

BYLAWS OF

OLOWALU MAUKA

HOMEOWNERS ASSOCIATION, INC.

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BYLAWS  
OF  
OLOWALU MAUKA HOMEOWNERS' ASSOCIATION, INC

ARTICLE 1  
MEMBERS

1. Membership. The members of the corporation shall consist of the "Owner" or "Owners" of record of "Properties" in "OLOWALU MAUKA" as those terms are defined in OLOWALU MAUKA DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, dated July 15, 2002, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-138595, as amended from time to time (the "CC&Rs"). Membership is automatic and mandatory for each Owner of each Property. Said membership may be transferred or encumbered only with and to the same extent as a transfer of an interest in the Property to which it is appurtenant. In the event any interest in a Property is conveyed or transferred without mention of said membership, said membership shall be deemed to be automatically transferred with said Property without further documentation.

2. Voting Rights of Members. Each Property shall have one vote. Votes may be cast in person or by proxy by the respective Property "Owners" (as that term is defined in the CC&Rs). An executor, administrator, guardian or trustee of any Property Owner may cast the vote for said Property, provided that he or she shall first present evidence satisfactory to the Secretary of the corporation that he or she holds and controls the vote of said Property in such capacity. The vote for any Property owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by any other owner of said Property; but in the case of protest, each co-Owner shall be entitled to only a share of such vote in proportion to his or her ownership in said Property.

ARTICLE II  
MEETING OF MEMBERS

1. Annual Meeting. An annual meeting of the members shall be held on the first Thursday in the month of April in each year, at the hour of 10:00 o'clock, a.m., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Hawaii, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the

attorney in fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

8. Voting by Mail. When directors or officers are to be elected by members of any class or classes of members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

### ARTICLE III BOARD OF DIRECTORS

1. Number, Tenure and Qualification. The number of directors shall initially be set at three, and may be increased or decreased from time to time by vote of the members, but shall never be less than three. Each director shall hold office until the next annual meeting and until his successor shall have been elected and qualified by a majority of the members present at a meeting duly held for that purpose or pursuant to Article II, Section 8 of these Bylaws.

2. Vacancy. Any vacancy in the Board of Directors occurring during the year, including a vacancy created by an increase in the number of directors, may be filled for the unexpired portion of the term by the affirmative vote of the majority of the remaining Board of Directors then serving. Any director so elected by the Board of Directors shall hold office until the next succeeding annual meeting of the members of the corporation or until the election and qualification of his successor.

### ARTICLE IV MEETINGS OF DIRECTORS

1. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than these Bylaws, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the State of Hawaii, for the holding of additional regular meetings of the Board without other notice than such resolution.

2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Hawaii, as the place for holding any special meeting of the Board called by them.

## ARTICLE V OFFICERS

1. Officers. The officers of the corporation shall be a president, one or more vice-presidents (the number thereof to be determined by the Board of Directors), a secretary, a treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

4. Vacancies. In case any office of the corporation becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of the Directors then in office, although less than a quorum, may elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the first meeting of the Board of Directors next succeeding and until the election and qualification of his successor.

5. President. The president shall be the principal executive officer of the corporation and shall in general supervise and control all the business and affairs of the corporation. He shall preside at all meetings. He may sign, with the secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of

## ARTICLE VI COMMITTEES

1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation; provided, however, that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws, electing, appointing or removing any member of any such committee or any director or officer of the corporation; amending the Articles of Incorporation; restating the Articles of Incorporation; adopting a plan of merger; adopting a plan of consolidation with another corporation; or authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interest of the corporation shall be served by such removal.

3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such members cease to qualify as a member thereof.

4. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

the performance of the person's duty to this corporation unless and only to the extent that the court in which that action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

3. Authorization. Any indemnification under Section 1 and 2 of this Article (unless ordered by a court) shall be made by the corporation only if authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because the director or officer has met the applicable standard of conduct set forth in Section 1 or 2. The determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the proceeding, or (b) if a quorum is not obtainable, or, even if obtainable if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion to the corporation, or (c) by a majority vote of the members (if any); or (d) by the court in which the proceeding is or was pending upon application made by the corporation or the director or officer or the attorney or other person rendering services in connection with the defense, whether or not the application by the director, officer, attorney, or other person is opposed by this corporation.

4. Advance Payments. Expenses incurred in defending any proceeding may be paid by the corporation in advance of the final disposition of the proceeding as authorized by the Board of Directors in a particular case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that the director or officer is entitled to be indemnified by the corporation as authorized in this Article.

5. Other Rights. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs and personal representative of such a person.

6. Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of any director or officer of the corporation, against any liability asserted against or incurred by the director's or officer's status as such, whether or not the corporation would have the power to indemnify the director or officer against liability under this Article.



ARTICLE XI  
ASSESSMENTS

1. Responsibility for Maintenance and Operations of Common Areas. Each Property shall be liable for an equal share of the common expenses of the corporation for the maintenance, repair and operation of the corporate property and common areas and facilities in Olowalu Mauka and the expenses of operating the Association. The Association may make special assessments against any Property for any extraordinary costs or expenses caused by the act or omission of the Owner or occupant of said Property under circumstances where it would be unfair in the reasonable discretion of the Board of Directors to assess said cost to all Properties as a common expense.

2. Mechanics. The Board of Directors shall formulate annual budgets for the common expenses and shall annually or at other appropriate times set periodic assessments, either monthly or quarterly, to provide for their collection. The Board shall provide appropriate periodic reports or summaries of its financial transactions and status of collections.

3. Defaults in the Payments of Assessments. Each assessment of expenses by the Association shall be a separate, distinct and personal debt of the Owners of a Property (or in the case of multiple Owners of a Property, each Owner jointly and severally) against which the same is assessed. If the Owner shall fail to pay his assessment when due, then said Owner shall pay an additional assessment of \$40.00 (or such other fine or fines adopted by the Board of Directors from time to time) for each such failure and all delinquent assessments shall bear interest at the rate of 1-1/2% per month from the assessment due date (or the highest rate permitted by Hawaii law, if such highest rate is less than 1-1/2% per month).

In the event of a default or defaults by the Owners of any Property, and in addition to any other remedies provided by law, the Board may enforce such obligation by bringing a suit or suits at law to enforce each such assessment obligation and may enforce a lien on said Property as provided in the CC&Rs and/or may obtain against said Property an ex parte attachment in any appropriate court to further secure said obligation. Any such action shall be brought in the name of the Board or the Corporation, and the Corporation shall be entitled to recover from the defendant, as part of any judgment, additional compensation in the amount of the Corporation's or Board's attorney's fees and costs in prosecuting the action. The Owner of each Property by accepting a deed to his or her Property (or other interest therein) hereby expressly consents to these provisions and the right of the Board as set forth herein and expressly consents to the imposition of a lien or an

by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV  
AMENDMENT TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the affirmative vote or the written consent of the Owners of not less than 65% of all Properties in Olowalu Mauka. Notwithstanding any provision to the contrary herein or in the CC&Rs, no amendment will alter the membership status, voting rights or proportionate share of common expense obligations appurtenant to a Property without the express written consent or joinder of all Owners of said Property.