

**VACATIONLAND HAWAII COMMUNITY ASSOCIATION BYLAWS**  
**(As amended April 27, 2024)**

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## DEFINITIONS

1. The "Board" is the Board of Directors of Vacationland Hawaii Community Association, Inc.
2. The "Bylaws" are the Bylaws of Vacationland Hawaii Community Association, Inc., as amended.
3. The "Charter" is the Charter of Incorporation of Vacationland Hawaii Community Association, Inc., as amended.
4. The "common areas" are those parcels of real estate held in the name of the Corporation such as roads, easements and right of ways.
5. The "Corporation" is Vacationland Hawaii Community Association, Inc.
6. The "corporate year" is a twelve-month period beginning on April 1 of any calendar year.
7. A "Director" is an individual member of the Board of Directors of Vacationland Hawaii Community Association, Inc.
8. A "lot owner" is the owner of record of any lot subject to assessment by Vacationland Hawaii Community Association, Inc., pursuant to the Vacationland Subdivision Road Maintenance and Fees Assessment Declaration, as recorded in the Bureau of Conveyances of the State of Hawaii on April 19, 2002 as Document No. 2002-068181, as amended from time to time.
9. A "member" is the owner of record of any lot subject to assessment by Vacationland Hawaii Community Association, Inc., whose membership in the Corporation was entered in the Membership Roster by payment of assessment without formal application for membership therein.
10. A "member in good standing" is a member who is entitled to all voting and other rights of membership by payment of annual assessments levied upon a lot subject to assessment by Vacationland Hawaii Community Association, Inc., of which he is the owner of record.
11. The "membership roster" is the current list of the membership of the Corporation.
12. The "Offices" are the President, Vice-President, Secretary and Treasurer of the Corporation.
13. The "owner of record" is the lot owner as defined in 8 above.
14. The "Subdivision" is Vacationland Hawaii Subdivision Units I & II, District of Puna,

County and State of Hawaii.

15. The "property" or "properties" of the Corporation is any fund, monies or other item owned by the Corporation, which is convertible into cash, but does not include mandatory annual and special assessments. Such properties include, but are not limited to profit, income, interest, or dividends accrued or earned on mandatory annual and special assessments, any special fund such as the waterfront park fund, made up of visitor donations, and any real property held by the Corporation.

## **ARTICLE I : NAME**

The name of the Corporation shall be Vacationland Hawaii Community Association, Inc.

## **ARTICLE II : LOCATION OF PRINCIPAL OFFICE**

The principal office for the transaction of business of the Corporation shall be located in the subdivision. The mailing address shall be PO Box 7086, Hilo, HI 96720.

## **ARTICLE III : CORPORATE SEAL**

The Board may adopt, make, and use a corporate seal, and alter the form of such seal from time to time as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of the law.

## **ARTICLE IV : CORPORATE YEAR**

The corporate year shall begin on April first of each calendar year. All annual records of the Corporation shall be for a twelve-month period beginning on April first and ending on March thirty-first.

## **ARTICLE V : MEMBERSHIP**

### **A. Qualification**

There shall be only one class of membership in the Corporation. Each and every person who is the owner of any lot or lots subject to assessment for maintenance of roads in VACATIONLAND HAWAII SUBDIVISION in the District of Puna, County and State of Hawaii, is and shall be entitled to membership in the Corporation, and may be and become a member thereof. The membership of said owner, his heirs and assigns is established in perpetuity upon payment of assessment and entry of the lot owner's name upon the Membership Roster of the Corporation without formal application for membership.

## **B. Membership Roster**

A roster of current membership of the Corporation shall be maintained by or under the direction of the Secretary. Said roster shall be kept in the name of the lot owner of record.

## **C. Rights of Membership**

Upon payment of lot assessment, a member shall have and be entitled to exercise all voting rights as a member in good standing. Voting rights shall be based on one (1) vote per lot. Owners of more than one (1) lot for which annual assessments have been paid shall be entitled to cumulate their votes.

## **D. Privileges**

Any member, his family, guests, and tenants shall be entitled to use and occupy the lot or lots owned by such member, and to use and enjoy all common areas, subject however, to such rules and regulations as may be adopted from time to time by the Board.

## **E. Property Rights**

1. No member shall have an interest in the property or properties of the Corporation. The Board shall have full discretion to use or dispose of corporate properties, consistent with law, the Charter and the Bylaws.

2. Notwithstanding anything herein to the contrary, in the event that by reason of Act of God, government law, order, rule or regulation, or for any other cause, the purpose of holding property or properties owned by the Corporation has diminished, ceased to exist or is no longer viable, the Board may distribute such remaining property or properties of the Corporation to such organization or organizations as may then be exempt from income tax under Sections 501(c)(3), 501(c)(4) or 528 of the Internal Revenue Code of 1986, as amended, as the Board of Directors may determine in its discretion.

## **F. Representation of Membership Held by More than One Individual, Trustees, or Corporations**

1. Multiple owners of a lot may designate in whose name the membership shall be held, but upon their failure to do so, any one of them may be designated as the member. No such ownership shall be eligible for more than one (1) membership per each such lot.

2. Membership in the Corporation standing in the name of a trusteeship or another corporation may be voted or represented and all rights incident thereto may be exercised on behalf of such trusteeship or such corporation by a single individual duly authorized and designated by said trusteeship or corporation. No such ownership shall be eligible for more than one (1) membership per each such lot.

3. Due notice to membership held as described in this paragraph shall constitute notice given to the name and address shown in the records of the Real Estate Division of the Tax Department of the County of Hawaii unless otherwise stipulated in writing by the lot owner.

#### **G. Termination or Transfer of Membership**

Membership in the corporation shall be contingent upon ownership of a lot subject to the jurisdiction of the Corporation. No membership shall be terminated or forfeited nor the holder of same expelled, except upon disposition of said ownership. No member may withdraw, nor shall any member transfer or otherwise dispose of his membership, except upon lawful conveyance (including contract or agreement of sale) of his lot. Provided, however, that upon execution or delivery of a valid contract or agreement of sale for any lot, the vender's membership and all rights adhering thereto, shall be considered as being temporarily transferred to the vendee, such transfer becoming permanent upon subsequent delivery of a deed in compliance with said contract or agreement of sale or reversioning in the vendor in the event of termination of said contract or agreement of sale.

#### **H. Agreement of Members**

Any member of the Corporation consents to the jurisdiction of the Corporation over the lot or lots to which his membership pertains and agrees with the Corporation and with each and every member thereof that he will be bound by the Charter, the Bylaws and regulations and policies of the Corporation as originally enacted or as hereinafter amended, that he will not use or occupy property subject to the jurisdiction of the Corporation in any manner or for any purpose in violation of public law and any provisions of said Charter, Bylaws, regulations and policies and that he will promptly pay all assessments fixed, established, and levied by the Corporation upon any property owned by him and subject to the jurisdiction of the Corporation.

### **ARTICLE VI : MEMBERSHIP MEETINGS**

#### **A. Annual Meeting**

1. Place and Time of Meeting. The Annual meeting of the members shall be held during the month of April. The date, hour, and place of the meeting shall be designated by the Board.

2. Notice of Meeting. Written notice of each annual meeting shall be given to each member by sending a copy of the notice through the mail, charges prepaid, to his address appearing on the Membership Roster or supplied by him to the Corporation for purpose of notice. If a member supplies no address, notice shall be deemed to have been given him if published at least once in a newspaper of general circulation in the County of Hawaii. All such notices shall be mailed to each member entitled thereto not less than thirty (30) days before each annual meeting and shall specify the place, the day, the hour, and the agenda of said meeting. Any member who is in default in payment of any lot assessment and therefore not a member in good standing shall be notified of his status along with the notice of the meeting.

## **B. Special Meetings**

1. Call of Special Meetings. Special meetings of members for any purpose or purposes whatsoever may be called at any time by the Board or by any two (2) or more Directors or by one (1) or more members holding not less than one fifth (1/5) of the voting power of the Corporation.
2. Notice of Special Meetings. Except in special cases where other express provision is made by statute, notice of special meetings shall be given in the same manner as for annual meetings of the members.

## **C. Adjourned Meetings & Notice Thereof**

1. Adjournment. Any meeting of members. Annual or special, whether or not a quorum is present, may be adjourned from time to time by vote of the members present or represented at such meeting and entitled to cast a majority of the votes represented at such meeting, but in the absence of a quorum no other business may be transacted at such meeting.
2. Notice of Adjournment. Where any meeting of the members, either annual or special is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

## **D. Entry of Notice**

Whenever any member who is entitled to vote has been absent from any meeting of the members, whether annual or special, an entry in the minutes to the effect that notice has duly been given shall be conclusive and incontrovertible evidence that due notice of the meeting was given such member, as required by law.

## **E. Quorum**

The presence in person or by proxy of members entitled to exercise twenty-five percent (25%) of the voting power of the Corporation and at least two (2) Directors shall constitute a quorum for the transaction of business. The members present at a duly called and held meeting at which quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

## **F. Consent of Absentees**

The Transactions of any meeting of members, either Annual or special, however called and noticed shall be valid as though transacted at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote not present in person or by proxy, signs a letter of waiver or a consent to the holding of such a meeting, or an approval of the minutes thereof. All such waivers,

consents, or approvals shall be filed with the Secretary and be made a part of the minutes of said meeting.

## **G. Proxies**

1. Right to Vote by Proxy. Every member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy, executed by such person or his duly authorized agent, and filed with the Secretary. Such proxies shall be valid for sixty (60) days from the date of execution.

2. Proxy Form. A printed proxy form shall be included with the notice of any meeting of the members, annual or special, to every member entitled to vote or execute consents. Said form shall state whether the meeting is annual or special, name the day, hour and place of said meeting and provide blank spaces for the insertion of the name of the designated proxy and the signature of the member. The form of proxy shall comply with the requirements of the Planned Community Associations law, c. 421J, Hawaii Revised Statutes.

## **H. Rules**

All meetings of the members, annual or special, shall be conducted in accordance with the current edition of Robert's Rules of Order, except that in cases of conflict with the Bylaws, the Bylaws shall take precedence, and provided that such rules may be suspended by a two-thirds (2/3) vote of the members present in person or by proxy at any such meeting.

## **I. Participation in Meetings by Electronic or Telephonic Means**

If authorized by the Board of Directors in its sole discretion, members or proxies of members may participate at an annual or special meeting of members by means of the internet, teleconference or other electronic transmission technology in a manner which allows members the opportunity to: (1) read or hear proceedings substantially concurrently with the occurrence of the proceedings; (2) vote on matters submitted to the members; (3) pose questions; and (4) make comments. A member or a proxy participating in a meeting by the means authorized by this section shall be deemed to be present in person at the meeting. Reasonable measures shall be implemented to verify that each person deemed present pursuant to this section is a member or proxy of a member.

# **ARTICLE VII : BOARD OF DIRECTORS**

## **A. Number and Qualifications**

The Board shall consist of five (5) directors, all of whom shall be members in good standing of the Corporation and shall have expressed a willingness to serve in this capacity. If, during the course of his tenure, a Director shall cease to be qualified for membership in the Corporation, his tenure shall be terminated automatically as of the date his eligibility terminated. A Director who sells or otherwise disposes of all his property subject to the jurisdiction of the Corporation



shall, except in the case of demise, provide written notice to the Board at least two (2) weeks in advance of his loss of eligibility.

## **B. Election and Term of Office**

1. Election. Directors shall be elected at annual meetings of the members, but should any such annual meeting not be held or Directors elected thereat, Directors may be elected at special meeting of members held for that purpose.

2. Term of Office. All Directors shall serve a two (2) year term, unless said term is terminated by resignation or loss of eligibility, by action of the Board, or by action of the members. Directors may serve successive terms if reelected. Terms of individual Directors shall be staggered to provide continuity. No reduction in the number of directors shall have the effect of removing a Director prior to the expiration of his term of office. Should it become necessary to reestablish the entire Board, three (3) Directors shall be elected for a two (2) year term and two (2) Directors shall be elected for a one (1) year term.

## **C. Fees and Compensation**

No director or officer shall receive any salary for his services as Director or officer. However, upon approval of the Board, he may be reimbursed for reasonable, substantiated expenses incurred in his performance of official duties for the Corporation.

## **D. Removal**

1. Grounds for Removal.

- a. Failure of a Director to attend three (3) successive regular meetings.
- b. Conviction of a Director, by any legally constituted court, of a felony involving moral turpitude.
- c. Malfeasance in office of a Director who is or who has been an officer of the Corporation.
- d. Loss of good standing in the Corporation by delinquency in payment of assessment or by disposition of all of his property subject to jurisdiction of the Corporation. For purposes of this section, an assessment is considered delinquent if unpaid sixty (60) days after mailing of the notice of assessment. The burden of proof shall be on the Director to show timely payment.

2. Removal by the Board of Directors. The Board may, by a vote of the majority of Directors present at a regular meeting at which a quorum is present, remove any Director, whether he is present or not, provided grounds exist for such removal, provided thirty (30) days written notice has been given to the Director involved, and such Director has not paid the amount owing or provided proof of payment. Email shall be an accepted form of written notice, provided the same notice is also sent by U.S. Mail to the Director.

3. Removal by the Membership. The membership of the Corporation shall have the same powers of removal as the Board of Directors, provided such power is exercised at an Annual meeting at which a quorum is present.

#### **E. Vacancies in the Board of Director**

1. Existence. A vacancy or vacancies shall be deemed to exist in the case of a death, resignation, or removal of any Director, or if members shall increase the authorized number of Directors by amendment to the Bylaws, but shall fail at the meeting at which such increase is authorized, or at an adjournment thereof, to elect the additional Directors provided for, or in case the members fail at any time to elect the full number of authorized Directors. Vacancies because of death, resignation or removal of any Director shall exist on the date of death, resignation or removal.

2. Filling Vacancies. A vacancy on the Board shall be filled at the meeting on or next following the date on which said vacancy occurred. If said meeting is the annual meeting of a members or special meeting of members for the purpose of electing Directors, the vacancy shall be included in the regular election of Directors by the members. If said meeting is a meeting of the Board, the vacancy may be filled by a majority vote of the remaining Directors, through less than a quorum. Each Director so elected shall serve for the remainder of the term to which he succeeded.

#### **F. Meeting of the Board of Directors**

1. Place of Meeting. All meetings of the Board of Directors shall be held in the County and State of Hawaii.

2. Organizational Meeting. Immediately following each Annual meeting of the members, the Board shall hold a meeting for the purpose of organization, election of officers, determination of the scale of annual assessment and such other business as may come before the meeting. Notice of such meeting is hereby dispensed with.

3. Regular Meetings. Regular meetings of the Board may be held without call at a place, date and hour as may be fixed from time to time by action of the Board, provided that not less than one regular meeting shall be held quarterly. To the extent feasible, a public notice of any regular Board meeting will be posted on bulletin boards, reader boards, and electronically.

4. Special Meetings.

a. Special meetings of the Board for any purpose or purposes shall be called at any time by the President, or in the case of his absence, inability or refusal to act, by the Vice-President, or by any two (2) Directors. Only matters set forth in the notice of the meeting shall be considered at a special meeting of the Board.

b. Written notice of the time and place of special meetings of the Board shall be delivered to each Director personally, or sent by mail, facsimile, e-mail or other form of electronic transmission at each Director's address as shown by the records of the Corporation. Said notice of such meeting shall be provided not less than seventy-two (72) hours prior to the time of holding the meeting. Such mailing as above provided, shall be due legal and personal notice to such Director.

c. Whenever any Director has been absent from any special meeting of the Board, any entry into the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such Director as required by law and the Bylaws.

d. Participation at special Board Meeting. Any or all directors may participate in any special meeting of the Board through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

5. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or whether held, shall be as valid as though acted upon at a meeting duly held after regular call and notice, if a quorum be present, and if either before or after said meeting, each of the Directors not present signs a written waiver of notice or consent to holding such a meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the Secretary and be made a part of the minutes of the meeting. Such communications shall be valid if delivered personally or sent by mail, facsimile, e-mail or other form of electronic transmission to the Secretary.

6. Quorum. A majority of the number of Directors as fixed by the Bylaws shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present at a meeting duly noticed and held, at which a quorum is present, shall be regarded as an act of the Board.

7. Proxies. At all meetings of the Board, voting by proxy shall not be allowed.

8. Adjournment. A quorum of the Directors may adjourn any Board meeting to meet again at a stated date and hour, provided however, that in the absence of a quorum, a majority of the Directors present at any Board meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

9. Rules. All regular and special meetings of the Board, and meetings of any committees appointed by the Board or the President, shall be conducted in accordance with the current edition of Robert's Rules of Order; except that in the cases of conflict with the Bylaws, the Bylaws shall take precedence.

10. Action without meeting.

a. Any action required or permitted to be taken at a Board meeting may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken.

b. Any action for the expenditure of funds or other matter of a routine nature may be taken without a meeting if the proposed action is submitted to all Directors via e-mail, and no less than three (3) directors approve the proposal; provided that if within five (5) days after submission of such proposal to the Directors, any Director objects to the adoption of the proposal without a meeting, such proposal shall not be considered adopted and must be submitted to the Directors for consideration at either a general or special meeting of the Directors.

11. Director Attendance Electronically. One or more Board directors may participate or be present in a regular or special meeting of the Board by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting, including by means of internet, teleconference or other electronic transmission technology. A director participating in a meeting by this means is deemed to be present in person at the meeting.

## **G. Powers & Duties**

1. Powers. Subject to the limitations of the Charter and Bylaws as to action to be authorized or approved by the members, and subject to the duties of the Board as prescribed below, all corporate powers shall be exercised by or under the authority of, and the affairs and business of the Corporation shall be controlled by the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers, to wit:

To select and remove officers, agents, and employees of the Corporation; to prescribe such duties for them as may not be inconsistent with the law, the Charter, or the Bylaws; to delegate authority to or limit the authority of the President and any other officers, other provisions of these Bylaws notwithstanding, or to require security for faithful service, including execution of oath of office or written acceptance of responsibility; and to fix compensation for employees.

To conduct, manage, and control affairs and business of the Corporation and to make rules, regulations, and policies for the Corporation, not inconsistent with the law, the Charter, or the Bylaws, as they deem necessary.

By resolution, to borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or other evidence of debt and securities therefore. However, the Board will incur no indebtedness whatsoever which cannot be paid in full within one year of the date of borrowing, unless such debt is approved by a simple majority of VHCA member votes in good standing, at an annual or special meeting of the general membership; however, in the event of an emergency declared by Hawaii State or U.S.

Government authorities, the Board may incur indebtedness to take advantage of available emergency funds, without membership approval, but only if insufficient time is available to call a general membership meeting for approval of such borrowing.

Except as otherwise provided for in the Bylaws, by resolution, to authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or any amount.

To establish annually the membership in the following standing committees: Roads and Common Areas Committee, Audit Committee, and Mailboxes Committee. The Board may, at its discretion, appoint such other committees, standing or temporary, as it may deem necessary. Said committees shall be established as prescribed in Article X of the Bylaws.

Subject to the provisions of Article XI of the Bylaws and "Duties" of the Board as prescribed below to fix, establish and levy assessments upon members of the Corporation and on lots in property in the subdivision and to make any and all delinquent liens upon the lot or lots in respect to which they shall have been fixed, established or levied.

To receive donations, grants, mailbox fees and other outside funds, other than assessments as provided under subsection f. above, which funds shall be segregated for accounting and used according to their purpose.

## 2. Duties.

a. The Board shall manage and control the property and affairs of the Corporation in keeping with the provisions of the Charter and Bylaws. It shall keep or cause to be kept, all records and make or cause to be made, all reports as may be required by statute, the Charter or the Bylaws.

b. The Board shall adopt an operating budget for the ensuing year prior to the annual meeting of the members and the organizational meeting of the new Board immediately following.

i. Said budget shall include anticipated receipts from lot assessments and proposed expenditures including any apportionment for a reserve fund.

ii. If said budget will result in a scale assessment that is less than, the same as, or an increase of not more than ten percent (10%) of the assessment of the previous year it shall be presented at the Organizational meeting of the new Board. The Directors in attendance thereat, provided a quorum is present, may amend said budget at their discretion by a majority vote, except that said amendment shall not result in a scale of assessment that exceeds the previous year by more than ten percent (10%). This budget, as presented or as amended, shall be the basis for determining the annual assessment for the ensuing year.(3) If said budget will result in a scale of assessment

that exceeds by more than ten percent (10%) the assessment of the previous year, shall be presented at the annual meeting of the members for approval. Upon approval of said budget at said annual meeting, the Board shall fix, establish and levy the annual assessment for the ensuing year on that basis. Upon disapproval of said budget at said annual meeting, the new Board shall amend the same at its organizational meeting or adjournment thereof in compliance with the will of the members.

## **ARTICLE VIII : OFFICERS**

### **A. Number and Qualifications**

1. Number. The officers of the Corporation shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be elected in accordance with Paragraph C below.
2. Qualifications. Only members in good standing who have been duly elected Directors of the Corporation shall be elected President, Vice-President, Secretary or Treasurer. One individual may serve in two (2) of these offices, except that the offices of the President and Secretary shall not be held by the same person.

### **B. Election**

The officers of the Corporation, except such as may be elected in accordance with Paragraph C and E below, shall be elected to a one (1) year term by the Board. No individual shall be eligible to succeed himself in office after three (3) consecutive terms except by a vote of not less than five (5) of the Directors in office at the time. Each officer so elected shall hold office until he shall resign, be removed or otherwise disqualified to serve or until his successor shall be duly elected.

### **C. Subordinate Officers**

The Board may elect such officers as the business of the Corporation may require. Each shall be a member in good standing of the Corporation and shall have expressed a willingness to serve in this capacity. Said officers shall hold office for such period, have such authority, and perform such duties as are provided for in the Bylaws or as the Board may from time to time determine.

### **D. Removal and Resignation**

1. Removal. At any special Board meeting for such purpose, any officer may be removed, with or without cause, by a vote of five of the Directors in office at the time.
2. Resignation. Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary. Any such resignation shall take effect at the date of receipt of such notice, or at a later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### **E. Vacancies**

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed for regular election of such officer.

#### **F. President**

The President shall be the chief executive officer of the Corporation and, subject to the provisions of the Charter and Bylaws, shall have general supervision, direction and control of the business and office of the Corporation. He shall be an ex-officio member of all standing committees except the Audit Committee. He shall preside at all meetings of the members and of the Board, and shall have such other powers and duties as from time to time may be prescribed by the Board or the Bylaws.

#### **G. Vice President**

In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or the Bylaws.

#### **H. Secretary**

1. Minutes of Meetings. The Secretary shall keep, or cause to be kept, a complete record of minutes of all meetings of members and of the Board, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board meetings, and the number of members in good standing present at meetings of members, the existence of a quorum, and the proceedings thereof.

2. Membership Roster. The Secretary shall keep or cause to be kept, a roster of the membership showing the names of current members and their address, the lot in property to which each membership applies, the number of memberships held by each individual, and the number of votes held by each as members in good standing.

3. Notice of Meetings. The Secretary shall give, or cause to be given notice of all meetings of members and of the Board as required by the Bylaws or by law given.

4. Custody of Corporate Seal. The Secretary shall keep the Corporate Seal in safe custody.

5. Other Duties. The Secretary shall keep a copy of the minutes of meetings and the membership roster at such place as the Board may order as prescribed in Article XII of the Bylaws, to be made available to Directors and members upon request. He shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or Bylaws.

## **I. Treasurer**

1. Accounting. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation. The books of account shall be open for inspection as prescribed in Article XII of the Bylaws.
2. Custody of Funds. The Treasurer shall deposit, or cause to be deposited in accordance with the policy of the Board, all monies and other valuables in the name of and to the credit of Vacationland Hawaii Community Association, Inc., in such depositories as may be designated by the Board, and shall disburse funds of the Corporation as may be ordered by the Board.
3. Reports. The Treasurer shall render to the President and the Directors whenever requested, an account of his transactions as Treasurer and of the financial status of the Corporation and shall report the same annually at the Annual Meeting of the members.
4. Notification of Assessments. The Treasurer shall send or cause to be sent, all notices of assessment as provided in Article XI, Paragraph C of the Bylaws.
5. Other Duties. The Treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the Bylaws.

## **ARTICLE IX : LIABILITY OF OFFICERS AND DIRECTORS**

### **A. Exculpation**

Every Director or Officer of the Corporation shall be free from all personal liability for acts done on behalf of the Corporation, or for any losses incurred or sustained by the Corporation unless the same have occurred through his willful and fraudulent conduct.

### **B. Indemnification**

Every Director or Officer of the Corporation shall be indemnified by the Corporation against all reasonable costs, expenses or liabilities (including counsel fee) actually and necessarily incurred by or imposed upon him in connection with or resulting from any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which he may be involved as a party, or otherwise, by reason of being or having been a Director or Officer of the Corporation, whether or not he continues to be such Director or Officer at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which he shall be finally adjusted in such action, suit proceedings, investigations, or inquiry to be liable for willful misconduct or fraud toward the Corporation in the performance of his duties as such Director or Officer. As to whether or not a Director or Officer was liable by reason of willful misconduct or fraud toward the Corporation in the performance of duties as such Director or Officer, in the absence of such final adjudication of the existence of such liability, the Board and each Director and Officer may conclusively rely upon the opinion of the legal counsel selected by or in the manner designated by the Board. The foregoing right of indemnification shall be in addition to and not in limitation



of all other rights to which said person may be entitled as a matter of law, and shall inure to the benefit of legal representation of such person.

## **ARTICLE X : COMMITTEES**

### **A. Standing Committees**

Standing committees shall consist of at least three (3) persons including the chairperson, who have expressed a willingness to serve in this capacity. Except as provided below, a committee consisting of three members shall include one director and two other members with membership on larger committees being proportionately the same.

### **B. Accountability**

All committees shall be accountable to the electing or appointing authority and shall report directly thereto.

### **C. Removal**

The chairperson and members of all committees shall serve at the pleasure of the electing or appointing authority and may be removed thereby with or without cause.

### **D. Duties and Authority of Standing Committees**

1. Roads and Common Areas Committee. At least one (1) Director shall be named to this committee. Subject to the approval of the Board, the committee shall establish and execute a comprehensive plan for the maintenance and improvement of road surfaces, roadsides, streets, and other property of the Corporation, including but not limited to, the establishment of minimum standards of height and width of shrubs and trees on that portion of roadways and streets that is not road surface, the control of weeds and refuse in all common areas, the erection and maintenance of such markers or signs as deemed necessary for traffic control and street identification and the allocation of funds provided for maintenance and improvement of road surfaces. Such plan may be altered from time to time as deemed necessary. The committee shall present to the Board of Directors a proposal for maintenance and improvement of roads and common areas for the ensuing year prior to the preparation of the annual budget, which shall include the estimated cost thereof.

2. Auditing Committee. No Director shall serve on this committee. It shall have the authority and the duty to inspect all records of the Secretary and the Treasurer and such other documents as may be required to determine that the business of the Corporation has been conducted in accordance with the law, the Charter and the Bylaws. It shall prepare a written report annually for the Board. Said report shall list any irregularities found, evaluate the record keeping and make recommendations as deemed necessary.

3. Mailboxes Committee. The committee shall administer such mailboxes serving the

members of the Association as the Board may designate.

## **ARTICLE XI : ASSESSMENTS AND RIGHT OF LIEF**

### **A. Purpose**

All monies received and collected in payment of the charges and mandatory assessments below are properly usable for the following purposes:

1. To purchase, lease, construct, improve, maintain, operate, hold in trust and own all roads and common areas appropriate for the use and benefit of owners of lots in property in the Subdivision subject to the jurisdiction of the Corporation.
2. To improve, light and maintain roads and common areas; to plant and maintain trees and plants within the lines of streets and roadways immediately adjoining any lot in said property and within other common areas thereof; when feasible to provide fire and police protection, and for collection and disposal of rubbish therefrom.
3. To pay all administrative costs and legal fees, as well as tax assessments, if any, which may be levied by any public authority upon streets and common area, now or hereafter, acquired or controlled or held in trust for the use and benefit of the owners of lots in property within the Subdivision subject to the jurisdiction of the Corporation.

### **B. Charges and Assessments**

1. Annual Assessment. Based on the budget for the ensuing year, the Board shall determine the rate of assessment for each lot in property in the Subdivision subject to the jurisdiction of the Corporation. Said determination shall be made at the organizational meeting of the Board or at an adjournment thereof, provided that said adjournment shall be no later than thirty (30) days after the Annual meeting of the members. Said assessment shall be pro-rated among the lots subject to the jurisdiction of the Corporation in accordance with the provisions of Paragraph 4. Section B Charges and Assessments of this Article.
2. Special Assessments. Other and further assessments for any or all of the purposes above may be levied by a majority vote of members present in person or by proxy at any Annual Meeting or special meeting of members duly called, noticed and held for such purpose. Such action shall be based on a recommendation from the Board and shall include a statement of the purpose for the same, the amount of the total assessment on all lots, the rate of assessment on individual lots and the due date. A special assessment may be levied against fewer than all lot owners. At the annual or special meeting considering such a special assessment, only those members who will bear the assessment may vote on the assessment, and a majority vote of such members present in person or by proxy will be required to levy it. Any existing special assessment may be amended to be limited to fewer than all lot owners, after a recommendation by the Board, by an Annual or special meeting. At such Annual or special meeting, only those members who will bear the amended assessment may vote on the amendment and a majority vote

of such members present in person or by proxy will be required for adoption of the amendment.

3. Reserve Fund. In determining the amount of any annual assessment, the Board shall consider the necessity or advisability of establishing a reserve fund for emergency or extraordinary expenses, for future improvements or maintenance of any or all roads and common areas of the Corporation or to construct road surfaces to such a standard and condition that they may be dedicated to the County or State of Hawaii, whichever is legally appropriate. The Board shall have the power to reasonably and equitably establish such a reserve fund and such fund may be a purpose for special assessment as prescribed above.

4. Every annual assessment shall be borne by the lot owners subject to assessment by the Corporation. Every special assessment may be levied against all, or fewer than all, lot owners. A two-tier system shall be used for determining the assessments. Unimproved lots and single family dwellings will be assessed the base amount (\$125 in fiscal year 2002-2003), and all other, including but not limited to ohana, duplexes, bed and breakfast, vacation rentals, and other commercial uses, will be assessed one and 32 hundredths (1.32) times the base assessment. Any budget, annual or special, shall be assessed accordingly.

5. The Board in its discretion, may, temporarily or permanently, waive any mandatory assessment for any lot which does not require access to the Subdivision's roadway system. In addition, the Board may suspend such mandatory assessments when by reason of Act of God or other cause beyond the control of the Board, roads within the Subdivision are destroyed and have not been rebuilt.

6. Subdivision Assessments. Notwithstanding the procedures for special assessments contained in paragraph B.2., above, a subdivision assessment for each lot created by the subdivision of an existing lot or lots, containing an area of two acres or more, into a greater number of lots shall be paid by the owner of the subdivided lot or lots to defray the increased cost to the Corporation of the maintenance and improvement of the Subdivision roadway system. The amount of subdivision assessment for each subdivided lot shall be \$10,000.00, and shall be paid by the lot owner to the Corporation within ninety (90) days from the date that final subdivision plat approval is issued for the subdivision by the County of Hawaii . The amount of the subdivision assessment shall be adjusted annually for inflation according to a generally accepted cost of living index, with the base year at April 2013. The assessment shall be used primarily to upgrade Kapoho Kai road or a Farm Lots road, as the Board of Directors may determine. In the event that the County of Hawaii imposes upon a subdivider the duty to make improvements to the VHCA roads system, the amount so paid will be offset against the amounts due under this section.

### **C. Notification**

No less than thirty (30) days prior to the due date of any annual or special assessment, the Treasurer shall mail, postage prepaid, to Lot Owners and Members a statement for each lot in the Subdivision subject to the jurisdiction of the Corporation. Said statement shall include the lot number as shown in the records of the Real Estate Division of the Tax department of the County

of Hawaii, the amount and due date of the current assessment, the amount of any unpaid prior assessments, the amount of any accumulated interest thereon, the total of these amounts, notice that delinquent amount are subject to lien and other information as deemed necessary. The Board may authorize electronic billing and payment of assessments.

#### **D. Delinquent Accounts**

Any assessment unpaid one hundred twenty (120) days after the due date of the same shall be delinquent. Interest thereon from the original due date shall be charged at the rate of eighteen percent (18%) per annum.

#### **E. Lien for Assessments**

A delinquency lien for any delinquent assessment unpaid twenty-four months from the original due date shall be filed with the Bureau of Conveyances of the State of Hawaii. The Treasurer shall prepare the necessary filing forms for the signature of the President and Secretary and the affixation of the Corporate Seal and forward them to the State without delay or further action by the Board.

#### **F. Suit to Recover Judgment**

The Corporation may, at its sole option, elect to foreclose upon a lien, or sue to recover money judgment for any unpaid assessments and such suit may be maintained without foreclosing or waiving the lien. If suit is brought, the Lot Owner shall be responsible for all costs thereof, including reasonable attorney's fees.

#### **G. Refund of Assessments**

Notwithstanding anything herein to the contrary, in the event that the roads within the Subdivision are destroyed or become inaccessible by reason of Act of God, government law, order, rule or regulation, or for any other cause, the Board may determine that any remaining funds, which constitute paid-in annual or special mandatory assessments, should be refunded to members who are current in their assessment payments at the time of such determination, provided that the income earned in such assessment funds may not be distributed to any member, and provided further that the Board may determine that a portion of such assessment funds may be retained for the payment of such future administrative costs as the Board deems reasonably necessary. Upon such determination, the assessment funds to be refunded shall be paid to the members of the Association based upon each member's pro-rata share of such assessment funds based upon the total number of assessed lots or lots which each such member has paid in and to the extent that such member may be located.

### **ARTICLE XII : MISCELLANEOUS**

#### **A. Record Date and Closing Membership Roster**

The Board may fix a time, in the future, not exceeding thirty (30) days preceding the date of any meeting of the members, as a record date for the determination of the owners of record of each lot, the members entitled to notice of any such meeting and the members in good standing entitled to vote thereat and, in such case, only members of record on the date so fixed shall be entitled to vote at any such meeting, notwithstanding any transfer of membership on the books of the Corporation after the record date fixed as aforesaid. The Board may close the books of the Corporation against transfers of membership during the whole or any part of such period. Exception shall be made upon personal application to the Secretary, prior to the meeting, by submission of documentation to support such application. When so done, membership shall be recognized. The status of a member who is in default of assessment payments may be changed to that of a member in good standing by payment of all lot assessments due, and voting rights shall be recognized.

## **B. Corporate Records**

The membership roster, or a duplicate thereof, the books of account and minutes of proceedings at meetings of the members and the Board shall be open to inspection by any Director, and upon request, to any member at any reasonable time, and for a purpose reasonably related to his interest as a member. Such inspections may be made at the place where such records are kept, in person or by agent or attorney, and shall include the right to make extracts, but shall not include the right of removal of original documents from the premises.

## **C. Availability of Bylaws**

The Secretary shall furnish a copy of the Charter and/or Bylaws as amended or otherwise altered to date, certified by him, to any member upon written request.

## **D. Checks, Drafts, Etc.**

All checks, drafts or other orders of payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Corporation shall be signed by the Treasurer or in the case of his absence, by another officer as designated by the Board except in instances as the signature of the President and the Secretary may be required by law or otherwise.

## **E. Covenant of Deed**

The Corporation shall recognize and enforce the provisions of original Covenants of Deed pertaining to lots in the Subdivision and running with the land and binding and continuing in force for a period of twenty-five (25) years and extended indefinitely thereafter unless amended in whole or in part by an agreement signed by a majority of the then owners. At any such time that each such Covenant of Deed shall have continued in force for more than twenty-five (25) years and that the members in good standing of the Corporation shall constitute the majority of the then owners, said Covenants may be amended in whole or in part at any meeting of the members called for that purpose.

#### **F. Representation for Personal Benefit**

No member or members acting in their own behalf shall represent themselves as officials of the Corporation nor use the name of the Corporation on stationary nor in representations to other members or to the general public.

#### **G. Applicability of Planned Community Associations Law**

The provisions of the Hawaii Planned Community Associations law, Chapter 421J, Hawaii Revised Statutes are adopted for the Corporation to the extent that the provisions are not inconsistent with the Bylaws. In the event of any conflict between Chapter 412J and these by Bylaws, the Bylaws shall prevail to the extent permitted under law.

### **ARTICLE XIII : AMENDMENTS**

#### **A. Powers of Members**

Except as hereinafter provided below, the Bylaws of the Corporation may be adopted, amended or repealed by the vote of a simple majority of the members in good standing present in person or by proxy at a meeting duly called and held, the notice of which shall have stated that a purpose of the meeting was to consider the adoption, amendment or repeal of the Bylaws.

#### **B. Restrictions on Powers of Members**

Article V, Paragraph C, Rights of Membership may not be amended by a vote constituting less than two-thirds (2/3) of the voting power of members in good standing present in person or by proxy at a meeting duly called and held, the notice of which shall have stated that a purpose of the meeting was to consider the amendment of said paragraph of the Bylaws.

### **ARTICLE XIV : DISSOLUTION**

Notwithstanding anything herein to the contrary, in the event of liquidation or dissolution of the Corporation, whether involuntary or by operation of law, the assets of the Corporation shall be paid in the following order: (1) first, to satisfy the debts of the Corporation, if any; and (2) second, as to funds held by the Corporation which comprise mandatory and special assessments from paid-in members, these shall to be refunded to the members of the Corporation based upon each member's pro-rata share of such assessment funds based upon the total number of assessed lot or lots paid in by each member, and to the extent that such member may be located so as to be able to make said refund; subject, however, to the retention of sufficient funds to complete the winding up of the Corporation's affairs per the Board's sole discretion; provided further that no part of the interest or income earned from such assessment funds may be distributed to any member. Upon the distribution of the assets or refund of assessments as set forth herein and the completion of the Corporation's winding up process, the remaining assets, property or properties of the Corporation shall be distributed to such organization or organizations as may then be

exempt from income tax under Sections 501(c)(3), 501(c)(4) or 528 of the Internal Revenue Code of 1986, as amended, as the Board of Directors may determine in its discretion.