

BYLAWS
OF
MILOLII BEACH CLUB ASSOCIATION II

ARTICLE I.
PURPOSES; NONPROFIT CHARACTER

Section 1.1 Purposes. The purposes of the MILOLII BEACH CLUB ASSOCIATION II, non-profit corporation, (hereinafter "Association") shall be as specifically set forth in Article IV of the Articles of Incorporation.

Section 1.2 Nonprofit Character. The Association shall be a nonprofit corporation. The Association shall not authorize or issue shares of stock. No dividend shall be paid and no part of the income or earnings which may be derived from its operations, in pursuance of the purposes of the Association, shall be distributed to or inure to the benefit of any Member, Director or Officer of the Association, or any private individual, but shall be used to promote the purposes of the Association.

ARTICLE II.
DEFINITIONS

All capitalized terms used herein which are not defined shall have the same meaning as set forth in the Milolii Beach Lots Subdivision Declaration of Covenants and Restrictions for Milolii Beach Lots ("Declaration") dated April 25, 1967 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5640 at Page 357, as may be amended from time to time (the "Declaration").

ARTICLE III.
PRINCIPAL OFFICE; PLACE OF MEETINGS; SEAL

Section 3.1 Principal Office. The principal office of the Association shall be maintained at such place within or without the Districts of North of South Kona, State of Hawaii, and the Association may have such other offices within or without the State of Hawaii, as the Board of Directors shall determine.

Section 3.2 Place of Meetings. All meetings of the Members and of the Board of Directors shall be held in the Districts of North or South Kona, Island and County of Hawaii, State of Hawaii, unless some other place is stated in the call. Any meeting, regular or special, of the Board of Directors may be held by conference telephone or similar communication equipment as long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at the meeting.

Section 3.3 Seal. The Association may, but need not, have a common seal as the Board of Directors shall determine.

ARTICLE IV.
MEMBERS

Section 4.1 Members. Each person, corporation or other legal entity, who is an Owner of any lot within the Milolii Beach Lot Subdivision (the "Subdivision"), as defined in the Declaration, as amended from time to time, including an "Owner" of a lot that becomes part of and subject to the Declaration pursuant to Article II, Section 2 of the Declaration, shall be a Member of the Association. The provisions of the Declaration pertaining to membership are incorporated herein by this reference. The Owners of all lots in the Subdivision and the property described in Exhibit A shall be Members of the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, or entities, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner, member, trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

(a) Proof of ownership. No person shall exercise the rights of membership in the corporation until satisfactory proof has been furnished to the secretary of the corporation that such person is an Owner. Such proof may consist of a copy of a duly executed, acknowledged and recorded deed, title insurance policy or current title report showing said person to be an Owner of a lot within the Subdivision. Any such deed or policy shall be deemed conclusive in the absence of a conflicting claim based upon a later deed, policy or report.

Section 4.2 Annual Meeting. An annual meeting of the Members of the corporation shall be held each year on such date and at such time within the first four (4) calendar months of the year, and at such place in the Districts of North or South Kona, Island of Hawaii, County and 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. At any meeting for the purpose of electing directors, nominations may be made from the floor.

Section 4.3 Special Meetings. Special meetings of the Members may be held at any time upon the call of the President or any three (3) Directors, or upon the call of ten percent (10%) of all of the Members. Upon receipt of such call or written request, the Secretary shall send out notices of the meeting to all Members in the same manner as for annual meetings of the Members.

Section 4.4 Notice of Meetings. Except where and to the extent otherwise required by law, the Articles of Incorporation or the Declaration, notice of each meeting of the members of the corporation, specifying the day, 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 the secretary to each member of the Association at least fourteen (14) days before the date fixed for such meeting, by giving written notice of the meeting to each member in person or by mail, postage prepaid, at the member's address as it appears on the books of the Association or as otherwise allowed under Hawaii Revised Statutes §421J-3.5. Such notice shall be given at least 30 days before meetings regarding assessments, when required pursuant to Article V of the Declaration. In case of the death, absence, incapacity or refusal of the secretary, such notice may be given by a person designated by the secretary, by the person or persons calling the meeting or by the Board of Directors. If notice is given pursuant to the provisions of these Bylaws or statute, lack of receipt 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 while a quorum is present.

(a) Waiver of Notice.

(1) Any Member may waive notice of any meeting of Members in writing signed by himself or herself or his or her duly authorized proxy or attorney-in-fact either prior to, at or after the meeting.

(2) The presence or representation at any meeting of any Member shall be the equivalent of the waiver of the giving of notice of such meeting to such Member, unless the Member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting.

Section 4.5 Quorum. Except to the extent otherwise provided by the Declaration, at any meeting of the members of the corporation, the presence in person or by proxy of members having a majority of the total votes of all members of the corporation shall constitute a quorum, but whether a quorum be present or not, a majority vote of the members **present** may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. If the required quorum is not forthcoming at any meeting, another meeting may be called within 60 days, subject to the notice requirements of Article IV, Section 4.4 of these Bylaws. The required quorum at any subsequent meeting shall be **one-half** of the required quorum at the preceding meeting. Successive such meetings may be called until a quorum is reached. Higher or lower quorum requirements may apply to meetings regarding assessments, pursuant to Article V of the Declaration. 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 corporation except as otherwise provided by law, the Articles of Incorporation, the Declaration or these Bylaws. A concurring vote of members having **two-thirds of the votes** of the members constituting a quorum shall be necessary for action regarding assessments, when required by Article V of the Declaration.

Section 4.6 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions are specifically incorporated by reference. There shall be no cumulative voting. Where two or more persons or entities constitute a member, any one of said persons or entities may exercise the vote allotted to their membership on behalf of all persons or entities constituting such

member as they shall determine, and if they cannot agree, they may each vote their fractional interest in the vote allocated to their membership. Any proxy with respect to the vote of such member or the fractional vote of any person constituting such member shall be signed by all such persons or entities possessing an interest in such vote or fractional interest therein. All such persons or entities may attend meetings, but in no event shall more than one vote be cast with respect to any such member.

Section 4.7 Proxies. Any Member may attend and vote at any meeting in person, or by a proxy holder duly appointed by a written proxy, which shall be in writing specifying the Lot or Property for which it is given, signed by such Member, dated and shall be filed with the Secretary prior to the meeting for which it is to be effective. No proxy shall be valid after eleven (11) months from the date of such proxy, unless otherwise provided in such proxy. All proxies shall comply with the requirements set forth in Hawaii Revised Statutes §421J, as amended from time to time. The Board of Directors may solicit proxies from among the Members using funds of the Association and naming the Board as holder of the proxy. Upon the prior written request of any member, the Board of Directors shall include any proxy solicitation materials prepared by such member within the next mailing of any proxy solicitation materials by the Board. When the Board of Directors is named as the proxy holder, the vote shall be made either on the basis of the preference of the majority of the Board or as otherwise mandated by statute.

Section 4.8 Adjournment. Any meeting of the Members, whether annual or special, may be adjourned from time to time, whether a quorum be present or not, without notice other than the announcement at the meeting, unless a new record date is or must be fixed under Hawaii Revised Statutes § 414D-107, in which event notice of the adjourned meeting shall be given to the Members of record as of the new record date. Such adjournment may be to such time and to such place as shall be determined by the Board. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted by a quorum at the original meeting as originally called.

Section 4.9 Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the Members may also be taken without a meeting by action of the requisite number of Members by their written consent within a 120 day period signed by the Members, setting forth the action so taken, with respect to the subject matter thereof and filed with the records of the meetings of the Members. Such consent shall have the same effect as a vote of the Members at a meeting and may be stated as such in any articles or documents filed with the Director of the Department of Commerce and Consumer Affairs. Any action so taken shall be valid and effective from and after the filing with the secretary of a written minute or other instrument, signed by the requisite number of the Members, evidencing the action.

Section 4.10 Assessments. Members shall be liable for such assessments as set forth in the Declaration. The provisions of the Declaration pertaining to assessments are incorporated herein by this reference.

ARTICLE V.
BOARD OF DIRECTORS

Section 5.1 Powers. The Board of Directors shall manage the property, business and affairs of the Association and shall have and may exercise all of the powers of the Association, including all of the powers of the Milolii Beach Club Association, and Milolii Beach Club Association II, both dissolved Hawaii corporations, except such as are reserved to or may be conferred from time to time by law, the Declaration, the Articles of Incorporation and any amendments thereto, or the Bylaws upon the Members of the Association. All action taken by the Board of Directors or the corporation with respect to assessments shall comply with applicable provisions of Article V of the Declaration.

Section 5.2 Number; Appointment/Election.

(a) There shall be a Board of Directors of the Association of not less than five (5) nor more than nine (9) members. Subject to the foregoing limitations, the number of directors shall be fixed each year by the Members of the Association at their annual meeting, provided that the number of directors may be decreased or increased subject to the foregoing limitations and if increased the additional directors may be elected by the members at any special meeting called for such purpose. All members of the Board of Directors must be Members of the Association, and shall serve without pay.

(b) Only one "Owner" per lot in the Subdivision, as defined in the Declaration, may serve at any time as either a director or officer. No two or more directors or officers may be "Owners" of the same one or more lots in the Subdivision. Neither officers nor directors shall be reimbursed by the corporation for any expenses related to traveling to the place of any meeting of the Board or members of the corporation.

(c) Nothing contained herein shall be deemed to restrict the power of the members or of the Board of Directors to remove a director for cause.

(d) The initial Board of Directors shall hold office until the first annual meeting of the members of the corporation, at which time a successor Board of Directors shall be elected. Thereafter, the directors shall be elected at each annual meeting of the members of the Association, and shall hold office until the next annual meeting or until the Board Member's successor has been elected. Each director shall hold office until such director's successor shall have been elected and shall qualify, or until such director's death, or until such director shall resign or shall have been removed in the manner herein provided. All directors shall have equal powers.

Section 5.3 Annual Meeting. A meeting of the Board of Directors shall be held at the place of each annual meeting of the Members and immediately following such meeting, without call or notice. At such annual meeting, the Board of Directors shall appoint the Officers of the Association for the ensuing year.

Section 5.4 Regular Meetings. The Board of Directors may establish regular meetings to be held in such places and at such times as it may from time to time by vote determine, and no further notice thereof shall be required.

Section 5.5 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or by any three (3) Directors and any such meeting shall be held on such day, at such time, and at such place in the Districts of North and South Kona, County and Island of Hawaii , State of Hawaii, as shall be specified by the person or persons calling the meeting.

Section 5.6 Notice of Meetings. Except as otherwise expressly provided, reasonable notice of any meeting of the Board of Directors shall be given to each Director (other than the person or persons calling the meeting and other than the person giving notice of the meeting) by the Secretary, or by the person or one of the persons calling the meeting, by advising the Director of the meeting by word of mouth or by telephone or by leaving written notice thereof with him or her or at his or her residence or usual place of business. Such written notice shall be mailed not less than five (5) days prior to the date of the meeting. Nonreceipt by a Director of any written notice of a meeting mailed to such Director shall not invalidate any business done at the meeting while a quorum is present.

Section 5.7 Waiver of Notice.

(a) Any Director may, prior to, at the meeting, or subsequent thereto, waive notice of any meeting in writing, signed by him or her.

(b) The presence at any meeting of any Director shall be the equivalent of a waiver of the requirement of the giving of notice of said meeting to such Director, unless the Director, at the beginning of the meeting or prior to the vote on a matter not properly noticed, objects to the lack of notice and does not thereafter vote or assent to the objected action.

Section 5.8 Quorum. A majority of the total number of Directors shall constitute a quorum to transact business, and, in order to be valid, any act or business, within the scope of authority of the Board of Directors, must receive the approval of a majority of such quorum, and shall be binding on the Association. A vacancy or vacancies in the membership of the Board of Directors shall not affect the validity of any action of the Board of Directors, provided there is present at the meeting a quorum of all the Directors at which the Board of Directors has been fixed. Any business within the scope of 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.

Section 5.9 Adjournment. In the absence of a quorum at a meeting duly called, the President or a majority of the Directors present may adjourn the meeting from time to time without further notice, and may convene or reconvene the meeting when a quorum shall be present.

Section 5.10 Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors with respect to the subject matter thereof and filed with the records of the meetings of the Board of Directors. Such consent shall have the same effect as a unanimous vote of the Board of Directors and may be stated as such in any articles or documents filed with the Director of the Department of Commerce and Consumer Affairs.

Section 5.11 Permanent Vacancies. If any permanent vacancy shall occur in the Board of Directors through death, resignation, disqualification, removal or other cause other than temporary absence, illness or disability, the remaining Directors, by the affirmative vote of a majority of all remaining members of the Board of Directors, may elect a successor Director to hold office for the unexpired portion of the term of the Director whose place shall be vacant or until the Members shall appoint or elect a successor Director.

Section 5.12 Temporary Vacancies, Substitute Directors. If any temporary vacancy shall occur in the Board of Directors through the sickness or disability of any Director, the remaining Directors, whether constituting a majority or a minority of the whole Board of Directors, may by the affirmative vote of a majority of such remaining Directors appoint some person as a substitute Director, who shall be a Director during such absence, sickness or disability and until such Director shall return to duty or the office of such director shall become permanently vacant.

Section 5.13 Proxies. Voting by proxy shall not be permitted at any meeting of the Board of Directors or of any committees, boards or bodies created by the Board of Directors. .

Section 5.14 Compensation. The Board of Directors shall serve without pay.

Section 5.15 Gifts and Contributions. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes, or for any special purpose, of the Association.

Section 5.16 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, each committee to consist of two or more of the directors of the corporation which, to the extent provided in said resolution or resolutions or in other provisions of these Bylaws, which committees shall advise the Board of Directors. Such committee or committees shall have such name or names as may be determined.

Section 5.17 Procedure. The Board of Directors may fix its own rules of procedure which shall not be inconsistent with these Bylaws.

ARTICLE VI.
OFFICERS AND MANAGEMENT

Section 6.1 Appointment, Term, Removal. The Officers of the Association shall be the President, one or more Vice Presidents, the Secretary, the Treasurer, and in addition thereto, one or more Assistant Secretaries, one or more Assistant Treasurers and such other Officers, with such duties, as the Board of Directors shall from time to time determine. The Officers shall be appointed annually by the Board of Directors at the first meeting thereof after the annual or special meeting of the Members at which the Board of Directors is elected and shall hold office at the pleasure of the Board of Directors until the next annual meeting and thereafter until their respective successors shall be duly appointed and qualified. Each Officer must be a Director and Member of the Association. Any person may hold more than one office. The Board of Directors may, in its discretion, from time to time limit or enlarge the duties and powers of any officer appointed by it. In all cases where the duties of any officer, agent or employee are not specifically prescribed by the Bylaws or by the Board of Directors, such officer, agent or employee shall obey the orders and instructions of the president. Only one "Owner" per lot in the Subdivision, as defined in the Declaration, may serve at any time as either a director or officer. No two or more directors or officers may be "Owners" of the same one or more lots in the Subdivision. Neither officers nor directors shall be reimbursed by the Association for any expenses related to traveling to the place of any meeting of the Board or Members of the Association.

Section 6.2 The President. Unless the Board of Directors otherwise directs, the President shall be the Chief Executive Officer of the Association. Unless the Board of Directors otherwise directs, the President shall preside at all meetings of the Members and at all meetings of the Board of Directors. The President may call special meetings of Members at his or her discretion and shall call annual meetings of Members, as provided by these Bylaws. Subject to the direction and control of the Board of Directors, the President shall:

- (a) be in personal charge of the principal office of the Association;
- (b) have the general management, supervision and control of all of the property, business and affairs of the Association, prescribe the duties of the managers, and exercise such other powers as the Board of Directors may from time to time confer upon him or her; and
- (c) subject to approval of the Board of Directors, control the engagement, government and discharge of all employees of the Association, and fix their duties and compensation.

He or she shall at all times keep the Board of Directors fully advised as to all of the Association's business.

Section 6.3 The Vice President or Vice Presidents. The Vice President shall, in such order as the Board of Directors shall determine, perform all of the duties and

exercise all of the powers of the President provided by these Bylaws or otherwise during the absence or disability of the President or whenever the office of President shall be vacant, and shall perform all other duties assigned to him, her or them by the Board of Directors or the President.

Section 6.4 The Secretary. The Secretary shall have charge of the membership ledger, all documents pertaining to the title to all real property owners held by the Association, and all rules, regulations and other documents required to be filed with the Association or in the office of the Association by the Declaration, which documents shall reasonably be available for examination by any Member at the principal office or such other place as directed by the Board. The Secretary attend all meetings of the Members and of the Board of Directors, and shall record the proceedings thereof in the minute book or books of the Association. The Secretary shall give notice, in conformity with these Bylaws, of meetings of Members and, where required, of the Board of Directors. In the absence of the President and the Vice President, the Secretary shall have power to call such meetings and shall preside thereat until a President Pro Tempore shall be chosen. The Secretary shall perform all other duties incident to his or her office or which may be assigned to him or her by the Board of Directors or the President.

Section 6.5 The Treasurer. The Treasurer shall have the care and custody of all of the funds, notes, bonds, valuable papers, and other evidences of property of the Association. The Treasurer shall deposit or cause to be deposited in the name of the Association all monies or other valuable effects in such banks, trust companies or other depositories as shall from time to time be designated by the Board of Directors. The Treasurer shall make such disbursements as the regular course of the business of the Association may require or as the Board of Directors may order. The Treasurer shall perform all other duties incident to his or her office or which may be assigned to him or her by the President or the Board of Directors. The Treasurer shall render to the Board of Directors an annual report of the income and expenses and assets and liabilities of the Association.

Section 6.6 Assistant Secretary and Assistant Treasurer. The Assistant Secretary or Assistant Secretaries and Assistant Treasurer or Assistant Treasurers, if elected or appointed, shall, in such order as the Board of Directors may determine, perform all of the duties and exercise all of the powers of the Secretary and Treasurer, respectively, during the absence or disability, and in the event of a vacancy in the office, of the Secretary or Treasurer, respectively, and shall perform all of the duties assigned to him, her or them by the President, the Secretary in the case of Assistant Secretaries, the Treasurer in the case of Assistant Treasurers, or the Board of Directors. The Association may have such other officers, agents and employees as may be deemed necessary, who shall hold their positions at the pleasure of the board of directors and who shall have such powers and duties as may be assigned to them by the board.

Section 6.7 Absence of Officers. In the absence or disability of the President and Vice President, the duties of the President (other than the calling of meetings of the Members and the Board of Directors) shall be performed by such persons as may be designated for such purpose by the Board of Directors. In the absence or disability of the

Secretary and of the Assistant Secretary, or Assistant Secretaries if there be more than one, or of the Treasurer and the Assistant Treasurer, or Assistant Treasurers if there be more than one, the duties of the Secretary or of the Treasurer, as the case may be, shall be performed by such person or persons as may be designated for such purpose by the Board of Directors.

Section 6.8 Compensation. The Officers shall serve without compensation.

ARTICLE VII. REMOVALS

The Members may at any time depose or remove from office any Director, whenever, in their judgment, the best interests of the Association will be served thereby. The number of votes cast to remove a Director must be sufficient to elect the Director at a meeting to elect Directors.

The Board of Directors, by a vote of a majority of the directors, may accept the resignation of, or remove from office, with or without cause, or discharge from employment any Officer, subordinate Officer, agent or employee appointed by it or by any person under authority delegated by it, whenever, in their judgment, the best interests of the Association will be served thereby. Any such vacancy 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.

ARTICLE VIII. AUDITOR AND AUDIT OF THE BOOKS

Section 8.1 Election. The members or Board of Directors may at any annual meeting, or at any special meeting called for that purpose, appoint any person, firm or corporation engaged in the business of auditing to act as the Auditor of the corporation.

Section 8.2 Disqualification. No director or officer shall be eligible to serve as Auditor of the corporation, unless at the time of election the members shall expressly waive the disqualification herein stated.

Section 8.3. Duties. The Auditor shall, at least once in each fiscal year, and more often if required by the-members, examine the books and papers of the corporation and compare the statements of the Treasurer with the books and vouchers of the corporation, and otherwise make a complete audit of the books of the corporation, and thereafter make appropriate reports to the members.

ARTICLE IX.
EXECUTION OF INSTRUMENTS

Section 9.1 Proper Officers. Except as hereinafter provided or as required by law, all checks, drafts, notes, bonds, acceptances, deeds, leases, contracts, bills of exchange, orders for the payment of money, licenses, endorsements, powers of attorney, proxies, waivers, consents, returns, reports, applications, notices, mortgages and other instruments or writings of any nature, which require execution on behalf of the Association, shall be signed by any two of the following officers: the President, a vice president, the treasurer and the secretary. The Board of Directors may from time to time authorize any such documents, instruments or writings to be signed by such an Officer, and any agents or employees of the Association, or any two of them, in such manner as the Board of Directors may determine.

Section 9.2 Facsimile Signatures. The Board of Directors may, from time to time by resolution, provide for the execution of any corporate instrument or document, including but not limited to checks, warrants, letters of credit, drafts and other orders for the payment of money, by a mechanical device or machine or by the use of facsimile signatures under such terms and conditions as shall be set forth in any such resolution.

Section 9.3 Funds. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE X.
CORPORATE BOOKS AND RECORDS; INSPECTION OF SAME AND BYLAWS

Section 10.1 Books and Records. The Association shall keep correct and complete books and records of account of the Association and minutes of the proceedings of its Members, Board of Directors shall keep at its designated office or at the manager's office, a record of the names and addresses of its Members. All books and records of the Association, not posted on the Association website, may be inspected, upon written demand, by any Member or Member's attorney for any proper purpose at any reasonable time, provided that the Board may establish reasonable rules regarding the location and duration of any inspection. Demand of inspection other than at a meeting shall be made in writing upon the President, the Secretary or any other officer designated by the Board of Directors.

Section 10.2 Inspection of Bylaws. The Association shall post the Bylaws on the Association website and shall keep in its principal office for the transaction of business a copy of the Bylaws of the Association as amended or otherwise altered, up to date, which shall be open to inspection by the Members at all reasonable times, as determined by the Board.

ARTICLE XI.
LIABILITY OF OFFICERS AND DIRECTORS

Section 11.1 Exculpation. Each director or officer shall be free from all personal liability for any acts done on behalf of the Association or for any losses incurred or sustained by the Association unless the same have occurred through the willful negligence or willful misconduct of such director or officer.

Section 11.2 Indemnification. No Agent of the Association shall be liable to the Association for any loss or damage suffered by it on account of any action or omission by the person as such Agent, unless such person shall, with respect to such action or omission, be or have been guilty of negligence the Association or willful misconduct toward the Association in the performance of the person's duties as such Agent.

Section 11.3 Upon authorization, as provided in this section, each Agent who has acted in good faith shall be indemnified against expenses. For purposes of this section, "Agent" includes all directors, officers and employees of the Association. "Acting in good faith" shall mean acting in a manner the Agent reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal proceeding, the Agent had no reasonable cause to believe the conduct of the Agent was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or nolo contendere, shall not create a presumption of lack of good faith. "Expenses" shall mean all amounts, including attorney's fees, judgments, fines and settlements, actually and reasonably incurred by an Agent in connection with any proceeding (other than action by the Association against the Agent), or threat to be made a party to any proceeding. Authorization to indemnify shall be based upon a determination that the Agent has met the above standards of conduct made (a) by a majority vote of a quorum of directors who are not parties to the proceeding involving the Agent, or if such a quorum is not obtainable, by written opinion of independent legal counsel, or (b) by majority vote of the members, or (c) by the court in which such proceeding is or was pending upon application by the Association, Agent or person rendering the services for the Agent, even if the Association such application. The decision by any one of the foregoing methods shall be final and not subject to any

Section 11.4 Appeal. If an Agent is successful in defense of any such proceeding, the Agent shall be indemnified against expenses, but there shall be no indemnification if the Agent is found liable for negligence or misconduct in performance of the Agent's duty to the corporation unless the court in which the proceeding is brought finds the Agent is entitled to indemnity for such expenses as the court selects. The indemnification provided in this section shall continue for an Agent who is no longer an Agent and shall inure to the benefit of the heirs and personal representatives of an Agent. Any person who serves as an Agent shall be deemed to do so in reliance upon these provisions.

ARTICLE XII.
FISCAL YEAR

The fiscal year of the Association shall be such as may from time to time be established by resolution by the Board of Directors.

ARTICLE XIII.
AMENDMENT TO BYLAWS

Section 13.1 By Members. These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing a majority of the Members of the Association or a majority of a number constituting a quorum, at any meeting of the members duly called and held, the notice of which shall have stated that a purpose of the meeting was to consider the adoption , amendment or repeal of the Bylaws and the general nature of the same.

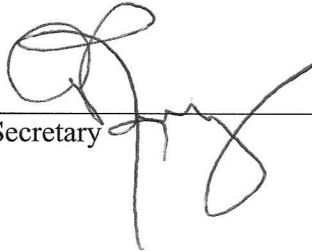
Section 13.2 Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon the effective date specified therein. Any procedural challenge to an amendment must be made within six months of the effective date specified therein, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

CERTIFICATE OF SECRETARY

I certify that:

1. I am the Secretary of MILOLII BEACH CLUB ASSOCIATION II
2. The attached Bylaws are the Bylaws of Association duly adopted by the Board of Directors effective as of February 10, 2018.

DATED: Feb. 10, 2018.


Secretary