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PATRICIA R.

HRS 414D Law Referenced in Board Bylaw "Amendments"

Part VI Members and Membership

414D-81 (a) (b) Admission

(The 2025 Article VI is now NOT in compliance with 414D-81(b))

Part VII Members, Meetings and Voting

(These were ALL Addressed in the 2010 Article VII. How were they NOT in compliance?)

414D-101 Members Meetings

414D-102 Special Meeting

414D-103 Court Ordered Meetings

414D-105 Notice of Meeting

414D-106 Waiver of Notice

414D-107 Record date, determining members entitled to notice and vote

414D-109 Members List for Meeting

414D-111 Quorum Requirements

Part VIII Directors and Officers

(These were ALL addressed in the 2010 Articles VIII and IX. How were they NOT in compliance?)

414D-131 Requirement for and Duties of the Board

414D-137 Resignation of Directors

414D-143 Quorum and Voting

- 414D-147 Regular and Special Meetings
- 414D-148 Committees of the Board
- 414D-154 Duties and Authority of Officers
- 414D-156 Resignation and Removal of Officers

Part IX Amendment of Articles of Incorporation and Bylaws

(These were ALL addressed in the 2010 Articles X and XIV. How were the NOT in compliance?)

- 414D-181 Authority to Amend
- 414D-187 Bylaws

HRS 421J Law Referenced in Board Bylaw Amendments

421J-2 Definitions

(These were addressed in the 2010 Articles V. How were they NOT in compliance? *412J-2, Section 2, 2c, does not apply to HPPOA. And even "YOUR" attorney acknowledged this- please see a reference to her annotated bylaws, dated 3/7/2023*)

421J-3 Board of directors

(These were addressed in the 2010 Article VIII. How were these NOT in compliance?)

421J-3.3 Removal of directors elected by members or directors

(These were addressed in 2010 Article VIII. How were these NOT in compliance?)

421J3.5 Notice required

(These were addressed in 2010 Articles VII and VIII. How were these NOT in compliance?)

421J-6 Robert's Rules of Order

(These were addressed in 2010 Articles VII and VII. How were these NOT in compliance?)

421J-7 Documents of the Association

(These were addressed in 2010 Article XII. How were these NOT in compliance?)

421J-7.5 Restatement of Association Documents

(These were addressed in 2010 Articles X and XIV. How were these NOT in compliance?)

421J-8 Membership List

(These were addressed in 2010 Articles XIII> How were these NOT in compliance?)

421J-10.5 Association fiscal matters; lien for assessment

(These were addressed in 2010 Article XI. How were these NOT in compliance?)

421J-13 Mediation of disputes

(These were addressed in 2010 Article XV. How were these NOT in compliance?)

Summary of Comments on WORD FORMAT BYLAWS copy

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See comment below re 414D-81, no admission w/o consent

(Recommend defining ownership instead of membership, then in Art VI clarify that only owners are eligible for membership)

AT ARTICLE IV - BYLAWS DEFINITIONS

~~AT~~ Section 1. Road Maintenance Activity. An activity engaged in for the purpose of managing, maintaining, improving, preserving, or protecting and 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, Klein fees, transfer fees, and interest and dividends paid by banks or other financial institutions on road maintenance.

Section 3. Special Assessment. An assessment approved by the membership for the purpose of s 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 of the lots in Hawaiian Paradise Park.

Attorney
for
address

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Number: 1 Author: ssneed Subject: Highlight Date: 3/7/2023 12:16:27 PM

HRS 414D-81(b) "No person shall be admitted as a member without the person's consent."

Author: ssneed Subject: Sticky Note Date: 3/7/2023 12:17:17 PM

There is no case law testing this, but consider revising to opt in upon purchase.

Note word "opt" in

Social welfare organizations

To be tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(4), an organization must not be organized for profit and must be operated exclusively to promote social welfare. The earnings of a section 501(c)(4) organization may not [inure](#) to the benefit of any private shareholder or individual. If the organization engages in an [excess benefit transaction](#) with a person having substantial influence over the organization, an excise tax may be imposed on the person and any managers agreeing to the transaction. See [introduction to IRC 4958](#) [PDF](#) for more information about this excise tax. For a more detailed discussion of the exemption requirements for section 501(c)(4) organizations, see [IRC 501\(c\)\(4\) Organizations](#) [PDF](#).

New legislation enacted at the end of 2015 added Section 506 to the Internal Revenue Code. Section 506 requires an organization to notify the IRS of its intent to operate as a Section 501(c)(4) organization. The IRS has developed a new form – Form 8976 – that organizations should use to provide this notification. For information about applying for exemption, see [application for recognition of exemption](#).

This requirement only applies to organizations intending to operate under Section 501(c)(4). Organizations operating under any other 501(c) section should not file this notice. To be operated exclusively to promote social welfare, an organization must operate primarily to further the common good and general welfare of the people of the community (such as by bringing about civic betterment and social improvements). For example, an organization that restricts the use of its facilities to employees of selected corporations and their guests is primarily benefiting a private group rather than the community and, therefore, does not qualify as a section 501(c)(4) organization. Similarly, an organization formed to represent member-tenants of an apartment complex does not qualify, because its activities benefit the member-tenants and not all tenants in the community, while an organization formed to promote the legal rights of all tenants in a particular community may qualify under section 501(c)(4) as a social welfare organization. An organization is not operated primarily for the promotion of social welfare if its [primary activity is operating a social club](#) for the benefit, pleasure or recreation of its members, or is [carrying on a business with the general public](#) in a manner similar to organizations operated for profit.

Renting the clubhouse

Seeking legislation germane to the organization's programs is a permissible means of attaining social welfare purposes. Thus, a section 501(c)(4) social welfare organization may further its exempt purposes through lobbying as its primary activity without jeopardizing its exempt status. An organization that has lost its section 501(c)(3) status due to substantial attempts to influence legislation may not thereafter qualify as a section 501(c)(4) organization. In addition, a section 501(c)(4) organization that engages in lobbying may be required to either provide notice

to its members regarding the percentage of dues paid that are applicable to lobbying activities or pay a proxy tax. For more information, see [lobbying issues](#) [PDF](#).

The promotion of social welfare does not include direct or indirect participation or [intervention in political campaigns](#) on behalf of or in opposition to any candidate for public office. However, a section 501(c)(4) social welfare organization may engage in some political activities, so long as that is not its primary activity. However, any expenditure it makes for political activities may be subject to tax under section 527(f). For further information regarding political and lobbying activities of section 501(c) organizations, see [election year issues](#) [PDF](#), [political campaign and lobbying activities of IRC 501\(c\)\(4\), \(c\)\(5\), and \(c\)\(6\) organizations](#) [PDF](#), and [Revenue Ruling 2004-6](#).