

BY-LAWS
OF
SUNSET DRIVE COMMUNITY ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the corporation is SUNSET DRIVE COMMUNITY ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at Hanalei, County of Kauai, Hawaii.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person, corporation or other legal entity who is, or such persons, corporation or other legal entities who are an "Owner" or any "Lot" (within Sunset Drive Subdivision) as defined in the Declaration of Covenants, Conditions and Restrictions of Sunset Drive Subdivision, as the same may be amended from time to time (herein called the "Declaration"), shall be a member of the corporation, and no other person other than such an Owner may be a member of the association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Voting Rights and Proxies.

(a) At any meeting of the members of the Association, each member shall be entitled to cast the number of votes to which he is entitled pursuant to the provisions set forth in Article VIII of the Charter of Incorporation of the Association.

(b) Members may attend meetings in person or electronically, including by telephone, video conference, or other electronic means authorized by the Association.

(c) Members may cast their votes in person or by electronic means, including submitting ballots via email, online voting platforms, or other electronic means authorized by the Association.

(d) A proxy holder may attend meetings and vote on behalf of a member, either in person or electronically. Such proxy holders must be duly appointed by a written or electronic proxy signed by a member and filed with the secretary of the Association. Where two or more persons constitute a member, any proxy with respect to the vote of such member shall be signed by all such persons.

(e) The rights of membership are subject to the payment of assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the lot against which such assessments are made as provided in the Declaration.

(f) The membership rights of any person may be suspended by action of the Directors 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 assessment, the member's rights and privileges shall be automatically restored.

(g) No membership shall be terminated or forfeited and no member shall be expelled, except upon sale of the Lot; provided, however, that upon execution and delivery of a valid agreement of sale of any Lot, 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 deed in compliance with the terms of said agreement of sale.

Section 3. Meetings; Notice; Quorum.

(a) An annual meeting of the members of the Association shall be held each year on such date and at such time and at such place in the County of Kauai, 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 Association may be held at such time and at such place in the County of Kauai, 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 writing filed with the secretary signed by the president, or by a majority of the directors, or by ten percent in voting interest of the entire membership of the Association.

(c) Except where and to the extent otherwise required by law, the Charter of Incorporation or the Declaration, notice of each meeting of the members of the Association, specifying the day 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 the direction of the secretary to each member of the Association at least ten days before the date fixed for such meeting, by advising the member in writing at their residence address as it appears on the books of the Association or their usual place of business, or by mailing written notice of the meeting postage prepaid addressed to them at their residence address or usual place of business. In case of death, absence, incapacity or refusal of the secretary, such notice may be given by a person designated by the Board of Directors. If notice is given pursuant to the provisions of these By-Laws, nonreceipt of actual notice of any meeting by any member of the Association shall in no way invalidate the meeting or any proceedings taken or any business done at the meeting. No notice of any meeting need be given to any member of the Association who at the time of the meeting is absent from the State of Hawaii. 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 them. The presence of any member of the Association at a meeting shall be the equivalent of a waiver by that member of notice of the meeting.

(d) The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Charter of Incorporation, 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 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. When a quorum is present at any meeting, the concurring vote of members having a majority of the votes of the members constituting a quorum shall be valid and binding upon the Association except as otherwise provided by law, the Charter of Incorporation, the Declaration or these By-Laws.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Number and Term of Office. The affairs of the Association shall be managed by a Board of not less than three (3) but not more than five (5) directors, who need not be members of the Association, as may from time to time be determined by the members of the Association. Until the members of the Association shall otherwise determine, the Board of Directors shall consist of three (3) members.

The directors shall be classified by dividing them into three (3) classes. The director of the first class shall hold office until the first annual meeting of the members of the Association, at which time a successor of the first class of director shall be elected for a term of three (3) years. The director of the second class shall hold office until the second annual meeting of the members of the Association; and the director of the third class shall hold office until the third annual meeting of the members of the Association. At each annual election of a director, the successor to the class of director whose term shall expire in that year shall be elected for a term of three (3) years. In case of any increase in the number of directors, each class shall be respectively increased so that after any such increase, each class shall consist as nearly as possible of one-third of the members of the whole Board of

Directors.

Section 2. 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, their successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of their predecessor.

Section 3. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for their actual expenses incurred in the performance of their duties.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IV

MEETINGS OF DIRECTORS

Section 1. Meetings. Regular meetings of the Board of Directors shall be held as determined by the board without notice, 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. An annual meeting of the Board of Directors shall be held each year immediately after the annual meeting of the members of the Association and at the place of such annual meeting, without call or formal notice.^{1,3}

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than one (1) day 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 V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations 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 of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until 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 of Directors as it shall in its discretion determine. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by written ballot or electronic ballot. Members may cast their votes in person, by proxy, or by electronic means authorized by the Association, including but not limited to email, online voting platforms, or other electronic means. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Charter of Incorporation. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts in exercise thereof consistent with the purposes and objects as set forth in the Charter of Incorporation, Declaration and By-Laws. Without prejudice to the generality of the foregoing the Board of Directors shall

have power and duty:

(a) To adopt and publish rules and regulations consistent with the Charter of Incorporation, By-Laws and Declaration, governing the use of the common areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these By-Laws, the Charter of Incorporation, or the Declaration;

(c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(d) To employ and remove at pleasure all agents, employees, independent contractors, or such other persons as they deem necessary, prescribe their duties and fix their compensation;

(e) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(f) To supervise all officers, agents and employees of this Association, and to see that their duties are properly

performed;

(g) As more fully provided in the Declaration, to:

(1) to set the annual budget and allocate the assessment against each lot at least thirty (30) days in advance of each assessment period;

(2) to send written notice of each assessment to every Owner subject thereto at least twenty-five (25) days in advance of each assessment period;

(h) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

(i) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;

(j) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) To cause the common area and any furniture, fixture, and mechanical equipment thereof to be administered, maintained, repaired, rebuilt and restored in accordance and consistent with all applicable laws, ordinances, rules and regulations now or hereafter made by any governmental authority and with the provisions of the

Charter of Incorporation of the Association, the Declaration and these By-Laws.

ARTICLE VII

COMMITTEES

The Board of Directors may, by resolution or resolutions passed by a majority of the whole board, create and appoint one or more committees which, to the extent provided in said resolution or resolutions or in other provisions of these By-Laws, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president who shall at all times be members of the Board of Directors a secretary, treasurer and such other officers as the Board may from time to time by resolution create.

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

of Directors 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 they shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other 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 with or 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 in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other

offices except in the case of special offices created pursuant to Section 4 of this article.

Section 8. 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 are designated by general or special resolution of the Board of Directors or, in the absence of any such resolution applicable to any such instrument, by the President or Vice-President and by the Treasurer or Secretary. The officers may adopt and use facsimile or electronic signatures.

Section 9. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall cosign 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 the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the vice-president 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; keep the corporate seal of the

Association and affix it on all papers requiring said seal; 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 of Directors; keep proper books of account; propose to the board an audit of the Association books conducted by a certified public accountant at the completion of any fiscal year, which may be performed at the board's discretion as deemed necessary; 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 each to the members.⁴

ARTICLE IX

RULES AND REGULATIONS

Section 1. Adoption. The Board of Directors may, from time to time and subject to the provisions of the Declaration, adopt, amend and repeal rules and regulations, governing, among other things:

1. the use of common area and recreational facilities;
2. the use of roads;

3. the collection and disposal of refuse;
4. the burning of open fires;
5. the maintenance of animals; and
6. the personal conduct of the members and their guests.

With respect to item 1 above, the Rules may, without limitation and to the extent deemed necessary by the Board of Directors in order to preserve the benefit of Sunset Drive Subdivision for all owners, their families, invitees, licensees and lessees, and for guests, restrict and govern the use of common area and recreational facilities by any guest, by any owner, by the family of such owner or by any invitee, licensee or lessee of such owner.

With respect to item 2 above, the Rules may, without limitation, provide for parking restrictions and limitations; maximum speeds for vehicular travel; the time or times when commercial vehicles may be permitted to use the roads; and the types of vehicles other than conventionally equipped passenger automobiles which may be permitted to use the roads.

The Board of Directors may also establish penalties for the infraction of the Rules.

Section 2. Promulgation. The Secretary shall send via 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 their

last known address, and shall enter upon the records of the corporation their certificate of such mail.

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

ARTICLE X

SEAL

The Association may adopt and use a seal and it shall be in such form and devise as shall be determined by the Board of Directors.

ARTICLE XI

AMENDMENTS

Section 1. The power to alter, amend or repeal these By-Laws, subject to repeal or change by action of the members, shall be vested in the Board of Directors.²

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

CERTIFICATION

We hereby certify that the foregoing by-laws were duly adopted on June 19, 1978.

Samuel Leublood
Petitioner

Don A. Carson
Petitioner

Donald R. Z...
Petitioner

BY-LAWS
OF
SUNSET DRIVE COMMUNITY ASSOCIATION

AMENDMENT LOG

(1) Date: Unknown

Article: ARTICLE IV MEETINGS OF DIRECTORS

Section: Section 1 Meetings

Old Language:

Regular meetings of the Board of Directors shall be held monthly without notice, 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.

New Language:

Regular meetings of the Board of Directors shall be held monthly without notice, 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.

An annual meeting of the Board of Directors shall be held each year immediately after the annual meeting of the members of the association and at the place of such annual meeting, without call or formal notice.

(2) Date: Unknown

Article: ARTICLE XI AMENDMENTS

Section: Section 1

Old Language:

The power to alter, amend or repeal these By-Laws or adopt new By-Laws, subject to repeal or change by

action of the members, shall be vested in the Board of Directors.

New Language:

The power to alter, amend or repeal these By-Laws, subject to repeal or change by action of the members, shall be vested in the Board of Directors.

(3) Date: Unknown

Article: ARTICLE IV MEETINGS OF DIRECTORS

Section: Section 1 Meetings

Old Language:

Regular meetings of the Board of Directors shall be held monthly without notice, 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.

An annual meeting of the Board of Directors shall be held each year immediately after the annual meeting of the members of the association and at the place of such annual meeting, without call or formal notice.

New Language:

Regular meetings of the Board of Directors shall be held as determined by the board without notice, 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. An annual meeting of the Board of Directors shall be held each year immediately after the annual meeting of the members of the association and at the place of such annual meeting, without call or formal notice.

(4) Date: March, 2014

Article: ARTICLE VI OFFICERS AND THEIR DUTIES

Section: Section 9 Duties, subsection (d)

Treasurer

Old Language:

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 of Directors; 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 each to the members.

New Language:

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 of Directors; keep proper books of account; propose to the board an audit of the association books conducted by a certified public accountant at the completion of any fiscal year, which may be performed at the board's discretion as deemed necessary; 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 each to the members.

(5) Date: July 31, 2025

Article: ARTICLE II MEMBERSHIP AND VOTING RIGHTS

Section: Section 2. Voting Rights and Proxies,
subsection (b)

Old Language:

(b) Any member may attend and vote at meetings in person, or by a proxy holder duly appointed by a written proxy signed by a member and filed with the

secretary of the association. Where two or more persons constitute a member, any proxy with respect to the vote of such member shall be signed by all such persons.

New Language:

(b) Members may attend meetings in person or electronically, including by telephone, video conference, or other electronic means authorized by the Association.

(c) Members may cast their votes in person or by electronic means, including submitting ballots via email, online voting platforms, or other electronic means authorized by the Association.

(d) A proxy holder may attend meetings and vote on behalf of a member, either in person or electronically. Such proxy holders must be duly appointed by a written or electronic proxy signed by a member and filed with the secretary of the Association. Where two or more persons constitute a member, any proxy with respect to the vote of such member shall be signed by all such persons.

ARTICLE: IX RULES AND REGULATIONS

Section: Section 2. Promulgation.

Old language:

The Secretary shall send via 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 their last known address, and shall enter upon the records of the corporation their certificate of such mail.

New language:

The Secretary shall send via email, 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 their last known address, and shall enter upon the records of the corporation their certificate of such email.

ARTICLE: IX RULES AND REGULATIONS

Section: Section 3. Effective Date.

Old language:

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

New language:

Any such rule or regulation or amendment thereto, adopted by the Board of Directors shall be effective commencing at 12:01 a.m. on the fifty (5th) day following the date of such email delivery, unless the Board of Directors, in adopting the same, shall specify some other effective date.

ARTICLE: V NOMINATION AND ELECTION OF DIRECTORS

Section: Section 2. Election.

Old language:

Election to the Board of Directors shall be by written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Charter of Incorporation. The persons receiving the largest number of votes shall be elected.

New language:

Section 2. Election. Election to the Board of Directors shall be by written ballot or electronic ballot. Members may cast their votes in person, by proxy, or by electronic means authorized by the Association, including but not limited to email, online voting platforms, or other electronic means. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Charter of Incorporation. The persons receiving the largest number of votes shall be elected.