

**Hawaiian Paradise Park Owners' Association  
APPROVED Board of Directors Meeting  
Wednesday, April 19, 2023**

**1. Call to Order**

Board of Directors meeting called to order by Kari Hoffman President District 5 at 6:04 pm. Taken place at the HPPOA Activity Center.

**2. Roll Call**

*Board Members Present:* Jason Schillewaert District 1, Lanell Lua District 2, Patricia Egan District 3, Jon Loehndorf – Interim General Manager District 4, Kari Hoffman – President District 5, Richard Solie District 7, Jeff Finley District 9.

*Board members absent:* Jim Marquez – Secretary District 8.

**3. Approval of Agenda**

Edits: Remove from item 5 – February 27, 2023 approval of minutes. Remove item 6 – Special presentation by Brittany Zimmerman from Yummet.com regarding a new concrete product (20 minutes). Add under Old Business item D – Update on Forensic Analysis.

**Jon Loehndorf District 4 moved to approve the April 19, 2023 meeting agenda as amended. Jeff Finley District 9 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.**

**4. Adjourn to Executive Session to discuss personnel matters (20-30 min)**

**Richard Solie District 7 moved to adjourn to Executive Session. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.**

Kari Hoffman President District 5 called regular session Board of Directors meeting back to order at 6:24 pm.

Further edits to agenda, add item E. Extension of Katherine Patton contract for additional 120 days for website

**Jon Loehndorf District 4 moved to approve the April 19, 2023 meeting agenda with edits. Patricia Egan District 3 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.**

**5. Approval of March 15, 2023 Meeting Minutes**

**Jon Loehndorf District 4 moved to approve the March 15, 2023 minute meetings. Jason Schillewaert District 1 seconded the motion. Vote: Yes – 6, No – 0, Abstain – 1 Patricia Egan District 3. Motion carried.**

## 6. President's Report

*Kari Hoffman President District 5 addresses the board.* President's report attached. (1)

Introduced new General Manager Larry Torres Jr. Biography included born in Honolulu and lived Puna. Graduated Waiakea High School. Joined US Air Force 1995. Stationed and deployed all over the world. Joined Air National Guard. Retired 2018 from Air Force as Senior Master Sergeant.

## 7. Vice President's Report

*Jeff Finley District 9 addressed the board.* Solutions for mass mailing, 7,500-8,800 pieces of mail, twice a year. Folding machine is partially working. Looking into machines for stuffing and mailing.

## 8. Treasurer's Report

*Jon Loehndorf District 4 addressed the board.* Treasurer's report attached. (2)

Enter discussion. Allowance for doubtful accounts determined by auditor. Revised after audit in December. Difference in receivables from this year and last is over \$400,000. More receivables this year because of collected back dues.

Question and discussion regarding \$36,000 bill for removal of trees. Contract was let out by previous general manager. It was not approved by board. Trees were cut down on Nov. 28<sup>th</sup>. Received bill at time of change of management in December. Trees cut down on Paradise between 17<sup>th</sup> and 18<sup>th</sup>. Area needed to be cleaned and mulched. Massive Albizias were cut. Work was completed. Paid the bill.

Enter discussion of what general manager is allowed to spend without board approval. General manager is allowed to spend \$1,500 according to board book. Question on weather spending allowance had been raised to \$10K or \$20K and where would be the motion authorizing.

Question and discussion on check registry \$4,500 for asphalt patching. 27 tons of asphalt used to patch roads on 23<sup>rd</sup>, 32<sup>nd</sup>, 27<sup>th</sup>, and 26<sup>th</sup> and rebuilt speed bump. Bad debt foreclosure wiped out \$8,500.

Discussion on audit cost increase. Forensic audit indicated possibility of fraud and theft leading to cost increase of audit for additional testing.

Discussion on Capital Improvement Plan (CIP) budget and actual. 2022-23 total cost of 2 miles for 4<sup>th</sup> ave is \$831,617 and budget was for \$757,000. Roller budgeted \$100,000 and cost \$108,000. Backhoe budgeted \$75,000 and purchased for \$72,000. Pohaku drive is scheduled to be paved at \$253,000. On CIP over budget by \$80,000 reducing the carry forward budget down to \$288,000. In 2019 \$430,000 of CIP carry forward budget gave additional funds towards this year. 2021-23 has had carry forward budgets.

Enter discussion on when Pohaku drive will be paved. Contract has been signed to pave. Question of road closure that needs to be authorized by state. Road goes into highway, bus routes. Been a year since contract but has not moved. Contact needs to be made to verify.

## **9. GM Report**

*Jon Loehndorf District 4 addressed the board. General manager's report attached.(3)*

Enter discussion on sign replacement and proper way to install. Discussion on potholes being filled. Bottom of Makuu accidents happening, tried to mitigate by sign but sign stolen. Question of other signs that can be placed from safety standpoint, is this something road and safety committee can take up. Question of oil supply stock and equipment being taking care of.

## **10. Committee Reports**

### *A. Finance Committee*

*Jon Loehndorf District 4 addressed the board. Met, going through budget. Reviewed idea of paying off bond and see it's not feasible. Will start putting together a budget. Next meeting is Friday.*

### *B. By-laws Committee*

*Alissa Hanshew Chair addressed the board. Finalizing work on Article 8 Section 4 on board of director nominations and Section 5 on elections. Discussion on Article 10 Section 1 on committees. By-Law Committee email is [hppoa.blc@gmail.com](mailto:hppoa.blc@gmail.com). Next meeting Wednesday, April 26<sup>th</sup> 4 pm in library.*

Board question of weather nominating committee will take up task of changing by-laws so HPPOA can email bills.

### *C. Nominating Committee*

*Lanell Lua District 2 addressed board. Second meet and greet this past Sunday so people can talk to candidates. Candidates asked 3-5 questions. Labeling inside envelopes, stamping return address on outside envelopes. Next step then to stuff envelopes to be mailed.*

### *D. Land Use Committee*

No report.

### *E. Human Resource Committee*

*Patricia Egan addressed the board. Meetings via Zoom. New bookkeeper, general manager and administrative assistance job descriptions completed. Employee handbook completed and waiting for board approval.*

### *F. Membership Meeting Committee*

No report.

### *G. Cultural Preservation Committee*

*Sarah Kay addressed the board.* Cultural Preservation Committee report attached. (4)

Enter discussion on stopping invasive plants on HPP parcels and amount of time that's needed. Time of some invasive seedlings is now. Mitigation will be done by volunteers. Discussed various archaeological reports done in HPP.

**Jon Loehndorf District 4 moved to grant Cultural Preservation Committee 90 days starting on Saturday permission to access land for mitigation. Lanell Lua District 2 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.**

#### *Road Safety and Pathways Committee*

*James Tanaka addressed the board.* Meeting held. Assessments of stop signs needed. Finish road safety policy. Finish master plan from previous committee. Roads need to be properly graded. Meetings are first Tuesdays of month at 1:30 pm – 3 pm at Activity Center.

### **11. Community Resource Report**

*Judi Houle addressed the board.* Community events are free to residents. HPP Neighborhood Watch 1<sup>st</sup> Saturday at 9 am. Emergency radio and CERT team that helps during disaster.

Shared report from armadillo, county monitor for speed and volume of traffic; set up at Paradise drive and 21<sup>st</sup> for north bound traffic. 14,121 total vehicles passing marker in 3 days. Speeding spikes at 3am to 6pm and highest volume from 3 to 5 pm. Monitor will return for Makuu drive and Kaloli drive.

Swap meet is 2<sup>nd</sup> Saturday of each month. Last Swap meet included Easter egg hunt for kids and family. Food pantry 4<sup>th</sup> Tuesday of every month at 1 pm. Give away free bags of food, produce and toys. For families in need one page application form to qualify by income.

Next class 3<sup>rd</sup> Saturday will be Plant Identification and Pest at 9 am. Cultural Preservation Committee will join. There are four rotating classes.

### **12. Owner Input**

*Sarah Kay addressed the board.* Written statement reads, “What line item on HPPOA financials is the \$300 per sale of property? What is this money used for?” Goes to road income under transfers line number 4070. Collected for fiscal year to date \$115,000.

*Patricia Ruppert addressed the board.* Written statement attached. (5)

*Kathy Hollingsworth addressed the board.*

*Tanya Seaver addressed the board.* Written statement attached. (6)

*Tom Cioch addressed the board.* Written statement, “Giving my input for opposition of placement of mailboxes and have started petition against positioning of mailboxes (2,500) on 6<sup>th</sup> Ave and Makuu.” Presented petition to board.

### 13. Old Business

#### *A. Approval of Employee Handbook*

Enter discussion. Some minor corrections and spellings caught. Enter discussion on corrections, typos and edits needed for handbook. On page 8 on policy for employees change responsibility from board to General Manager. Part-time and full time definitions corrected. Documents to prove eligibility for employment on I-9 instructions. Discussed paid time off and sick days. On page 8 paychecks, payday will be direct deposited or maybe picked up from office. On page 29 Section 8, HPPOA imagery cannot be used, take out word optional.

Discuss question on medical marijuana exception for drug testing, policy in the drug and alcohol section. On page 20 employees may be subject to drug and/or controlled substance testing. It is a bi-weekly payroll. Patricia Egan District 3 will finalize and get copies for everyone.

**Richard Solie District 7 move to approve the Employee Handbook as amended. Jeff Finley District 9 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.**

#### *B. Presentation by Keenan for Pickleball courts in the Activity Center*

*Wahaka Kaneakua addressed the board.* Request use of Activity Center for pickleball. Requires hard surface, best in covered area and proper lighting. Some county facilities but during business hours which is difficult to working people. Proposes an AM and PM session. Court would be taped with blue tape and removed. Organization would purchase balls, nets and material needed to play and request it stored at activity center. Two courts each net is 20 ft. Voluntary and no charges to participants.

Enter discussion on building availability. Possibility of Tuesday and Thursday from 1 pm to 4 pm. Storage under the stage. Evenings are best for association. Keys would have to be picked up by 3:30 pm. Discussed liability issue, release would be needed.

**Richard Solie District 7 moved to allow the use of the Activity Center for pickle ball with liability waivers from participants, pickleball organizers responsible for collection of waivers, and provide equipment. Patricia Egan District 3 seconded the motion. Vote: Yes – 7, No – 0. Unanimous. Motion carried.**

#### *C. Update on Mailbox Project*

Enter discussion. Summary of meeting with post office. They are in process of getting street addresses updated in database. Submitted plans for mailbox cluster on all four 20 acre lots to post office for their approval. Post office needs a solution on mailboxes. Process has been starting and stopping for last 10 years. If process is stopped this time, post office will be done. Solution needed. Post office could pick up all mailbox parcels and no one in HPP will have mailboxes and forced to go to post office in town. Unfair that 2,000 people in HPP can get mail but other potentially 6,000 cannot. Or needs a solution that works for everyone. Ensured post office board is working on legal issues and coming up with a plan that works for everyone. Post office concerned for safety of carriers and people picking up mail. Current locations of mailboxes does not provide safety. Cost factor of keeping mailboxes on street and

putting them further back in easement for safety. More cost to cover mailboxes on road. Warranty limited. Post office provided millions of dollars worth of free mailboxes and must use them or HPPOA will be responsible to pay for mailboxes in future. Post office wants to see mailbox issue resolved so every residents can get mail delivered. Have to think of what the majority of residents want. Number one thing people wanted from the survey sent out with billing is mailboxes.

Jeff Finley District 9 put together cost difference between cluster boxes on road vs. cluster boxes on 20 acre parcels. Has experience in excavation. Cost on a cluster/site basis. There would be more than one site; 6<sup>th</sup> and Makuu, 4<sup>th</sup> and Kaloli, 14<sup>th</sup> and Kaloli, and 16<sup>th</sup>. All are HPPOA 20 acre lots.

Estimate is 1 acre site, 6 clusters per site, parking on each side of cluster. Approximate 4,000 sq. ft. per cluster multiplied by how many clusters are needed. Setback of 20-25ft, two rows of parking, one row of cubicles back to back. Simple construction.

Project preparation includes to clear, grade, gravel, and level. Concrete island for mailboxes. Installation of mailboxes and metal canopy. Estimate for one cluster is \$18,442. Approximately 6 clusters per site and approximately 24 clusters needed. Post office will determine how many clusters. First two sites would be in lower HPP because post office wants that first. Vacant lots are getting street addresses. Solution so residents won't have to go to Keaau for mail and pay hundreds of dollars for a post office box. Other estimate is for shingle roofing instead of metal. Board given site plan and open for suggestions. Template could be used for contractor. Lanes for ingress and egress on avenues.

If mailboxes on roadways then cost would double because only one row of boxes instead of two. Post office not responsible for replacing or providing mailboxes. USPS no longer does home delivery. Estimate is for one cluster and 4,000 sq. ft. excavation. Money coming from non-roads fund that is the 5 percent from road fees that is allowed to be used for HPP assets. Mailboxes are a road safety issue.

*Audience interruption.*

#### *D. Update on Forensic Analysis*

Received 58 spreadsheet from Dirk Von Gunther. Half taken by Richard Solie and half to Kari Hoffman to analyze. Thousands of transactions within spreadsheets and will take awhile to look over. Report was no help went over 4 years of time spent working with past and current board. They did not identify any issues. As a result of forensic audit, regular audit cost more because of additional testing and neither found anything. It will take time to go through spreadsheets.

#### *E. Extension of Contract with Kathrine Patton*

Kathrine Patton contract expired, extended for another 120 days to give time to hire office staff to take over.

**Jon Loehndorf District 4 moved to extend contract with Katherine Patton for an additional 120 days. Richard Solie District 7 seconded the motion. Vote – 7, No – 0. Unanimous. Motion carried.**

**14. New Business***A. Review applicants for District 6 appointment*

*B. Candidates are Wendell Lewis, Brendan Freitas, Charlie Snader, Haley Thurston, Naomi Hirayasu.*

*Brendan Freitas addressed the board.* He has been in HPP since 2005. Sees that there is room for improvement and has experience working with a condo association. Helped it moved from being financially in the hole to being in the green. Believe should leave personal opinion out of equation and do what's best and what the people want. Lives in District 6.

No other candidates in audience.

Board took anonymous written vote.

**Board votes: Brendan Freitas for District 6.**

Kari Hoffman President District 5 sworn in Brendan Freitas as District 6 board member. (Wrong oath was used. Oath was later stated and signed by Brendan Freitas after regular session board meeting.)

*C. Review and approve the Hawaii Revised Statutes 414D and 421J that govern HPPOA*

Board received documents entitled Resolution of the Board of Directors Hawaiian Paradise Park Owners Association; RE: Application of HRS Chapter 421J and Revision of Bylaws and Resolution of the Board of Directors of Hawaiian Paradise Park Owners Association RE: Installation of Postal Mailboxes. Enter discussion on legal counsel stating HPPOA is subjected to both 414D and 421J. Bylaws that were revised in 2010 incorporated some components of 421J. 414D quorum requires 10 percent of residents. 421J law allows for proxy voting and cumulative voting. As non-profit corporation must abide by law.

Question of bylaws requiring lower quorum than law states. Legal counsel after reading bylaws still advise that HPPOA is subject to both laws. Attorneys represent several associations.

*Interruption and questions from audience.*

Chief objective of Bylaw Committee is to bring bylaws in alignment of state statutes. Question whether HPPOA is a planned community under 414D and 421J or road maintenance organization. HPPOA is not an HOA and question if complying with laws would make HPPOA an HOA. Argument is that HPPOA is a planned community and not an HOA. Bylaws will be an association vote. Resolution is on advice of legal counsel.

**Jeff Finley District 9 moved HPPOA hereby adopt that the Resolution of the Board of Directors of Hawaiian Paradise Park Owners Association RE: Application of HRS Chapter 421 and Revision of the By-Laws. Adopted April 19, 2023. At a meeting of the Board of Directors (the "Board") of Hawaiian Paradise Park Owners Association (HPPOA), a Hawaii non-profit organization, held on April 19, 2023 pursuant to due call and notice, with quorum present, the following resolution was duly moved, seconded, and passed.**

**WHEREAS, Paradise Hui Hanalike received its charter as a non-profit corporation on December 22, 1971 by the Department of Regulatory Agencies, State of Hawaii, which is known today as the Department of Commerce and Consumer Affairs (DCCA);**

**WHEREAS, the primary purpose of Paradise Hui Hanalike was to bring together owners in the Hawaiian Paradise Park community to collectively and cooperatively maintain the roads in the community;**

**WHEREAS, Paradise Hui Hanalike later registered a name change with the DCCA and is now known as HAWAIIAN PARADISE PARK OWNERS ASSOCIATION (HPPOA).**

**WHEREAS, on advice of legal counsel, Hawaii Revised Statutes Chapter 421J enacted in 1997 applies to all homeowners' and planned community associations, including non-profit organizations, existing as of June 16, 1997.**

**WHEREAS, HPPOA's power to impose assessments on homeowners that, if unpaid, may become a lien on the parcel was affirmed in 1983 by the Hawaii Supreme Court in Paradise Hui Hanalike vs. Hawaiian Paradise Park Corp.;**

**WHEREAS, HPPOA's ability to impose assessments on homeowners requires HPPOA and all its owners to comply with and follow HRS Chapter 421J; and**

**WHEREAS, HPPOA retains its non-profit status under HRS Chapter 414D.**

**NOW, THEREFORE, BE IT RESOLVED, that HPPOA shall forthwith comply with HRS Chapters 421J and 414D, and all other applicable laws; and**

**BE IT FURTHER RESOLVED, that the Bylaws Committee with the assistance of legal counsel, ES&A, ALC, restate and amend HPPOA's Charter of Incorporation (Articles) to reflect HRS Chapters 414D and 421J;**

**BE IT FURTHER RESOLVED, that the Bylaws Committee with the assistance of legal counsel, ES&A, ALC, revise and draft bylaws to comply with applicable laws for consideration and adoption by the Board.**

**Richard Solie District 7 seconded the motion. Vote: Yes – 5, No – 0, Abstain – 2 Jason Schillewaert District 1 and Jon Loehndorf District 4. Motion carried.**

Enter discussion on document reading “Resolution of the Board of Directors of Hawaiian Paradise Park Owners Association RE: Installation of Postal Boxes. Adopted April \_\_, 2023 At a special meeting of the Board of Directors (the “Board”) of HAWAIIAN PARADISE PARK OWNERS ASSOCIATION (HPPOA), a Hawaii non-profit corporation, held on April \_\_, 2023 pursuant to due call and notice, with quorum present, the following resolution was duly moved, seconded, and unanimously passed.

**WHEREAS, the requirements of HRS Chapters 421J and 414D apply to HPPOA and its owners; and**

**WHEREAS, HPPOA as the exclusive representative of the collective homeowners of the Hawaiian**



Paradise Park (HPP) community under HRS Chapters 421J strives for the betterment of the HPP community; and

WHEREAS, currently mail service by the U.S. Postal Service is sporadic throughout the HPP Community and often limited to delivery to post office boxes located miles away from a homeowner's residence; and

WHEREAS, locating postal facilities nearby to homeowner residences improves access to an essential service for almost all residences in HPP; and

WHEREAS, under HRS Chapter 421J, the duly elected Board of HPPOA has the power to govern in the best interest of the homeowners of HPPOA.

NOW, THEREFORE, BE IT RESOLVED, that HPPOA shall commence development of suitable postal facilities; and

BE IT FURTHER RESOLVED, the Board may in its discretion undertake to establish funding for such postal facilities and employ appropriate professionals to plan and commence construction; and

BE IT FURTHER RESOLVED, the Board may appoint appropriate individuals to represent HPPOA's interest with the U.S. Postal Service.”

**Patricia Egan District 5 moved to approve RE: Installation of Postal Mailboxes and commence construction as allowed under association documents and state law. Jeff Finley District 9 seconded the motion.**

*Interruption from audience.*

Enter discussion on commencing construction and deed restriction. Must abide by state law to keep non-profit status. Question of commencing construction; need positive confirmation from Watanull that parcels can be used for mailboxes. Working with legal counsel to get exception to deed restriction for mailboxes and will file through land court. Discussed suitable language for motion.

*Interruption from audience.*

Motion rescinded. Resolution will be resubmitted to attorney to add clause about deed exception and reconsidered at a later time.

*D. Review Bids for Annual Audit 22/23*

Searching for CPA firms and bids for annual audit that will occur in a few months. Cost will be in next years budget.

## **15. Announcements**

*A. Next Board meeting May 17, 2023*

*B. Next General Membership meeting is June 25, 2023 at 3 pm. Check-in start at 2 pm.*

## **16. Adjourn**

**Jeff Finley District 9 moved to adjourn to Executive Session. Jon Loehndorf District 4 seconded the motion. Vote: Yes – 6, No – 0. (Lanell Lua District 2 not present for vote). Unanimous. Motion carried.** Meeting adjourned at 9:18 pm.

### **Attached**

- (1) President's report, page 14**
- (2) Treasurer's report, page 15**
- (3) GM Report, page 16**
- (4) Cultural Preservation Committee Update, page 17**
- (5) Patricia Ruppert written statement, page 18**
- (6) Tanya Seaver written statement, page 19**

I, Al-Qawi Lebarre, undersigned as an independent neutral third-party, present this report as a summary of these events to the best of my ability.

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Al-Qawi Lebarre, Recording Secretary

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Date

Upon acceptance,

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HPPOA Board Secretary

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Date

**HPPOA Board of Directors Meeting  
Motions Log  
Wednesday, April 19, 2023**

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**Board votes: Brendan Freitas for District 6.**

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**WHEREAS, HPPOA's power to impose assessments on homeowners that, if unpaid, may become a lien on the parcel was affirmed in 1983 by the Hawaii Supreme Court in Paradise Hui Hanalike vs. Hawaiian Paradise Park Corp.;**

**WHEREAS, HPPOA's ability to impose assessments on homeowners requires HPPOA and all its owners to comply with and follow HRS Chapter 421J; and**

**WHEREAS, HPPOA retains its non-profit status under HRS Chapter 414D.**

**NOW, THEREFORE, BE IT RESOLVED, that HPPOA shall forthwith comply with HRS Chapters 421J and 414D, and all other applicable laws; and**

**BE IT FURTHER RESOLVED, that the Bylaws Committee with the assistance of legal counsel, ES&A, ALC, restate and amend HPPOA's Charter of Incorporation (Articles) to reflect HRS Chapters 414D and 421J;**

**BE IT FURTHER RESOLVED, that the Bylaws Committee with the assistance of legal counsel, ES&A, ALC, revise and draft bylaws to comply with applicable laws for consideration and adoption by the Board.**

**Richard Solie District 7 seconded the motion. Vote: Yes – 5, No – 0, Abstain – 2 Jason Schillewaert District 1 and Jon Loehndorf District 4. Motion carried.**

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