

AMENDED BY-LAWS

of the

SEACLIFF PLANTATION AT KILAUEA BAY COMMUNITY ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the non-profit corporation is SEACLIFF PLANTATION AT KILAUEA BAY COMMUNITY ASSOCIATION, herein called the "Association". The initial principal place of the corporation shall be located at 4270-B Kilauea Road, Island and County of Kauai, State of Hawaii, but meetings of members and directors may be held at such places within or without the State of Hawaii as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the SEACLIFF PLANTATION AT KILAUEA BAY COMMUNITY ASSOCIATION, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association established by the Articles of Incorporation and these By-Laws.

Section 3. "Declarant" shall mean the Pali Moana Company, and its successors and assigns.

Section 4. "Declaration" shall mean that certain Amended Declaration of Covenants, Conditions and Restrictions of the Seacliff Plantation at Kilauea Bay Community, made by the Declarant to be recorded in the Bureau of Conveyances of the State of Hawaii.

ARTICLE III

MEMBERSHIP

Section 1. The rights of membership are subject to the payment of the assessments levied by the Association, the obligation of which assessments is imposed against each owner and becomes a lien upon the interest of such Owner in the farm dwelling site against which such assessments are made.

Section 2. The membership rights of any person whose interest in the farm dwelling site is subject to assessments hereunder, may be suspended by action of the Board during the period when the Member shall be in default in the payment of any assessment levied by the Association; but, upon payment of such assessments, his rights and privileges shall be automatically restored.

Section 3. No membership shall be terminated or forfeited and no Member shall be expelled, except upon sale of any of the Member's interest in the farm dwelling site, provided, however, that upon execution and delivery of a valid agreement of sale of any interest in the farm dwelling site, the vendor's membership, including voting rights adhering thereto, shall be considered as having been temporarily transferred to the vendee, such transfer becoming permanent upon subsequent delivery of the conveyance or revesting in the vendor in the event of termination of said agreement of sale. No Member may withdraw, nor shall any Member transfer or otherwise dispose of his membership, except upon lawful conveyance, assignment or transfer (or agreement of sale) of his rights and duties as such owner.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the fourth Tuesday of January of each year thereafter, at the hour of 4:00 o'clock p.m., or such other date and time as may be voted upon by majority vote during the preceding annual meeting. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the day following which is not a holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote one-half (1/2) of all the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by

mailing a copy of, such notice, postage prepaid, at least fifteen (15) days before ore such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to case, or of proxies entitled to cast, one-half (1/2) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation of the Association, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Voting. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his interest in the farm dwelling site. When more than one (1) person holds a farm dwelling site, all such persons shall be members, provided that the farm dwelling site shall only have 1 vote. Votes may be cast in person or by proxy by the respective Owners as shown in the record of the ownership of the Association. A personal representative, guardian or trustee may vote in person or by proxy at any meeting of the Association the vote for any farm dwelling site owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such interest in such capacity.

Section 6. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all owners of a farm dwelling site, and shall be entitled to one (1) vote for each farm dwelling site owned. The vote for any farm dwelling site owned of record by two (2) or more persons may be exercised by any one (1) of them present at any meeting in the absence of protest by the other or others, and in case of protest each cotenant shall be entitled to only a share of such vote in proportion to his share of ownership in such farm dwelling site.

Class B. The Class B Member shall be the Declarant. The Class B membership shall cease and be converted to Class A membership upon the sale of all the farm dwelling sites by such Class B Member or on December 31, 2008, whichever shall first occur. The Declarant shall have one vote as the Class B member, in addition to one vote as a Class A Member for each farm dwelling site it continues to own. Except as otherwise set forth in the Declaration, there shall be no other difference in Class A and Class B voting rights.

V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors. The Board shall consist of five (5) directors. Directors need not be Members of the Association.

Section 2. Term of Office. At each annual meeting the Members shall elect all five (5) directors for a term of one (1) year each.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board shall be made by a nominating committee. Nomination may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board,

and two or more Members of the Association. The nominating committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board shall be by secret written ballot. At any election of the Board of Directors, every Member entitled to vote may cumulate his votes and give any one or more candidates a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his farm dwelling site(s) entitle him, or any distribute his votes on the same principle among as many candidates as he desires.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held at least once per year, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two directors, after not less than ten (10) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

Section 1. Management. The Board of Directors shall at all times have the exclusive right and responsibility to perform the duties and obligations and to exercise the powers and authority of the Association as set forth in the Declaration. The Board shall only exercise the powers and authority of the Association as set forth in the Declaration and none others.

Section 2. Manager. The Board of Directors may annually employ a Manager to manage and control the project subject at all times to direction by the Board, with all the administrative functions set forth specifically in the preceding Section 1 and such other powers and duties and at such compensation as the Board may establish.

Section 3. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts, and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board of Directors or, in the absence of any such resolution applicable to such instrument, by the President or vice-President and by the Treasurer or Secretary.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, who shall at all times be a Member of the Board, a Vice-President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. One person may hold more than one office, and officers need not be members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointment. The Board may elect such other of officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Duties. The duties of the of officers are as follows:

(a) President. The President shall preside at all meetings of the Members and of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause

an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of such to the Members.

ARTICLE X

RULES AND REGULATIONS

Section 1. Adoption. The Board shall from time to time adopt and publish such rules and regulations, consistence with the Articles of Incorporation, these By-Laws and the Declaration, governing the use of the lots in the Seacliff Plantation at Kilauea Bay Community and the farm dwelling sites, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.

Section 2. Promulgation. The Secretary shall mail a true and correct copy of all rules and regulations, or amendments thereto, to each Member of the Association as appears on the membership roll of the Association at his last known address, and shall enter upon the records of the Association his certificate of such mailing.

Section 3. Effective Date. Any such rule or regulation or amendment thereto adopted by the Board shall be effective commencing at 12:01 a.m. on the fifth (5th) day following the date of such mailing, unless the Board, in adopting the same, shall specify some other effective date.

Section 4. Advisory Committee. The President, with the approval of the Board, may appoint a committee of Members to prepare drafts of such rules and regulations, to suggest amendments thereto, and generally to advise the Board in regard to the use of the facilities of the Association.

ARTICLE XI

COMMITTEES

The Board shall appoint a nominating committee, as provided in these By-Laws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out the purpose of the Association.

ARTICLE XII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation of the Association and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association general and special assessments, which are secured by a continuing lien upon the interest in the farm dwelling site or lot against which the assessment is made. Any assessments, which are not paid when due shall be delinquent. If the assessment is not paid, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum. and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape' liability for the assessments provided for herein by nonuse of the farm dwelling site or lot or abandonment of his interest.

ARTICLE XIV

CORPORATE SEAL

The Association shall not have a corporate seal.

ARTICLE XV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the

Declaration shall have the right to veto amendments while there is a Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation of the Association and these By-Laws, such Articles shall control; and in the case of any conflict between the Declaration and these By-Laws; the Declaration shall control.

ARTICLE XVI

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ADOPTION OF BY-LAWS

The undersigned Secretary of the SEACLIFF PLANTATION AT KILAUEA BAY COMMUNITY ASSOCIATION hereby certifies that the foregoing Amended By-Laws were adopted by vote of a majority of a quorum of Members present in person or by proxy, at a meeting

duly noticed and held on the _____ day of _____, 1999.

SEACLIFF PLANTATION AT KILAUEA
BAY COMMUNITY ASSOCIATION

By _____
Its Secretary