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Total No. of Pages: 11

BYLAWS OF THE SHEARWATER INTERVAL OWNERS ASSOCIATION

ARTICLE I

NAME; PURPOSE; MEETINGS

Section 1. Name and Purpose. This corporation shall be known as the Shearwater Interval Owners Association, a Hawai'i nonprofit corporation ("Association"). It shall govern the Apartments that are a part of the Time Interval Ownership at Pahio at The Shearwater timeshare plan. The Association shall manage, operate, and control the apartments in the Pahio at The Shearwater Interval Ownership Plan and program including the furnishings and personal property located therein and to otherwise carry out and perform the responsibilities and duties necessary or desirable to further the intent and purposes of the Association as described in the Declaration of Covenants, Conditions and Restrictions for Time Interval Ownership at Pahio at The Shearwater recorded in the Bureau of Conveyances of the State of Hawai'i on March 21, 1994 as Document No. 94-048932, as the same may be amended from time to time.

Section 2. Place of Meeting. All meetings of the Owners shall be held in Princeville, Kauai, State of Hawaii, unless otherwise set forth in the notice of the meeting.

Section 3. Annual Meeting of Owners. There will be an annual meeting of the Owners entitled to vote within six months of the end of each accounting year on a date determined by the Board of Directors.

Section 4. Special Meeting of Owners. A special meeting of the Owners may be called by the President at any time on his own initiative, by the Board of Directors, or upon a petition signed by fifteen percent of the Owners entitled to vote at such meeting.

Section 5. Notice of Meetings. Notice of a meeting shall be mailed to each Owner at least twenty-one (21) days prior to the meeting and if a special meeting there shall be considered only such business as is specified in the notice of the meeting. The secretary or Plan Manager shall cause notice to be:

- (1) Hand-delivered;
- (2) Sent prepaid by United States mail to the mailing address designated in writing by the Owner; or
- (3) At the option of the Owner, expressed in writing, by electronic mail to the electronic mailing address designated in writing by the Owner.

Section 6. Quorum. At all meetings of the Association either regular or special, ten percent of all Owners entitled to vote and in good standing as of the date of the notice of the meeting shall constitute a quorum. Quorum may be established in person and/or by proxy.

Section 7. Lack of Quorum. If a quorum is not present, the presiding officer may adjourn the meeting to another date and time or may adjourn the meeting *sine die*.

Section 8. Proxy. Every Owner entitled to vote shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such Owner and filed with the Secretary of the Association or the Plan Manager at least two business days prior to the date of the meeting at which the proxy is to be exercised. The proxy shall be good only for the meeting to which the proxy pertains. A proxy is revocable at any time by sending written notice to the Secretary or Plan Manager at any time prior to a meeting unless the appointment conspicuously states that it is irrevocable and the appointment is coupled with an interest. "Coupled with an interest" means that the proxy holder has a financial interest in the Interval for which the proxy is given. The presence of the Owner in person at a meeting constitutes a revocation of the proxy.

Section 9. Order of Business. At all annual meetings of the Association the order of business shall be as follows:

- (a) Call to Order;
- (b) Establishment of Quorum;
- (c) Approval of minutes of prior meeting;
- (d) Reports of officers;
- (e) Reports of committees and Plan Manager;
- (f) New business;
- (g) Unfinished business, if any;
- (h) Election of Directors when required;
- (i) Adjournment.

The order of business for all special meetings of the Association shall be as set forth in the notice.

Section 10. Voting. The voting of the Owners shall be on the basis of one vote for each every year Interval and a one-half (1/2) vote for each every other year Interval. When there is more than one Owner of an Interval, any Owner present can vote on behalf of all other Owners of the

Interval in the absence of written notice of protest by another Owner delivered to the Plan Manager prior to sign-in and the distribution of ballots. In the event of such protest, each such Owner shall be entitled to vote in accordance with that Owner's interest in the Interval.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number, Qualification, Term. There shall be three but not more than twelve Directors except as otherwise provided by law, the same to be established at the annual meeting of the Association. The members of the Board of Directors must be Owners. At least one-third of the Directors elected at each annual meeting shall serve for three years. The Directors shall serve for a term of three years except those elected at the first annual meeting, one-third of whom shall serve for a term of one year, one-third for two years and one-third for three years.

Section 2. Election. The Board of Directors of the Association shall be elected by secret ballot at the annual meeting or at a special meeting called for that purpose with the candidates receiving the highest number of votes being elected, provided that such election may be by way of acclamation if the number of candidates is the same as the number of vacancies and there is no objection thereto. Cumulative voting shall not be permitted.

Section 3. Place of Meeting. All meetings of the Board of Directors shall be held on the Island of Kauai, State of Hawaii, or any other place designated by the Board of Directors. Meetings of the Board of Directors, except executive sessions, shall be open to all Owners.

Section 4. Meetings of the Board of Directors. (a) Immediately after each annual meeting of the Association, the Board shall hold a meeting at the same place for the purpose of organization and the election of officers. Written notices of regular meetings of the Board shall be given by the Plan Manager at least 21 days prior to the scheduled time of such meeting. Any notices shall be considered given 72 hours after the deposit in the United States mail or except for personal delivery and electronic mail which are effective when handed or transmitted to the Director.

Section 5. Quorum; Waiver of Notice. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held, regularly called and noticed, if a quorum is present and there is on file a waiver, consent or approval of the holding of such meeting of Directors who are not present, which are made a part of the minutes of the meeting.

Section 6. Teleconference Board Meeting or Action Without Meeting. Any action required or permitted to be taken by the Board of Directors, may be taken through a teleconference board meeting conducted by any means of communication through which all Directors participating may simultaneously hear each other during the meeting, or without a meeting if all members of the Board of Directors shall consent in writing, including by electronic mail, to such action. Such written consent of action without meeting shall be filed with the minutes of the proceedings of the Board of Directors and shall have the same force and effect as a unanimous vote of the Directors. The minutes of the teleconference Board of Directors meeting shall reflect the actions taken by the Board of Directors in writing.

Section 7. Powers of the Board. The Board of Directors is authorized to take all actions of the Association including the power to adopt, amend or repeal Bylaws, appoint a Plan Manager pursuant to a written agreement for a term of up to 5 years with such powers as the Board of Directors may authorize, appoint committees, and to carry on all of the activities of the

Association. The Board of Directors is authorized to adopt rules and regulations governing the use of the Apartments under the Time Interval Plan. The Board of Directors shall authorize the person who is to act on behalf of the Association in the Condominium Association of The Shearwater Condominium. The Board of Directors is authorized to vote on behalf of all Owners of Time Intervals for all matters, elections or meetings with regard to the Condominium Association and the Princeville Community Association (or any other master community association). At such Condominium Association meeting or Princeville Community Association meeting or election, the majority vote of the Board of Directors shall determine such vote at such meeting or election.

Section 8. Accounting and Legal Services. The Board of Directors may appoint and retain a Certified Public Accountant or accounting firm and/or legal counsel to assist in the administration and management of the Association and Board of Directors.

Section 9. Conflict of Interest. "Conflict of interest" means an issue in which a Director has a direct personal or pecuniary interest not common to other members of the Association. A "conflict of interest transaction" is a transaction with the Association in which a Director has such an interest.

A Director shall not vote at any Board meeting on any issue in which the Director has a conflict of interest and shall be recused from any discussion or debate on such issue. A Director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.

A conflict of interest transaction is not voidable or the basis for imposing liability on the Director if the transaction was fair at the time it was entered into or is approved as provided in Section 414D-150, Hawai'i Revised Statutes, as amended from time to time.

Section 10. Liability. Any person who serves as an officer or Director of the Association without remuneration or expectation of remuneration shall not be liable for damage, injury, or loss caused by or resulting from the person's performance of or failure to perform duties of the position to which the person was elected or appointed, unless the person was grossly negligent in the performance of or failure to perform such duties.

Section 11. Vacancies. Vacancies in the Board caused by any reason other than removal of a Director by the Association shall be filled by the vote of a majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director for the remainder of the Director's term. The death, judicially declared incapacity, or resignation of any Director, or a Director's ceasing to be an Owner shall cause the Director's position to become vacant. A Director's failure to attend two (2) consecutive meetings of the Board, shall be deemed to be a resignation and cause the Director's office to become vacant upon the call to order of the second missed Board meeting, and the Board shall then and there fill the vacancy so created without any further notice.

Section 12. Executive Session. The Board, by majority vote, may adjourn a meeting and reconvene in executive session to discuss and vote upon matters:

- (1) Concerning personnel;
- (2) Concerning litigation in which the association is or may become involved;
- (3) Necessary to protect the attorney-client privilege of the association; or

- (4) Necessary to protect the interests of the association while negotiating contracts, leases, and other commercial transactions.

The general nature of any business to be considered in executive session shall first be announced in open session.

Section 13. Compensation of Directors. Any Director performing duties required under these Bylaws may receive reasonable compensation for services actually rendered to the Association, but not merely for holding office. A Director may be allowed reimbursement out-of-pocket transportation and lodging expenses as established in the Rules and Regulations, from time to time.

Section 14. Removal. Members of the Board may be removed only at a meeting of the Association called for that purpose and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of one or more members of the Board. Successors for any removed directors shall there and then be elected for the remainder of the term to fill the vacancies thus created the removal and replacement shall be by a vote of a majority of the Owners.

ARTICLE III

OFFICERS

Section 1. Offices. The Board of Directors shall elect from among their number a President, a Vice-President, a Secretary and a Treasurer and any assistants except as to the President. Any Board member may hold up to two offices if there are only three members elected to the Board of Directors, except that the President may only hold that office.

Section 2. President. The President shall preside at all meetings of the Association and of the Board of Directors and shall appoint such committees as he or she or the Board shall consider expedient or necessary.

Section 3. Vice-President. In the absence of the President, the Vice-President shall perform his or her duties, and, in the absence of both President and Vice-President, the Secretary or Treasurer shall preside and assume the duties of the President.

Section 4. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall mail out all notices for meetings of the Association or the Board of Directors, provided that such duties of the Secretary may be delegated to the Plan Manager.

Section 5. Treasurer. The Treasurer shall have charge of all receipts and moneys of the Association, deposit them in the name of the Association in a bank or banks approved by the Board of Directors, and disburse funds as ordered or authorized by the Board of Directors; provided that the day to day processing of receipts and disbursements may be delegated to the Plan Manager.

Section 6. Execution of Instruments. Any two officers shall sign all leases, checks, contracts, or other instruments in writing unless otherwise directed by the Board of Directors by general or special resolution.

Section 7. Compensation of Officers. Any officer performing duties required under these Bylaws may receive reasonable compensation for services actually rendered to the Association, but not to be compensated merely for holding office. An officer may be allowed reimbursement

out-of-pocket transportation and lodging expenses as established in the Rules and Regulations, from time to time.

ARTICLE IV INDEMNIFICATION

Subject to Part VIII of Chapter 414D, Hawai'i Revised Statutes, every Director and officer shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with or resulting from any claim, action, suit, proceeding, investigation or injury of whatever nature in which he or she may be involved as a party or otherwise by reason of his or her being or having been a Director or officer of the Association, whether or not he or she continues to be such Director or officer of the Association at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which he or she shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct, willful neglect or willful negligence toward the Association in the performance of his or her duties as such Director or officer. As to whether or not a Director or officer was liable by reason of willful misconduct, willful neglect or willful negligence toward the Association in the performance of his or her duties as such Director or officer, in the absence of such final adjudication of the existence of such liability, the Board of Directors and each Director and officer may conclusively rely upon an opinion of legal counsel selected by or in the matter designated by indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and shall inure to the benefit of the legal representatives of such person.

ARTICLE V AMENDMENTS

These Bylaws may be amended by (i) a majority vote of the Board of Directors present at a regular or special meeting of the Board of Directors, or (ii) by a majority vote of the Owners present at an annual or special meeting, provided notice of the purpose and the proposed amendment or amendments have been stated in the notice of the meeting or (iii) by written consent provided that the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting to authorize the action and the number of affirmative votes equals or exceeds the number of affirmative votes for approval that would be required to approve the action at a meeting. Such amendment or amendments shall be effective upon the recording of an instrument setting forth such amendment or amendments at Bureau of Conveyances of the State of Hawai'i.

ARTICLE VI CORPORATE RECORDS

Section 1. Records to be Kept. The Association shall keep a copy of the following records at its principal office:

- (1) Articles or restated articles of incorporation and all amendments to them currently in effect;
- (2) Bylaws or restated bylaws and all amendments to them currently in effect;
- (3) Resolutions adopted by its board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or any class or category of Owners;
- (4) Minutes of all meetings of Owners and records of all actions approved by the Owners for the past three years;

- (5) All written financial statements for the past three years;
 - (6) A list of the names and business or home addresses of its current Directors and officers;
- and
- (7) The most recent annual report delivered to the Department of Commerce and Consumer Affairs.

Section 2. Directors' and Owners' Rights of Inspection. (a) Directors. Every Director is entitled to inspect and copy the books, records, and documents of the Association at any reasonable time to the extent reasonably related to the performance of the Director's duties, including the Director's duties as a member of a committee, but not for any other purpose or in any manner that would violate any duty to the Association or law.

(b) Owners. (i) An Owner is entitled to inspect and copy, at a reasonable time and location specified by the Association, any of the records of the Association if the Owner gives the Association written notice or a written demand at least five business days before the date on which the Owner wishes to inspect and copy.

(ii) An Owner is entitled to inspect and copy, at a reasonable time and reasonable location specified by the Association, any of the following records of the Association if the Owner meets the requirements set forth below and gives the Association written notice at least five business days before the date on which the Owner wishes to inspect and copy:

(1) Excerpts from any records required to be maintained under section 414D-301(a), to the extent not subject to inspection under subsection (a);

(2) Accounting records of the Association; and

(3) The membership list.

(iii) An Owner may inspect and copy the records identified in subsection (b) only if:

(1) The Owner's demand is made in good faith and for a proper purpose;

(2) The Owner describes with reasonable particularity the purpose and the records the Owner desires to inspect; and

(3) The records are directly connected with this purpose.

Notwithstanding the foregoing, a Director or Owner that is an opposing party in any litigation, arbitration, or mediation involving the Association shall not be permitted to inspect or obtain copies of any records or documents of the Association which have been prepared for or in anticipation of such proceeding or which are subject to the attorney-client privilege or work product privilege.

Section 3. Membership List. The Association or its managing agent shall keep a membership book or list, which may be in electronic format, containing the name and postal address of each Owner. The list of Owners shall be available for inspection by any Owner for the purpose of communication with other Owners concerning the Association, at the Association's or managing agent's principal office. An Owner, an Owner's agent, or an Owner's attorney is entitled on written demand to inspect and to copy the list, at a reasonable time and at the Owner's expense. The membership list or any part thereof shall not be obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner. Without limiting the generality of the foregoing, without the consent of the Board, a membership list or any part thereof shall not be:

- (a) Used to solicit money or property unless the money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- (b) Used for any commercial purpose;
- (c) Sold to or purchased by any person; or
- (d) Published in whole or in part to the general public.

ARTICLE VII
CORPORATE SEAL

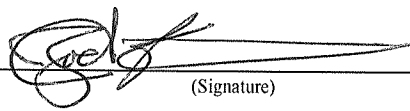
There shall be no corporate seal.

ARTICLE VIII
SCOPE OF BYLAWS

The particular powers and provisions enumerated in these Bylaws are not intended to be, or to be construed to be, an exclusion of or a limitation upon the exercise of any right, privilege or power which the Association may lawfully regulate or delegate in or by its Bylaws, and as to any matter which may hereafter arise and which is not specifically provided for by these Bylaws, the Board of Directors shall have the right to act as the majority of them may determine, provided such action is not contrary to the laws of the State of Hawaii governing non-profit corporations.

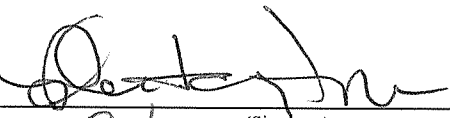
IN WITNESS WHEREOF, the undersigned have executed these presents this 2nd day of May, 2018.

SHEARWATER INTERVAL OWNERS
ASSOCIATION

By 
(Signature)

JOE A. SPARKMAN
(Printed Name)

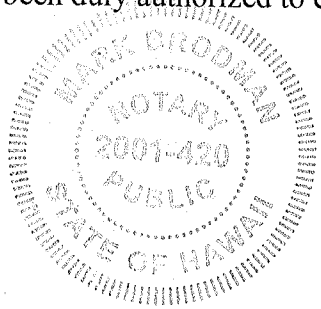
Its: President
(Office Held)

By 
(Signature)
P.L. HARRINGTON
(Printed Name)

Its: TREASURER
(Office Held) 5/2/18

STATE OF Hawaii)
Kauai)SS:
(county))

On this 2nd day of May, 2018, before me appeared Joe A Sparkman, Patricia L Hampton to me personally known (or proved to me on the basis of satisfactory evidence), who, being by me duly sworn, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

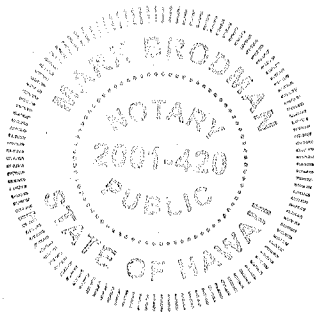


Mark Brodman
Print Name: Mark Brodman
Notary Public, State of Hawaii
My Commission Expires: Oct 16 2019

HAWAII NOTARY CERTIFICATION (HAWAII NOTARIES ONLY)
(Hawaii Administrative Rules §5-11-8)

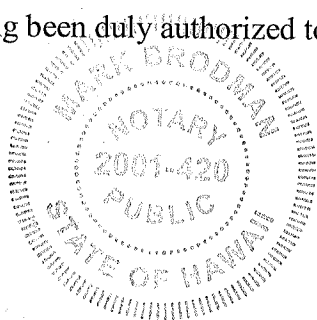
Document Identification or Description:
Date of Document: 5/2/18 No. of Pages: 11
5 Circuit
(Jurisdiction of notarial act)

Mark Brodman
Signature of Notary
Mark's Brodman
Type or Printed Name of Notary
5/2/18
Date of Notary Certificate


(Official Stamp or Seal)

STATE OF Hawaii)
Kauai)SS:
_____)
(county)

On this 2nd day of May, 2018, before me appeared Patricia Law Hampton, to me personally known (or proved to me on the basis of satisfactory evidence), who, being by me duly sworn, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Mark Brodman
Print Name: Mark Brodman
Notary Public, State of Hawaii
My Commission Expires: Oct 16 2019

HAWAII NOTARY CERTIFICATION (HAWAII NOTARIES ONLY)
(Hawaii Administrative Rules §5-11-8)

Document Identification or Description:

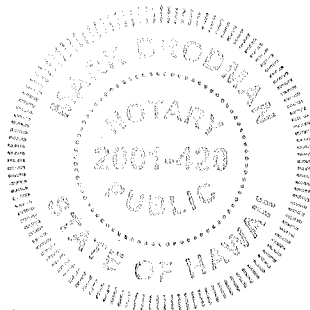
Date of Document: 5/2/18 No. of Pages: 11

5 Circuit
(Jurisdiction of notarial act)

Mark Brodman
Signature of Notary

Mark Brodman
Type or Printed Name of Notary

5/2/18
Date of Notary Certificate



(Official Stamp or Seal)