

# **HAWAIIAN PARADISE PARK OWNERS ASSOCIATION**

## **BYLAWS**

**AMENDED AND RESTATED, JULY 22, 2010**

**AMENDED AND RESTATED BYLAWS OF HAWAIIAN PARADISE PARK OWNERS  
ASSOCIATION**

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**AMENDED AND RESTATED BYLAWS OF HAWAIIAN PARADISE PARK OWNERS  
ASSOCIATION**  
(A Hawaii Non-Profit Corporation)

WHEREAS, Ernest A. Reeder, Albert O'Neil, Frank Wellington, and Pamela Tingcang incorporated Hawaiian Paradise Park ("subdivision") by that certain Charter of Incorporation, dated December 22, 1972, ("Charter"), as amended January 21, 2001, which declarations, restrictions, and conditions constitute covenants running with the subdivision, and are binding and inure to the benefit of lot owners and their respective heirs, personal representatives, successors, and assigns; and

WHEREAS, for the purpose of administrative efficiency and the operation, maintenance, and governance of the subdivision and to foster unity and harmony amongst lot owners of the subdivision, a two-thirds majority of the full members using mail in ballots, have voted to further amend their Bylaws of Hawaiian Paradise Park dated July 30, 2009; such amended and restated bylaws superseding prior bylaws, and amendments thereto; NOW, THEREFORE, the bylaws are hereby further amended as follows:

**ARTICLE I – NAME**

The name of the Corporation shall be "Hawaiian Paradise Park Owners Association," hereinafter referred to as "Association" or "HPPOA."

**ARTICLE II – LOCATION**

The location of the principal office of the Association shall be in Hawaiian Paradise Park, District of Puna, County of Hawaii, State of Hawaii.

**ARTICLE III – CORPORATE SEAL**

The corporate seal will include the following: On the outer margin, the name "Hawaiian Paradise Park Owners Association"; in the center, the words "Incorporated 1972 Hawaii."

**ARTICLE IV – OBJECTS AND PURPOSES**

The objects and purposes of the Association are defined in the Charter and are as follows:

- (a) To ascertain the needs and desires of lot owners of the Hawaiian Paradise Park subdivision and represent those needs and desires as appropriate.
- (b) To manage, protect, maintain, and improve the improved and unimproved real properties and other assets of the Association and to provide usual administrative and executive functions necessary to the operation and management of the Association.
- (c) To maintain, manage, preserve, and protect the commonly owned roadway easements in Increments I and II, which shall be used in common with others for roadways and utility purposes.
- (d) To serve as a representative of lot owners of Hawaiian Paradise Park to government agencies, officials, and community organizations on issues affecting or arising from Hawaiian Paradise Park.
- (e) To foster an atmosphere of cooperation and harmony that encourages the participation of lot owners in the management and operation of the Association.
- (f) To administer the financial affairs of the Association in a responsible manner.
- (g) To promote social and recreational activities within the Hawaiian Paradise Park subdivision.
- (h) To assist the Hawaii County Department of Civil Defense and other recognized relief organizations at the discretion of the board.

## ARTICLE V – BYLAWS DEFINITIONS

**Section 1. Road Maintenance Activity.** An activity engaged in for the purpose of managing, maintaining, improving, preserving or protecting any road or road easement in Hawaiian Paradise Park, including collecting, accounting for, administering, and protecting road maintenance funds, and managing, operating, maintaining, and protecting road maintenance property.

**Section 2. Road Maintenance Funds.** Any money collected for road maintenance activities including, but not limited to, any late penalties, interest paid on road maintenance assessments, lien fees, transfer fees, and interest and dividends paid by banks or other financial institutions on road maintenance funds.

**Section 3. Special Assessment.** An assessment approved by the membership for the purpose of extraordinary road maintenance outside of the scope of day-to-day operations.

**Section 4. Road Maintenance Costs.** A cost incurred in the performance of, or as a consequence of road maintenance activity.

**Section 5. Road Maintenance Property.** Hawaiian Paradise Park Owners Association property that has been acquired to support road maintenance activity.

**Section 6. Restricted Funds.**

(a) Road Maintenance Funds, as per Section 2, above.

(b) Funds received from other sources and designated for specific purposes, e.g., water lines.

**Section 7. Majority Vote.** The vote of greater than half of the valid votes cast.

**Section 8. Two-Thirds Vote.** The vote of two-thirds or greater of the valid votes cast.

**Section 9. Member.** Any owner of one or more lots in Hawaiian Paradise Park.

**Section 10. Member in Good Standing.** A member whose road maintenance assessments are not in arrears.

**Section 11. Quorum of the Board of Directors.** A majority of the Board of Directors hereinafter referred to as "board".

**Section 12. Quorum of the Membership.** A majority of the members in good standing or 30 members in good standing, whichever is less.

**Section 13. Quorum of a Committee.** The majority of the members of the Committee.

**Section 14. Conflict of Interest.** A conflict of interest exists when any director, officer, member of a committee or employee of HPPOA, has a direct or indirect financial interest in any matter involving the Association. See Article VIII, Sec. 11. An indirect financial interest shall include financial benefit to a relative of any director, officer, committee member or employee when so determined by a majority vote of the board or by policy established under Article VIII, Section 11.

**Section 15. Residence.** A dwelling, including, but not limited to, a house and associated legally permitted water storage tanks, driveways, garages, fences, gardens, gardening facilities, landscaping, and other structures.

**Section 16. Non-Residential Activities.** Activities that are not ordinarily associated with living in, constructing, or maintaining a residence. This definition is intended to include, but is not limited to, business activities not related to the construction or maintenance of a residence.

**Section 17. Preferential Voting.** The definition of this term shall be as defined in parliamentary authority.

**Section 18. Increments I and II.** These geographic designations reference sections of Hawaiian Paradise Park which have differing common area descriptions. Said descriptions are found in the deed of trust for each individual lot.

**Section 19. Executive Committee.** The officers of the board.

## ARTICLE VI – MEMBERSHIP AND VOTING

**Section 1. Types of Membership.** There shall be two types of membership:

(a) Members. Lot owners of record of the Hawaiian Paradise Park, Increments I and II, hereinafter referred to as "member" or "membership," shall constitute the Association. The owner of any lot upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as ownership ceases for any reason, at which time membership in the Association shall automatically terminate. Lot owners shall include all individuals and entities (partnerships, corporations, limited liability companies, limited liability partnerships, and trusts) holding legal title as tenants-in-severalty, tenants-in-common, joint tenants, or tenants by the entirety. Lot owners may decline membership in writing only, addressed to the HPPOA office. Former members may rejoin Association membership upon receipt of a written statement sent to the HPPOA office. Lot owners declining membership forfeit all voting rights. All lot owners, regardless of Association membership must pay Road Maintenance Assessments and comply with Association bylaws and policies.

(b) Associate Members. An annual associate membership shall be available to those people who are not otherwise qualified to be members. Associate members do not have the right to vote or hold office. The annual associate membership fee shall be established by a majority vote of the board.

**Section 2. Voting Rights of Members.** Each lot, provided road maintenance assessments are current, shall be entitled to one vote in matters voted upon by the Association, subject to Article XI. In the case of multiple ownership, only one vote shall be cast per lot. Votes may be cast in person or, in the case of mail-in votes, by mail-in ballot by the respective lot owner as shown in the record of ownership of the Association.

**Section 3. Proxy Votes.** Proxy votes are not permitted.

## ARTICLE VII – MEMBERSHIP MEETINGS

**Section 1. Regular Meetings.** Membership meetings shall be held three times a year for the purpose of transacting such business as may come before the Association. Membership meetings shall be held at 3 p.m. Hawaii standard time on the last Sunday in the months of February, June and October. In support of

Article IV, Objects and Purposes, the directors shall actively seek and consider member suggestions for agenda content

**Section 2. Special Meetings.** A special membership meeting may be called by a two-thirds vote of the board, or by the written request of not fewer than 100 members in good standing, and shall be called by the secretary or an agent directed to do so by the board. Special membership meetings must be held within 45 days of being legally called, and notices must be mailed to members 30 days in advance of the meeting date. The Administrative budget shall contain funds for a special membership meeting.

**Section 3. Acts of the Association.** The acts of a majority of the membership present at any membership meeting at which a quorum, as per Article V, Section 12, is present shall be the acts of the Association except as otherwise provided herein.

**Section 4. Place of Meetings.** Membership meetings shall be held at the Hawaiian Paradise Park Activities Center or other such suitable place on the island of Hawaii, in the District of Puna, as designated by the board.

**Section 5. Change of Meeting Date, Time or Place.** In the event of a change of the date, time or place of the Membership Meeting, members shall be notified at least thirty days in advance.

**Section 6. Order of Business.** The order of business at membership meetings shall be in accordance with Robert’s Rules of Order Newly Revised, version to be determined by the sitting board annually and shall include a period for public commentary from members. Commentaries may be limited to three minutes per member.

**Section 7. Conduct of Meeting.** Membership meetings shall be conducted in accordance with Robert’s Rules of Order Newly Revised, except as otherwise noted in these bylaws or when some other generally accepted rules for the conduct of such meetings are designated or adopted by a majority vote of the membership.

## **ARTICLE VIII – BOARD OF DIRECTORS**

**Section 1. Number and Qualification.** The affairs of the Association shall be governed by a board composed of nine persons, who must be members in good standing. HPPOA employees shall not serve on the board of directors. The directors must be able to attend board and membership meetings in person and serve on committees of the board. They shall serve without compensation or reimbursement of cost incurred as a result of attendance at meetings.

### **Section 2. Terms.**

(a) A district term is three consecutive years on an established schedule. Elections of directors shall occur as per Article VIII. The schedule of district terms is established as follows:

<b>DISTRICT</b>	<b>DISTRICT TERM EXPIRES JUNE OF STATED YEAR</b>
1, 6, and 9	2010, 2013, 2016 and so on
5, 7, and 8	2011, 2014, 2017 and so on
2, 3, and 4	2012, 2015, 2018 and so on



(b) A director may hold office for more than one term but not for more than two consecutive terms. Any partial district term vacancy that is filled by board appointment or election is not considered a 'term' for purposes of Section 2(a).

(c) The remaining term for any appointed or vacant director position shall be filled through election at the next annual election. Any director elected under such conditions shall only serve the remainder of that district's term.

(d) Terms of the board commence immediately following adjournment of the June membership meeting at which the election results are announced.

(e) Board members, elected or appointed, must be sworn in and sign the Oath of Office, Appendix C, before assuming their positions. The Oath of Office shall state the directors will promise to uphold the bylaws and policies of the Association.

**Section 3. Districts.** The subdivision is divided into nine districts as set forth in Appendix A and more particularly defined in the map attached as Appendix B. The Association shall maintain an accurate list of which lot owners are members of each of the nine districts. Directors shall be nominated from each district and will be elected by members in that district only.

#### **Section 4. Nomination.**

(a) Any member in good standing whose property is within the boundaries of a district, may be nominated to be a director for that district.

(b) A minimum of two nominees must be sought from each district due for election. If two nominees from each district are not received, the Nominating Committee, as per Article X, shall exercise its best efforts in nominating any qualified and willing candidates to stand for election to the board in that district.

(c) The board shall pass all nominations received to the Nominating Committee.

(d) Nominations shall be submitted by the nominating committee to the Association Administration Office for preparation of the ballots. The deadline for receipt of nominations shall be the end of the third week of March..

#### **Section 5. Election.**

(a) Each year the members in each voting district whose district's term expires, or whose director's position is vacant or is being filled by a board appointee, shall elect a new director by confidential mail-in ballot. Prior to the ballot mail-out, the board shall select a reputable neutral entity to receive, count, and report on the election results.

(b) The board shall advise the membership of the districts requiring elections and that applications are open for willing and qualified candidates from those districts to stand for election as per Article XII.

(c) If only one willing and qualified nominee comes forward within a district, and the Nominating Committee is unable to identify a second candidate, that Nominee will be permitted to run unopposed. If no willing and qualified nominee comes forward from within a district and the Nominating Committee is unable to identify a candidate, the board seat for that district shall be deemed vacant. In that case, it will be filled in accordance with the normal procedures for filling seats on the board which become vacant as per Article VIII.

(d) Mail-in ballots shall be prepared by the general manager, reviewed by the Nominating Committee and mailed to the members of the applicable districts by the secretary or general manager at least 30 days prior to the date of the election.

(e) The mail-in ballot shall list the names of nominees, their unedited statements of qualification (200 words or fewer), and the date of the election.

(f) The date of the election shall be the first business day of June. To be counted, ballots must be received by the close of business on the first business day of June. The election results are determined as shown in the following matrix and shall be reported to the board within 14 days after the election.

<b>Election Results</b>	<b>One Candidate</b>	<b>Two Candidates</b>	<b>More Than Two Candidates</b>
Decides Winner	Not applicable; Unopposed	Majority Vote	Preferential Voting
In Case of Tie	Not applicable; Unopposed	Candidates draw straws	

(g) The results of the election shall be reported to the membership at the June Membership Meeting.

**Section 6. Vacancy.** Vacancies in the board shall be announced within two business days on the HPPOA website and bulletin board. They shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so appointed shall be a director until one’s successor is elected at the next election by the membership. A director’s position becomes vacant upon death, resignation, removal, incapacity, or when the director ceases to be a lot owner or member in good standing.

**Section 7. Removal.** Any officer, director, or agent elected or appointed may be removed by the persons authorized to elect or appoint the officer, director, or agent with or without cause. The removal of a director shall be without prejudice to the contract rights, if any, of the director so removed. Election or appointment of a director shall not of itself create contract rights.

- (a) A recall election for a director may be called by two-thirds majority of the board, or by a petition of not fewer than 200 signatures of members from the director's District.
- (b) The mail-in recall ballot may contain two statements of 200 words or fewer, one stating the case for removal of the director and the other to be submitted by the director being challenged.
- (c) The director shall be removed on a two thirds majority of the valid ballots returned.

**Section 8. Powers and Authority.** Except for the limitations set by the Articles of Incorporation and by these bylaws as to actions to be authorized or approved by the membership and subject to the duties of the directors as prescribed by the bylaws, all corporate powers and affairs of the Association shall be exercised or controlled by or with authority of the board. The directors shall have such power and duties as may be necessary or proper including, but not limited to the following:

- (a) Prepare short and long-range plans to support the Association Objects and Purposes as per Article IV.
- (b) Conduct, manage, and control affairs and business of the Association, and make policies and procedures not inconsistent with law, the Articles of Incorporation, or the bylaws.
- (c) Maintain, repair, replace, restore, improve, and protect the common property, including, but not limited to, subdivision roadways, real property, buildings, equipment, and any additional improvements and alterations thereto. The board shall act as a committee of the whole with respect to maintenance of said subdivision roadways, be responsible for road maintenance activities, and ensure that road maintenance funds are used for road maintenance activities exclusively.
- (d) Supervise the immediate management and operation of the Association.
- (e) Maintain Policies and Procedures for the Association including an employee handbook and a detailed written job description for the general manager.

- (f) Employ, supervise, and dismiss such personnel or independent contractors as may be necessary for the maintenance and operation of the Association and its committees, and prescribe such duties for them as are consistent with law, the Articles of Incorporation, and these bylaws.
- (g) Review and approve performance appraisals of the general manager and contractors hired to provide ongoing administrative or road services on a long-term basis (six months or longer).
1. General manager - no less than annually.
  2. Contractors/Independent Contractors - no less than at mid-contract and before renewing any contract.
- (h) Delegate authority to or limit the authority of the president or other officers except where such actions would conflict with provisions of these bylaws.
- (i) Keep accurate records of board meetings, maintain records and make reports as required by law and ensure that organizational documents are protected.
- (j) Ensure that adequate insurance protection is provided, including but not limited to liability, hazard, fidelity, and Directors and Officers liability insurance. Insurance, except for Fidelity Bond, may be waived for good cause by a two-thirds vote of the board.
- (k) Ensure that finances are protected and managed in the best interests of the Association. To accomplish this purpose, the board shall establish reasonable formulas, policies, and procedures by which administrative costs are to be divided between restricted funds and the non-road fund. Such policies may include but are not limited to issuing checks drawn on separate bank accounts or the creation of one or more administrative operating accounts. Funds may be transferred into such operating accounts as budgeted by the board. Nothing in this section shall be interpreted in such a way as to relieve the board of the responsibility to account for all road funds separately in accordance with generally accepted accounting practices nor to empower the board to expend road maintenance funds for any purpose other than road maintenance activities.
- (l) Designate or appoint committees, which shall report and make recommendations to the board.
- (m) Review and approve an annual budget and Capital Improvement Plan and ensure an annual report reflecting the Association's financial status (unaudited) and the Capital Improvement Plan is mailed to the membership and posted on the Association website within 60 days after fiscal year end.
- (n) Approve the annual mandatory road maintenance assessment. Any increase in excess of 10% over the prior year's assessment must be approved by a majority of the membership.
- (o) Collect all assessments and fees levied by the Association, including the road maintenance assessments. The Association shall be charged with the duty of retaining custody and control of all funds, maintaining full and accurate account records of said funds, and preparing regular financial reports thereof. All funds generated by the collection of road maintenance assessments must be deposited into a separate bank account, and shall not be commingled with any other Association funds. Said road maintenance funds shall be expended solely and exclusively for expenses arising from the actual operation and administration of road maintenance activities and compensation to the Association for the use of its non-road maintenance assets as per Article XI.
- (p) Voluntary Association Donations. An annual donation may be solicited by the Association to be paid by the members on a voluntary basis. Suggested annual Association donations may be established by a majority vote of the board.
- (q) Delegate the authority to issue and sign checks and drafts to cover the day-to-day operating expenses of the Association in accordance with the corporate policies on purchases and contracts to the general manager.
- (r) Approve standards and policies and procedures for member communication platforms to include:
1. Website design, content, and links
  2. Mass mailings, electronic and printed
  3. Newsletter
  4. Official notices
  5. Media releases

## 6. Signage.

(s) Cause an independent certified public accountant, which may be an individual, firm, partnership, or corporation, to conduct a mandatory annual audit of the financial records of the Association. Copies of the audit shall be available to members upon request.

(t) The board shall further have additional powers as necessary for the administration of the affairs of the Association and may act accordingly as not prohibited by law, the Articles of Incorporation, or these bylaws.

## **Section 9. Meetings of the Board.**

(a) Parliamentary Authority. Regular and special meetings and executive sessions shall be conducted in accordance with, and the order of business determined by, Robert's Rules of Order Newly Revised, version to be determined by the sitting board annually.

(b) Regular Meetings. The board shall provide by resolution the time in which its regular meetings shall be held without any additional notice other than said resolution. The membership shall be notified of any change in the meeting time and the new meeting time will become effective after such notification is made. Meetings of the board shall be held at the Hawaiian Paradise Park Activities Center or other such suitable place on the island of Hawaii, in the District of Puna, as may be designated by the board. Meetings of the board, except executive sessions, are open to the membership.

(c) Special Meetings. Special meetings of the board may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board shall designate the Hawaiian Paradise Park Activities Center or other such suitable place on the island of Hawaii, in the District of Puna, as may be designated by the board. Special meetings of the board, except executive sessions, are open to the membership.

1. Notice of special meetings of the board shall be delivered either personally, by mail, by telecommunication or electronically to each director entitled to vote at such meetings, not less than seven days before the date of such meeting, by or at the direction of the president, the secretary, or those directors calling the meeting.

a. The purpose(s) of the special meeting shall be stated. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

b. The officer or directors calling the meeting shall notify the general manager who will be charged with the responsibility of posting the meeting date and time on the HPPOA website and HPPOA bulletin board and of notifying interested parties of special meetings at the time notice is given to the directors.

2. Exceptions to the seven day notification for special meetings of the board are permitted when action is urgently required to serve the community interest. In such case however, no such meeting shall be held until every reasonable effort has been made to inform and secure the participation of every board member.

3. Prior to any special meeting, notice shall be provided by the general manager to members who have requested to be notified of special board meetings. Maintaining a list of such interested members shall be a part of the job description of the general manager.

### (d) Executive Session

#### 1. Description

a. An executive session must be agendized, or be called during an open meeting with a motion to adjourn to executive session, a second and majority vote.

b. An executive session shall be for the purpose of discussing personnel issues, matters of litigation, or matters of attorney/client privilege.

c. The proceedings of executive session are privileged and secret. Only directors and those specifically invited may remain in the meeting room.

d. The proceedings are not restricted in any other way.

2. A director may be disciplined up to and including removal from director position if he/she violates the secrecy of an executive session. Directors have an affirmative, continuing and legally enforceable duty to keep all Association matters confidential until such time as the need for confidentiality no longer exists.

3. The minutes, or record of proceedings, of an executive session must be read and acted upon only in executive session, unless that which would be reported in the minutes (the action taken as distinct from the debate) was not secret or secrecy has been lifted by the assembly.

4. Final actions of the executive session shall be reported and affirmed when the meeting resumes or at the next regular meeting.

(e) Orientation Meeting. There shall be an orientation meeting soon after the annual election of directors and before the installation of directors and officers following the June membership meeting. Invitees shall include the seated directors and the newly-elected directors and may include the general manager and the Association's legal and financial counsel or other experts as appropriate. No actual business shall be conducted at this meeting. The location and format for this meeting will be at the board's discretion. The purpose of the meeting is to facilitate a smooth transition between incoming and outgoing directors and the agenda shall include:

1. Orientation of HPPOA bylaws with emphasis on Article IV – Objects and Purposes, Article VIII – Board of Directors, and Article IX – Officers.

2. Introduction of the Oath of Office and the Statement of Officer

3. Review of board meeting procedures, board communications, board/management relationship, and personnel policies.

4. Overview of unfinished business, ongoing projects, and current committees.

**Section 10. Fidelity Bonds.** The board shall require that directors, officers, employees, agents of the Association and independent contractors or firms handling or responsible for funds belonging to or administered by the Association be covered by a fidelity bond of not less than \$250,000 in favor of the Association. The premiums on such bonds shall be paid by the Association for directors, officers, employees and agents of the Association. Independent contractors or firms shall obtain and pay the premiums for their bonds.

**Section 11. Conflict of Interest.** The board shall annually adopt a Conflict of Interest Policy that applies to all board members and Association employees. The policy shall include the following:

(a) No member of the board shall vote at any board meeting on any issue in which such member has a conflict of interest. The director shall disclose the nature of the conflict of interest prior to a vote at the board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.

(b) Any after-the-fact disclosure of a conflict of interest on the part of any director shall result in the nullification of any relevant vote of the director and shall be grounds for dismissal from the board.

**Section 12. Acts of the Board.** The acts of a majority of the directors present at any meeting at which a quorum is present shall be the acts of the board. Any action taken by any board member(s) purporting to act on behalf of the board independently without the prior consent of the board shall not be considered an act of the board, and shall be strictly prohibited in accordance with HRS chapter 414D.

## ARTICLE IX – OFFICERS

**Section 1. Officers.** The officers of this Association, who shall also serve as officers of the board, shall be a president, vice president, secretary, treasurer, and such other officers as in the judgment of the board

may be necessary or advisable. The outgoing secretary shall provide each officer with a copy of the board-approved practices and procedures for their elected office.

(a) Terms. The officers shall be elected by the directors following the membership meeting at which the district election results are announced. The office terms are for one year and commence after the meeting at which they are installed and after signing a “Statement of Officer,” Appendix D. Officers serve until their successors are installed. No officer shall be elected to the same office for more than three consecutive one-year terms. Partial terms and non-consecutive terms shall not apply toward this limitation.

(b) Statement of Officer. Immediately before accepting an officer’s position, each officer shall sign a statement acknowledging that he or she has read and understands Article IX – Officers, and is willing and able to carry out the duties of that position. An individual unwilling to sign such a statement shall not hold office.

(c) All records shall pass to the incoming officers prior to the first regular board meeting following the installation of officers.

**Section 2. President.** The president shall:

(a) Direct preparation of board meeting agendas.

(b) Call and preside at meetings of the board.

(c) Preside at membership meetings as needed.

(d) Appoint the chairs of committees of the board with the approval of the board. Said appointments shall be reported to the general membership. Persons so appointed may be removed from their positions on the recommendation of the president and the affirmative vote of the majority of the board.

(e) Serve as member ex-officio of all committees.

(f) Prepare a periodic report to be sent to the membership not less than twice a year. One of the reports shall include an annual report reflecting the financial status of the Association, as per Article VIII.

(g) Serve as Chief Executive Officer of the Association in compliance with the directives and policies established by the board.

(h) Act as the general manager’s direct point of contact between regular formal reports to the board concerning administrative matters not requiring approval by or immediate interface with the board.

(i) Maintain custody of minutes and audio recordings for executive sessions.

(j) Ensure that motions or resolutions to be voted on by the membership are properly presented at the membership meetings.

(k) Be a signatory for notes, acceptances, conveyances, contracts, liens and releases of liens, and any other documents if so authorized by the board.

(l) Perform such other duties as are incident to this office, as the board may properly require or as may be specified in these bylaws.

**Section 3. Vice President.** The vice president shall:

(a) Perform the duties of the president in the absence or disability of the president.

(b) Assist the president in the performance of the president's duties

(c) Maintain a list of active committees.

(d) Be a signatory for notes, acceptances, conveyances, contracts, liens and releases of liens, and any other documents if so authorized by the board.

(e) Perform such other duties as are incident to this office, as the board may properly require or as may be specified in these bylaws.

**Section 4. Secretary.** The secretary shall:

- (a) Ensure proper notification and recordkeeping of board and membership meetings.
  - 1. Give notice of all meetings of the board and membership.
  - 2. Ensure the meetings are audio recorded.
  - 3. Ensure minutes of every board and membership meeting are taken by a recording secretary from an independent professional secretarial service having no other connection with the Association.
  - 4. Ensure the minutes reflect the names of directors voting yes, no and abstaining for each motion.
  - 5. Review for accuracy the minutes taken by the independent recording secretary prior to distributing the minutes to the other directors for their review.
  - 6. Countersign the minutes upon approval by the board and make those minutes available to the membership.
  - 7. Maintain and store audio recordings and original minutes of regular, special and membership meetings in a safe and secure place.
- (b) Ensure completion, documentation and storage of resolutions and motions of the board and membership.
  - 1. Ensure the agenda reflects all unfinished business, e.g. all outstanding resolutions and motions.
  - 2. Provide a copy to all directors of all motions made or passed at the previous board meeting.
  - 3. Ensure a book of resolutions and motions of the board and membership shall be maintained and kept in a safe and secure place.
- (c) Make certain the membership roll is kept current and the corporate seal is stored in a safe and secure place.
- (d) Make available at membership meetings a copy of a record of motions (passed or failed) from the previous general membership meeting.
- (e) Be a signatory for notes, acceptances, conveyances, contracts, liens and releases of liens, and any other documents if so authorized by the board.
- (f) Perform such other duties as are incident to this office, as the board may properly require or as may be specified in these bylaws.

**Section 5. Treasurer.** The treasurer shall:

- (a) Ensure the safekeeping of all monies, notes, bonds or other evidence of indebtedness or property belonging to the Association
  - 1. Ensure that an account of the financial transactions of the Association is kept in accordance with generally accepted accounting practices.
  - 2. Review the monthly bank statement reconciliations and monthly financial reports for accuracy; ensure that any necessary accounting checks and balances are in place.
  - 3. Ensure disbursements are made in accordance with the approved budget and instructions of the board; coordinate with the general manager to ensure that generally accepted accounting practices achieve the above tasks.
  - 4. Report to the board any changes recommended in financial practices and procedures.
- (b) Ensure that the general manager and officers are listed as signatories on the Association's operating accounts, and that dual signatures shall be required for anything over a certain amount as determined by a resolution adopted by the board.
- (c) Ensure that directors and employees connected with financial operations are bonded and that the general manager is fully bonded.
- (d) Ensure that any required budget preparation is scheduled, prepared and appropriately presented.
- (e) Obtain monthly financial reports from the general manager including an income and expense statement which will be distributed to directors and made available to the members.
- (f) Be a signatory for notes, acceptances, conveyances, contracts, liens and releases of liens, certifications of financial standings and any other documents if so authorized by the board.

(g) Perform such other duties as are incident to this office, as the board may properly require or as may be specified in these bylaws.

## ARTICLE X – COMMITTEES

**Section 1. Committee Scope and Authority.** The board, by resolution adopted by a majority of directors, or the membership, by resolution adopted by a majority of members present at a membership meeting at which a quorum (see Article V, Section 12) is present, may designate and appoint one or more committees, which committees shall have such scope and authority as shall be delegated to them by the appointing body through said resolution; provided, however, that actions and decisions of such committees shall be subject to the approval of the appointing body. Committee actions and decisions shall be consistent with the resolution and subject to these bylaws and Association policies and procedures. In any event of conflict between the appointing body and its committees, the decision of the appointing body shall prevail. The designation and appointment of any such committees and the delegation thereto of any authority shall not relieve the Association, the board, or any individual thereof, of any responsibility imposed by law.

(a) Committees of the board. The Board, by resolution adopted by a majority of directors, may designate and appoint one or more committees, except a bylaws, finance, and nominating committee. The board shall appoint a human resources committee,.

1. Human Resources Committee.

a. The committee responsibilities shall include such as delegated by the board and as described in the HPPOA Employee Handbook:

(i) Conduct an annual review (by sampling) of processes and actions covered by the handbook to ensure compliance.

(ii) Evaluate, no less than annually, the performance of the general manager and make a recommendation or report to the full board for its review and approval.

(iii) Evaluate justification for new positions when proposed and for existing positions as needed using the position descriptions and other necessary resources.

(iv) Review and document new and revised position descriptions in the standard format periodically and as needed.

(v) Serve as consultant to the Finance Committee in development of an annual merit increase budget.

b. The committee shall be comprised of one board director and two Association members appointed by the board.

c. Director members shall serve during the time of their term on the board. Association members shall serve for up to three years.

(b) Committees of the Membership. Committees of the membership are elected by the membership and include, but are not limited to, a bylaws committee, a finance committee, and a nominating committee. Committees of the membership are advisory. Actions of these committees are subject to review and approval of the board.

1. Bylaws Committee. When the membership decides that the bylaws need to be reviewed or specific changes to the bylaws need to be considered, it shall at that time elect a committee consisting of not fewer than five members. The Bylaws Committee shall:

a. Present proposed bylaws amendments and recommendations at a subsequent membership meeting.

b. Assist with the preparation of ballots containing the proposed amendments and revisions of the bylaws document.

c. Ensure the approved bylaws changes are signed by the secretary and notarized.



- d. Ensure approved bylaws changes are distributed to the membership.
2. Finance Committee. There shall be a Finance Committee consisting of the current treasurer, a current director appointed by the board, and at least two Association members in good standing, who preferably have finance or accounting experience, and who shall be elected by the membership at the June membership meeting. The general manager shall serve as an *ex officio* member. The Finance Committee shall:
  - a. Meet at least three times a year, and as needed.
  - b. Monitor investments, revenues and expenses periodically against budget expectations and make recommendations of needed adjustment to the Board of Directors.
  - c. Prepare annual roads and non-roads budgets for submission to the Board of Directors and recommend a percentage for compensation for use of Non-roads maintenance assets, as per Article XI. The budget shall include operating expenses for the succeeding fiscal year, expenses for a special membership meeting, and reflect a separate accounting for road maintenance funds and expenses.
  - d. Prepare a Capital Improvement Plan with a minimum three-year horizon to support Article IV, Objects and Purposes, and a long range financial plan document for projects approved or requested by the Board of Directors.
  - e. Monitor compliance with long term bond debt obligations.
  - f. Review and recommend accounting and collection practices as needed and monitor that checks and balances are maintained.
  - g. Evaluate performance of long-term contractors, six months or more, no less than at mid-contract and before renewing any contract and make a recommendation or report to the full board for its review and approval.
3. Nominating Committee. The membership at its regular meeting to be held in October of each year shall elect a Nominating Committee comprised of at least five Association members in good standing. The Nominating Committee shall:
  - a. Ensure adequate notice to the HPP community of districts which are seeking qualified nominees, via signage and other available means, e.g., flyers, local publication calendars, posters, etc., commencing in November and running through February.
  - b. Canvas the membership for qualified nominees.
  - c. Receive nominations from the membership and verify qualifications of nominees. Candidates shall present statements of 200 or fewer words describing the nominee's qualifications for service on the board and reasons for wanting to serve on the board.
  - d. Make additional nominations of qualified and willing nominees from within the district.
    - (i) If there is only one nominee from the district, the Nominating Committee will make every effort to identify a second candidate from within the district. If a second candidate cannot be identified, the one nominee may run unopposed as per Article VIII.
    - (ii) If there is no nominee from the district, and the Nominating Committee is unable to identify a candidate from within the district, Article VIII of these bylaws shall apply.
    - (iii) Work with the general manager to prepare the ballot of willing and qualified candidates for applicable districts. Statements of qualification provided by candidates must be reproduced in their entirety and included with the ballot.
    - (iv) Present the ballot to the board.

## **Section 2. Term of Office.**

- (a) Committees of the Board. Each member shall continue as such until the next election of the board and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member ceases to qualify as a member thereof.

(b) Committees of the Membership. Each member shall serve until such member ceases to qualify, or removed, or as stated below:

1. Bylaws Committee. Each member shall continue as such until the committee has completed its task.
2. Finance Committee.
  - a. The treasurer shall serve for the duration of his or her term in office.
  - b. A board-appointed director shall serve for the duration of his or her term in office.
  - c. A member-elected committee member shall serve until the next June membership meeting.
3. Nominating Committee. Each committee member shall continue as such until the committee has completed its task.

### **Section 3. Chair.**

- (a) The chair of each committee shall be a member in good standing .
- (b) The chair of Committees of the Board shall be appointed by the board unless the board delegates authority to the committee to appoint its chair.
- (c) The chair of Committees of the Membership shall be either appointed by the Membership or selected by the committee from among its members as the membership delegates. Exception: the Finance Committee chair shall be the current treasurer.
- (d) The chair of each committee shall serve as spokesperson for that committee and shall represent the committee at board meetings, membership meetings, and as needed in that capacity.

**Section 4. Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. In the case of Committees of the Membership, the remaining committee members shall select a replacement to serve the remaining term.

### **Section 5. Removal of Committee Member or Chair.**

- (a) Member. At any meeting of a committee of the board or membership, any one or more of the committee members may be removed with or without cause by vote of the majority of the committee members.
- (b) Chair.
  1. At any meeting of a committee of the board or membership, a chair may be removed with or without cause by a vote of a majority of the committee members.
  2. At any meeting of the board, the chair of a committee of the board or membership may be removed with cause by a majority vote of the board.

(c) Any chair or committee member whose removal has been proposed shall be given an opportunity to be heard at such meeting where the removal is to be voted upon. A retiring or removed chair or committee member must return all property and records of the Association promptly upon leaving the committee.

**Section 6. Acts of the Committee.** The acts of a majority of the members present at a meeting at which a quorum is present shall be the actions of the committee. The chair of each committee shall seek prior approval by the board for the actions of the committee.

**Section 7. Rules.** Each committee shall act within the law, the Charter of Incorporation, these bylaws and rules adopted by the board.

### **Section 8. Reporting and Recordkeeping**

- (a) Committees shall make reports and keep records according to board-approved Committee Guidelines.

(b) A list of active committees shall be maintained by the vice president and posted on the Association website.

## ARTICLE XI – ASSESSMENTS

**Section 1. Responsibility for Maintenance and Operations of Roadways.** Each lot shall be liable for a proportionate share of the expenses of the Association for road maintenance activities.

(a) The task of collecting road maintenance assessments shall be undertaken by the Association's general manager and its employees; similarly, delinquent assessments shall be pursued by the Association's general manager and its employees on behalf of the Association.

(b) Interest collected from delinquent assessments and any interest earned on road maintenance funds deposited into interest bearing accounts shall be considered a part of road maintenance funds.

### **Section 2. Road Maintenance Assessments.**

(a) Road maintenance assessments shall be paid to the Association by owners not otherwise exempted.

(b) Annual mandatory road maintenance assessments shall be established by a majority vote of the board at a meeting of the board to be held not more than 90 days nor fewer than 30 days prior to the close of the calendar year. Increases to the annual mandatory road maintenance assessment may not exceed 10% of the prior year's assessment.

(c) In the event that the board approves an increase in the road maintenance assessment pursuant to Article VIII, Section 8(m), the board shall pass a resolution as to same and provide written notification to the entire membership of the need for such an increase.

(d) The board is authorized to establish policies and formulas for the imposition of additional road maintenance assessments on lot owners who generate increased burdens on traffic within the subdivision. These additional road maintenance assessments shall be considered normal and shall not be considered as *Special Assessments* as per Section 8, below.

**Section 3. Compensation for use of Non-Road Maintenance Assets.** The road maintenance funds are restricted funds and shall be used exclusively for road maintenance activities. A portion of road maintenance funds shall be exclusively used to compensate the Association General Fund for the use of the Association's non-road maintenance assets for road maintenance purposes. The amount of compensation shall be determined annually by the board and shall not exceed 5% of road maintenance funds collected in any given year.

**Section 4. Lot Consolidation.** Consolidation of lots shall not result in a consolidation (reduction) of road maintenance fees or voting rights.

**Section 5. Defaults in the Payment of Assessments.** Each assessment of expenses by the Association shall be a separate, distinct and personal debt of the lot owner of record (or in the case of multiple owners of a lot, each owner jointly and severally) against whom the same is assessed. If the lot owner shall fail to pay the assessment when due, then said lot owner shall be in arrears. The Association may seek all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments against such lot owners. Similarly, the delinquent lot owners shall be responsible for any and all costs associated with the recordation and release of liens on their respective properties. Delinquent assessments shall bear interest at a rate determined by the board, but not greater than the highest rate provided by Hawaii law. In the event of default or defaults of any lot owners, the board may enforce such obligation by filing a lien against the lot. The board may also pursue any other

remedies provided by law, including, but not limited to attachment, execution on lien, foreclosure, and writ of possession.

**Section 6. Notice.** The address of each lot owner as it appears on the records of the Association, and as may be changed from time to time by written notice to the Association by any lot owner, shall constitute the lot owner's official address. Said address may be conclusively relied upon by the board in notifying lot owners of assessments, defaults and other matters and for the service of process. In the event that mail is returned to the Association as undeliverable, the Association administration may take reasonable measures to locate the lot owner, including using tax records, credit bureaus, locating services, etc. Addresses of the lot owners shall be maintained as property of the Association and shall be kept confidential.

**Section 7. Statements and Transfer Fees.** The board shall, when requested, and in exchange for a fee to be determined by the board, issue written statements to purchasers, escrow companies, or mortgagees of lots stating whether or not the assessments against said lots have been paid to the date of the statement, and if not, the amount owed, together with any additional information that may be reasonably requested concerning the account of said lot.

**Section 8. Special Assessments.** In addition to the annual mandatory road maintenance assessment, per Section 2, above, the Association may make special assessments for any road maintenance costs only upon the affirmative majority of mail-in vote of not less than 600 members in good standing. Any ballot for special assessments shall include the terms of payment and specify an effective date.

## **ARTICLE XII – ADMINISTRATION**

### **Section 1. Association General Manager.**

- (a) The association general manager, commonly referred to as the general manager, is the individual, independent contractor, or firm hired by the board of directors to manage and operate Hawaiian Paradise Park Owners Association.
- (b) The general manager's authority and responsibilities are subject to the direction of and supervision by the executive committee and as defined in approved documentation. Specific responsibilities of the position shall be documented in a position description, which shall be updated and reviewed in accordance with the HPPOA Employee Handbook. When the general manager serves on committees, it is without voting privileges.
- (c) The general manager shall be accountable to the executive committee in all areas of responsibility and regularly report status of activities formally as directed.
- (d) The general manager shall interface with board officers as warranted by officers' duties.
- (e) Compensation shall be established by the board in conformance with the salary range determined by the Human Resources Committee.
- (f) In the event that the general manager position is not filled, the HPPOA Board of Directors will designate a board member or officer to act as the interim general manager or hire an interim general manager to serve no longer than a six-month period or until a permanent general manager is hired.
- (g) If the general manager is an independent contractor or firm, that entity shall purchase a fidelity bond in an amount of a half million to one million dollars to be determined by the board.

**Section 2. Administrative Authority.** Administrative authority shall reside with the board or an agent or employee of the board specifically authorized by a majority vote of the board in a regular or special meeting of the board and duly recorded in the minutes of that meeting.

**Section 3. Administration Requirements.** The board or agent or employee of the board shall see that the following requirements are met:

- (a) Insurance. The Association shall obtain necessary insurance coverage for Hawaiian Paradise Park Owners Association for amounts to be determined by the board.
- (b) Billing and Collections. The Association shall maintain a billing system with mailing, parcel, mandatory road fee assessments, payments and other pertinent data and information for lot owners. Notices advising lot owners of the amount of the annual payment and when the payment is due shall be generated by the system annually and as needed. The Association shall collect fees, assessments and other charges due to and as prescribed by the Association through its board. The Association shall keep adequate and customary books and records of the Association's fiscal affairs in accordance with generally accepted accounting practices.
- (c) Accounting for Funds. The Association shall keep adequate and customary books and records in accordance with generally accepted accounting practices for funds as per Article VIII.
- (d) Delinquent Accounts. The Association shall mail notices of any delinquency to the delinquent lot owner showing the amount, due date, delinquency and interest to be paid. The Association shall use every reasonable and customary effort to collect delinquent accounts as per Article XI.
- (e) Disbursement Authorization. Non-budget expenditures shall be made only with the approval of the board.
- (f) Financial Reports. Monthly and year-end financial reports shall be prepared in accordance with generally accepted accounting practices on an accrual basis or such other method as may be approved by the board.
- (g) Annual Budget. An annual budget shall be prepared and submitted as per Article VIII.
- (h) Inventory. The Association shall maintain a current and accurate inventory of properties, equipment, tools, and supplies belonging to the Association.
- (i) Individual Lots. Notwithstanding any other provisions of these bylaws, the Association is given no authority or responsibility for maintenance of or repairs to individual lots not owned by the Association. Such maintenance and repairs shall be the sole responsibility of the individual owners.
- (j) Association Records. The Association shall maintain and protect records of the affairs of the Association in accordance with Chapter 414D, Hawaii Revised Statutes. The records shall be kept at the principal office of the Association, except for copies which may be kept in a secure place elsewhere for security purposes as approved by the board. Members shall be entitled to inspect records regarding their own lots and shall be entitled to receive copies of minutes of meetings, financial statements and audits upon request, at a reasonable fee, and within a reasonable period of time.
- (k) Registration. The Association shall maintain a complete and accurate list of ownership interests in Hawaiian Paradise Park.
- (l) Communications to Members. The Association shall provide members with required notices, news of Association business and matters of community interest. Members shall be provided an option to receive communications electronically, with the exception of the Annual Payment Notice which shall be mailed.

1. Notices to Members. Details of the following are in Appendix F.

**NOTICES****HOW NOTICE IS PROVIDED**

Board Elections - District Candidate Search	Annual Update, Bulletin Board, Signage, Website
Board Election Results	Fiscal Statement, Bulletin Board, Website
Board Meeting	Fiscal Statement, Annual Update, Bulletin Board, Website
Financial Update	Fiscal Statement, Annual Update, Website
Legal Update	Fiscal Statement, Annual Update, Website
Mandatory Road Fees	Annual Payment Notice
Membership Meeting	Fiscal Statement, Annual Update, Bulletin Board, Website, Signage
Newsletter	Website
Special Board Meeting	Email Persons Requesting To Be On Notification List, Website
Special Membership Meetings	Mailed 30 days in advance, Website

2. Fiscal Statement. Within 60 days of the fiscal year end, the Association shall prepare and mail annually to each member a statement containing:

- a. Decisions impacting the Association legally or financially
- b. The President's Statement on the state of the Association.
- c. The Treasurer's Annual Report, which shall include the Association's fiscal year-end financial statement (unaudited) and 3-year capital improvement plan.
- d. Board and member meeting dates and other items as may be required by these bylaws.

3. Annual Payment Notice. The Association shall advise owners of the amount of the annual payment and when it is due.

4. Annual Update. The Association shall provide an update with the annual payment notice. At the least, the update shall include decisions impacting the Association legally or financially, the President's update message, the Treasurer's update report, notice of director seats up for election, the deadline for director candidate applications to be received by the Association, board and member meeting dates, timely updates from committees and road work updates.

5. Newsletter. The Association shall prepare and publish not less than three times annually, a newsletter containing items of community interest, letters from members, list of current board members, HPPOA board and membership meeting actions, business affairs, road work, committees, activities, projects and local events. Submissions to the newsletter shall be subject to editing only for deletion of libelous or indecent language, or to shorten exceedingly long pieces.

6. Website. The Association shall maintain a website, which content shall be subject to board review and approval. The purpose of the website is to make available as much information relevant to HPPOA members as possible. The contents shall include, but are not limited to: HPPOA bylaws; fiscal schedule; minutes of board and membership meetings; motions and resolutions passed by the board and at membership meetings; motions tracking log; legal actions, reports and files; Association policies; current directors list; current committee list, notifications and agendas for upcoming board and membership meetings; fiscal year-end financial statement; three-year capital improvement plan; the most current approved road and non-roads budgets; an annual state of the roads report; calendar of events; the Fiscal Statement; Annual Update; and the newsletter.

(m) Governmental Reports and Forms. The Association shall provide timely preparation and submittal of reports and forms to government agencies as may be required by law and as instructed by the board.

(n) Purchases and Contracts. Purchases and contracts shall be handled in accordance with the rules of the policies and procedures on purchases and contracts as established by the board.

## **ARTICLE XIII – ROADS POLICIES**

**Section 1. Governmental Adoption.** If a policy under this article, or a substantially equivalent language, is adopted into ordinance by Hawaii County or into law by any other legislative body, the HPPOA Board of Directors shall make recommendations to the appropriate governmental administrative body regarding any request for variance, special permit, re-zoning or other deviation.

**Section 2. Restricted Driveways Policy – adopted July 30, 2009.** Due to safety and traffic flow concerns, driveways or vehicular access routes to or from lots onto Maku‘u Drive, Paradise Drive, Kaloli Drive, and Shower Drive are prohibited with exceptions only allowed in the following cases:

- (a) any existing permitted driveway at the time of adoption;
- (b) any previously and duly submitted Application currently pending approval by the Hawaii County Planning Department or any other regulatory agency at the time of adoption;
- (c) any parcel deemed landlocked.

**Section 3. Enforcement.** Lot owners that are in violation of the Restricted Driveways Policy in Section 2. are subject to fees and reimbursement of costs and expenses associated with HPPOA enforcement of said policy including reasonable attorneys fees incurred by or on behalf of the Association, recordation and release of liens on their prospective properties, and reasonable interest rates on said fees, costs and expenses. The Board may also pursue any other remedies provided by law, including, but not limited to attachment, execution on lien, foreclosure and writ of possession.

## **ARTICLE XIV – AMENDMENT TO BYLAWS**

**Section 1. Amendment to Bylaws.**

- (a) These bylaws may be altered, amended or repealed and new bylaws may be adopted by not less than a two-thirds majority vote of the membership voting by mail-in ballot.
- (b) Mail-in ballots representing at least 600 votes must be returned by the membership to constitute a valid election on a bylaws amendment.
- (c) Notwithstanding any provision to the contrary herein, no amendment will alter the membership status, right-to-vote or the road maintenance obligations appurtenant to a lot without the express written consent or joinder of all owners of such lots.
- (d) These bylaws shall be subject to Chapter 414D, Hawaii Revised Statutes, as amended, and in case of any conflict, State law shall prevail.
- (e) Amendments shall be effective upon approval by the Association membership.

**Section 2. Bylaws Committee.** As per Article X., there shall be a bylaws committee of the membership. Subsequent to its being elected, the committee shall make recommendations to the members at a membership meeting. Any proposed amendments to the bylaws to be sent to lot owners for a vote shall first be passed by a two-thirds vote of the members present and voting at that or a subsequent membership meeting.

## **ARTICLE XV – ALTERNATIVE DISPUTE RESOLUTION**

In the event of disagreement between the board, its committees, employees, volunteers of the Association, or any of the lot owners of the Hawaiian Paradise Park subdivision arising from or relating to the interpretation or implementation of the provisions of these bylaws, the parties shall pursue dispute resolution by arbitration in accordance with the Commercial Arbitration Rules of the American

Arbitration Association and Chapter 658A of the Hawaii Revised Statutes, as amended. Arbitration shall be binding on parties to the controversy. Any judgment and/or award rendered by the Arbitrator may be entered into any court having jurisdiction thereof.

## **ARTICLE XVI – MISCELLANEOUS**

**Section 1. Invalidity.** In case any provision of these bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect.

**Section 2. Amendment and Restatement.** The Amended Bylaws of Hawaiian Paradise Park Owner's Association dated January 21, 2001 are hereby amended and restated. To the extent the Amended and Restated Bylaws of Hawaiian Paradise Park Owners Association are inconsistent with the Amended Bylaws of Hawaiian Paradise Park Owners Association dated January 21, 2001, the terms as stated in these Amended and Restated Bylaws of Hawaiian Paradise Park Owners Association shall control.

**Section 3. Indemnification and Defense.** The Association shall indemnify and defend every director, officer, its executors and administrators, including the general manager, against expenses reasonably incurred by or imposed on him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of (a) being or having been a director or officer of the Association or (b) being or having been a representative of any entity or organization which engages in any joint management or operation of the Association, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct; and in the absence of final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The Association will effect and maintain Directors and Officers liability insurance from a responsible insurance company authorized to do business in the State of Hawaii with minimum coverage in such amounts as determined by the board except as may be waived as per Article VIII. Certificates evidencing such insurance shall be on deposit at the Association office. Parties covered by this indemnification provision agree to notify the Association when any claim or demand has been made against them that may be covered by the above mentioned insurance policy and such parties agree to fully cooperate with the insurance company for any claims or demands being made under such insurance policy.





**APPENDIX A**

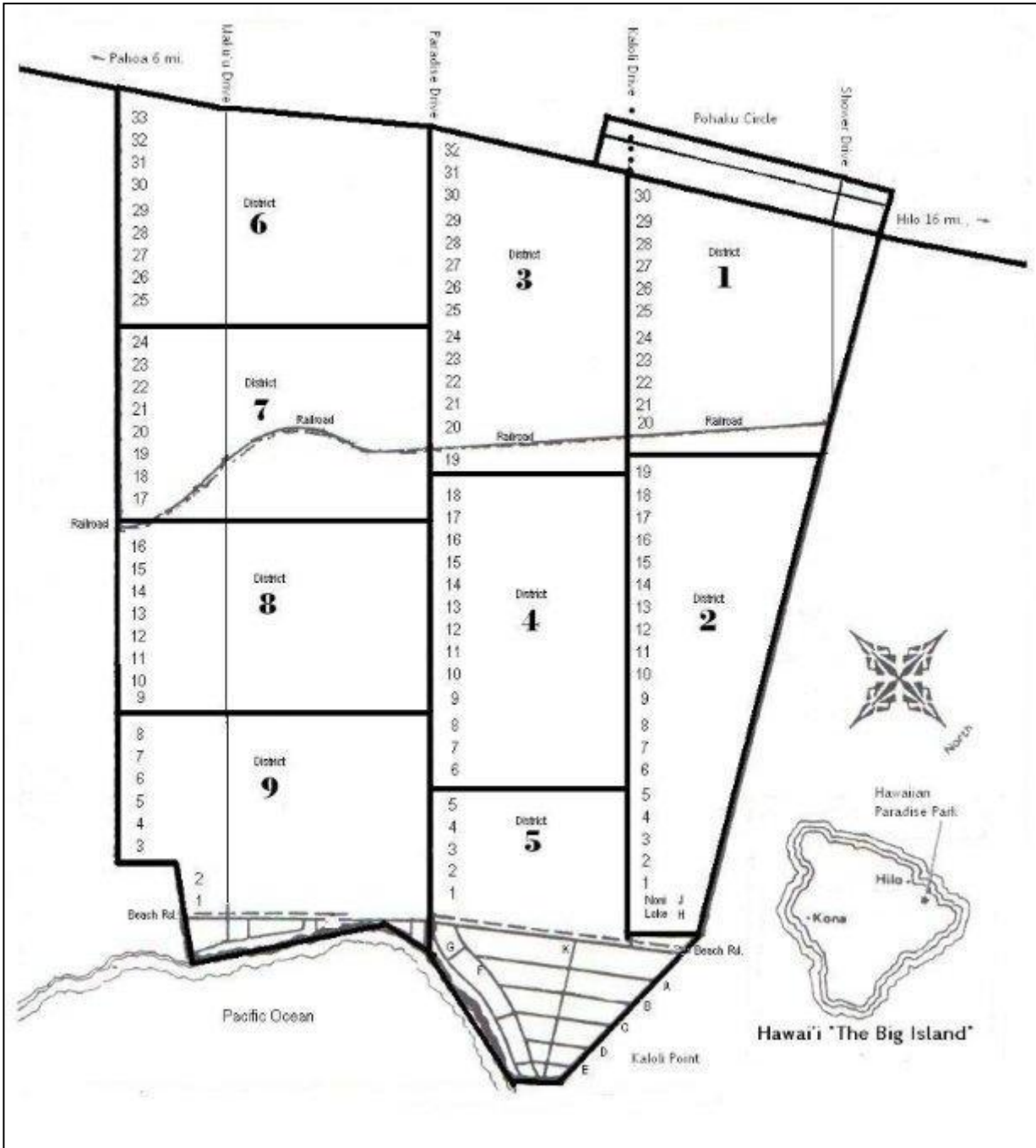
Voting District Description  
Revised 10/2006

**Key:** mauka = mountain side; makai = ocean side

<b>Side or Lateral Boundary</b>	
	<b>District 1</b>
Subdivision boundary (Hilo side and Pahoa side) .....	Pohaku Circle to Highway 130 (mauka)
Subdivision boundary (Hilo side) to Kaloli (Hilo side) .....	Highway 130 (makai) through Road 20
	<b>District 2</b>
Subdivision boundary (Hilo side) to Kaloli (Hilo side)	Road 19 through Road H (Loke)
	<b>District 3</b>
Kaloli (Pahoa side) to Paradise (Hilo side)	Highway 130 (makai) through Road 19
	<b>District 4</b>
	Road 18 through Road 6
	<b>District 5</b>
Kaloli (Pahoa side) to Paradise (Hilo side) .....	Road 5 through Beach Road
Subdivision boundary (Hilo side), to Kaloli (Hilo side) .....	Beach Road
Subdivision boundary (Hilo Side) to Paradise (Hilo Side) .....	Beach Road to the ocean
	<b>District 6</b>
Paradise (Pahoa side) to subdivision boundary (Pahoa side)	Highway 130 (makai) through Road 25
	<b>District 7</b>
	Road 24 through Road 17
	<b>District 8</b>
	Road 16 through Road 9
	<b>District 9</b>
	Road 8 through to the ocean

# APPENDIX B

## HPPOA Voting Districts Revised 10/2006



**APPENDIX C**

Oath of Office

Article VIII, Board of Directors  
Section 2. Terms, (e) Oath of Office

The following oath shall be given and signed by all incoming elected or appointed directors and witnessed by the secretary or recording secretary, immediately before he or she assumes the position of HPPOA director.

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HAWAIIAN PARADISE PARK OWNERS ASSOCIATION

OATH OF OFFICE

I, (name) \_\_\_\_\_, promise to uphold the Bylaws, policies, and procedures of Hawaiian Paradise Park Owners Association, to attend monthly board meetings, special meetings, and membership meetings, and to participate on board committees.

Signed by: \_\_\_\_\_ Date: \_\_\_\_\_

Witnessed by: \_\_\_\_\_

**APPENDIX D**

Statement of Officer

Article IX, Officers

Section 1. Terms, (b) Statement of Officer

The following statement shall be signed by all persons elected to an officer position of the HPPOA Board of Directors immediately before he or she accepts the position, and witnessed by the Secretary or Recording Secretary.

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HAWAIIAN PARADISE PARK OWNER'S ASSOCIATION

STATEMENT OF OFFICER

I (name) \_\_\_\_\_, understand the responsibilities and duties for the office of \_\_\_\_\_, and am willing and able to carry out those duties to the best of my abilities and to uphold the Bylaws, policies, and procedures of Hawaiian Paradise Park Owners Association.

Signed by: \_\_\_\_\_ Date: \_\_\_\_\_

Witnessed by: \_\_\_\_\_

**APPENDIX E - HPPOA Business/Fiscal Schedule**

<b>When</b>	<b>Action</b>	<b>Bylaw/ Authority</b>
<b>January</b>	<ul style="list-style-type: none"> <li>• Mail Annual Update and President’s report with Annual payment notice</li> <li>• Publish newsletter (office sets date)</li> <li>• Debt Service Coverage Certification (30 days after beginning of calendar yr.)</li> <li>• Bond payment</li> </ul>	IX, XII XII Bond Bond
<b>February</b>	<ul style="list-style-type: none"> <li>• Generate delinquent road fees list to confirm membership meeting attendees voting status.</li> <li>• Membership Meeting last Sunday of the month at 3:00 p.m.</li> <li>• Elect committee to recommend candidates for the: <i>Allan Deehr, Albert and Maizie O’Neil and Rick Edwards</i> annual community service awards to be awarded at June membership meeting.</li> </ul>	Procedure VII
<b>March</b>	<ul style="list-style-type: none"> <li>• Deadline for candidate applications for director nominations, end of 3<sup>rd</sup> week</li> <li>• Develop budget and Capital Improvement Plan (CIP) for coming fiscal year</li> <li>• Review fidelity bonds needs.</li> </ul>	VIII X Procedure
<b>April</b>	<ul style="list-style-type: none"> <li>• Nominating committee submits qualified candidate recommendations.</li> <li>• Select or confirm entity to receive, count, and report ballot results</li> </ul>	VIII VIII
<b>May</b>	<ul style="list-style-type: none"> <li>• Approve budget and CIP for coming fiscal year</li> <li>• Mail ballots 30 days prior to date of election</li> <li>• Select recipients for annual community service awards</li> <li>• Publish newsletter</li> </ul>	VIII VIII  XII
<b>June</b>	<ul style="list-style-type: none"> <li>• Administer general manager annual performance evaluation.</li> <li>• Annual review of general manager position description (approve as is or redraft and approve)</li> <li>• Election of board members, close of first business day</li> <li>• Election results reported to board within 14 days after election</li> <li>• Orientation meeting of incoming and retiring directors to be held after election results reported and prior to membership meeting</li> <li>• Generate delinquent road fees list to confirm membership meeting attendees voting status.</li> <li>• Membership Meeting last Sunday of the month at 3:00 p.m.</li> <li>• Membership Meeting– elect two Finance committee members</li> <li>• Election results reported at membership meeting</li> <li>• Board meets following membership meeting, installs new directors, new board elects officers [Execute: Oath of Office/Statement of Officer]</li> <li>• Outgoing secretary provides new officers copies of board approved practices for their elected offices</li> </ul>	VIII, XII  VIII VIII  VIII Procedure VII X VIII  VIII IX
<b>July (fiscal yr.)</b>	<ul style="list-style-type: none"> <li>• Mail Annual Fiscal Statement and President’s report to membership</li> <li>• Review of liability insurance coverage needs (in odd years, beginning 2011)</li> <li>• Approve version of Robert’s Rules of Order Newly Revised used in meetings</li> <li>• Adopt Conflict of Interest Policy</li> <li>• Review need for board member representation on committees</li> <li>• Bond payment due</li> <li>• Update bank account signature cards and dual signature resolution</li> </ul>	IX, XII XII VII VIII  Bond IX
<b>August</b>	<ul style="list-style-type: none"> <li>• Fee Review: Associate Member, Activity Center Use, etc., Non-Assessed Lots Status</li> </ul>	
<b>September</b>	<ul style="list-style-type: none"> <li>• Lien/Foreclosure Report to Board</li> <li>• Publish Newsletter</li> </ul>	XII
<b>October</b>	<ul style="list-style-type: none"> <li>• Mandatory road fees set by board not more than 90 days or fewer than 30 days prior to the close of the calendar year</li> <li>• Consider need to solicit an annual voluntary donation from members</li> <li>• Debt Service Coverage Certification (120 days after end of fiscal year)</li> <li>• Generate delinquent road fees list to confirm membership meeting attendees voting status.</li> <li>• Membership Meeting, last Sunday of the month at 3:00 p.m.</li> <li>• Membership Meeting - Nominating committee elected by membership</li> </ul>	XI  VIII Bond Procedure VII VII, X
<b>November</b>	<ul style="list-style-type: none"> <li>• Determine and vote on road fee increase by end of month</li> </ul>	XI
<b>December</b>	<ul style="list-style-type: none"> <li>• Mid-year assessment of general manager goals and objectives status, review with general manager</li> </ul>	
<b>As Needed</b>	<ul style="list-style-type: none"> <li>• Special membership meetings.</li> <li>• Notice of change in time or date of regular board meeting</li> <li>• Notice to directors and others of special board meeting.</li> <li>• Officer vacancies shall be filled within 60 days.</li> <li>• Orientation for all mid-term appointed directors.</li> </ul>	VII VII VIII Bond

## APPENDIX F

### Schedule of Notices to Members

	Annual Payment Notice (Mailed in January)	Annual Update* (Mailed in January)	Fiscal Statement (Mailed in July)	Bulletin Boards (post notice)	Signage (put signs out)	Website (post notice)
Board Meeting		X	X	1 <sup>st</sup> week in January	2 days prior†	1 <sup>st</sup> week in January
Board Elections – District Candidate Search		X		Nov – Feb	Nov – Feb	Nov - Feb
Board Election Results			X	X	N/A	June
Financial Update		X	X	N/A	N/A	Jan & Jul
Legal Update		X	X	N/A	N/A	Jan & Jul
Mandatory Road Fees	X			N/A	N/A	Revise in January
Membership Meeting		X	X	X	1 week prior‡	Revise dates in January
Special Board Meeting	Notify members requesting to be on notification list by email, phone, or mail, as they specify.				2 days prior†	No less than seven days prior
Special Membership Meeting	Notice mailed 30 days in Advance				1 week prior‡	30 days in advance
Newsletter	Published in January, May, and September					Jan, May & Sept

\* *Shall include the President's Message and Treasurer's Report*

† at meeting site entrance

‡ at HPP entrances