

# OLCA BYLAWS

PLEASE NOTE: This is the current version of OLCA bylaws, effective as of July 1, 2018.

## DEFINITIONS:

BOD – Board of Directors

MRMA – Mandatory Road Maintenance Assessments

OLCA – Orchidland Community Association

OLE – Orchidland Estates

Owner – means a person or entity that is on the title as an owner or as a buyer under an Agreement of Sale. It does not include a tenant under a lease agreement.

Member In Good Standing – means a member who is current on MRMA's and any interest or liens due.

RC – Road Committee

Members exempt from MRMA's – Members who access their properties from non-OLCA roads.

## ARTICLE I — NAME, DESCRIPTION AND PURPOSE

**Section 1. NAME.** The name of the corporation shall be ORCHIDLAND COMMUNITY ASSOCIATION, INC. (hereafter known as OLCA).

**Section 2. DESCRIPTION.** Orchidland Community Association is a 501 (c) 4 non-profit corporation, organized under Hawaii Revised Statutes 414D, and is not a planned community association and does not fall under the jurisdiction of Hawaii Revised Statutes Section 421J, or any other statute pertaining to "planned" community associations or common interest developments.

**Section 3. PURPOSE.** The purposes of the corporation shall be:

- a. To aid, promote and assist in the development, improvement and maintenance of Orchidland Estates Subdivision as a desirable rural residential community.
- b. To preserve the agricultural status of the subdivision.
- c. To help and assist residents in times of need and distress.
- d. To maintain and improve the roads of the subdivision.
- e. To provide for the administration of the subdivision's affairs.
- f. To represent the residents of the subdivision in matters pertaining to and directly affecting the subdivision and to actively represent the residents of the subdivision before government agencies.
- g. To promote the health, safety and welfare of the residents in the subdivision.
- h. To develop a unified community spirit and to promote better understanding and good fellowship among the residents of the subdivision.
- i. To promote and support projects for the betterment of the residents in the subdivision and to maintain and improve the quality of life therein.

## ARTICLE II — LOCATION

**Section 1. LOCATION.** The principal office for the transaction of the business of the corporation shall be in the District of Puna, County and State of Hawaii.

**Section 2. CHANGE OF LOCATION.** The general membership only, by regular or special meeting, shall have the power to change the principal office from one place to another, within the County.

## ARTICLE III — MEMBERSHIP & VOTES

**Section 1. QUALIFICATION OF MEMBERS.** There shall be only one class of membership in OLCA. Each person who is the owner of a lot in Orchidland Estates shall be entitled to membership upon full payment of MRMA's and any interest or liens due.

Owners of Orchidland lots exempt from MRMA's shall be made members upon full payment of the annual MRMA.

"Owner" means a person or entity that is on the title as an owner or as a buyer under an Agreement of Sale. It does not include a tenant under a lease agreement.

**Section 2. VOTING RIGHTS.** For each lot current on MRMA's, members shall be entitled to one vote all membership meetings or one vote by proxy or one vote by mail-in ballot. In the case of more than one owner per lot, only one vote shall be cast per lot. Members who own more than one lot shall be entitled to one vote for each lot owned which is current on MRMA's and any interest, late fees or liens due for that lot.

**Section 3. TERMINATION OF MEMBERSHIP.** Membership in the corporation is terminated upon sale of all property within Orchidland Estates. No refunds of any prepaid assessments shall be payable.

**Section 4. SUSPENSION.** Membership will be suspended whenever MRMA's are thirty (30) days overdue. Such assessments shall be due on August 15 of each fiscal year.

**Section 5. REINSTATEMENT.** A member who has been suspended will be reinstated upon payment of all MRMA's and any interest, late fees, or liens due.

## **ARTICLE IV — MRMA & COLLECTION**

All owners of lots abutting private roadways shall be assessed MRMA as authorized by the State of Hawaii Court Summary Judgment dated April 3, 1992, Civil #91-0269. Changes in the MRMA, whether an increase or a decrease, shall be recommended by the BOD, and submitted to the membership for approval. Proposed MRMA changes shall be published in the March Newsletter and included on the enclosed ballot. Completed ballots and/or proxies shall be received by the close of the April Semi-Annual meeting. Should the proposed MRMA change not be approved by the membership, the current MRMA prevails.

Upon any lot owner becoming delinquent for one or more years after the due date for payment, the BOD may enforce collection by obtaining a judgment against the property owner for the payment of MRMA, and then registering the judgment with an assistant registrar of the Bureau of Conveyances or Land Court of the State of Hawaii. Such claim shall list the name of the delinquent owner(s), the property affected, and the amount claimed at the time of filing. All costs and interest plus fees incurred by Orchidland Community Association, Inc. to prepare, record and release its lien will be added to the amount delinquent. Foreclosure proceedings against seriously delinquent property owners and their lot shall not be permitted. This shall not, however, bar any other remedy available to the association pursuant to law.

Monies collected for MRMA's shall only be used for road maintenance and road improvement projects; including but not limited to labor, purchase of road materials, and costs associated with the administration and collection of the MRMA. Bookkeeping records will reflect all monies collected for and spent on road projects and administrative costs.

The MRMA will be billed annually. Interest and/or late fees may be charged on all past due accounts, in accordance with the collections policy, with the rate determined by the BOD in accordance with State law.

Should any member join two (2) or more lots into one (1) lot, MRMA is still due on each individual lot, as if they had not been combined. Should any member divide one (1) lot into two (2) or more lots, MRMA will be due on each lot individually.

If, in the opinion of the BOD, the activities of commercial, educational, religious, fraternal or other organizations generates substantially higher road use and road maintenance costs, the BOD may recommend a higher MRMA fee schedule for these lots which shall be submitted to the membership for approval by a simple majority of the votes cast.

## **ARTICLE V — COMMUNITY DEVELOPMENT DONATIONS**

All property owners shall be solicited at the time of the annual billing for payment of a yearly voluntary donation for community development projects. The BOD must authorize all projects prior to expenditure of funds. All monies collected for such purposes will be kept in a separate checking and savings account. Bookkeeping records will reflect all monies collected and spent.

## **ARTICLE VI — MEETINGS OF MEMBERS**

**Section 1. SEMI-ANNUAL MEMBERSHIP MEETINGS.** The semi-annual meetings shall be held in April and November of each year. Each member will be mailed a meeting notice and Association newsletter at least 30 days prior to the meetings.

**Section 2. SPECIAL MEETINGS OF MEMBERS.** Special Meetings of the members shall be held following the semi-annual membership meetings in November and April. Special Meetings can be called by the President or a majority of the board of directors. Special Meetings of the members held following the semi-annual membership meetings, may be called by the members upon written petition of at least 60 days notice to the BOD, signed by at least five percent (5%) or more of the voting members, or by fifty members, whichever is less, and describing the just cause for such meeting. Notice of Special Meetings shall be published in the OLCA October or March Newsletter.

**Section 3. QUORUM.** At any meeting of the members, four (4) board of directors plus fifty (50) of the members with voting rights (see ARTICLE III, SECTION 2) shall constitute a quorum. The concurring vote of a majority of the members constituting a quorum shall be valid and binding upon the corporation, except as otherwise provided by law, the Bylaws, or the Articles of Incorporation of the corporation.

**Section 4. RULES.** All meetings of the members and/or the BOD shall be conducted in accordance with the current edition of Robert's Rules of Order, except when they conflict with the bylaws of OLCA, at which time the bylaws will take precedence.

## **ARTICLE VII — BOARD OF DIRECTORS**

**Section 1. POWERS.** The BOD shall conduct, manage and control the affairs and business of the corporation. The directors shall have the following powers and responsibilities, subject to the limitations set by law, the Charter of Incorporation, these bylaws, and duly approved policies and procedures:

- a. To delegate or limit the authority of the president, officers, or other directors.
- b. To select or remove the agents or employees of the corporation.
- c. To see that all finances are protected and managed in the interest of the corporation.
- d. To maintain road billing records and other necessary records.
- e. To make reports as required by law.
- f. To see that all organizational documents are protected.
- g. To supervise maintenance and improvements of roads within Orchidland Estates.
- h. To propose guidelines for committees.
- i. To make policies and procedures.
- j. To provide for adequate liability insurance.
- k. To recommend an annual MRMA for approval by the general membership.
- l. To present a recommended budget for the next fiscal year at the annual membership meeting.
- m. The BOD shall prepare an announcement to be published in the March Newsletter for candidates and their statements for available BOD positions as described in ARTICLE VII, SECTION 3. The Treasurer shall certify that nominees are qualified as described in ARTICLE VII, SECTION 2. The BOD will also select an impartial group to count the ballots.

**Section 2. NUMBER AND QUALIFICATION OF DIRECTORS.** The BOD shall consist of up to eleven (11) persons, all of whom must be members with voting rights of OLCA for each lot owned, and must agree to serve as a committee member and/or officer. Only one (1) member per lot shall serve on the BOD at any one time. If during the course of tenure a director ceases to be qualified for membership in OLCA that tenure will terminate automatically. Directors who dispose of all their lots in Orchidland Estates shall, except in the case of demise, provide written notice to the BOD in advance of their loss of eligibility.

**Section 3. ELECTION AND TERM OF OFFICE.** Directors shall be elected for a term of three (3) years. Terms of office shall provide for staggering the terms of directors by dividing the total number of directors into groups. The terms of office of the several groups should not be uniform. Directors shall be elected by members with voting rights through a ballot vote. A list of qualified candidates ~~nominees~~ and their candidate statements shall be published in the March Newsletter and included on the enclosed ballot. Completed ballots and/or proxies shall be received by the close of the April Semi-Annual meeting and will be tallied in accordance with ARTICLE VII, SECTION 1. Ballots received after this deadline shall not be counted. No member shall be elected for more than two (2) consecutive terms. A term shall be defined as a period of three (3) years but shall exclude any period of time a member may have served to fill a vacancy. A director who has served for seven (7) or more consecutive years, including time served filling a vacancy, shall not be able to serve for three (3) years after leaving office. Board members shall be sworn in at the last fiscal year regular BOD meeting in June, for term beginning on July 1 of that year.

**Section 4. BOD MEETINGS.** Regular BOD meetings shall be held on the third (3<sup>rd</sup>) Tuesday of each month, at a time and place as determined by the BOD, and shall be open to the membership. Written notice including date, time, place, and agenda shall be given to all directors no later than five (5) days prior to the meeting. Times and places of all meetings, including special meetings, shall be made available to members.

**Section 5. SPECIAL MEETINGS.** Special meetings of the BOD may be called by a quorum of directors. Notice shall be given to all Directors no later than three (3) days in advance of the meeting.

**Section 6. QUORUM.** A quorum, for a meeting of the BOD, shall consist of six (6) BOD members.

**Section 7. BOD VACANCIES.** Should any vacancy occur on the BOD, for any cause, the presiding officer shall declare the vacancy at the earliest regular BOD meeting. Nominations and an election by BOD and general members in attendance shall be held at the next regular BOD meeting following the declaration according to Article III, Section 2. The Treasurer shall verify the eligibility of all candidates. Any director so elected shall serve until June 30 and may run for the remainder of the term in the next general election.

**Section 8. REMOVAL.** The membership may remove any director, whether present or not, if the following conditions are met:

- a. Valid cause exists;

- b. A petition which shall be signed by at least 20 50 members requesting the removal, and be delivered to the President or Vice-president;
- c. Sixty (60) days notice has been given to the BOD and the director involved;
- d. A quorum (as defined in ARTICLE VI, SECTION 3) is present at a special semi-annual membership meeting (as defined in ARTICLE VI, SECTION 2);
- e. A majority of votes cast shall be binding;
- f. Any director who is removed or resigns from office shall not be eligible to be on the board for the remainder of the fiscal year.

A director who misses two (2) consecutive regular board meetings without prior approval by the BOD is automatically removed from office. The vacancy shall be filled as provided in ARTICLE VII, SECTION 7 of these bylaws. The director may be reinstated by the BOD if he/she can show good cause for the absences.

**Section 9. FUNDS OF THE CORPORATION.** All funds received by the association shall be promptly deposited, intact, into an OLCA account by the Treasurer or privately contracted bookkeeper. The Treasurer shall have a one hundred dollar (\$100.00) petty cash fund. The BOD shall have the authority to create and terminate other petty cash funds for a specific purpose assigned to a specific individual authorized by the BOD. This individual shall be responsible for such funds and shall report all expenses in writing to the Treasurer. A special checking account may be created for this purpose. All other disbursements will be by check requiring the signature of two of the following officers: the Treasurer, Secretary, Vice-President or the President.

The OLCA President will retain a Certified Public Accountant. There shall be an audit of the financial records by the CPA every three years. There shall be an annual audit review by the CPA between audits. Such audit or audit review shall begin within sixty (60) days after the end of the fiscal year. An annual inventory of OLCA equipment and supplies held by officers, directors, members and agents shall be conducted on or before June 30 by the BOD and filed with the Treasurer.

**Section 10. FEES AND COMPENSATION.** No director or any member of his/her immediate family (parents, spouse, or children) shall receive any fees or compensation whatsoever, direct or indirect, for work performed for OLCA until at least one (1) year has expired after termination of membership on the BOD. Reimbursement for actual substantiated expenses incurred may be paid subject to BOD approval.

**Section 11. COMMITMENTS.** No director, officer, employee, or member may make commitments or incur financial obligations for the corporation unless prior approval of the BOD is received at a properly constituted meeting. Any individual who incurs unauthorized expenses may be held liable for the amount incurred.

## ARTICLE VIII — OFFICERS

**Section 1. NUMBER OF OFFICERS.** The officers of the corporation shall be a President, a Vice President, a Secretary, a Treasurer, and a Road Committee Chair. No director may serve in more than one (1) office at a time.

**Section 2. ELECTION AND TERM OF OFFICE.** The officers of the corporation shall be elected from within the BOD. Election of officers shall take place at the last fiscal year regular BOD meeting in June, for term beginning on July 1 of that year. Terms of office shall be for one (1) year, from July 1st to June 30. Officers elected to fill a vacancy shall serve through June 30.

**Section 3. PRESIDENT.** The President shall:

- a. Call and preside at all meetings of the BOD and at all meetings of the membership.
- b. Nominate and appoint, with BOD approval, the chairpersons of standing, special and temporary committees, except as otherwise provided for herein, and the delegates and representatives of OLCA to serve on other community and national boards or organizations. Persons so appointed may be removed by a majority vote of the BOD.
- c. Serve as an advisory member of all committees.
- d. Prepare and present a report of the activities of OLCA at the semi-annual membership meetings.
- e. Serve as chief executive officer of OLCA, directing the activities of OLCA in compliance with the policies, established by the BOD and these bylaws.
- f. Perform such other duties as are incidental to the office, as the BOD may properly require or as may be otherwise specified in these bylaws.

**Section 4. VICE PRESIDENT.** The Vice President shall:

- a. In the absence or disability of the President, perform all the duties of the President.
- b. Assist the President in the performance of the President's duties, and perform such other duties as are incidental to this office, as the BOD may properly require or as may be otherwise specified in these bylaws.

**Section 5. SECRETARY.** The Secretary shall:

- a. Give notice of all BOD and membership meetings in accordance with these bylaws.
- b. Assure that the proceedings of all meetings of the members and of the BOD are recorded in the form of minutes.
- c. Maintain the records and files of all OLCA meetings with the exception of the membership roll and financial records.
- d. Prepare, mail, maintain copies and file any correspondence that may be required by the President or other officer.

- e. Prepare, mail, maintain copies and file replies to informal inquires not requesting financial information.
- f. Perform such other duties as are incidental to this office, as the BOD may properly require or as may be otherwise specified in these bylaws.
- g. The Secretary shall be responsible for updating bank signatories, DCCA corporate listing, and PO Box key holder with the US Postal Service at the beginning of the fiscal year in July.

**Section 6. TREASURER.** The Treasurer shall:

- a. Be charged with safekeeping of all monies, notes, bonds or other evidences of indebtedness or property belonging to the corporation, including but not limited to the annual inventory. (See Article VII, Section 8).
- b. Maintain and review the financial transactions of the corporation.
- c. Provide a monthly financial report to the BOD.
- d. Provide a year-to-date financial report in the newsletter preceding the annual meeting.
- e. Maintain the membership roll.
- f. Supervise the preparation and mailing of all billings.
- g. Perform such other duties as are incidental to this office, as the BOD may properly require or as may be otherwise specified in these bylaws.

**Section 7. ROAD COMMITTEE (RC) CHAIR.** The Road Committee Chair shall:

- a. Oversee the management of roadwork.
- b. Prepare a monthly written report to the BOD on all RC activities.
- c. Authorize all personnel hiring for roadwork.
- d. Delegate duties to RC members.
- e. Analyze and prepare feasibility reports for road improvement plans.
- f. Make recommendations based on current evaluation reports.
- g. Facilitate RC meetings.
- h. Maintain RC records.
- i. Perform other duties as necessary.

**Section 8. REMOVAL.** Any officer may be removed for cause by a majority vote of the BOD at a regular BOD meeting where a quorum is present.

Any officer may resign at any time by giving written or verbal notice to the BOD or to the President.

**Section 9. VACANCIES.** Should the office of the President become vacant, the Vice President shall immediately assume the office until the next BOD meeting. Any vacancy in any office shall be filled by the election of a member of the BOD at the earliest possible BOD meeting. Officers so elected shall serve until the next June 30.

**Section 10. BONDING.** All officers and members of the association responsible for the receipt and disbursement of association funds will be bonded. The BOD will determine the amount of each bond. The cost of such bonds will be borne by the association.

## **ARTICLE IX — LIABILITY**

**Section 1. MEMBERS.** All of the property of the corporation shall be liable for the just debts thereof, but no member shall be individually liable beyond the amount of dues or assessments duly levied as provided and set forth in these bylaws.

**Section 2. ENCUMBRANCES.** All major encumbrances against OLCA membership (i.e., bonds, loans, or other instruments of indebtedness) shall be approved by a minimum of 51 percent of the voting members. The proposed encumbrance must be read at one semi-annual membership meeting and voted on at the next semi-annual membership meeting.

**Section 2- 3. EXCULPATION.** Each director, officer, or any volunteer acting on behalf of OLCA with written consent from the BOD 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 or her willful or fraudulent misconduct.

**Section 3- 4. INDEMNIFICATION.** Every director or officer shall be indemnified by the corporation against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him or her in connection with or resulting from any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which he or she may be involved as a party, or otherwise by reason of being or having been a director or officer of OLCA, whether or not he or she continues to be a director or officer of the corporation at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters to which he or she shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or fraud toward the corporation in the performance of his or her 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 his or her duties, in the absence of such final adjudication of the existence of such liability, the BOD and each director and officer may conclusively rely upon an opinion of legal counsel selected by or in the manner designated by the BOD. The foregoing right to 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 the legal representation of such person.

## **ARTICLE X — COMMITTEES**

**Section 1. ROAD COMMITTEE.** There shall be a permanent RC consisting of five (5) BOD members. The committee members shall be elected from within the BOD by the newly constituted BOD. Election of RC members shall take place at the special meeting for election of officers (see Article VIII, Section 2). BOD members elected to the RC shall elect three (3) of its members as Chair, Vice Chair and Secretary and meet at least once each month prior to the meeting of the BOD.

The RC shall supervise or perform all work done on the roads and prepare a monthly written report to the BOD regarding, but not limited to, schedules of road work, hiring road personnel, condition of road, and road improvement plans. All committee actions or decisions shall be subject to the approval of the BOD. Committee members shall serve for the same period as officers.

**Section 2. EDUCATION COMMUNITY COMMITTEE.** The Community Committee shall promote personal and community development through educational, cultural, recreational, and social activities which will be open to OLCA members and guests. This committee shall work toward the development of a community gathering place, hui hoaloha.

This committee will consist of a minimum of four (4) members elected by the BOD: ~~Two~~ One (2) BOD members and three (3) members at large.

**Section 3. OTHER STANDING COMMITTEES.** Standing committees shall consist of at least three (3) members and not more than five (5), including the chairperson. The chairperson of each committee shall be approved by the BOD. Committee members shall be chosen by the committee chairperson and subject to confirmation by the BOD.

**Section 4. SPECIAL COMMITTEES.** Special committees are temporary in nature and may be appointed by the President or the BOD. These committees are responsible to their appointing authority. Special committees may be delegated the authority to raise and control funds by their appointing authority; however, they shall be required to make monthly financial reports to the BOD.

**Section 5. REPORTS.** All committees shall provide the BOD with a written report of each of their committee meetings which shall be presented to the BOD at the next regular BOD meeting.

**Section 7. 6. ACCOUNTABILITY.** All committees shall be accountable to the electing or appointing authority and shall report directly thereto.

**Section 7. 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.

**Section 8. DUTIES AND AUTHORITIES.** Unless otherwise noted, duties and authorities of all committees are in accordance with ROBERT'S RULES OF ORDER.

## **ARTICLE XI — CORPORATE RECORDS**

Any member may, in good faith, inspect corporate records, except confidential or privileged records (as defined in Chapter 414D Hawaii Revised Statutes.) The member shall deliver a written request to the President ten (10) days prior to inspection. The President shall designate one (1) or more directors or officers to be present during this examination. Such records must not be removed from their presence unless by special approval of a quorum of the BOD. Personal information and records of any member shall not be released.

## **ARTICLE XII — FISCAL YEAR**

The fiscal year for this organization will be from the first (1st) day of July to the thirtieth (30th) day of June the following year.

## **ARTICLE XIII — AMENDMENT**

These bylaws may be amended by the affirmative vote of a majority of voting members (in accordance with Article III, Section 2) at a membership meeting at which a quorum is present. The proposed change must be read at one semi-annual membership meeting and voted on at the next semi-annual membership meeting. All amendments to these bylaws must be ratified by the majority of the votes cast by the general membership.

## **ARTICLE XIV — DISPUTES**

Any member of the Association must, before filing a legal action against OLCA, its Board of Directors or any individual director, officer or agent of the corporation, attend mediation with the Board of Directors and the agent, if any. Such mediation will be presided over by an impartial facilitator and any cost incurred will be covered by the instigator of the action.

## **CERTIFICATE**

This copy of the Bylaws has been reproduced online in a simple to view format, and is kept up to date if any Bylaws changes are passed by the membership. A signed official copy of the Bylaws is available at any OLCA meeting.

OLCA Board of Directors

July 1, 2018