

# PRINCEVILLE AT HANAIEI COMMUNITY ASSOCIATION BY-LAWS

## Article 1

### Name and Location

The name of the corporation is **Princeville at Hanalei 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, corporations or other legal entities who are an "Owner" of any "Lot" (within Princeville at Hanalei) as defined in the Declaration of Covenants, Conditions and Restrictions, as the same may be amended from time to time (herein called the "Declaration"), shall be a member of the corporation, and no 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. 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 of the association. Where two or more persons constitute a member, any one of said persons may exercise, in person or by proxy, the vote allocated to the member on behalf of all persons constituting the member, unless the association is notified in writing that the persons constituting the member disagree as to how the vote should be cast. In such event, the vote for said member shall not be counted unless the majority of the persons that are voting in person or by proxy on behalf of the member agree and confirm in writing to the association on how the vote should be cast."

c. 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.

d. 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 assessments, his rights and privileges shall be automatically restored.

e. 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.

By-Laws, Page 2

### 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 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 purpose for which the meeting is called, and specifying whether it is an annual meeting or special meeting, shall be given by or under the director of the secretary to each member of the association at least ten days before the date fixed for such meeting, by advising him in writing at his 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 him. The presence of any member of the association at a meeting shall be the equivalent of a waiver by him 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 each class of 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.

By-Laws, Page 3

### **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, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his 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 his actual expenses incurred in the performance of his 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 the 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 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.

**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.

By-Laws, Page 4

**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 nonmembers.

**Section 2. Election.** 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. Cumulative voting shall be permitted.

#### **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 (¼) of the Class A members who are entitled to vote;
- By-Laws, Page 5
- 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,
- (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 Offices.** 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, assistant secretary and an assistant 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.

By-Laws, Page 6

**Section 3. Term.** The officers of the 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 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 and assistant secretary and assistant 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 or by the Assistant Treasurer or Assistant Secretary. The officers may adopt and use facsimile 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 consign 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; 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.

By-Laws, Page 7

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; 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.

## **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, to be known as "Princeville at Hanalei Rules," 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 paragraph 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 Princeville at Hanalei 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 paragraph 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 conventional 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 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 corporation his certificate of such mailing.

**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 fifth (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 device as shall be determined by the Board of Directors.

By-Laws, Page 8

## **Article XI**

### **Amendments**

**Section 1.** These By-Laws may be amended or repealed and new By-Laws may be adopted, by action of a majority of the total votes of all members of the association at a meeting of the members of the association duly called and held, the notice of which shall have stated that the purpose of the meeting is to consider the adoption, amendment or repeal of the By-Laws and the general nature of the same.

**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.

**In witness whereof**, we being all of the petitioners of **Princeville at Hanalei Community Association**, have hereunto set our hands this 31st day of March, 1971.

**L. Douglas Hoyt**  
**Donn A. Carswell**  
**Ned W. High**

### **Certification**

I, the undersigned do hereby certify:

That I am the duly elected and acting secretary of **Princeville at Hanalei Community**, a Hawaii nonprofit corporation; and,

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the petitioners thereof, held on 31st day of March, 1971.

**Ned W. High**  
Secretary

For further information contact:

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The amendments to the following Princeville at Hanalei Community Association By-Laws were duly adopted at a meeting of the members held on the 28th day of June 1997:

Article II, Section 2.b. - amended.  
Article II, Section 2.f. - deleted.  
Article XI, Section 1.- amended.