

BYLAWS
OF
KU'AU BAYVIEW AT PAIA HOMEOWNERS' ASSOCIATION

ARTICLE I

DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of the Corporation, as the same may be from time to time hereafter duly amended.

Section 2. "Board" or "Board of Directors" shall mean the Board of Directors of the Corporation.

Section 3. "Corporation" shall mean the Ku'au Bayview at Paia Homeowners' Association, a Hawaii non-profit corporation.

Section 4. "Declaration" shall mean that certain Declaration of Covenants, Conditions and Restrictions (Ku'au Bayview at Paia) dated May 30, 1996, executed by Declarant and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 96-077076, as the same may be from time to time hereafter duly amended, the provisions of which Declaration, as amended, are hereby incorporated into and made a part of these Bylaws.

Section 5. "Lot" shall mean each single-family residential lot in the Subdivision.

Section 6. "Member" shall mean "Owner," as the term "Owner" is defined in the Declaration.

Section 7. "Person" shall mean any person, individual or entity (including, without limitation, any trustee, mortgagee, personal representative, profit or non-profit corporation, general or limited partnership, unincorporated association, joint venture or trust).

Section 8. "Subdivision" shall mean the Ku'au Bayview at Paia Subdivision, which is the "Subdivision" referred to in the Declaration.

Section 9. All other words in these Bylaws with an initial capital letter shall, unless otherwise expressly defined herein, have the same meaning given them in the Declaration.

Section 10. Whenever these Bylaws refer to a stated percentage of the "total votes of all members of the Corporation," such percentage shall refer to the percentage of the aggregate votes held by all members of the Corporation whose voting rights are not suspended at the time the vote is being conducted. Whenever these Bylaws refer to a stated percentage of "votes present at a (or the) meeting," such percentage shall refer to the percentage of the aggregate votes held by all members of the Corporation whose voting rights are not suspended, and who are present (in person or by proxy) at the meeting of the members at which such vote is conducted.

Section 11. All references to "President," "Vice President," "Secretary" or "Treasurer" shall refer to, unless otherwise provided, the Person elected by the Board of Directors to hold such office of the Corporation.

ARTICLE II

OFFICES; MEETINGS; SEAL; AND FISCAL YEAR

Section 1. Principal Office. The principal office of the Corporation shall be at PO Box 792175, Paia, Hawaii 96779, or at such other place in the State of Hawaii as the Board of Directors shall from time to time determine.

Section 2. Other Offices. The Corporation may have such other offices within the State of Hawaii as the Board of Directors may designate.

Section 3. Place of Meetings. All meetings of the members and of the Board of Directors shall be held at the principal office of the Corporation or at such other place in the State of Hawaii as is stated in the call for the meeting.

Section 4. Seal. The Corporation may (but need not) have a common seal. The seal of the Corporation shall be in such form and shall bear the name of the Corporation and such other words, devices and inscriptions as the Board of Directors from time to time shall prescribe.

Section 5. Fiscal Year. The fiscal year of the Corporation shall be such as may from time to time be established by the Board of Directors.

ARTICLE III

MEMBERS OF THE CORPORATION

Section 1. Qualification; Proof of Status; Certificates.

a. Each Person who is an "Owner," as defined in the Declaration, shall be a member of the Corporation, and no Person other than an Owner may be a member of the Corporation.

b. No Person shall exercise the rights of membership in the Corporation until satisfactory proof has been furnished to the Secretary that he, she or it is an Owner. Such proof must consist of a copy of a duly executed, acknowledged and recorded deed or title insurance policy, showing said Person to be the Owner or, if an Owner has assigned such Owner's rights of membership to a vendee under an agreement of sale in accordance with the provisions of the Declaration, such proof must consist of a copy of the duly executed, acknowledged and recorded agreement of sale. Any such deed, policy or agreement of sale shall be deemed conclusive in the absence of a conflicting claim based upon a later deed, policy or agreement of sale. No assignment of an Owner's membership rights to a vendee under an agreement of sale shall be effective until a true and correct copy of the recorded agreement of sale has been delivered to the Board of Directors.

c. The Board of Directors may provide for the issuance of certificates evidencing membership in the Corporation which shall be in such form as may be determined by the Board. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Corporation maintained by the Secretary. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board may direct.

d. Upon becoming an Owner each Owner shall promptly furnish to the Secretary an address ("record address") to which the Corporation may mail or deliver any and all notices, demands or documents required or permitted to be mailed or delivered by these Bylaws, the Declaration or the Articles, or by law or otherwise. In the event of an Owner's failure to furnish such address, the Owner's record address shall be deemed to be the address of the Owner's Lot. All such notices shall be deemed to be received by the Owner on the earlier of actual date of delivery or three business days after postmark (whether or not actually received by the Owner). If a Lot is owned by more than one Person, notice to any one Person shall be deemed to be notice to all such Persons. Each Owner, upon receiving or conveying fee simple ownership of a Lot shall immediately deliver or cause the new Owner to deliver a true and correct copy of the recorded deed to the Corporation at the Corporation's principal office (or to such other address as the Corporation shall have previously given in writing to the Owners and sent by registered or certified mail). Until such deed is received by the Corporation, any notice identifying or sent to the Owner whose deed was last received by the Corporation, shall be deemed notice to the current Owner of the Lot. Notwithstanding an Owner's assignment of such Owner's membership rights to a vendee under an agreement of sale, all notices, demands or documents required or permitted to be mailed or delivered by these Bylaws, the Declaration or the Articles, or by law or otherwise, may be sent to the Owner at the Owner's record address, and it shall be the Owner's responsibility to deliver or communicate such notice, demand or document to the Owner's vendee. Any notice, demand or document shall be deemed duly and properly given or sent by the Corporation if given or sent to the Owner as aforesaid, notwithstanding the failure of the Owner's vendee to receive the same.

Section 2. Voting Rights; Proxies.

a. At any meeting of the members of the Corporation, or whenever the consent or vote of the members is required or called for under these Bylaws, the Declaration, the Articles or by law or otherwise, each member shall be entitled to cast only one (1) vote for each Lot owned by such member, even though more than one Person may be the Owner of such Lot.

b. Any member may attend and vote at meetings in person, or by a proxy holder duly appointed by a written proxy signed by the member and filed with the Secretary. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Such proxy shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of such member, or upon termination of such member's status as an Owner. Where two or more Persons own a Lot, any one of said Persons may exercise, in person or by proxy, the vote allocated to the Lot on behalf of all such Persons unless the Corporation is notified in writing that such Persons disagree as to how the vote should be cast, in which event the vote for the Lot shall not be counted unless such Persons unanimously agree.

c. The voting rights of any member may, in accordance with the provisions of the Declaration, be suspended by action of the Board of Directors during the period when the member shall be in default in the payment of any assessments levied by the Corporation or the observance of any provision of the Declaration.

Section 3. Meetings; Notice; Quorum.

a. An annual meeting of the members of the Corporation shall be held each year on such date and at such time in the month of March, April or May, or on such other date and at such other time as the Board of Directors may determine, and at the principal office of the Corporation or at such other place in the State of Hawaii as may be designated in the notice of annual meeting, for the purpose of electing directors and for the transaction of such other business as may be brought before the meeting.

b. Special meetings of the members of the Corporation may be held at such time and at the principal office of the Corporation or at such other place in the State of Hawaii, and for such purposes as shall be specified in a call for any such meeting made by resolution of the Board of Directors or by a majority of the directors, or by members holding ten percent (10%) of the total votes of all members of the Corporation.

c. Except where and to the extent otherwise required by law, the Articles or the Declaration, notice of each meeting of the members of the Corporation, specifying the date and time and place of the meeting and the purposes for which the meeting is called, and specifying whether it is an annual or special meeting, shall be given by or under direction of the Secretary to each member of the Corporation at least twenty (20) but not more than one-hundred twenty (120) days before the date fixed for such meeting, by advising such members of such meeting in any of the following ways: (a) by leaving written notice of such meeting with such member personally or at such member's record address or usual place of business, (b) by mailing such notice by first class or registered mail, postage prepaid, to such member's record address or usual place of business, or (c) by informing such member of such meeting by telephone, telegraph, email, or in person. In case of the death, absence, incapacity or refusal of the Secretary, such notice may be given by a Person designated by the Secretary, President or Board of Directors. If notice is given pursuant to the provisions of these Bylaws, non-receipt of actual notice of any meeting by any member of the Corporation shall in no way invalidate the meeting or any business done at the meeting. Any member of the Corporation may waive notice of any meeting either prior to or at or after the meeting, with the same effect as though notice of the meeting had been given to such member. The presence of any member of the Corporation at a meeting shall be the equivalent of a waiver by such member of notice of the meeting.

d. At any meeting of the members of the Corporation, the presence in person or by proxy of members having more than 50% of the total votes of all members of the Corporation shall constitute a quorum, but whether a quorum be present or not, the concurrence of more than 50% of the votes present at the meeting may adjourn such meeting from time to time without having to give notice of such adjournment or the new meeting date to the Owners not present at the adjourned meeting, but may not transact any other business. An adjournment for lack of quorum shall be to a date not less than one (1) day and not more than sixty (60) days from the original meeting date when a quorum is present at any meeting. The concurring vote of more than 50% of the votes present at the meeting shall be valid and binding upon the Corporation except as otherwise provided by law, the Articles, the Declaration or these Bylaws.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number; Election; Tenure; Removal; Vacancies.

a. There shall be a Board of Directors of the Corporation of not less than three (3) nor more than seven (7) directors (but always of an odd number), and until the members of the Corporation shall otherwise determine at any annual or special meeting of the Corporation, or until otherwise determined by the Board, the Board of Directors shall consist of three (3) directors. Not less than one member of the Board shall be a resident of the State of Hawaii, and in the absence of one such member, the Board shall not function. No director need be a member of the Corporation.

b. Each director shall hold office for a term of two (2) years or until his or her successor shall have been appointed or elected, or until his or her death or resignation or removal from office, except that, for the purpose of establishing staggered terms of directors, the director receiving the least number of votes in the first election shall serve for one (1) year.

c. Prior to any meeting called for the purpose of electing directors, any member of the Corporation may nominate candidates for such election; provided, however, that all nominations not made by the Board must be in writing, must identify the name and address of the nominee and contain a summary of such nominee's business background and other qualifications, and must be received by the Secretary at least five (5) business days prior to the date of the meeting for the election of directors. Directors shall be elected by cumulative voting for all elections in which more than two directors are to be elected by the members of the Corporation.

d. Directors may be removed by the membership of the Corporation with or without cause; provided, however, that unless the entire Board of Directors is removed from office by 50% or more of the votes present at a meeting of the Corporation, no individual director may be removed prior to the expiration of his or her term of office if the votes cast against 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 to be elected at the time of the most recent election of such director were then being elected.

e. Vacancies on the Board created by the death, incapacity or resignation of a director may be filled by a majority of the remaining directors though less than a quorum, and each director so elected shall hold office until the next annual or special meeting of the members of the Corporation and thereafter until a successor shall be duly elected. Any director elected by the members of the Corporation in the foregoing manner shall serve for the remaining unexpired term in respect of which the vacancy occurred.

Section 2. Meetings; Notice; Quorum.

a. An annual meeting of the Board of Directors shall be held each year immediately after the annual meeting of the members of the Corporation and at the place of such annual meeting, without call or formal notice. Regular meetings of the Board of Directors, other than annual meetings, shall be held on such day and at such time and at the

principal office of the Corporation or such other place in the State of Hawaii as shall be determined from time to time by the Board of Directors, and when any such meeting or meetings shall be so determined no further notice thereof shall be required. Special meetings of the Board of Directors may be called by the President or by any two (2) directors, and any such meeting shall be held on such day, at the principal office of the Corporation or such other place in the State of Hawaii, as shall be specified by the Person or Persons calling the meeting.

b. The Secretary shall give notice of each meeting of the Board of Directors in writing by mailing the same not less than three (3) days before the meeting or by giving notice personally, by telephone, email, or facsimile not less than one (1) day before the meeting, or as otherwise prescribed by the Board. The failure of the Secretary to give any notice required by the foregoing, or the failure of any director to receive such notice, shall not invalidate the proceedings of any meeting at which a quorum of directors is present. Notice need not be given to any director who shall, either before or after the meeting, submit a signed waiver of notice, and the presence of any director at a meeting shall be the equivalent of a waiver by him of notice of the meeting. Except as otherwise provided by law, the Articles or by these Bylaws, a notice or waiver of notice need not state the purposes of such meeting.

c. A majority of the directors comprising the Board of Directors shall constitute a quorum for the conduct of business at any meeting, and any decision of a majority of such quorum, within the scope of the authority of the Board of Directors, shall be valid and binding on the Corporation. Any business within the scope of the authority of the Board of Directors may be transacted at any meeting thereof, irrespective of any specification of the business to be conducted at the meeting which may be set forth in the call or notice thereof.

d. Notwithstanding anything to the contrary contained in the foregoing, the Board of Directors may take actions without a meeting if all of its directors consent in writing to the action to be taken.

Section 3. Compensation of Directors. Members of the Board of Directors shall receive no compensation for their services as directors but they may, subject to the Board's approval, be reimbursed for actual expenses incurred.

Section 4. General Powers. The property, business and affairs of the Corporation shall be managed and controlled by the Board of Directors, which shall have and may exercise all of the powers of the Corporation, including, without limitation, all of the powers of the Corporation as set forth in the Declaration and the Articles, except such as are expressly reserved to or may from time to time be conferred upon the members by law, the Articles, the Declaration or these Bylaws. The Board of Directors may, by resolutions passed by a majority of the directors, create and appoint one or more committees, each committee to consist of one or more of the directors of the Corporation, and which, to the extent provided in said resolution or in other provisions of these Bylaws, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation. Such committees shall have such names as may be determined from time to time by resolution adopted by the Board of Directors. Notwithstanding the foregoing, there shall be a special Design Committee whose members need not be Owners or directors, appointed as set forth in the Declaration, with all of the powers, authority and obligations specified as belonging to such Design Committee in the Declaration. The members of the Design Committee shall meet and act as prescribed in the Declaration.

Section 5. Open Meetings. Regular and special meetings of the Board of Directors shall be open to all members of the Corporation; provided, however, that those members who are not on the Board of Directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board of Directors. The Board of Directors may, with the approval or a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Corporation is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE V

OFFICERS AND AGENTS

Section 1. Designation; Duties.

a. Appointment. The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, who shall be appointed by the Board of Directors and who shall hold office until their successors are appointed and qualified. The Corporation may have such other subordinate officers, agents and employees as may be deemed necessary or desirable, who shall be appointed in such manner, hold their offices for such terms, and have such authority and duties as may be determined by the Board of Directors. So far as is permitted by law, any two offices may be held by the same Person. In addition to the duties and powers herein set forth, each officer shall have such duties and powers as the Board of Directors shall from time to time designate. In all cases where the duties of any officer, agent or employee are not specifically prescribed by these Bylaws or by the Board of Directors, such officer, agent or employee shall obey the orders and instructions of the President. No officer need be a member of the Corporation.

b. President. Subject to the control of the Board of Directors, the President shall be the chief executive officer of the Corporation and shall exercise general supervision and direction over the management and conduct of the affairs and business of the Corporation. Unless the Board of Directors otherwise directs, the President shall preside at all meetings of the members of the Corporation.

c. Vice President. The Vice President, or if more than one shall have been appointed, the Vice Presidents in order of priority of appointment, shall assume and perform the duties of the President whenever the office of President is vacant. Each Vice President shall have such other powers and duties as may be given to him or her by law or in these Bylaws and as may be assigned to him or her from time to time by the Board of Directors or by the President.

d. Secretary. The Secretary shall have charge of the membership ledger, all documents pertaining to the title to all real property owned or held by the Corporation, and all rules, regulations and other documents required to be filed with the Corporation or in the office of the Corporation by the Declaration, an original or duplicate of each of which shall at all times during the usual hours of business be open to the examination of every member at the principal office of the Corporation or such other location as may be required by the Board of Directors. The Secretary shall record all proceedings of the meetings of the members and directors in a book which shall be the property of the Corporation, to be

kept for that purpose at the principal office of the Corporation, and shall perform such other duties as shall be assigned to him or her. In the absence of the Secretary from any such meeting, a temporary secretary shall be chosen who shall record the proceedings of such meeting in the aforesaid book.

e. Treasurer. Subject to the direction and under the supervision of the Board of Directors, and subject to the provisions of the foregoing paragraph, the Treasurer shall have the care and custody of the Corporation's funds and valuable papers, shall have the power to endorse for deposit or collection all notes, checks, drafts and other obligations for the payment of money to the Corporation or its order, and shall keep or cause to be kept accurate financial books and accounts of the Corporation and to render statements of the same in such form and as often as required by the Board of Directors.

Section 2. Removals; Reservations; Vacancies. The Board of Directors may, at any meeting called for the purpose, by vote of a majority of their entire number, remove from office any officer of the Corporation, for or without cause. The Board of Directors may, at any meeting, accept the resignation of any officer of the Corporation, or remove or accept the resignation of any agent or employee or any member of any committee appointed by the Board of Directors. Any vacancy occurring in the office of President, Vice President, Secretary, Treasurer or any other office shall be filled by the Board of Directors, and the officers so chosen shall hold office for the unexpired term in respect of which the vacancy occurred and until their successors shall be duly elected and qualified.

Section 3. Compensation. Officers of the Corporation shall receive no compensation for their services as officers but they may, subject to the Board's approval, be reimbursed for actual expenses incurred.

ARTICLE VI

EXECUTION OF INSTRUMENTS

Section 1. Persons Authorized. All checks, notes, bonds, deeds, leases, contracts and other instruments shall be executed by such Person or Persons as shall be provided by general or special resolution of the Board of Directors, and in the absence of any such general or special resolution of the Board of Directors, then such instrument or instruments shall be executed by any two of the following officers: The President, a Vice President, the Treasurer or the Secretary; provided, however that the two officers shall not be one and the same Person.

ARTICLE VII

INDEMNIFICATION

Section 1. No Liability. No director, officer, employee or committee member of the Corporation and no Person serving at the request of the Corporation as a director, officer, employee, member or agent of another corporation, partnership, joint venture, trust, committee or other enterprise and no heir, devisee, or personal representative of any such Person shall be liable to the Corporation for any loss or damage suffered by the Corporation on account of an action or omission by such Person as a director, officer, employee or committee member if

such Person acted in good faith and in a manner the Person reasonably believed to be in or not opposed to the best interests of the Corporation.

Section 2. Indemnification Generally. The Corporation shall indemnify each Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that the Person is or was a director, officer, employee or committee member of the Corporation or of any committee or division of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, member or agent of another corporation, partnership, joint venture, trust, committee or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with the action, suit or proceeding if the Person acted in good faith and in a manner the Person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceedings, had no reasonable cause to believe the Person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which the Person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal action or proceeding, create a presumption that the Person had reasonable cause to believe that the Person's conduct was unlawful.

Section 3. Suits By or in the Right of the Corporation. The Corporation shall indemnify each Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the Person is or was a director, officer, employee or committee member of the Corporation or of any committee or division of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, member or agent of another corporation, partnership, joint venture, trust, committee or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the Person in connection with the defense or settlement of the action or suit if the Person acted in good faith and in a manner the Person reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which the Person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of the Person's duty to the Corporation unless and only to the extent that the court in which the 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 expenses which the court shall deem proper.

Section 4. Effect of Success in Defense. To the extent that a Person who is or was a director, officer, employee or committee member of the Corporation or of any committee or division of the Corporation, or a Person serving at the request of the Corporation as a director, officer, employee, member or agent of another corporation, partnership, joint venture, trust, committee or other enterprise, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 2 and 3 above, or in defense of any claim, issue or matter therein, the Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the Person in connection therewith.

Section 5. Authorization for Indemnification. Any indemnification under Sections 2 and 3 above (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 Person is proper in the circumstances because the Person has met the applicable standard of conduct set forth in Section 2 or 3. The determination may be made:

(1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;

(2) if a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion to the Corporation;

(3) if a quorum of disinterested directors so directs, by a vote of a majority of the votes present at a meeting of the members of the Association; or

(4) by the court in which the proceeding is or was pending upon application made by the Corporation or the agent, attorney, or other Person rendering services in connection with the defense, whether or not the application by the agent, attorney or other Person is opposed by the Corporation.

Section 6. Advances. Expenses incurred in defending any action, suit or proceeding may be paid by the Corporation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the Person to repay the amount unless it shall ultimately be determined that the Person is entitled to be indemnified by the Corporation as authorized in this Article.

Section 7. Indemnification Not Exclusive. 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 representatives of the Person.

Section 8. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any Person who is or was a director, officer, employee or committee member of the Corporation or of any committee or division of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, member or agent of another corporation, partnership, joint venture, trust, committee or other enterprise, against any liability asserted against the Person and incurred by the Person in any such capacity or arising out of the Person's status as such, whether or not the Corporation would have the power to indemnify the Person against such liability under the provisions of this Article. Insurance may be procured from any insurance company designated by the Board of Directors.

ARTICLE VIII

AMENDMENT; RECONCILIATION OF CONFLICTS

Section 1. Amendment. These Bylaws may be amended or repealed only upon the vote or written consent of either (i) a majority of the Board of Directors, or (ii) sixty-five percent (65%) of the total vote of all members of the Corporation.

Section 2. Reconciliation of Conflicts. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE IX

ASSOCIATION RULES

Section 1. Power of Board of Directors. Each member recognizes the right of the Board of Directors from time to time to establish and amend such uniform rules and regulations as the Board of Directors may deem necessary for the management and control of the Corporation, including rules governing: (a) the improvement, maintenance and use of Common Areas, Designated Areas and Improvements and Facilities; (b) easements on or through the Subdivision; (c) the collection of refuse; and (d) other matters of common interest to the members. Each member agrees to obey all such rules and regulations as the same now are or may from time to time be amended, and see that the same are faithfully observed by the family, invitees, guests, employees, tenants and vendees of the member. The rules and regulations shall uniformly apply to and be binding upon all occupants of the Lots.

The undersigned, being all of the directors of the Corporation, hereby adopt, by unanimous written consent, these Bylaws as the Bylaws of the Corporation.

Adopted May 3, 1996.