limit on the number of terms a director may serve. Election of directors shall be by the secret written ballot of the Delegates. All directors shall hold office until their respective successors are elected.

Section 5.3  Election Committee.

(a)  Responsibilities and Number. An Election Committee shall be appointed annually by the Community Board to make rules for and supervise nominations, voting procedures, voting requirements and the orderly and fair election of directors. The Election Committee shall consist of a chairman, who shall be a member of the Community Board, and two (2) other persons who shall be Members of the Community Association.

(b)  Nominations. The Election Committee shall make as many nominations for election to the Community Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Nominations for the Community Board shall be closed one hundred (100) days before the date directors are to be elected. No nominations for the Community Board can be made after that date.

(c)  Board Procedures. The Community Board shall adopt procedures that provide for a reasonable opportunity for (1) nominees to communicate their qualifications and their reasons for candidacy to the Members and to solicit votes and (2) all Members to choose among the nominees.

Section 5.4  Cumulative Voting. Every Member entitled to vote in any election of directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he deems appropriate. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Before the voting, the names of all candidates nominated by the Election Committee as aforesaid shall be placed in nomination and notice of the intention to cumulate votes shall be given. The actual votes of each Member, cumulated as provided in this Section, shall be voted by the Delegate of that Member's Delegate District or Project Association in the manner provided in Section 3.6(b)(3) of these Bylaws at the Community Association meeting called for the purpose of electing directors.

Section 5.5  Special Voting Rights. Declarant as the Class C Member shall be entitled to solely elect at least a majority of the total number of directors for the period of time specified in Section 4.1(g) of Article IV of the Master Declaration.

Section 5.6  Removal of Directors. At any meeting of the Community Association of which notice has been properly given as provided in these Bylaws, the entire
Community Board or any individual director may be removed from office as hereinafter set forth, provided that such notice has also been given to the entire Community Board or any individual director whose removal is to be considered at that meeting. The entire Community Board or any individual director may be removed from office without cause by sixty-seven percent (67%) of the votes cast in the voting on any motion or resolution for removal (if such affirmative votes also constitute a majority of the required quorum); provided, however, that if the Community Association has a voting power of less than fifty (50) votes, then such removal must be approved by an affirmative vote of a majority of all the votes entitled to be cast. However, unless the entire Community Board is removed, an individual director shall not be removed before the expiration of his term of office when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most recent election of directors were then being elected. Upon any such motion of resolution for removal, every Member may cumulate his vote or votes, as the case may be, in the same manner as provided for the election of directors in these Bylaws. If any or all directors are so removed, new directors may be elected at the same meeting. All of the foregoing in this Section 5.6 is subject to the provisions of Sections 4.1(g) and 5.1 of Article IV of the Master Declaration and Section 5.5 above entitled "Special Voting Rights."

Section 5.7 Vacancies. A vacancy or vacancies shall be deemed to exist on the Community Board in case of the death, resignation or removal of any director. If the authorized number of directors has been increased at any meeting of the Community Association, or at an adjournment thereof, without an election of directors required to fill such positions, or if the Delegates, with the voting power of their Members, fail at any time to elect the full number of the authorized directors, a vacancy or vacancies shall be deemed to exist.

Vacancies on the Community Board, except for a vacancy created by the removal of a director, may be filled by a vote of a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office for the unexpired term of his predecessor. The Community Board shall be prohibited from filling a vacancy created by the removal of a director or directors except with the vote of the voting power prescribed under the Section hereof entitled "General Limitations and Restrictions on the Powers of the Board" of the Article hereof entitled "Powers, Duties and Limitations of the Board." If the Community Board is not so authorized to act, vacancies occurring in the Community Board by reason of the removal of a director or directors may be filled only by approval of the Members by votes cast by their appointed Delegates at a duly held meeting.

The Members may at any time, by votes cast by their appointed Delegates, elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of directors.

If any director tenders his resignation to the Community Board, the Community Board shall have the power to elect a successor to take office at such time as the resignation
becomes effective. No reduction of the number of directors shall have the effect of removing any
director before the expiration of his term of office.

ARTICLE 6

Meetings of the Board

Section 6.1 Regular Meetings.

(a) Organizational Meeting. Immediately after each annual
meeting of the Community Association, the Community Board shall hold a regular meeting for
the purpose of organization, election of officers and the transaction of other business. No notice
of such meeting shall be required.

(b) Other Regular Meetings. Other regular meetings of the
Community Board may be held without call at such place and day and hour as may be fixed from
time to time by resolution of the Community Board; provided, however, that if such date falls
on a legal holiday, the meeting which otherwise would be held on that day shall be held at the
same time on the next day thereafter which is not a legal holiday. In no event shall regular
meetings of the Community Board be held less than once every six (6) months.

Section 6.2 Special Meeting. Special meetings of the Community Board
for any purpose may be called at any time by the Chairman or by the President, or by any two
(2) directors other than the President.

Section 6.3 Place of Meetings. All meetings of the Community Board
shall be held at the principal office of the Community Association, or at any place or places
within the Property designated at any time by resolution of the Board or by written consent of
all directors, unless in the judgment of the Board, a larger meeting room is required than exists
within the Property, in which case the meeting room selected shall be as close as possible to the
Property.

Section 6.4 Notice of Meetings.

(a) Regular Meetings. Notice of the time and place of any
regular meeting shall be posted at a prominent and accessible place or places within the Property
and shall be communicated to directors not less than four (4) days before the meeting.

(b) Special Meetings. Written notice of the time and place of
a special meeting and the nature of any special business thereat shall be posted in a prominent
and accessible place or places in the Property not less than four (4) days before the meeting.
Such notice shall also be either delivered personally to the directors or sent to each director by
letter or by telegram, postage or charges prepaid, addressed to him at the address shown above
for him in the Community Association’s records. In case such notice is delivered personally to
the directors, such delivery must occur not less than seventy-two (72) hours before the scheduled
time of the meeting. In case such notice is mailed or telegraphed, it shall be deposited in the
United States Mail or delivered to the telegraph company at or near the place in which the
principal office of the Community Association is located at least seventy-two (72) hours before
the scheduled time of the meeting. Such mailing, telegraphing or delivery as provided herein
shall be due, legal and personal notice of each such director.

Section 6.5  Adjournment. A majority of the directors present, whether
or not a quorum is present, may adjourn any meeting to another time and place. If a Master
Board meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to
another time and place shall be given before the time of the adjourned meeting to the directors
who were not present at the time of the adjournment.

Section 6.6  Waiver of Notice. The transaction of any business at any
meeting of the Community Board, however called and noticed, shall be as valid as though had
at a meeting duly held after regular call and notice if (a) a quorum is present, (b) either before
such meeting or at its commencement, each director who attends does so without protesting the
lack of such notice, and (c) either before or after the meeting, each of the directors not present
signs a written waiver of notice or a consent to holding such meeting or an approval of the
minutes thereof. All such waivers, consents or approvals shall be filed in the records of the
Community Association or made a part of the minutes of the meeting.

Section 6.7  Quorum. A majority of the number of directors as fixed by
these Bylaws shall be necessary to constitute a quorum for the transaction of business, except to
adjourn as hereinbefore provided. Every act or decision made or done by a majority of the
directors present at a meeting duly held at which a quorum is present shall be regarded as the act
of the Community Board. A meeting at which a quorum is initially present may continue to
transact business notwithstanding the withdrawal of directors, if any action taken is approved by
at least a majority of the required quorum for such a meeting, or such greater number as is
required by statute, the Master Declaration, the Master Articles, or these Bylaws.

Section 6.8  Board Meeting Attendance by Members. Regular and special
meetings shall be open to all Members; provided, however, no Member who is not an officer or
director shall participate in any deliberation or discussion unless expressly authorized by a
majority of a quorum of the Community Board. The Community Board may, upon the vote of
a majority of a quorum, adjourn a meeting and reconvene in executive session exclusive of all
Members who are not directors to discuss and vote upon personnel matters, litigation in which
the Community Association is or may become involved and other similar matters requiring
confidentiality. The nature of any and all business to be so considered in executive session shall
first be announced in open session.

Section 6.9  Action by Consent in Lieu of Meeting. Notwithstanding
anything to the contrary in these Bylaws, any action required or permitted to be taken by the
Community Board may be taken without a meeting if all directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Community Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors. If the Community Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Property within three (3) days after the written consents of all directors have been obtained.

Section 6.10 Telephonic Attendance. Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all directors participating in such meeting can hear one another. Participation in a meeting pursuant to this Section constitutes presence in person at such meeting.

Section 6.11 Presiding Officer. The members of the Community Board shall elect one of their number to act as Chairman. The Chairman shall preside at all meetings of the Community Board.

ARTICLE 7

Powers, Duties and Limitations of the Board

Section 7.1 Powers and Duties. In addition to the powers and duties of the Community Board set forth in the Master Declaration and Master Articles, and subject to the limitations of the Master Declaration and Master Articles as to action to be authorized or approved by the Members, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Community Association shall be controlled by, the Community Board. Without prejudice to such general powers but subject to the same limitations, the Community Board is vested with and shall have the following powers and duties:

(a) Master Declaration. The duty to enforce the provisions of the Master Declaration and other instruments for the ownership, management and control of the Property and carry out the obligations of the Community Association;

(b) Real and Personal Property Taxes. The duty to pay any taxes and assessments which are, or could become, a lien on the Association Property or any portion thereof;

(c) Insurance. The duty to contract for insurance on behalf of the Community Association or its Members pursuant to the Article entitled "Insurance" of the Master Declaration;

(d) Contracts for Goods and Services. Subject to the restrictions and limitations set forth in the Sections entitled "General Limitations and Restrictions on the
Powers of the Board" and "Additional Contractual Restrictions" of this Article, the duty to contract for goods and services for the Association Property to include, without limitation, water, gas and electric, refuse collections and other services, or for the Community Association, to the extent such services are Annual Expenses of the Community Association, and are not provided by a Project Association, to include, without limitation, trash pickup and disposal service for the benefit of the Owners and the Lots or Condominiums and cable television services for the benefit of the Owners who have subscribed for such service;

(e) **Grant Concessions.** The power to grant commercial concessions over portions of the Association Property, provided that any such contract with an affiliate of Declarant must also comply with the requirements of other Sections of this Article;

(f) **Delegation of Powers.** The power to delegate to Delegates, committees, officers, employees or agents any of its duties and powers under the Master Declaration, Master Articles or these Bylaws; provided, however, no such delegation shall relieve the Community Association of its obligations to perform such delegated duty;

(g) **Budgets and Financial Statements.** The duty to prepare budgets and financial statements for the Community Association pursuant to the Article hereof entitled "Budget and Financial Statements";

(h) **Community Rules and Regulations.** The power to formulate rules of operation for the Association Property and facilities controlled by the Community Association;

(i) **Disciplinary Proceedings.** The duty to initiate and execute disciplinary proceedings against Members for violations of the Restrictions in accordance with the procedures set forth in the Article hereof entitled "Discipline of Members";

(j) **Right of Entry.** The power to enter upon any Lot or Condominium in the Association Property as necessary in connection with construction, maintenance or emergency repair for the benefit of the Association Property or the Owners, to include, without limitation, the following:

(1) Any member of the Development Review Board or any officer, director, employee or agent of the Community Association may at any reasonable time enter upon any Lot or Condominium after notice to the Owner in order to inspect Improvements constructed or being constructed thereon to ascertain that such Improvements have been or are being built in compliance with plans and specifications submitted to and approved by such Development Review Board in accordance with the Design Regulations;

(2) Entry may be made without notice in the event of any emergency involving illness or potential danger to life or property or as necessary to repair or maintain the Association Property so as not to deprive other Owners of the proper use thereof.
for example, but without limitation, the repair of utility installations or structures that service other Lots or Condominiums. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Community Association unless covered by insurance carried by the Owner; and

(3) Entry may be made upon any Lot or Condominium in connection with any exterior maintenance, repair or construction in the exercise of the powers and duties of the Community Association after approval by majority vote of the Community Board. Such entry shall be made only after not less than three (3) days' notice has been given to the Owner;

(k) **Election of Officers.** The duty to elect officers of the Community Board pursuant to the Section hereof entitled "Officers" of the Article hereof entitled "Officers";

(l) **Vacancies on the Board.** The power to fill vacancies on the Community Board except vacancies created by the removal of a director pursuant to the Section hereof entitled "Removal of Directors" of the Article hereof entitled "Election of Directors";

(m) **Corporate Seal.** The power to adopt and use a corporate seal;

(n) **Tax Exempt Status.** The power to conduct the business of the Community Association in such manner that the Community Association can qualify and be considered an organization exempt from federal income taxes pursuant to Internal Revenue Code Section 528 as amended. The Board shall cause to be timely filed any annual election for tax-exempt status as may be required under federal law, and shall undertake to cause the Community Association to comply with all statutes, rules and regulations that have been or shall be adopted by federal agencies pertaining to such exemptions; and

(o) **Voting Rules and Regulations.** The duty to adopt and amend as necessary from time to time, rules and regulations to be utilized by all of the various Delegate Districts and Project Associations to insure uniform and equitable voting procedures for all Members of the Community Association.

**Section 7.2 General Limitations and Restrictions on the Powers of the Board.** The Community Board shall be prohibited from taking any of the actions set forth in Section 7.3 of Article IV of the Master Declaration except as set forth therein.

**Section 7.3 Additional Contractual Restrictions.** Any agreement for professional management and any other contract providing for services of the Declarant or a Developer, shall not exceed one (1) year in duration, renewable by agreement of the parties for successive one (1) years periods, and shall be terminable with or without cause on not more than sixty (60) days' written notice by either party.
Section 7.4 Determination of Record Date.

(a) For Notice. The record date ("Notice Record Date") for the purpose of determining the Members entitled to notice of any meeting of the Community Association shall be the date forty-five (45) days prior to the scheduled meeting date. A determination of Members entitled to notice of a meeting of the Community Association shall apply to any adjournment of the meeting unless the Community Board fixes a new Notice Record Date for the adjourned meeting.

(b) To Vote. Except as otherwise provided in subsection (c) below, the Community Board shall fix, in advance, a date as the record date ("Voting Record Date") for the purpose of determining the Members entitled to vote through their respective Delegates on the action or directors to be approved at any Community Association meeting. Such Voting Record Date shall not be more than sixty (60) days nor less than five (5) days before the date of the meeting. Such Voting Record Date shall also apply in the case of an adjournment of the meeting unless the Community Board fixes a new Voting Record Date for the adjourned meeting. If the Community Board fails to fix such Voting Record Date, the Voting Record Date for the purpose of determining the Members entitled to vote on the action or directors to be approved shall be the close of business on the sixth (6th) day preceding the date of the meeting.

(c) To Cast Ballots. The Community Board may fix, in advance, a date as the record date (the "Delegate Record Date") for the purpose of determining the Delegates entitled to cast written ballots in accordance with the Section hereof entitled "Approval of the Delegates" of the Article hereof entitled "Community Association Meetings." Such Delegate Record Date shall not be more than sixty (60) days before the date on which such ballots must be cast. If no Delegate Record Date is fixed. Delegates at the close of business on the day on which the Community Board adopts the resolution relating thereto, or the sixtieth (60th) day before the date which such ballots must be cast, whichever is later, are entitled to exercise such rights.

(d) For Exercise of Rights. The Board may fix, in advance, a date as the record date (the "Rights Record Date") for the purpose of determining the Members entitled to exercise any rights in respect of any other lawful action. Such Rights Record Date shall not be more than sixty (60) days before such other action. If no Rights Record Date is fixed, Members at the close of business on the day on which the Community Board adopts the resolution relating thereto, or the sixtieth (60th) day before the date of such other action, whichever is later, are entitled to exercise such rights.

(e) For Votes on Assessment Increases. The record date (the "Assessment Record Date") for the purpose of voting upon a proposed Assessment increase requiring the approval of the Members under Section 7.1 of Article V of the Master Declaration shall be the sixth (6th) day before the date of the meeting.
Section 7.5 Checks and Drafts. All checks, drafts, or other orders for payment of money, notes or other evidences or indebtedness issued in the name of or payable to the Community Association in excess of $25,000 shall be signed or endorsed by the President and Chief Financial Officer. Any such items of a lesser amount may be signed or endorsed by such officer or officers, employee, employees, agent or agents of the Community Association and in such manner as, from time to time, shall be determined by resolution of the Community Board.

Section 7.6 Execution of Contracts. The Community Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Community Association, and such authority may be general or confined to specific instances. Unless so authorized by the Community Board, no officer, agent or employee shall have any power or authority to bind the Community Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 7.7 Indemnification of Directors, Officers and Employees. To the maximum extent permitted by and in accordance with the requirements and procedures of the laws of the State of Hawaii as interpreted by the judiciary from time to time, the Community Association shall reimburse, indemnify and hold harmless each present and future director, officer, employee, committee member or other agent of the Community Association, as set forth in Section 10 of Article XI of the Master Declaration. The right of indemnification provided in this Section shall not be exclusive of any other rights to which any person, or any other individual, may be entitled as a matter of law, under any agreement or otherwise.

Section 7.8 Records. The Community Board shall cause a complete record of all its acts and corporate affairs to be kept and to present a statement thereof to the Delegates at annual meetings of the Community Association or at any special meeting where such statement is requested in writing by Delegates representing twenty-five percent (25%) of the Members entitled to vote thereat.

Section 7.9 Executive Committee. Any executive committee, empowered to act with the authority of the Community Board, must consist of at least two (2) directors. Any such committee, to the extent provided in a resolution of the Community Board, shall have all the authority of the Community Board, except concerning:

(a) Any amendment, alteration or repeal of these Bylaws;

(b) The election, appointment or removal of a member of any committee or any director or officer of the Community Association;

(c) The amendment or repeal of the Master Articles;

(d) The authorization of the sale, lease or exchange of all of the property and assets of the Community Association;
(e) The authorization of the voluntary dissolution of the Community Association;

(f) The adoption of a plan for the distribution of the assets of the Community Association; or

Section 7.10 Limit of Debt and Liability. The property of the Community Association shall alone be liable in law for the payment of its debts and the discharge of its obligations. Neither the Members of the Community Association, nor the members of the Board of Directors, nor any of the officers shall have any personal liability for the payment of such debts or the discharge of such obligations, except that the Members of the Community Association shall be subject to assessment for and on account of debts, expenses and obligations of the Community Association as provided in the Declaration.

ARTICLE 8

Officers

Section 8.1 Officers. The officers of the Community Association shall be a President, a Vice President, a Secretary and a treasurer, who shall also serve as Treasurer. Such officers shall be elected by and held office at the pleasure of the Community Board. Any two (2) or more of such offices, except those of President and Secretary, may be held by the same person. All offices, except those of the President and Vice President, may be held by someone who is not a director. Except for agents or representatives of Declarant, a person may serve as an officer only as long as such person is not a director or officer of a Project Association.

Section 8.2 Election. The officers of the Community Association, except such officers as may be appointed as provided in the Sections entitled "Subordinate Officers" and "Vacancies" of this Article, shall be chosen annually by the Community Board and each shall hold his office until he resigns, is removed or is otherwise disqualified to serve, or until his successor is elected and qualified.

Section 8.3 Subordinate Officers. The Community Board may appoint such other officers as the business of the Community Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Community Board may from time to time determine.

Section 8.4 Removal and Resignation. Any officer may be removed, either with or without cause, by the vote of a majority of all the directors then in office at any regular or special meeting of the Community Board at which a quorum is present. Any officer may resign at any time by giving written notice to the Community Board or to the President or the Secretary of the Community Association. Any such resignation shall take effect as of the date
of receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 8.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

Section 8.6 President. The President shall be the chief executive officer of the Community Association and shall, subject to the control of the Community Board, have general supervision, direction and control of the business and officers of the Community Association. The President may, but need not, be the Chairman of the Community Board. He shall (a) be an individual who is a Member of the Community Association, a partner of a partnership member of the Community Association, an officer or director of a corporate member of the Community Association, or an officer, director or employee of the Declarant (b) be an ex officio member of all standing committees, (c) have the general powers and duties of management usually vested in the office of the President of a corporation, and (d) have such other powers and duties as may be prescribed by the Community Board or these Bylaws.

The President shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes of the Community Association in excess of $25,000.

Section 8.7 Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the office of President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Community Board or these Bylaws.

Section 8.8 Secretary. The Secretary shall keep, or cause to be kept, a book of Minutes at the principal office or such other place as the Community Board may order, of all meetings and proceedings of the Community Board and its committees and of the Community Association, with the time and place of the holding of same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at such meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office, a membership register showing (a) the names and addresses of all directors, (b) the names of the Members and their addresses, (c) the property to which each membership relates, (d) the names of the Delegates and Alternate Delegates and their addresses, (e) the number and class of memberships held by each Member, (f) the number and date of membership certificates issued, if any, and (g) the number and date of cancellation of membership certificates, if any.

The Secretary shall give, or cause to be given, notice of all meetings of the Community Association and of the Community Board required by the Bylaws or by law to be
given. He shall keep the seal of the Community Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Community Board or these Bylaws.

Section 8.9   Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Community Association. The books and records of account shall be open to inspection by any director or Member at all reasonable times.

The Treasurer shall co-sign all checks and promissory notes of the Community Association in excess of $25,000, shall supervise and monitor any checks and promissory notes of lesser amounts signed or endorsed by any officers, employees, or agents authorized by the Community Board and the deposit of all monies and other valuables in the name and to the credit of the Community Association with such depositories as may be designated by the Community Board. He shall disburse the funds of the Community Association as may be ordered by the Community Board, shall render to the President and directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the Community Association, and shall have such other powers and perform such other duties as may be prescribed by the Community Board or these Bylaws.

ARTICLE 9

Budget and Financial Statements

Section 9.1   Distribution of Financial Statements. The financial statements described in this Article shall be prepared and distributed to each Member and to holders, insurers and guarantors of First Mortgages at the times and in the manner provided in this Article.

Section 9.2   Budget. The Community Board shall cause to be sent to each Member not less than forty-five (45) days nor more than sixty (60) days before the beginning of each fiscal year either a pro forma operating statement (budget) for such fiscal year or a summary of same.

If the Community Board elects to distribute a summary of the pro forma operating budget, it shall also provide written notice that the pro forma operating budget is available at the principal office of the Community Association and will be mailed to any Member who requests a copy by first-class U.S. mail within five (5) days after the receipt of such request, at the expense of the Community Association.

Section 9.3   Annual Report. The Community Board shall cause an annual report containing the following to be distributed to each Member within one hundred twenty (120) days after the close of the Community Association's fiscal year:
(a) A balance sheet as of the end of such fiscal year;
(b) An operating (income) statement for such fiscal year;
(c) A statement of changes in financial position for such fiscal year;
(d) If such report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Community Association that the report was prepared from the books of the Community Association without independent audit or review.

Section 9.4 Rights of First Mortgagees. The Community Association must provide at its expense an audited statement for its preceding fiscal year to any holder, insurer or guarantor of any First Mortgagee secured by a Lot or Condominium who has submitted a written request therefor or, if such audited statement is not then completed and available, within one hundred twenty (120) days after the close of such fiscal year.

ARTICLE 10

Operation and Reserve Accounts

Section 10.1 Board Review. The Community Board may, but shall not be required to, do the following on a quarterly or other periodic basis:

(a) Cause a current reconciliation of the Community Association’s operating accounts to be made and review the same;
(b) Cause a current reconciliation of the Community Association’s reserve accounts to be made and review the same;
(c) Review the current year’s actual reserve revenues and expenses compared to the current year’s budget;
(d) Review the most current account statements prepared by the financial institutions where the Community Association has its operating and reserve accounts; and
(e) Review an income and expense statement for the Community Association’s operating and reserve accounts.

Section 10.2 Reserve Account Withdrawals. The signatures of at least two persons, who shall either be directors or one director and one officer who is not a director, shall be required for the withdrawal of monies from the Community Association’s reserve accounts.
Section 10.3 Reserve Accounts Defined. As used in this Article, the term "reserve accounts" shall mean monies that the Board has identified from its annual budget for use to defray the future repair or replacement of, or additions to, those major components of the Association Property and facilities which the Community Association is obligated to maintain.

ARTICLE 11

Inspection of Records

Section 11.1 Inspection by Members, Holders, Insurers and Guarantors. The Master Declaration, Master Articles, these Bylaws, the membership register, books and records of account, financial statements, minutes and meetings of the Community Association, of the Community Board, of Delegate Districts, and any committees of the Community Board, shall be made available for inspection and copying by any prospective purchaser of a Lot or Condominium in the Property, any Delegate, any Member or his duly-appointed representative, or any holder, insurer of guarantor of a First Mortgage secured by a Lot or Condominium in the Property, at any reasonable time during normal business hours or under other reasonable circumstances and for a purpose reasonably related to their interest as a prospective purchaser, Delegate, Member, holder, insurer or guarantor, at the principal office of the Community Association or such other place within the Property as the Community Board shall prescribe.

Section 11.2 Rules for Inspection. The Community Board shall establish reasonable rules concerning (a) notice to be given to the custodian of the records by a person desiring to make an inspection, (b) hours and days of the week when such inspection may be made, and (c) payment of the cost of reproducing copies of any documents as requested.

Section 11.3 Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Community Association and the physical properties owned or controlled by the Community Association. Without limiting the generality of the foregoing, a director's right of inspection includes the right to make extracts and copies of documents.

Section 11.4 Inspection by Declarant. Declarant shall have the absolute right at any reasonable time to inspect all books, records, contracts or other documents impacting the Annual Expenses of the Community Association as long as Declarant is subsidizing the Community Association in any manner, including without limitation, the payment of any portion of assessments levied against all other Owners, direct payment of Annual Expenses, or by providing maintenance or other services that would otherwise be provided by the Community Association.

ARTICLE 12

Discipline of Members
Section 12.1  Community Association Rules. The Community Board shall also have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable (the "Community Rules and Regulations") which may include provisions that authorize the Community Board to impose monetary penalties, temporary suspensions of an Owner’s rights as a Member or other appropriate discipline for failure to comply with the Master Declaration, any Project Declaration or the Community Rules and Regulations. The Community Rules and Regulations shall govern such matters in furtherance of the purposes of the Community Association including, without limitation, the nonpayment of assessments, destruction of common property or a violation of use restrictions, and the use of the Association Property; provided, however, that the Community Rules and Regulations may not discriminate among Owners, shall not be inconsistent with the Master Declaration, the Master Articles or these Bylaws and shall not empower the Community Association to cause a forfeiture or abridgement of an Owner’s right to the full use and enjoyment of his Lot or Condominium on account of the failure of such Owner to comply with the Master Declaration, any Project Declaration, or the Community Rules and Regulations, except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale because of the Owner’s failure to pay assessments duly levied by the Community Association. A copy of the Community Rules and Regulations as they may from time to time be adopted, amended or repealed, or a notice setting forth the adoption, amendment or repeal of specific portions of the Community Rules and Regulations, shall be posted or delivered to each Owner in the same manner established in the Master Declaration. Upon completion of such requirements, such Community Rules and Regulations shall have the same force and effect as if they were set forth in and were part of the Master Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby.

Section 12.2  Enforcement. The Community Board shall have the right to suspend the voting rights of a Member who is in default in the payment of any Assessment for any period during which such assessment remains unpaid, and for a period not to exceed thirty (30) days for any infraction of the Community Rules and Regulations. A decision cannot be made and discipline cannot be imposed by the Community Association unless the Member is given fair and reasonable notice and a hearing at which such Member has the right to present oral and written evidence and to confront and cross-examine adverse witnesses.

Section 12.3  Notice and Hearing: Correction of Violation. The procedure for notice and hearing and for the correction of a violation is as follows:

(a) Upon the Community Board’s finding of a violation of any provision of the Master Declaration, the Master Articles, the Community Rules and Regulations or these Bylaws for which notice and hearing is required, the Community Board shall give notice of the violation to the Owner. Such notice shall be given at the time and in the manner prescribed for notices in the Section entitled "Notices" of the Article entitled "General Provisions" of the Master Declaration, and shall briefly describe the violation and set a date for a hearing before the Community Board or a committee appointed by the Community Board for such purpose (the "Rules Enforcement Committee").
(b) The hearing shall be held not less than thirty (30) days nor more than sixty (60) days from the date on which such written notice is given to the accused Owner.

(c) The hearing shall be conducted according to such reasonable rules and procedures as the Community Board shall adopt. Such rules and procedures shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to such Owner. The Community Board or any Rules Enforcement Committee shall deliver to the accused Member within seven (7) days after the hearing a written decision which specifies the fines or penalties levied, if any, and the reasons therefor. If the correction of such violation also requires additional time in which the violation can be corrected (such as, and without limitation, for any installation, removal, repair, replacement, reconstruction or maintenance of improvements), the Community Board or any Rules Enforcement Committee shall set another date by which the Owner must correct the violation. A decision of any Rules Enforcement Committee may be appealed to the Community Board, but a decision of the Community Board shall be final.

(d) If the violation is one that requires corrective work, and continues to exist after the time limitation imposed by a final decision of the Community Board or any Rules Enforcement Committee, the Community Board or such Rules Enforcement Committee may cause such corrective work to be accomplished. In such event, the Community Board shall give written notice of such election to the violating Owner and the following shall apply:

(1) The Owner shall have no more than ten (10) days after receipt of such a written election notice in which to select a day or days upon which such corrective work shall be accomplished;

(2) The date which such Owner selects shall be not less than ten (10) days nor more than thirty (30) days after the last day of the ten-day period specified in such notice of election;

(3) If such Owner does not select such day or days within the ten-day period specified in the election notice, the Community Board or such Rules Enforcement Committee may select a day or days upon which such corrective work may be accomplished, which shall be not less than twenty-five (25) days nor more than fifty-five (55) days after the last day of the ten-day period specified in such notice of election; and

(4) Unless the Owner and the Community Board otherwise agree, such corrective work shall take place only during daylight hours, Monday through Friday, excluding holidays.

(e) If the Community Association pays for all or any portion of such corrective work required, such amount shall be reimbursed by the affected Owner.
ARTICLE 13

Amendment Provisions

Section 13.1 Powers of Members. These Bylaws may be amended or repealed by the vote or written assent of a majority of the voting power of each class of membership, or the vote of written assent of a majority of the voting power of the Community Association and a majority of the votes by Members other than Declarant and Developers as set forth in Section 6.6 of Article IV of the Master Declaration. Notwithstanding the above, the percentage of the voting power of the Community Association or of Members other than Declarant and Developers necessary to amend a specific clause or provision in these Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision. An amendment to this Section or any other Section of these Bylaws pertaining to voting rights must further have the approval of the voting power of the Members and of First Mortgagees as provided in the Section entitled "Approval of Residential First Mortgagees" of the Article entitled "Miscellaneous" of the Master Declaration.

Section 13.2 Record of Amendments. Whenever an amendment or new Bylaw is adopted it shall be placed in the book of Minutes in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in such book.

Section 13.3 Approval of Mortgages. Notwithstanding anything to the contrary in this Article, no material amendment to the Bylaws shall be made without the prior written approval of Mortgagees holding seventy-five percent (75%) of the First Mortgages encumbering Lots or Condominiums in the Property. Any increase in the number of Directors of the Community Board shall not be deemed to be a material amendment to the Bylaws for purposes of this Section 13.3.

ARTICLE 14

Miscellaneous

Section 14.1 Singular Includes Plural. Whenever the context of these Bylaws requires, the singular shall include the plural and the masculine shall include the feminine.

Section 14.2 Fiscal Year. The Association’s fiscal year shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of each year, except that the first fiscal year shall begin on the date of incorporation. The fiscal year is subject to change from time to time as the Community Board shall determine.
ADOPTION OF BYLAWS

We, the undersigned directors of the Hualalai Community Association, do hereby, pursuant to the laws of the State of Hawaii, adopt the foregoing provisions as the Bylaws of said corporation.

DATED: August 1, 1996

KIM RICHARDS

JAMES PRESKITT

LAURIE TREWEK
CERTIFICATION

LAURIE TREWEEK, Secretary of the Hualalai Community Association, a Hawaii nonprofit corporation, hereby certifies that the foregoing is a true copy of the Bylaws of said corporation, and that said Bylaws were adopted on the 1st day of August, 1999 and are still in force and effect.

Witness the hand of the undersigned this 4th day of September, 1999.

LAURIE TREWEEK
Secretary