

KILAUEA NEIGHBORHOOD ASSOCIATION
By-Laws
A Non-Profit Corporation

ARTICLE I
PURPOSE

The purpose of the Kilauea Neighborhood Association is to promote the general welfare of the community in the Kilauea District, as defined below, and as provided for in section 501(c)(4) of the Internal Revenue Code, as amended.

ARTICLE II
MEMBERSHIP

Section 1. Eligibility for Membership:

Any person eighteen (18) years of age or over, living, working or owning property; and any sole proprietor, partnership, limited liability company, or corporation doing business or owning land in the Kilauea District, County of Kauai, State of Hawaii, interested in the welfare of the community may become a member. The Kilauea District consists of the entire land area situated between the Moloaa and Anini Rivers.

Section 2. Types of Membership:

A. Regular Member

Any resident of, or person owning property or working in the Kilauea District is automatically a member. New Regular members shall be eligible to vote in the election of Directors at the next Annual Meeting or at any General Meeting at which an amendment to these bylaws is to be considered following the satisfaction of these criteria, namely, residency, property ownership or employment in the Kilauea District.

B. Business Member:

Any sole proprietor, managing partner of a partnership, member-manager of a limited liability company, or president of a corporation doing business or owning land in the Kilauea District is automatically a member. New Business members shall be eligible to vote in the election of Directors at the next Annual Meeting or at any General Meeting at which an amendment to these bylaws is to be considered following the satisfaction of these criteria.

ARTICLE III MEETINGS

Section 1. General Meetings:

The Association shall hold monthly General Meetings. The meetings shall be held at a time and place decided on by the Board of Directors at their January meeting.

Section 2. Order of Business:

- A. Call to Order
- B. Approval of Minutes
- C. Treasurer's Report
- D. Committee Reports
- E. Old Business
- F. New Business
- G. Other Business
- H. Announcements
- I. Adjournment

The foregoing shall be the order of business at all regular meetings of the Association.

Section 3. Special Meetings:

Special meetings of the Association shall be called by the President, a quorum vote of the Board of Directors or at the request of twenty-five (25) active members upon ten (10) days notice to the membership.

Section 4. Annual Meeting and Election of Directors:

The "Annual Meeting" shall be held on the first Tuesday of December at which time the Nominating Committee shall present the new slate of Directors to be voted on by the General Membership. See Article VII, Elections.

Section 5. Quorum:

At any meeting of the Association, eleven members eligible to vote, including eight (8) Directors, shall constitute a quorum.

Section 6. Voting:

At any regular or special meeting of the Association, each active Regular member in good standing shall be entitled to one (1) vote in the election of Directors or on any amendments to these bylaws.

Each active Business member in good standing consisting of a sole proprietor, managing partner of a partnership, member-manager of a limited liability company or president of a corporation, shall be qualified and entitled to one (1) vote in the election of Directors or on any amendments to these bylaws.

Voting shall be by a show of hands unless the presiding officer shall direct, or any Member shall request, a vote by ballot.

Section 7. Non-Members

All meetings of the Association shall be open to the public. The privilege of the floor is open to Members only, except by permission of the Chair.

ARTICLE IV OFFICERS

Section 1. Number:

The five (5) Officers of the Association shall be a President, Vice-President, Secretary, Treasurer and Sergeant-at-Arms. Any two offices, except those of President and Vice-President, may be held by the same person.

Section 2. Term of Office:

The elected officers shall serve for a term of one year and shall be elected by the Board of Directors and assume office at the January meeting.

Section 3. President:

The President shall:

- A. Direct and supervise the affairs of the Association.
- B. Make an annual report to the members.
- C. Be an ex-officio member of all committees.
- D. Appoint the chairperson of all committees.
- E. The President or Vice President shall preside at all meetings of members and of the Board of Directors. If neither the President or Vice President can preside at the meeting, the President shall appoint another Director in his or her place. The President shall be the sole spokesperson and representative of the Association in all its public activities unless otherwise designated.

Section 4. Vice President:

The Vice-President shall:

- A. Assist the President in carrying out his or her duties.
- B. In the absence of the President, shall discharge all duties pertaining to the office of the President.

Section 5. Secretary:

The Secretary shall:

- A. Have charge of recording of all activities functions, etc. of the Association.
- B. Handle correspondence and secretarial details of the Association.
- C. Give notice of all meetings to the members and Board when and as herein provided.
- D. Have other duties such as may be determined by the Board of Directors.

Should he or she need additional aid, the Secretary may be assisted by the Vice-President or by an assistant whom he or she may designate with the President's approval, if conditions so demand.

Section 6: Treasurer:

The Treasurer shall:

- A. Have general supervision over all funds and collections of all accounts.
- B. Keep a full and accurate account of receipts and disbursements in books belonging to the Association.
- C. Render to the general membership an account of the financial condition of the organization at each general meeting.
- D. Prepare and pay any taxes that may become due and file any government registrations that are required for the Association.
- E. Perform such other duties as the Board of Directors may require.

Section 7: Sergeant-at-Arms:

The Sergeant-at-Arms shall:

- A. Maintain order at all meetings.
- B. Assist in the collection of fines and dues.
- C. Perform such other duties as the Board of Directors may require.

Section 8. Vacancy of Position:

Should a vacancy occur in the office of President, the Vice-President shall succeed to the office of President. All other vacancies shall be filled by appointment by the Board of Directors. Such appointees are to serve for the remainder of the unexpired term.

Section 9. Resignation:

Any officer may resign at any time by giving written notice to the Board of Directors or to the Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein: and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. Removal of Officers:

Should any of the Officers be absent for more than four months, or absent from more than two consecutive Board or General Membership Meetings, without prior notice, a special election may be held at the next Board of Directors, Special or General Membership meeting of the Association to elect a replacement to serve out the remainder of their term.

**ARTICLE V
BOARD OF DIRECTORS**

Section 1. Number:

The Board of Directors shall consist of no more than sixteen (16) members, which shall consist of the PTSA President, the Seniors Representative, and fourteen (14) Directors elected at large.

Section 2. Term of Office:

The term of office of the Directors elected at large shall be for two (2) years, staggered.

Section 3. Vacancy:

Any vacancy in the Board of Directors shall be filled by appointment of the Board. Such appointees shall serve until the end of the current Association year. If such appointments involve replacement of Directors whose terms do not expire at the end of the current Association year, a Director shall be elected at the annual meeting for a term to complete the term of the vacancy.

Section 4. Duties:

The government of the Association shall be vested in the Board of Directors who shall have control and management of the property, finances and activities of the Association.

Section 5. Powers:

The Board of Directors shall manage the property and business of the Corporation and shall have and may exercise all of the powers of the Corporation except such as are reserved to or may be conferred from time to time by law or by the Charter of Incorporation and any Amendments thereto or by these By-Laws.

Section 6. Emergency Powers:

Any subject brought before the Board with time as a deciding factor, and which is of prime importance to the community, a Special Meeting of the Association may be called. In the event the General Membership Meeting cannot be called, the decision of the Board of Directors shall be binding on the membership when time is of the essence.

Section 7. Meetings:

Meetings of the Board of Directors may be called by the President or by any four members of the Board. There shall be at least one meeting per year (i.e., the January meeting) of the Board of Directors, which shall be held without other notice than this By-Law.

Section 8. Quorum:

At all meetings of the Board of Directors, eight (8) members of the Board of Directors shall constitute a quorum.

Section 9. Removal From Office:

Any member of the Board of Directors failing to attend three (3) consecutive meetings of the Board of Directors without tendering prior notice to the Secretary the reason for his or her absence, may be dropped from membership on the Board of Directors by the affirmative vote of two-thirds (2/3) of the members present at a regularly called Board of Directors meeting.

**ARTICLE VI
LIABILITY OF OFFICERS AND DIRECTORS**

Section 1. Exculpation:

No director or officer of the Corporation shall be liable for acts, defaults, or neglects of any other director or officer, or for any loss sustained by the Corporation, unless the same has resulted from his or her own willful misconduct, willful neglect or negligence.

Section 2. Indemnification:

A. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation) if that person is or was an agent of the Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. The termination of any proceeding by the judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, or that the person had reasonable cause to believe that the persons conduct was unlawful.

B. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Corporation to procure a judgment in its favor because that person is or was an agent of the Corporation, against expenses actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue, or matter as to which the person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Corporation unless and only to the extent that the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

C. To the extent that an agent has been successful on the merits or otherwise in defending any claim, issue, or matter therein, the agent shall be indemnified by the Corporation against expenses actually and reasonably incurred by the agent in connection therewith.

D. Any indemnification under Section 6.1 or 6.2 shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 6.1 or 6.2. The determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (2) if a quorum is not obtainable, by independent legal counsel in a written opinion, or (3) by the members, or (4) the court in which the proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by the Corporation.

E. Expenses incurred in defending any proceeding may be paid by the Corporation in advance of the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall ultimately be determined that the agent is entitled to be indemnified by the Corporation as authorized in this section.

F. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of members, or disinterested directors or otherwise, both as to action in a person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs and personal representatives of such a person.

G. The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation, against any liability asserted against or incurred by the agent in any such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under this section.

H. This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in the person's capacity, though the person may also be an agent of the employer corporation as defined in Section 415-5(a)(1), Hawaii Revised Statutes, as amended. Nothing contained in this section shall limit any right to indemnification to which such a trustee, investment manager or other fiduciary may be entitled by contract or otherwise.

ARTICLE VII ELECTIONS

Section 1. Election of Directors:

Election of Directors shall be held at the Annual Meeting of the Association in December.

Section 2. Nominating Committee

The President shall appoint a Nominating Committee of no less than three members prior to the November general membership meeting. No Director up for re-election may serve on the Nominating Committee.

Section 3. Qualifications

The Nominating Committee shall select nominees who shall be Members in good standing. A list of nominees shall be presented to the membership of the Association at the Annual General Membership Meeting. Any member in good standing may make further nominations from the floor at the Annual General Membership Meeting.

Section 4. Acceptance of Nomination

All candidates must accept their nominations by the Nominating Committee or from the Floor before their names may be submitted as candidates for election.

Section 5. Term of Office

Directors shall be elected annually and take office at the January meeting, holding office for two years, or until the next election. The Board of Directors shall serve according to terms specified in ARTICLE V, Section 2.

ARTICLE VIII COMMITTEES

Section 1. Committees

The Board of Directors shall approve such committees as deemed necessary and proper to fulfill the objectives and purposes of the Association.

Section 2. Appointments:

The Committee chairpersons shall be appointed by the President, subject to the approval of the Board of Directors. The Committee chairperson shall appoint the members of his or her committee.

Section 3. Committee Reports:

- A. Minutes shall be kept for each Committee meeting and a copy placed on file with the Secretary of the Association.
- B. Each Committee shall submit an annual report in writing at the Annual Meeting.

**ARTICLE IX
EXPENDITURE OF FUNDS**

Section 1. Other Organizations:

The Kilauea Neighborhood Association shall not, as an Association, solicit funds on behalf of any other organization, nor shall it contribute financially to the fund-raising campaign of any other organization, without approval of the Board of Directors.

Section 2. Debt Limitations:

No debt shall be incurred in excess of the funds in the treasury of the Association.

Section 3. Limits on Spending:

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of, or payable to, the Corporation shall be made by or through the Treasurer, subject to budgetary limitations and approval of the Board of Directors. The Treasurer is authorized to expend sums up to Fifty Dollars (\$50.00) with the approval of the President for normal operating expenses or emergency situations. All checks shall be signed by the Treasurer and co-signed by the President, Vice President or Secretary.

Section 4. Expenditure of Funds for Committee Work:

Expenditures for Committee work and projects shall be made on recommendation of the Committee. No person, except as hereafter provided, shall have the authority to obligate the Association.

**ARTICLE X
ROBERT'S RULES OF ORDER**

Robert's Rules of Order shall govern the proceedings of all meetings of the Association and its' constituent parts in which they are not inconsistent with these By-Laws, and any special rules of order the Board of Directors may adopt.

**ARTICLE XI
MISCELLANEOUS**

Section 1. Contracts:

The Board of Directors, except as in these By-Laws otherwise provided, may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the association, and such authority may be general or confined to a specific instance and unless so authorized by the Board of Directors. No Officer, agent or employee shall have any power or authority to bind the association by any contract or engagement, or to pledge its credit, or render it liable to pay any sum of money for any purpose or for any amount, without the authority of the Board of Directors.

Section 2. Exempt Activities:

Notwithstanding any other provision of these By-Laws, no Member, Director, Officer, employee or representative of this Association shall take any action or carry on any activity by or on behalf of the association not permitted to be taken or carried on by an association exempt under Section 501 © (4) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

Section 3. Inspection of Corporate Records:

The books of account and minutes of proceedings of the Members and Directors shall be open to inspection upon the written demand of any Member, at any reasonable time, and for a purpose reasonably related to his interests as a Member, and shall be exhibited at any time when required by the demand of a majority of the Members.

Section 4. Agents and Representatives:

The members may appoint and terminate such agents and representatives of the association and grant to them power to perform such acts or duties on behalf of the Association as the members may see fit, so far as may be consistent with these By-Laws, to the extent authorized or permitted by law. Any person authorized to act as an agent for the Corporation must have approval of two-thirds (2/3) of the total number of members of the Board of Directors.

Section 5. Director Conflicts of Interest:

No contract or other transaction between this Corporation and one of more of its directors or officers or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because the director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies the contract or transaction if:

A. The fact of the relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote sufficient for the purpose without counting the votes or consents of the interested director or directors; and

B. The contract or transaction is fair and reasonable to the Corporation. Common or interested directors may not be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies the contract or transaction, and shall be excused from the meeting at the time a vote is to be taken on such contract or transaction.

Section 6. Dissolution of the Corporation:

Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for public purpose. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Section 7. Bonds:

The Board of Directors may require any officer of the Corporation to give a bond to the Corporation conditional upon the faithful performance of his or her duties with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

**ARTICLE XII
AMENDMENTS**

Section 1. Requirements:

These By-Laws may be amended by an affirmative vote of two-thirds (2/3) of the total number of Directors and an affirmative vote of two-thirds (2/3) of the total number of other members present at a General Membership or Special Meeting. The announcement of the time and place of the meeting shall be made at the previous monthly meeting and announced to the membership. Such announcement shall state that an amendment to the By-Laws will be considered at the next general or special meeting and shall allow at least two weeks advance notice.

Amended by a unanimous vote of the members present at the monthly General Meeting held on March 2, 1999.

Gary A. Pacheco, President

Date