

BY-LAWS
OF
KA ONO ULU ESTATES COMMUNITY ASSOCIATION
("Corporation")

ARTICLE I

Section 1. Principal Office. The principal office of the Corporation shall be at such place in the County of Maui, State of Hawaii, as the Board of Directors shall from time to time determine.

Section 2. Seal. The Corporation shall have a common seal of such form and design as the Board of the Directors shall from time to time determine.

ARTICLE II

Meetings

Section 3. Annual Meetings. The annual meeting of members of the Corporation shall be held each year, on such date and at such time in the month of May, and at such place in the County of Maui as shall be designated by the Board of Directors in the notice of annual meeting. The annual meeting shall be a general meeting, and at any such meeting any business within the powers of the Corporation, without special notice of such business, may be transacted, except as limited by law, the Articles of Incorporation of Ka Ono Ulu Estates Community Association (hereinafter referred as "Association"), the Declaration of Protective Covenants for Ka Ono Ulu Estates (hereinafter referred as "Declaration"), or these By-Laws.

Section 4. Special Meeting. Special meetings of the members may be held at any time upon the call of the President or upon the call by resolution of the Board of Directors, or upon the written request of members entitled to not less than twenty-five percent (25%) of the votes of the entire membership.

Section 5. Notices of Meetings. Except where and to the extent otherwise provided by law, the Articles of Incorporation or the Declaration, a written notice of all meetings, annual or special, stating the place, day and hour of the meetings, and whether it is annual or special, and in case of each special meeting stating briefly the purpose thereof and the business proposed to be transacted, shall be given by personally delivering the same to a member or by mailing such notice, postage prepaid at least five (5) days before the date assigned for the meeting to a member at his address as it appears upon the transfer books of the Corporation or his usual place of business, or such notice of any meeting may be given by publication in one or more newspapers of general circulation in the County of Maui, Hawaii, not less than two (2) times on separate days, the last publication to appear not less than five (5) days prior to the date assigned for the meeting. Upon notice being given in accordance with the provisions hereof, the failure of any stockholder to receive actual notice of any meeting shall not in any way invalidate the meeting or proceedings at such meeting. The presence of any member of the Corporation at a meeting shall be deemed a waiver by such member of notice of the meeting.

Section 6. Irregular Meetings Validated. Subject to such express limitations, if any, as may be contained in any provision of law, the Articles of Incorporation or the Declaration applicable to any particular action, when members entitled to two-thirds ($2/3$) or more of the votes of the entire membership shall personally or by proxy or by other authorized representatives sign a written waiver of call and notice of the time and place and purpose of the meeting, the doings of such meeting shall be valid even though such meeting was never called or no notice of the same was ever given.

Section 7. Quorum. At all meetings the presence of members entitled to exercise one third ($1/3$) of the votes of the membership shall be necessary to constitute a quorum, and the action of the members entitled to a majority of the votes present or represented at any meeting at which a quorum is present shall be valid and binding upon the Corporation except as otherwise provided by law, the Articles of Incorporation, the Declaration or these By-Laws.

Section 8. Voting. At each meeting of the members, each member, except where otherwise provided by the Articles of Incorporation, shall be entitled to vote in person or by representative appointed by instrument in writing subscribed by such member or by his duly authorized attorney, and filed with

the Secretary, and he shall have the number of votes to which he is entitled under the Articles of Incorporation upon the date of said meeting or on the record date fixed by the Board of Directors.

Section 9. Adjournment. Any meeting of the members, whether annual or special, may be adjourned from time to time, whether a quorum be present or not, without notice other than the announcement at the meeting, and such adjournment may be to such time and to such place as may be determined by a majority vote of those present. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally called and noticed.

ARTICLE III

Board of Directors

Section 10. Number and Term of Office. A Board consisting of not less than three (3) Directors shall be elected at the annual meeting. Except as hereinafter provided, each Director shall hold office until the third annual meeting held following his election and until his successor shall have been elected. At the first annual meeting, one-third (1/3) of the Directors elected shall be elected to three year terms, one third (1/3) of the Directors elected shall be elected to two year terms, and one third (1/3) of the Directors elected shall be elected to one year terms. A determination of the number of Directors who shall serve on the Board of Directors may be made at any time by a majority decision of the current Directors. If the Board of Directors should decide to increase the number of Directors, the additional number of Directors shall be elected at the next annual meeting of members. If the Board of Directors should decrease the number of Directors, the current Directors shall continue to hold office until the next annual meeting, unless certain of the Directors should earlier resign. Any increase or decrease in the number of Directors shall be accomplished so as to maintain the schedule of retiring and replacing one third (1/3) of the Board of Directors each year.

Section 11. Removal of Directors. Any Director may be removed from office at any time and another person may be elected in his place to serve for the remainder of his term at any special meeting of members, called and held for the purpose by the affirmative vote of the members entitled to two thirds

(2/3) or more of the votes present or represented at any meeting at which a quorum is present.

Section 12. Chairman, Meetings, Notice. The Board may appoint a Chairman who shall preside at all meetings and serve during the pleasure of the Board. The Board shall hold meetings as often as the business of the Corporation may require at the call of the President, the Chairman of the Board, or any of the Directors constituting at least one-half (1/2) of the Board, provided that the Board shall meet at least once annually immediately after the annual meeting of the members of the Corporation. The Secretary shall give notice of each meeting of the Board of Directors other than the annual meeting either orally or in writing by mailing or delivering the same not less than one (1) day before the meeting unless otherwise prescribed by the Board. The failure by the Secretary to give such notice or by any Director to receive such notice shall not invalidate the proceedings of any meeting at which a quorum of Directors is present.

Section 13. Quorum and Adjournment. The majority of the Directors shall constitute a quorum for the transaction of business and no actions taken other than the appointment of Directors to fill temporary vacancies, as provided in these By-Laws, shall bind the Corporation unless it shall receive the concurring vote of a majority of all the Directors. In the absence of a quorum, the presiding officer or a majority of the Directors present may adjourn the meeting from time to time without further notice until a quorum be had.

Section 14. Powers of Board of Directors. The property, affairs and business of the Corporation shall be managed by the Board of Directors and, except as otherwise provided by law, the Articles of Incorporation, the Declaration and By-Laws, all of the powers and authority of the Corporation shall be vested in and may be exercised by the Board of Directors as fully and for all purposes as though exercised directly by the members; and in furtherance and not in limitation of said general powers, the Board of Directors shall have the power: to dispose of property; to appoint a General Manager or managing agent and such other managers, officers or agent of the Corporation as in its judgment the business may require and to confer upon and to delegate to them by power of attorney or otherwise such power and authority as it shall determine; to remove or suspend any of the aforesaid managers, officers, or agents appointed by the Board, at the sole discretion of the Board; to fix the salaries or compensation of agents and employees of the Corporation and, in its discretion,

to require security of any of them for the faithful performance of any of their duties; to set the amount of membership fee assessed annually upon each Owner; to make rules and regulations not inconsistent with law, the Articles of Incorporation, the Declaration or these By-Laws for the transaction of business; to adopt and publish rules and regulations relating to the use and enjoyment of the common areas, improvements, facilities and services and the personal conduct of members and their tenants and guests thereon; to establish penalties for infraction of the aforementioned rules and regulations, if any, and for non-payment of authorized charges and assessments made by the Corporation, including the suspension of membership rights as provided in the Articles of Incorporation; to create such committees (including an executive committee or committees) and to designate as members of such committees such persons as it shall determine, and to confer upon such committees such power and authority as may by resolution be set forth for the purpose of carrying on or exercising any of the powers of the Corporation; to appoint members of the Design Committee who are to be appointed by the Corporation pursuant to the Declaration; to create and set aside reserve funds for any purpose and to deposit said funds in such depository institution it may deem proper; and, generally, to do any and every lawful act necessary or proper to carry into effect the powers, purposes and objects of the Corporation.

Section 15. Vacancies and Substitute Directors. If any permanent vacancy shall occur in the Board of Directors through death, resignation, removal or other cause, the remaining Directors, by affirmative vote of a majority of the whole Board may elect a successor Director to hold office for the unexpired portion of the term of the Director whose place shall be vacant.

In case of a temporary vacancy due to the absence of any Director from the State of Hawaii or the sickness or disability of any Director, the remaining Directors whether constituting a majority or a minority of the whole Board, may appoint some person as a substitute Director who shall be a Director during such absence or disability and until such Director returns to duty. The determination by the Board of Directors of the fact of such absence or disability and the duration thereof as shown in the minutes of the Board meeting shall be conclusive as to all persons and the Corporation.

Section 16. Approval of Acts of Board of Directors. At any annual or special meeting of the members any or all of

the acts and doings of the Board of Directors may be ratified, confirmed and approved by the members, and such ratification and approval shall be as valid and binding upon the Corporation and upon all members as though it had been approved or ratified by every member of the Corporation.

ARTICLE IV

Officers

Section 17. Appointment. The officers of the Corporation shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer and in addition thereto, at the discretion of the Board of Directors, a Chairman of the Board, an Assistant Treasurer or Assistant Treasurers, an Assistant Secretary or Assistant Secretaries, and such other subordinate officers with such duties as the Board of Directors shall from time to time determine. All officers shall be appointed annually by the Board of Directors and shall serve until their successors have been appointed and qualified. One person may hold more than one office, and all officers shall be subject to removal at any time by the affirmative vote of the majority of the entire Board. The Board of Directors may, in its discretion, appoint acting or temporary officers, may appoint officers to fill vacancies occurring for any reason whatsoever, and may, in its discretion, limit or enlarge the duties and powers of any officer appointed by it.

Section 18. Chairman of the Board. The Chairman of the Board, if appointed, shall preside at all meetings of the Board of Directors and shall perform such other duties as may be required of him by the Board of Directors.

Section 19. President. The President shall preside at all meetings of the members, and in case no Chairman of the Board of Directors is appointed or in the absence of such a Chairman, if appointed, he shall preside at meetings of the Board of Directors. He shall exercise general supervision over the business of the Corporation and over its several officers, agents and employees, subject, however, to the control of the Board of Directors. He shall also perform Design Committee functions when called upon to do so pursuant to Section 4.01 of the Declaration.

Section 20. Vice-Presidents. The Vice-President or Vice-Presidents, in the order of priority of appointment, shall perform all of the duties and exercise all of the powers and

rights of the President provided for in these By-Laws or otherwise during the absence or disability of the President or whenever the office of President is vacant and shall perform all other duties assigned by the Board of Directors.

Section 21. Treasurer. The Treasurer shall have custody of all the funds, notes, bonds and other valuable papers of the Corporation, and shall be responsible for keeping all of the books and accounts of the Corporation, and shall render statements thereof in such form and as often as required by the Board of Directors. He shall have the power to enclose for deposit or collection all notes, drafts, checks and other obligations for the payment of money to the Corporation or to its order.

Section 22. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members. He shall give notice in conformity with these By-Laws of all meetings of the members and the Board of Directors. In the absence of the President and the Vice Presidents, he shall preside until a Chairman pro tempore is chosen. He shall have charge of the membership ledger, all documents pertaining to title to all real property owned or held by the Corporation and all rules, regulations and other documents and maps required to be filed with the Corporation or in the office of the Corporation by the Declaration, an original or duplicate of each which shall be available at all times during usual business hours for examination by members of the Corporation. He shall also perform all other duties assigned to him by the President or the Board of Directors.

Section 23. Assistant Treasurer. An Assistant Treasurer or Assistant Treasurers, if appointed, in the order of priority of appointment, shall perform all of the duties and exercise all of the powers of the Treasurer during his absence or disability or whenever the office of Treasurer is vacant and shall perform all duties assigned to him or them by the President or the Board of Directors.

Section 24. Assistant Secretary. An Assistant Secretary or Assistant Secretaries, if appointed, in the order of priority of appointment, shall perform all of the duties and exercise all of the powers of the Secretary during his absence or disability or whenever the office of Secretary is vacant and shall perform all duties assigned to him or them by the President or the Board of Directors.

ARTICLE V

Execution of Instruments

Section 25. Proper Officers. Except as otherwise provided by law or these By-Laws, all checks, drafts, notes, bonds, acceptances, deeds, leases, contracts and all other documents and instruments, shall be signed, executed and delivered by the President or a Vice President and by the Treasurer or the Secretary, or an Assistant Treasurer or Assistant Secretary; provided, however, that the Board of Directors may from time to time by resolution authorize checks, drafts, bills of exchange, notes, orders for payment of money, licenses, endorsements, powers of attorney, proxies, waivers, consents, returns, reports, applications, notices, agreements or documents, instruments or writings of any nature to be signed, executed and delivered by such officers, agents or employees of the Corporation, or any one of them, in such manner as may be determined by the Board of Directors.

Section 26. Facsimile Signature. The Board of Directors may from time to time by resolution provide for the execution of any corporate instrument or document by a mechanical device or machine, or by use of facsimile signatures, under such terms as shall be set forth in the resolution of the Board of Directors.

ARTICLE VI

Committees

Section 27. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the total Board of Directors in office. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules and regulations adopted by the Board of Directors.

ARTICLE VII

Section 28. Adoption, Amendment and Repeal. The By-Laws may be amended or repealed and new By-Laws may be

adopted, by action of not less than two-thirds (2/3) of the votes of the members present at a meeting of the members of the Corporation duly called and held, the notice of which shall have stated that a purpose of the meeting is to consider the adoption, amendment or repeal of the By-Laws and the general nature of the same.

Adoption of By-Laws

The undersigned, being all of the signers of the Articles of Incorporation of KA ONO ULU ESTATES COMMUNITY ASSOCIATION do hereby adopt the foregoing By-Laws as the By-Laws of said Corporation.

DATED: Honolulu, Hawaii, FEB 29 1992

[Signature]

Grant M. Chen

Kelley L. A. Wilson