

Bylaws Committee Minutes

May 14, 2025

1. Open Meeting

4:05pm

2. Roll Call

Patti Szot – Interim Chair and Secretary

Jeff Finley -absent

Teresa Bayne

Jon Loendorf

Guests: Kari Hoffman -President, Trudie Andrews, Ray Holybee, and Jason Schillewaert

3. Approve agenda for May 14, 2025

Teresa made the motion, Jon seconded, all approved.

4. Review and Approve meeting Minutes for April 23, 2025

Teresa made the motion to approve minutes, Jon, seconded, all approved.

5. Old Business

(a) Open letter from Bylaws committee to board accepting March 12, 2025 Bylaws. It was stated by a committee member that the use of “member or membership” is only used in the March 12, 2025 Bylaws, that is incorrect. The use of “member or membership” is in the majority; however, owner and ownership are still found on numerous occasions. A correction of the member was to replace “owner” with “member” to be compatible with Bylaws; the correction was still made but the correction as to language in Bylaws needed to be pointed out. The signed letter by Bylaws Committee members is attached as Appendix I.

(b) Articles I-VII + Article XI, Section 3 review changes. The committee reviewed Articles I-VII and XI. It was mention that previously the Bylaws Committee’s plan was to leave Article V-Definitions until the end. Including Article V here indicates it MAY need to be updated and voted on after the whole process is done. The committee felt it was important to indicate in Article VI, Section 3 that “Votes may be cast in person **at Membership meetings** or, in the case of mail-in-votes or by the respective lot owner as shown in the record of ownership of the Association. The changes in Article VII that was approved by Bylaws Committee and General membership was kept.

There was discussion about how the process has changed in approving Bylaws and that really needed to addressed, because it could create problems. All of the changes proposed here in these articles have been approved by a General Membership vote, but that process is not required now with the March 12, 2025 Bylaws. A committee member indicated something could

be stated in the cover letter to go with the Bylaws changes on website and could be discussed at townhall gathering. Homework was to work on cover letter.

Below are the changes approved, these will be posted (hopefully) on the website with a cover letter by June 1st (see Appendix 2).

(c) Review Possible Ballot. A possible ballot was prepared, handed out and discussed. Use yes or no instead of yea and nay. Wanted just the March 12, 2025 Article XI, Section 3 with Bylaws changes made by committee. There was a disagreement with the last sentence of Article XI, Section 3. Didn't like that it said that if no major projects are identified by the end of the fiscal year that the 5% collected as non-roads fee could be returned to the roads funds. The committee didn't like that restriction. There was a long discussion that the possibility of their being non-roads projects that are greater than \$5,000 on the CIP list (where money can be accumulated) is not going to happen for a number of years. The list of things that could be fixed are numerous (kitchen, bathroom, renovating for air conditioning office, activity center roof, etc). If items are less than \$5,000, this is not a CIP project and there is other income that comes in for such projects can be used. This other source of income is not affected by this statement, it is ONLY the 5% non-roads money. A committee member asked that the following statement be placed under the change number but before the Article change: Shall the Bylaws be amended as follows:.

Using the process that the Nominating Committee uses to send off ballots for Board candidates since there are no details presently in the Bylaws. The office staff will prepare ballot with Bylaws changes and the League of Women Voters will be used as a 3rd party to do the counting. Discussed the ballots need to be mailed by June 30, 2025 to avoid the increase in the price of postage that is occurring in July. Ballots will need to be received by the League of Women Voters by the close of business on July 30, thereby giving membership time to fill out the ballot and mail it in. Teresa made the motion to approve ballot, Jon seconded, all voted. Ballots will not be posted on website to avoid voter fraud.

(d) Date for Townhalls. Discussed ways to get the Bylaws changes out to members. Thought a Townhall like forum would be great. There was a question of why we needed something like this for simple bylaws changes. It was discussed that it was more than the Bylaws changes that needed to be explained to the members. The March 12, 2025 Bylaws changes really need to be addressed because before members accept the new changes they have to understand and accept the March 12, 2025 changes by legal counsel. The postcard that was sent out in early April did nothing to address this, most people did not understand what it meant. At this point Teresa Baynes got up and left the meeting.

Meeting adjourned due to lack of quorum.

Appendix 1

Aloha HPPOA Board Members and members of the community,

The Bylaws Committee has now had an opportunity to review the Bylaws as adopted by the Board of Directors on March 12, 2025. Our understanding is, these changes to the Bylaws were recommended to the HPPOA Board by Counsel for the **sole** purpose of bringing the Bylaws into compliance with state law. The changes recommended by counsel were not really an option of being done or not, they were genuinely needed because HPPOA's Bylaws were non-compliant with State Law for more than ten years, violating not only the law but also HPPOA's own Bylaws and Corporate Charter. In the end, to remain non-compliant exposed HPPOA to the possibility of being taken over by the state. Therefore, by this action, the Board has prevented any action by the state to take control of the Association; thereby keeping it in the hands of the members. We, therefore strongly urge the Board to fully inform the members, not only of the action taken, but the real cause and legal necessity for such actions.

The process that led to the counsel's recommendations, and the Board's adoption on March 12, 2025 of the recommended changes which brought HPPOA's Bylaws into compliance with the law was not perfect in any way, and left the Bylaws Committee out of the loop, but again, we understand the importance of the change. This, however, resulted in a side-by-side set of changes (those previously proposed and preliminarily approved by members, and those adopted by the Board), that then needed to be analyzed, compared and in some cases modified. This necessarily altered the task of the Bylaws Committee, adding the additional challenge of finding and eliminating any new conflicts between the old Bylaws, new Bylaws and the proposed changes which have not been submitted to a vote by the owners for adoption. The Bylaws Committee continues the work to make the Bylaws read more clearly and understandable to the average person. It is fundamental that the product of the Bylaw Committee is a clean and finished product. To accomplish this, the Bylaws committee is prepared to make recommendations of other such changes to the Bylaws and to assist in presenting them for adoption by the members over the next several months.

Mahalo nui

Patricia Szot
Interim Chair
Secretary

Jon Loendorf

Teresa Bayne

Appendix 2

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 Association 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 –PURPOSES; NONPROFIT CHARACTER

Section 1. Purposes. The Association is a nonprofit corporation and planned community association within the meanings of Chapters 414D and 421J, respectively, of the Hawaii Revised Statutes ("HRS"), organized for the purposes as set forth in the Charter.

Section 2. Nonprofit Character. The Association is organized exclusively for charitable, educational, and recreational purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States federal tax laws (the "Code"). Notwithstanding any other provision of these Bylaws, the Association shall neither have nor exercise any power, nor shall

it engage directly or indirectly in any activity that would invalidate its status as a corporation that is exempt from federal income taxation as an organization described in Section 501(c)(4) of the Code.

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. Quorum of the Membership. The lesser of a majority of, or 30 Members in good standing and entitled to vote on a matter, whichever is less.

Section 10. Conflict of Interest. A conflict of interest exists when any director, officer, committee member or employee of HPPOA, has a direct or indirect financial interest in any matter involving the Association. See Article VIII, Sec. 11.

Section 11. 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 12. 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 13. Preferential Voting. The definition of this term shall be as defined in parliamentary authority.

Section 14. 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 15. 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) General Members. 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. A tenant of any Lot upon recordation of a lease with a term of at least twenty (20) years from the date of commencement, shall likewise become a member for the term of the lease. General Members may be natural persons and/or legal entities (partnerships, corporations, limited liability companies, limited liability partnerships, and trusts) holding legal title over one or more Lots as tenants-in-severalty, tenants-in-common, joint tenants, or tenants by the entirety. Except where otherwise explicitly noted, all references to “Members” in these Bylaws shall refer to General Members.

(b) Associate Members. Any individual or legal entity not otherwise qualified to be a General Member may be admitted as an Associate member on an annual basis subject to such fees and other requirements as a majority of the Board may establish. Associate Members may not vote or hold office.

Section 2. Good Standing. All membership rights with the Association are contingent upon payment in full to the Association of all assessments due, including Road Maintenance Assessments and special assessments, and compliance with Association Bylaws and policies.

Section 3. 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 **at Membership meetings** (REASON: Clarification where in person voting is done) or, in the case of mail-in votes, by mail-in ballot or the respective lot owner as shown in the record of ownership of the Association.

Section 4. Proxy Votes. Proxy votes are not permitted.

ARTICLE VII – MEMBERSHIP MEETINGS AND ACTIONS OF THE MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held at such date and time determined by the Board of Directors. The Board of Directors or a majority of the Members may call a special meeting of Members to designate the time and place. The Annual Meeting may be held in lieu of a regular meeting.

Section 2. 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, Purposes; Nonprofit Character, the Board shall actively seek and consider Member suggestions for agenda content

Section 3. 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 to the Secretary, General Manager or other designate agent of the Board. Upon such a call or receipt of written request, the Secretary, General Manager or designated agent of the Board shall mail or **email (based upon member preference)** (REASON: To insert language that allows HPPOA to send out notices via email instead of mail if it is a preference) notices to Members no later than 30 days in advance of the meeting date, which shall be held within 45 days of being legally called. The Administrative budget shall contain funds for a special membership meeting.

Section 4. Notice of Meeting. Notice setting forth the time, date, and place of any annual, regular, or special meeting, along with the agenda and general nature and rationale of any proposal to be considered at any such meeting shall be given as specified in these Bylaws (as summarized in Appendix F), by the Secretary, or by the person or one of the persons calling the meeting, to each Member entitled to vote on the matter(s) according to the Association's current record of ownership, at least fourteen (14) days but not more than sixty (60) days prior to the time set for the meeting. Unless otherwise specified in Appendix F, notice may be provided by any two of the following means:

- (i) oral communication or hand delivery to the Member;
- (ii) written notice mailed postage prepaid to the Member's address shown in the corporation's current record of members;
- (iii) by electronic mail, provided that the Member has consented to receive notice by electronic mail and has not revoked such consent;
- (iv) posting of the meeting notice in its entirety on a portion of the association's website that is accessible to all members; or
- (v) by any other means authorized by HRS § 414D-15 and § 421J-3.5.

Nonreceipt by a Member of notice of a meeting mailed to such Member by first class or certified mail shall not invalidate any business done at the meeting while a quorum is present. This Section shall not be interpreted to apply to any Board meetings or committee meetings.

Section 5. Waiver of Notice.

- (a) Any Member may waive notice of any meeting of Members in writing signed by the Member or his/her/its attorney-in-fact or representative, either prior to, at or after the meeting.
- (b) The presence or representation at any meeting of any Member shall be the equivalent of the waiver of the giving of notice of such meeting to such Member, unless the Member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting.

Section 6. Acts of the Association.

- (a) Quorum. The acts of a majority of the Members present at any membership meeting at which a quorum of the membership is present shall be the acts of the Association except as otherwise provided herein. A quorum of the Members shall mean the lesser of a majority of, or 30 Members in good standing and entitled to vote on a matter, whichever is less.
- (b) Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by eighty percent (80%) of the Members entitled to vote on the subject matter thereof and filed with the records of the meetings of the Members. Such consent shall have the same effect as a vote

of the Members at a meeting and may be stated as such in any articles or documents filed with the Director of the Department of Commerce and Consumer Affairs.

(c) Action by Ballot. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if the Association delivers a ballot to every Member entitled to vote on the matter. The Association may deliver ballots by electronic transmission. A ballot shall be in written form or in the form of an electronic transmission, shall set forth each proposed action, shall provide an opportunity to vote for or withhold a vote for each candidate for election as a director or officer, and shall provide an opportunity to vote for or against each proposed action. Approval by ballot pursuant to this section shall be valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting to authorize the action and the number of affirmative votes equals or exceeds the number of affirmative votes for approval that would be required to approve the action at a meeting. All solicitations for votes by ballot shall:

- (i) Indicate the number of responses needed to meet the quorum requirements;
- (ii) State the percentage of approvals necessary to approve each action; and
- (iii) Specify the time by which a ballot shall be received by the corporation in order to be counted.

Section 7. Place and Modes of Meetings.

(a) Meetings in person. 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.

(b) Meeting by Electronic Communication Technology. Any meeting may be held by videoconference, telephone conference or similar electronic communication method if such method allows all participating Directors and/or Members to read or hear the proceedings substantially concurrently with the occurrence of the proceedings, vote, pose questions, and make comments. All such Directors or Members so participating shall be deemed to be present in person at the meeting. The Association shall adopt reasonable measures to verify that each person deemed present and permitted to vote at the meeting by electronic communication technology is entitled to vote in accordance with these Bylaws.

Section 8. Change of Meeting Date, Time or Place. In the event of a change of the date, time or place or modes of the Membership meeting, Members shall be notified at least thirty days in advance.

Section 9. Order of Business. The order of business at membership meetings shall be as stated in the agenda enclosed with the notice of the meeting, or otherwise in accordance with the most current edition of Robert's Rules of Order Newly Revised, and shall include a period for Member commentary. Member comments may be limited to three minutes per member.

Section 10. Conduct of Meeting. Membership meetings shall be conducted in accordance with the most current edition of 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.

Section 11. Adjournment. Any meeting of the Members, whether annual, regular or special, may be adjourned from time to time, whether a quorum of the members be present or not, without notice other than the announcement at the meeting of the new date, time and place, unless a new record date is or must be fixed under Hawaii Revised Statutes § 414D-107, in which event notice of the adjourned meeting shall be given to the Members of record as of the new record date. Such adjournment may be to such time and to such place as shall be determined by a majority of the Members present. At any such adjourned meeting at which a quorum of the Members shall be present, any business may be transacted

which might have been transacted by a quorum of the Members at the original meeting as originally called. A determination of Members entitled to notice of or to vote at a membership meeting is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote, which it must do if the meeting is adjourned to a date more than seventy days after the record date for determining Members entitled to notice of the original meeting.

ARTICLE XI – ASSESSMENTS

Proposed Bylaws changes to March 12, 2025 Bylaws

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 used exclusively used to compensate the Association General fund for the use of the Association's non-road maintenance assets for road maintenance purposes. may be allocated to the Association General Fund. The amount of compensation shall be determined~~ **established** annually by the board and shall not exceed 5% of road maintenance funds collected in ~~any given year~~ **the previous years collected road maintenance fees. These funds may be used for upkeep of the Activity Center, Playground, Ball field, non-road property owned or maintained by HPPOA, mail parks, other nonroad assets and resources, and to meet the Purposes; Non profit Character as outlined in Article IV. Any use beyond these must be approved by the General Membership at a General Membership meeting. Unused non-road funds may accumulate from year to year for designated projects. These funds shall be tracked as part of the Capital Improvement Plan. Unused project funds may be reallocated to another non-roads project. Unused non-road funds that are not designated for a project shall be moved back to the road maintenance fund at the end of the fiscal year.** **(REASON: There is no compensation of non-roads money, the bylaws indicate that a portion of road maintenance funds is to be allocated to non-roads. The amount has always been set at 5%. Extra information has been added to clarify how the money can be used and varied interpretation accumulated for ready big projects such as mail boxes and activity Center roofing. This type of clarification was never written in so there was variable interpretation of the law.**