

**By laws Minutes  
November 13, 2024**

1. Open Meeting  
4:00pm

2. Roll Call  
Patti Szot  
Ray Holybee - Chair  
Alissa Hanshew

Jason Schillewaert and Jeff Finley absent

3. Approve agenda for November 13, 2024  
Patti made the motion to approve agenda, Alissa seconded, unanimous vote.

4. Review and Approve minutes  
Alissa made the motion to approve, Patti seconded, unanimous vote.

5. Old Business  
Article XII

**Section 1. Conflict of Interest Policy.**

(a) A conflict of interest transaction is a transaction with the Association in which a director or interested person of the Association has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved as provided in subsection (b).

1. An interested person includes directors, principal officers, employees, members of committees with board-delegated powers, who have a direct or indirect financial interest, **as defined below.**
2. An interested person also includes family members, including spouse, parent, grandparent, great-grandparent, brother and sister (whether whole or half-blood), children, grandchildren, or great-grandchildren (whether natural or adopted), and the spouses of any of them [and any person residing in the same household].

(b) A transaction in which an interested person has a conflict of interest may be approved if:

1. The material facts of the transaction and the interested person's interest were disclosed or known to the board of directors or a committee of the board and the transaction was authorized, approved, or ratified by the board or committee of the board; or

(c) For purposes of this section, an interested person of the Association has an indirect interest in a transaction if:

1. Another entity in which the interested person has a material interest or in which the interested person is a general partner is a party to the transaction; or

2. Another entity of which the interested person is a director, officer, or trustee is a party to the transaction.

(d) For purposes of subsection (b), a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board, who have no direct or indirect interest in the transaction; provided that a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of or a vote cast by a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection [(b)(1)]; provided the transaction is otherwise approved as provided in subsection (b).

(e) A director who has a conflict of interest on any issue before the board shall disclose the nature of the conflict of interest prior to a vote on that issue at the board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.

(f) Violations of the Conflicts of Interest Policy

1. If the Board of Directors has reasonable cause to believe someone to whom this conflict of interest policy applies has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford them an opportunity to explain the alleged failure to disclose.
2. If, after hearing the response and after making further investigation as warranted by the circumstances, the Board determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(g) The articles, the bylaws, or a resolution of the board may impose additional requirements on conflict of interest transactions.

Patti made the motion to approve Section 1 Conflict of Interest Policy in Article XII, Alissa seconded, unanimous vote.

Sections 2, 3, and 4 were worked on. Motion made by Alissa to approve changes outlined below, Ray seconded, unanimous vote.

### **Section 2. 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~~ **board of directors, with the President as the primary point of contact as described in Article IX**, 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 HPOA 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~~ **board of directors** 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 23. 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 34. 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 **address, email address if preferred**, 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~~principles.

(c) Accounting for Funds. The Association shall keep adequate and customary books and records in accordance with generally accepted accounting ~~practices~~principles for funds as per Article VIII.

(d) Delinquent Accounts. The Association shall ~~mail~~send notices, via the preferred method, 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~~principles 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 Chapters 414D and 421J, 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. **Per 421J, this list may be made available to members upon their reasonable request to provide information to other owners with respect to association matters. Members requesting this list are required to furnish HPPOA with an affidavit stating the good faith reason for the request of the list and agree to provide defense and indemnification to the Association for any actions arising from the release of this information.**

(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.

<b>NOTICES</b>	<b>HOW NOTICE IS PROVIDED</b>
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 **send** annually **by the preferred method, mail or email,** 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.~~

65. 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; and 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.

6. Next Meeting – December 11, 2024

7. Adjourn Meeting

Patti made the motion to adjourn, Ray seconded, unanimous vote.

5:50pm

Patricia Szot  
Secretary