ARTICLE VII

Board of Directors

Section 7.01. Number and Residency Requirement. The authorized number of Directors of the corporation shall be not less than five nor more than seven, and the Board of Directors of the corporation may, within the limits specified by this Section, increase or decrease the exact number of Directors from time to time by resolution duly adopted by a majority of such Board. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. The exact number of Directors shall be seven until so increased or decreased. At all times at least one member of the Board of Directors shall be a resident of the State of Hawaii.

Section 7.02. Appointment and Election of Directors and Term. The Board of Directors shall be divided into three classes designated Class I, Class II and Class III, as nearly equal in number as possible, for the purpose of continuity so that the term of only one class shall expire at a time. Additional directorships resulting in an increase in number of Directors shall be apportioned among the classes as equally as possible. At each Annual Meeting of Members, the number of Directors equal to the number of Directors of the Class whose term expires at the time of such meeting (or, if less, the number of Directors properly nominated and qualified for election) shall be elected to hold office until the third succeeding Annual Meeting of Members after their election. Each Director shall hold office until his successor is elected and qualified, or until his earlier resignation or removal.

Section 7.03. Composition of Board. The Board shall be comprised of Member and Non-Member Directors. Member Directors must be members of RAVC and shall be in good standing. Non-Member Director(s) will be person(s) from the business community and/or Senior Management employee(s) of RAVC, selected for their specific expertise deemed important to the Board.

Section 7.04. Qualifications of Directors. At least two Directors shall be business or professional persons who are not members and who are knowledgeable by virtue of education or experience in the areas of banking, finance, real estate, the timeshare industry, or the visitor industry and possess skills that supplement the current Board (“Professional Director”). At least one Director in each class shall be a member (“Member Director”), and all Member Directors shall be in good standing. Member Directors shall be limited to two, consecutive or otherwise, three-year elected terms. An exception for a Member Director to be nominated for more than 2 terms would require a unanimous vote by the Board. Non-Member Directors, subject to satisfactory performance review by the Board, may serve an unlimited number of three year terms to maximize the use of their skills and experience, and to provide governance continuity to the Board.

Section 7.05. Compensation of Directors. Professional Non-Member Directors who are not employees of RAVC shall be compensated for their services in an amount to be determined in advance by a majority of the Member Directors of the Board of Directors. Non-Member Directors who are employees of RAVC will receive no additional compensation. Professional Non-Member Directors will be reimbursed for reasonable transportation and expenses incurred in connection with their services. Member Directors will be reimbursed for reasonable transportation, expenses, and per diem incurred in connection with their services. Per diem amounts will be reviewed and determined by a majority of the Board of Directors at least every two years.

Section 7.06. Nominating Committee. For every election of Directors, the Board of Directors will appoint a committee, at least sixty (60) days before the date of election, to select qualified candidates for election to the Board. The Secretary will send to each member, with the Notice of Meeting required by Section 6.01, a list of the persons nominated.
ARTICLE VII

Board of Directors

Section 7.076. Meeting of the Board of Directors. An annual meeting of the Board of Directors shall be held without notice immediately following the annual election of the Directors, at which time the Directors shall elect a Chairman of the Board. The Chairmanship will rotate annually among Member and Non-Member Directors (no consecutive terms) with selection decided by a majority of the Board immediately after the Annual meeting. The Chairman cannot also be an employee of RAVC. Each Director is limited to two one year appointments as Chairman during a six year period. Other meetings of the Board may be called by the Chairman of the Board, when he deems it necessary, or the Secretary, at the request in writing of the majority of the Directors, shall issue a call for a special meeting of the Board, and only five days’ notice shall be required for such special meetings. Directors may participate in an annual meeting, or a special meeting upon proper notice, by means of a conference telephone, or similar communications equipment, by which all Directors participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

Section 7.087. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and at all meetings of the members. The Chairman of the Board shall have such other powers and duties as may be vested in him by vote of the Board of Directors.

Section 7.098. Quorum. The majority of the Directors of the Board of Directors shall constitute a quorum for the transaction of business, and a majority of the Directors present at any meeting at which a quorum is present shall decide any question brought before such meeting, unless otherwise required by these Bylaws. If a quorum is not present, a lesser number may adjourn the meeting to a later day, not more than ten days later.

Section 7.109. Waiver of Notice. Notice of any meeting of the Board of Directors and of the business to be transacted may be waived in writing before or after the meeting by any Director, and the presence of any director at any meeting of the Board of Directors shall be deemed a waiver of notice by him/her of the meeting and of the business to be transacted unless objection is made by him/her at the time and noted on the records of the meeting of the Board of Directors.

Section 7.110. 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 all of the Directors execute a written consent setting forth the action taken or to be taken at any time before or after the intended effective date of the action.

Section 7.124. Vacancies. Newly created Directorships resulting from any increase in the authorized number of Directors and any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled by a majority vote of the Directors then in office in accordance with the requirements set forth in Section 7.03, and Directors so chosen shall hold office for a term expiring at the Annual Meeting of Members, at which the term of the Class to which they have been elected expires.

Section 7.132. Removal of Directors. At a meeting of members called expressly for that purpose, Directors may be removed, with or without cause, by a vote of the majority of the members constituting a quorum as defined in Section 6.04. If any Director misses three (3) consecutive regular meetings of the Board, the Board may, at the third or any later meeting, declare the office of the absent Director to be vacant.
ARTICLE VII

Board of Directors

Section 7.143. Hiring or Terminating the President and/or the Managing Agent. Notwithstanding anything contained in these Bylaws, to the contrary, the approval of two-thirds of the Directors shall be necessary to employ or terminate the President described in Section 8.03 and/or the Managing Agent described in Section 9.02.

Section 7.154. Annual Reports to Members. The Board of Directors shall, prior to the Annual Meeting each year, provide a written disclosure to each member in good standing of the fees and expenses paid on behalf of each Director, of the funds held in reserve to refurbish the units, of any changes in the number or location of units, and of any funds held in reserve for acquisition of units.

Section 7.165. Executive Committee. To an Executive Committee, consisting of shall consist of the Chairman of the Board, a Professional Member Director, and such additional Directors as are selected by the Directors, and shall be delegated such powers as the Directors deem appropriate.

Section 7.176. Audit Committee. Beginning in 1991, an Audit Committee, consisting of shall consist of the Chairman of the Board, a Professional Member Director and such additional Directors as are selected by the Directors, and shall have the authority, subject to Board approval, to retain a certified public accounting firm to perform an audit of the corporation’s books and records.

Section 7.18. Additional Committees. Directors shall have, as needed, by majority vote, authority to establish committees to serve the needs and direction of RAVC.

(Article VII amended April 24, 1993; April 30, 1994; May 13, 2006; May 9, 2015)