

Bylaws of the

**KILAUEA NEIGHBORHOOD  
ASSOCIATION**

A Non-profit 501(c)(4) Corporation

Final Draft  
November 16, 2013

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**ARTICLE I  
PURPOSE**

KNA (hereinafter, KNA) shall be organized exclusively for the following purposes, as stated in the Articles of Incorporation:

- A. To provide the residents of Kilauea with a forum whereby they will be inspired with a sense of American citizenship and civic consciousness and responsibility.
- B. To promote, publicize and actively participate in the civic, educational and social activities of the community.
- C. To secure, and distribute information relating to, the general welfare of the community and to aid in the enactment of just and beneficial laws.
- D. To promote the interest of its Members in the welfare of our community.
- E. To encourage cordial and friendly relations between our Membership and all other organizations.
- F. To promote and assist in such activities to conform with the purposes set forth.

**ARTICLE II  
MEMBERSHIP**

Any person eighteen (18) years of age or over, living or owning property, and any sole proprietor, partnership, limited liability company, or corporation doing business or owning property 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.

Any person owning property or living in the Kilauea District is automatically a Member. Furthermore, any sole proprietor, managing partner of a partnership, Member-manager of a limited liability company, or President of KNA doing business or owning property in the Kilauea District is automatically a Member. New Members shall be eligible to vote at the next KNA Meeting following the satisfaction of one of these criteria, namely, residency, property ownership or business ownership in the Kilauea District.

**ARTICLE III  
MEETINGS**

**Section 1. Regular Meetings**

- A. KNA shall hold Regular Meetings at a time and place decided on by the Board of

Directors at their Organizational Meeting. Historically, the meetings have been held on the first Tuesday of each month and open to the public.

B. Regular Meetings of KNA shall be called by the President upon at least seven (7) days notice of time and place to the General Membership. Such notice may take the form of hanging the "KNA Meeting" banner at the town entrance, and/or posting the meeting agenda at the community kiosk in the courtyard behind Kong Lung Store and/or to the KNA website.

C. Order of Business

The following shall be the order of business at all Regular Meetings of KNA:

- |                        |                   |
|------------------------|-------------------|
| 1. Call to Order       | 6. Old Business   |
| 2. Approval of Minutes | 7. New Business   |
| 3. Treasurer's Report  | 8. Other Business |
| 4. Community Reports   | 9. Announcements  |
| 5. Committee Reports   | 10. Adjournment   |

## **Section 2. Executive Sessions**

The Board of Directors, with the approval of a majority of a quorum of its Members, may adjourn any meeting and reconvene in executive session to discuss and vote upon matters concerning personnel, litigation in which KNA is or may become involved, or as may be necessary to protect the attorney-client privilege of KNA. The general nature of any business to be considered in executive session shall be first announced in the regular session.

## **Section 3. Special Meetings**

Special Meetings of KNA may be called at the request of the President or ten (10) Members, either upon at least ten (10) days notice of time and place to the General Membership. Any notice of a special meeting shall include a description of the matter(s) for which the meeting is being called.

## **Section 4. Annual Meeting**

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

## **Section 5. Organizational Meeting**

The newly elected Directors shall elect their Officers at an organizational meeting to be held prior to the January regular meeting, which shall be closed to the General Membership. The meeting agenda for this organizational meeting shall include, but not be limited to, the election of Officers for the year, the scheduling of Regular Meetings for the year, and the organization of committees for the year (including decisions on whether or not each committee shall be

operative for the year).

### **Section 6. Quorum**

At any meeting of KNA, fifty percent (50%) of the sitting Directors shall constitute a quorum.

### **Section 7. Voting**

At any Annual Meeting of KNA, each active Member in good standing shall be entitled to one (1) vote in the election of Directors. The annual meeting will be held each December, whenever possible. Proxy voting shall be prohibited.

Each active Member in good standing shall be entitled to one (1) vote regarding any amendment to these bylaws at any Regular, Special or Annual meeting for which proper notice has been given at the previous month's Regular meeting, per Article XII.

The President may call for a straw vote from the General Membership at any meeting, but the Board will not be bound by such vote. Any such straw vote by the General Membership shall be by a show of hands. However, any Member may demand that such vote be by ballot.

Any vote by the Board of Directors shall be by voice vote, unless the presiding Officer shall direct a vote by show of hands. In no case shall any vote by the Board of Directors be taken by secret ballot.

### **Section 8. Meeting Participation**

All meetings of KNA shall be open to the public. The privilege of the floor shall be open to Members only, except by permission of the President, or if absent, the presiding Officer.

## **ARTICLE IV ELECTIONS**

### **Section 1. Election of Directors**

Election of Directors shall be held at the Annual Meeting in December. Voting shall take place from 7:30 to 8:30, at which time the ballots will be handed out and then collected. The ballots will then be counted and the results announced as soon as practicable, but before the end of the meeting.

### **Section 2. Nominating Committee**

The President shall appoint a Nominating Committee of no less than three Members prior to the October regular Membership meeting. No Director up for re-election may serve on the Committee.

### **Section 3. Qualifications**

The Nominating Committee shall select nominees who shall be Members of KNA. A list of nominees shall be presented to the Membership at the November and Annual Meetings. Any Member in good standing may make further nominations from the floor at the Annual Meeting.

### **Section 4. Acceptance of Nomination**

All candidates must agree to allowing their respective name(s) to be placed in nomination by the Nominating Committee or from the floor before their names may be submitted as candidates for election.

### **Section 5. Term of Office**

The term of office of the Directors elected at large shall be for two (2) years, serving staggered terms in which seven (7) Directors are elected each year. The Seniors representative and the Kilauea School representative shall be introduced annually in the form of a letter from each of their respective organizations.

Those candidates whose vote totals place them in the top seven (7) shall hold office for two (2) years. Seats left vacant by any Directors elected in the prior election shall be awarded to those candidates whose vote totals place them below seventh place, in the order of their vote totals, and they will serve the remaining one year of those terms until the next election.

Accordingly, after each election, the terms of seven of the Directors elected at-large will end in even-numbered years, and the terms of the other seven Directors elected at-large will end in odd-numbered years. Directors shall take office immediately after the December Annual Meeting.

## **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 a Kilauea Seniors representative, a Kilauea School representative, and fourteen (14) Directors elected at-large. The Kilauea Seniors representative and the Kilauea School representative shall be introduced in the form of a letter from each of their respective organizations.

### **Section 2. Term of Office**

The Board of Directors shall serve according to terms specified in Article IV, Section 5.

### **Section 3. Duties**

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

### **Section 4. Powers**

The Board of Directors shall manage the property and business of KNA and shall have and may exercise all of the powers of KNA 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 5. Support, Joint Sponsorship or Participation**

- A. Requests for KNA's official support, joint sponsorship, or participation shall be submitted to the President by an authorized representative of the requesting party.
- B. The requesting party shall make a formal presentation of their request at a Regular Meeting of KNA Board of Directors, giving their reasons as to why the Board of Directors should support their application.
- C. Other than hearing the request and the formal presentation of facts at a Regular Meeting, no action will be permitted by the Board on the request and presentation until the next (following) Regular Meeting of the Board.
- D. If the requested support involves any land use application currently before a governmental body, the formal presentation should take place prior to any public hearing on that application.
- E. However, if the public hearing on an application is scheduled to take place prior to the next (following) Regular Meeting of the Board, action will be permitted by the Board on the request and presentation at the same meeting.
- F. The correspondence procedure regarding any land use application shall consist of the following steps:
  - 1. The President shall request a motion to draft a correspondence to the appropriate governmental body stating the position of the Board of Directors.
  - 2. The President shall direct someone to draft that correspondence.
  - 3. The President shall review and edit that correspondence.
  - 4. If there is enough time prior to the public hearing on the application, the President shall prepare a draft of the correspondence and forward it to all of the Directors for their review. After receiving their comments, he shall prepare and submit the final

draft to the appropriate governmental body, with copies to all of the Directors, who shall vote on whether or not to ratify the correspondence at the next Regular Meeting.

5. If there is not enough time prior to the public hearing on the application, the President shall prepare and submit the final draft of that correspondence to the appropriate governmental body, with copies to all of the Directors, who shall vote on whether or not to ratify the correspondence at the next Regular Meeting.
6. If they vote not to ratify, the President shall request a motion at the next Regular Meeting to draft a new correspondence to the governmental body describing any changes from the position stated in the prior correspondence by the Board of Directors.
7. The entire process shall then repeat itself until the Board of Directors ratifies the correspondence.
8. Once the correspondence is ratified by the Board of Directors, the President shall see that a copy is provided to each Director and posted to the KNA website.
9. The preferred method of communication among the Board of Directors shall be electronic mail (e-mail).

#### **Section 6. Conflicts of Interest**

- A. A conflict of interest arises when a Director's vote confers, or would reasonably be expected to confer, any benefit on that Director over and above that which the vote confers, or would reasonably be expected to confer, on other Directors or Members.
- B. A Director shall not vote at any Board meeting or participate in any discussion on any issue in which the Director has a conflict of interest.
- C. A Director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to any vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.
- D. Any Directors disclosing such a conflict of interest on an issue to be voted on at a meeting of the Board of Directors shall not be counted in determining the presence of a quorum at such meeting, and shall be excused from the meeting at the time a vote is to be taken on such issue.
- E. A conflict of interest may include, but is not limited to, the following:
  1. The Board votes on whether or not to spend KNA funds on a project which would benefit (an) individual Director(s) more than the other Directors or Members.
  2. The Board votes on whether or not to enter into a contract with an entity in which (an) individual Director(s) has (have) a direct or indirect financial interest.



3. The Board votes on whether or not to support a land use application, the approval of which would benefit (an) individual Director(s) more than the other Directors or Members.
4. The Board votes on whether or not to support a land use application by an entity in which (an) individual Director(s) has (have) a direct or indirect financial interest.

### **Section 7. Vacancy**

Any vacancy in the Board of Directors shall be filled by appointment of the Board at the next Regular meeting. Such appointees shall serve until the end of the current year. If such vacancy involves a Director whose term does not expire at the end of the current year, a replacement Director shall be elected by the General Membership at the next Annual Meeting to complete the term of the vacancy.

### **Section 8. Resignation**

Any Director may resign at any time by giving written notice to the President. Any such resignation shall take effect at the date of the receipt of such notice.

### **Section 9. Removal**

Any Director elected by the Members may be removed by the Members without cause. A Director may be removed only if the number of votes cast to remove him would be sufficient to elect him at a meeting held to elect Directors.

A Director elected by Members may be removed by the Members only at a meeting called for the purpose of removing the Director, and the meeting notice must state that the purpose, or one of the purposes, of the meeting is the removal of the Director.

## **ARTICLE VI OFFICERS**

### **Section 1. Number**

The five (5) Officers of KNA 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 KNA.
- B. Report on KNA's activities to the Membership at the Annual Meeting.
- C. Be an ex-officio Member of all committees.
- D. Appoint the chairperson of all committees, subject to Board ratification.
- E. The President or, in the absence of the President, the Vice President, shall preside at all meetings of Members and of the Board of Directors. If neither the President nor Vice President can preside at the meeting, the President shall appoint another Director in his or her place. If the President neglects to appoint another Director in his or her place, the Sergeant-at- Arms shall preside at the meeting.
- F. The presiding Officer shall protect his impartial position by exercising his right to vote only when his vote would affect the outcome, in which case he can either vote and thereby change the result, or he can abstain. If he abstains, he simply announces the result with no mention of his own vote. His vote would affect the outcome only if it would either break or cause a tie, or where a two-thirds majority is required, if it would either cause or block the attainment of the necessary two-thirds majority.
- G. The President or, in the absence of the President, the Vice President, shall be the sole spokesperson and representative of KNA in all its public activities unless otherwise designated, and shall be the only person authorized to sign any letter from KNA.
- H. The incoming President shall notify the Kauai Planning Department of his contact information as soon as he is elected.

### **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, the Vice President shall assume all duties pertaining to the office of the President for up to three months, but shall not exceed the powers of the President.
- C. Assist in communication and letter writing on behalf of the Board.
- D. Perform such other duties as the President may require.

## **Section 5. Secretary**

The Secretary shall:

- A. Prepare and maintain minutes which record all activities, functions, decisions and formal actions taken by the Board of Directors and the Membership at all KNA meetings.
- B. Make sure that all minutes are posted to the KNA website in within ten (10) days and updated as soon as they are approved by the Board of Directors.
- C. Oversee all outgoing correspondence from KNA, including obtaining the President's signature for final drafts on KNA stationary.
- D. Give notice of all meetings to the Members and Board when and as herein provided.
- E. Perform such other duties such as may be determined by the Board of Directors.
- F. In the absence of the President, Vice-President, Treasurer and Sergeant-at-Arms from any meeting, the Secretary shall be the presiding Officer.
- G. Create and maintain files to accommodate copies of the minutes prepared by KNA's various committees.
- H. Should he or she need assistance in performing all the tasks detailed above, the Secretary may be assisted by the Vice-President, or by a person designated by the Secretary with the approval of the President.
- I. Provide a copy of the current bylaws to all Directors at the time they take office.
- J. Transfer all permanent records (including minutes, agendas, notices and correspondence) to the incoming Secretary at the time he/she takes office.

## **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 KNA.
- C. Render to the General Membership an account of KNA's financial condition at each Regular and Annual Meeting.
- D. Prepare and pay any taxes that may become due to, and maintain KNA's 501(c)(4) non-profit status with, the Hawaii and Federal taxing authorities, and file any required

governmental Registrations.

E. In the absence of the President, Vice-President and Sergeant-at-Arms from any meeting, the Treasurer shall be the presiding Officer

F. Perform such other duties as may be determined by the Board of Directors.

### **Section 7. Sergeant-at-Arms**

The Sergeant-at-Arms shall:

A. Maintain order at all meetings.

B. In the absence of the President and Vice-President from any meeting, the Sergeant-at-Arms shall be the presiding Officer.

C. Assist in the elections process. See Section IV-2.

D. Perform such other duties as may be determined by the Board of Directors.

### **Section 8. Letterhead**

All letters from KNA shall be signed by the President and printed on the current, official KNA letterhead. Only the President and the Secretary shall be authorized to use, or direct the use of, KNA letterhead. Consequently, it is recommended that if these letters are e-mailed to the Board of Directors, they do not include the KNA letterhead.

### **Section 9. Vacancy**

Should a vacancy occur in any office, it shall be filled by appointment of the Board of Directors. Such appointees shall serve for the remainder of their respective unexpired term.

### **Section 10. Resignation**

Any Officer may resign at any time by giving written notice to the President. Any such resignation shall take effect at the date of the receipt of such notice.

### **Section 11. Removal**

The Board of Directors may remove any Officer, with or without cause, by the affirmative vote a simple majority of the Directors present at any Regular or Special meeting.

## **ARTICLE VII LIABILITY OF OFFICERS AND DIRECTORS**

## **Section 1. Exculpation**

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

## **Section 2. Authority to Indemnify**

- A. Except as provided in subsection D, KNA may indemnify a former or current Director made a party to a legal proceeding by reason of the fact that the individual was or is a Director, against liability incurred in the proceeding if:
  - 1. The individual conducted the individual's self in good faith; and
  - 2. The individual reasonably believed:
    - a. In the case of conduct in an official capacity, that the individual's conduct was in KNA's best interests;
    - b. In all other cases, the individual's conduct, at a minimum, did not oppose KNA's best interests; and
  - 3. In the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.
- B. A Director's conduct with respect to an employee benefit plan, for a purpose the Director reasonably believed to be in the interests of the participants in and the beneficiary's of the plan, is conduct that satisfies the requirements of subsection A.2.b.
- C. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, is not by itself determinative of a Director's failure to meet the standard of conduct described in this section.
- D. KNA shall not indemnify a Director's liability under this section where the Director's liability has been determined:
  - 1. In connection with a proceeding by or in the right of KNA; or
  - 2. In connection with any other proceeding, whether or not involving action in an official capacity, in which the Director was found liable on the basis of the Director's improper receipt of a personal benefit.
- E. Indemnification permitted under this section in connection with a proceeding by or in the right of KNA is limited to reasonable expenses incurred in connection with the proceeding.

### **Section 3. Mandatory Indemnification**

Unless limited by its Articles of Incorporation, KNA shall indemnify a Director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director was a party because the Director is or was a Director of KNA, against reasonable expenses actually incurred by the Director in connection with the proceeding.

### **Section 4. Advance for Expenses**

- A. KNA, before final disposition of a legal proceeding, may advance funds to pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding; provided:
  - 1. The Director furnishes KNA with a written affirmation of the Director's good faith belief that the Director has met the standard of conduct described in Section 2;
  - 2. The Director furnishes KNA with a written undertaking, executed personally or on the Director's behalf, to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct; and
  - 3. A determination is made that the facts then known to those making the determination would not preclude indemnification under this part.
- B. The undertaking required by subsection A.2 must be an unlimited general obligation of the Director, but need not be secured and may be accepted without reference to financial ability to make repayment.
- C. Determinations and authorizations of payments under this Section shall be made in the manner specified in Section 6.

### **Section 5. Court-Ordered Indemnification**

Unless limited by KNA's Articles of Incorporation, a Director who is a party to a legal proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification in the amount it considers proper if it determines:

- A. The Director is entitled to mandatory indemnification under section 3, in which case the court shall also order KNA to pay the Director's reasonable expenses incurred to obtain court-ordered indemnification; or
- B. The Director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the Director met the standard of conduct set for the in Section 2.A. or was found liable as described in Section 2.D., but if the Director was found liable, indemnification is limited to reasonable expenses incurred.

## **Section 6. Determination and Authorization of Indemnification**

- A. KNA may not indemnify a Director under Section 2 unless authorized in the specific case after a determination has been made that the Director has met the standard of conduct set forth in Section 2.
- B. The determination shall be made by the Board of Directors by majority vote of a quorum consisting of Directors who are not, at the time, parties to the legal proceeding.
- C. The determination shall be made by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate) consisting solely of two or more Directors not at the time parties to the proceeding, if a quorum cannot be obtained under subsection B.
- D. The determination shall be made by special legal counsel selected by:
  - 1. The Board of Directors or its committee in the manner prescribed in subsection B or C; or
  - 2. Majority vote of the full Board (in which selection Directors who are parties may participate) if a quorum of the Board cannot be obtained under subsection B and a committee cannot be designated under subsection C.
- E. The determination shall be made by the Members, but Directors who are at the time parties to the proceeding may not vote on the determination.
- F. Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection D to select counsel.

## **Section 7. Indemnification of Officers, Employees, and Agents**

- A. Unless limited by KNA's Articles of Incorporation, an Officer of KNA, who is not a Director, is entitled to mandatory indemnification under Section 3, and is entitled to apply for court-ordered indemnification under Section 5 in each case, to the same extent as a Director.
- B. Unless limited by its Articles of Incorporation, KNA may indemnify and advance expenses under this part to an Officer, employee, or agent of KNA, who is not a Director, to the same extent as a Director.
- C. Unless limited by its Articles of Incorporation, KNA may also indemnify and advance expenses to an Officer, employee, or agent who is not a Director to the extent, consistent with public policy, that may be provided by its Articles of Incorporation, Bylaws, general or specific action of its Board of Directors, or contract.

## **Section 8. Insurance**

KNA may purchase and maintain insurance on behalf of an individual (who is or was a Director, Officer, employee, or agent of KNA, or who, while a Director, Officer, employee, or agent of KNA, is or was serving at the request of KNA as a Director, Officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation partnership, joint venture, trust, employee benefit plan, or other enterprise), against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a Director, Officer, employee, or agent, whether or not KNA would have power to indemnify the person against the same liability under Section 2 or 3.

## **ARTICLE VIII COMMITTEES**

### **Section 1. Objective**

The Board of Directors shall approve such committees as deemed necessary and proper to obtain such information as required by the Board of Directors to aid them in their decision-making. A mission statement for each committee shall be approved by the Board of Directors.

### **Section 2. Scope**

Committees shall be authorized only to seek information, report such information back to the Board of Directors, and make recommendations to the Board of Directors. Committees shall not represent KNA unless authorized to do so by the Board of Directors.

### **Section 3. Appointments**

The Committee chairpersons shall be appointed by the President and approved by the Board of Directors during or after Organizational Meeting described in Article III, Section 5.

### **Section 4. Standing Committees**

Each Standing Committee shall be constituted to perform a continuing function for the life of the Board of Directors that establishes them and shall report to the Board of Directors.

The chairperson of any Standing Committee shall appoint the Members of his or her committee during the January regular meeting of KNA, or as soon as practicable thereafter.

### **Section 5. Special Committees**

Each Special Committee shall be appointed, as the need arises, to carry out a specified task, at the completion of which it shall automatically cease to exist. No Special Committee may be appointed to perform any task that already falls within the assigned function of an existing Standing Committee.



The chairperson of any Special Committee shall appoint the Members of his or her committee as soon as practicable after he/she is appointed by the President. An exception is the Nominating Committee, all of whose Members shall be appointed by the President rather than by the committee chairperson. (See Section IV-2 for details.)

### **Section 6. Reports**

Minutes shall be kept for each Committee meeting and a copy placed on file with the Secretary of KNA at or before the first Regular Meeting following any Committee meeting. At a minimum, the minutes shall include the date of each meeting announcement, each meeting, and the attendance at each meeting. Any committee not submitting minutes to the Secretary for three or more consecutive months shall require a majority vote of the Board of Directors for that committee to be re-established.

Each existing Committee shall submit an annual report in writing at the Annual Meeting. Any Special Committee that completes its specified task shall immediately present its final report to the Membership and automatically cease to exist.

### **Section 7. Meetings**

Committee meetings shall be called by each Committee Chair (1) verbally at the previous KNA Regular Meeting, giving the date, time and location of the committee meeting (2) by e-mail to all known committee Members, and (3) announced on the KNA website. Any meeting changes shall require ten (10) days notice.

Official committee meetings shall require a minimum of three (3) unrelated Members present in order to conduct any official business.

All committee meetings shall be open to the public. The privilege of the floor shall be open to committee Members only, except by permission of the Chair, or if absent, the Vice-Chair.

## **ARTICLE IX EXPENDITURE OF FUNDS**

### **Section 1. Other Organizations**

KNA shall not solicit funds on behalf of any other organization, nor shall it contribute financially to the fund-raising campaign of any other organization, without first obtaining the approval of the Board of Directors. Only those organizations holding a valid 501(c)(3) or 501(c)(4) non-profit status with the Hawaii and Federal taxing authorities may be considered and/or approved.

KNA shall not engage in any political action, and/or support any political candidate by endorsement or distribution of funds and/or other KNA resources to any candidate or candidate committee.

## **Section 2. 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 KNA, 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 KNA 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 3. Debt Limitations**

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

## **Section 4. 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, KNA 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 One Hundred Dollars (\$100.00) 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 5. 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 KNA.

# **ARTICLE X RECORDS AND REPORTS**

## **Section 1. Corporate Records**

- A. KNA shall keep as permanent records minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members or Directors without a meeting, and a record of all actions taken by committees of the Board of Directors as authorized by Section 414D-148(d) of the Hawaii Revised Statutes.
- B. KNA shall maintain appropriate accounting records.
- C. KNA or its agent shall maintain a record of its Members in a form that permits preparation of a list of the name and address of all Members, in alphabetical order by class, showing the number of votes each Member is entitled to cast.
- D. KNA shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

E. KNA shall keep a copy of the following records at its principal office:

1. Articles or restated Articles of Incorporation and all amendments to them currently in effect;
2. Bylaws or restated bylaws and all amendments to them currently in effect;
3. Resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members;
4. Minutes of all meetings of Members and records of all actions approved by the Members for the past three years;
5. All written financial statements furnished for the past three years under Section 6;
6. A list of the names and business or home addresses of its current Directors and Officers; and
7. The most recent Domestic Nonprofit Corporation Annual Report delivered to the State Department of Commerce & Consumer Affairs.

## **Section 2. Members' List for Meeting.**

- A. After fixing a record date for a notice of a meeting, KNA shall prepare an alphabetical list of the names of all its Members who are entitled to notice of the meeting. The list shall show the address and number of votes each Member is entitled to vote at the meeting. KNA shall prepare on a current basis through the time of the Membership meeting a list of Members, if any, who are entitled to vote at the meeting, but not entitled to notice of the meeting. This list shall be prepared on the same basis and be part of the list of Members.
- B. The list of Members shall be available for inspection by any Member for the purpose of communication with other Members concerning the meeting, at KNA's principal office or at a reasonable place in Kilauea identified in the meeting, beginning two business days after notice of the meeting for which the list was prepared is given, and continuing through the meeting. A Member, a Member's agent, or a Member's attorney is entitled on written demand to inspect and, subject to the limitations of Section 3.C. and Section 6, to copy the list, at a reasonable time and at the Member's expense, during the period it is available for inspection.
- C. KNA shall make the list of Members available at the meeting, provided that a request for the list is submitted no fewer than five business days prior to the scheduled date of the meeting. Any Member, Member's agent, or Member's attorney is entitled to inspect the list at any time during the meeting or any adjournment.

- D. If KNA refuses to allow a Member, a Member's agent, or a Member's attorney to inspect the list of Members before or at the meeting (or copy the list as permitted by subsection B), the Kauai Fifth Circuit Court, on application of the Member, may summarily order the inspection or copying at KNA's expense and may postpone the meeting for which the list was prepared until the inspection or copying is complete and may order KNA to pay the Member's costs (including reasonable counsel fees) incurred to obtain the order.
- E. Unless a written demand to inspect and copy a Membership list has been made under subsection B prior to the Membership meeting and KNA improperly refuses to comply with the demand, refusal or failure to comply with this section shall not affect the validity of action taken at the meeting.

### **Section 3. Inspection of Records by Members**

- A. Subject to Sections 1.E. and 3.C., a Member is entitled to inspect and copy, at a reasonable time and location specified by KNA, any of the records of KNA described in section 1.E. if the Member gives KNA written notice or a written demand at least five business days before the date on which the Member wishes to inspect and copy.
- B. A Member is entitled to inspect and copy, at a reasonable time and reasonable location specified by KNA, any of the following records of KNA if the Member meets the requirements of subsection C and gives KNA written notice at least five business days before the date on which the Member wishes to inspect and copy:
  - 1. Excerpts from any records required to be maintained under Section 1.A., to the extent not subject to inspection under subsection A;
  - 2. Accounting records of KNA; and
  - 3. Subject to Section 2.B. and Section 6, the Membership list.
- C. A Member may inspect and copy the records identified in subsection B only if:
  - 1. The Member's demand is made in good faith and for a proper purpose;
  - 2. The Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and
  - 3. The records are directly connected with this purpose.
- D. This section does not affect:
  - 1. The right of a Member to inspect records:
    - a. Under Section 2; or
    - b. If the Member is in litigation with KNA, to the same extent as any other

litigant; or

2. The power of a court, independently of this chapter, to compel the production of corporate records for examination.

#### **Section 4. Scope of Inspection Rights**

- A. A Member's agent or attorney shall have the same inspection and copying rights as the Member the agent or attorney represents.
- B. The right to copy records under Section 3 includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means.
- C. KNA may impose a reasonable charge, covering the costs of labor and materials, for copies of any documents provided to the Member. The charge may not exceed the estimated cost of production or reproduction of the records.
- D. KNA may comply with a Member's demand to inspect the record of Members under section 3.B.3. by providing the Member with a list of its Members that was compiled no earlier than the date of the Member's demand.

#### **Section 5. Court-Ordered Inspection**

- A. If KNA does not allow a Member who complies with section 3.A. to inspect and copy any records required by that section to be available for inspection, the Kauai Fifth Circuit Court may summarily order inspection and copying of the records demanded at KNA's expense upon application of the Member.
- B. If KNA does not allow a Member to inspect and copy any other record within a reasonable time, the Member who complies with section 3.B. and 3.C. may apply to the Kauai Fifth Circuit Court for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.
- C. If the court orders inspection and copying of the records demanded, it shall also order KNA to pay the Member's costs (including reasonable counsel fees) incurred to obtain the order unless KNA proves that it refused inspection in good faith because it had a reasonable basis to doubt the right of the Member to inspect the records demanded.
- D. If the court orders inspection and copying of the records demanded, it may impose reasonable restrictions on the use or distribution of the records by the demanding Member.

#### **Section 6. Limitations on Use of Membership List**

Without consent of the Board, a Membership list, or any part thereof, shall not be obtained or used by any person for any purpose unrelated to a Member's interest as a Member. Without

limiting the generality of the foregoing, without the consent of the Board, a Membership list or any part thereof shall not be:

- A. Used to solicit money or property, unless the money or property will be used solely to solicit the votes of the Members in an election to be held by KNA;
- B. Used for any commercial purpose;
- C. Sold to or purchased by any person; or
- D. Published in whole or in part to the general public.

### **Section 7. Financial Statements for Members**

- A. KNA, upon written demand from a Member, shall furnish that Member its latest annual financial statements, which may be consolidated or combined statements of KNA and one or more of its subsidiaries or affiliates, as appropriate, that include a Balance Sheet as of the end of the fiscal year and Statement of Operations for that year. If financial statements are prepared for KNA on the basis of Generally Accepted Accounting Principles, the annual financial statements must also be prepared on that basis.
- B. If annual financial statements are reported upon by a public accountant, the accountant's report must accompany them. If not, the statements must be accompanied by the statement of the President or the person responsible for KNA's financial accounting records:
  - 1. Stating the President's or other person's reasonable belief as to whether the statements were prepared on the basis of Generally Accepted Accounting Principles and, if not, describing the basis of preparation; and
  - 2. Describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

### **Section 8. Report of Indemnification to Members**

If KNA indemnifies or advances expenses to a Director under Sections 2 to 5 of Article VII, in connection with a proceeding by or in the right of KNA, KNA shall report the indemnification or advance in writing to the Members with or before the notice of the next meeting of Members.

## **ARTICLE XI MISCELLANEOUS**

### **Section 1. Exempt Activities**

Notwithstanding any other provision of these By-Laws, no Member, Director, Officer, employee or representative of KNA shall take any action or carry on any activity by or on behalf of KNA

not permitted to be taken or carried on by an association exempt under Section 501 (c) (4) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

## **Section 2. Agents and Representatives**

The Directors may appoint and terminate such agents and representatives of KNA and grant to them power to perform such acts or duties on behalf of KNA as the Directors 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 KNA must have approval of two-thirds (2/3) of the total number of Members of the Board of Directors.

## **Section 3. Robert's Rules of Order**

The proceedings of all meetings of KNA shall be governed by the most recent edition of "Robert's Rules of Order, Newly Revised" 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.

## **Section 4. Amendments**

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

## **Section 5. Dissolution of KNA**

- A. Dissolution is authorized if it is approved:
  1. By the Board of Directors;
  2. By the Members, if any, by two-thirds of the votes cast or a majority of the voting power, whichever is less, and
  3. In writing, by any person or persons whose approval is required by a provision of the Articles for an amendment to the Articles or Bylaws authorized by Section 414D-188 of the Hawaii Revised Statutes.
- B. If KNA does not have Members, dissolution must be approved by a vote of a majority of the Directors in office at the time the transaction is approved. In addition, KNA shall provide notice of any Directors' meeting at which the approval is to be obtained in accordance with Section 414D-145(c) of the Hawaii Revised Statutes. The notice shall state that the purpose, or one of the purposes, of the meeting is to consider dissolution of KNA, and contain or be accompanied by a copy or summary of the Plan of

Dissolution.

- C. The Board of Directors may condition its submission of the proposed dissolution and the Members may condition their approval of the dissolution on receipt of a higher percentage of affirmative votes or on any other basis.
- D. If the Board of Directors seeks to have dissolution approved by the Members at a Membership meeting, KNA shall give notice to its Members of the proposed Membership meeting in accordance with Section 414D-105 of the Hawaii Revised Statutes. The notice shall also state that the purpose, or one of the purposes, of the meeting is to consider dissolving KNA, and contain or be accompanied by a copy or summary of the Plan of Dissolution.
- E. If the Board of Directors seeks to have dissolution approved by the Members by written consent or ballot, the material soliciting the approval shall contain or be accompanied by a copy or summary of the Plan of Dissolution.
- F. In the event of dissolution of KNA, the corporate assets shall be distributed for to one or more exempt purposes within the meaning of persons described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, subject to any contractual or legal requirement. The Plan of Dissolution shall indicate to whom the assets owned or held by KNA will be distributed after all creditors have been paid.

The effective date of these amended bylaws is December 3, 2013, KNA having received the required number of votes by the Board of Directors and other Members present at the December 3, 2013, KNA Meeting held on that date, at which a quorum of the Board of Directors was present.

Amended by the Board of Directors:

By \_\_\_\_\_, Aye/No/Abs. By \_\_\_\_\_, Aye/No/Abs.  
Yoshito L'Hote Mike Latif

By \_\_\_\_\_, Aye/No/Abs. By \_\_\_\_\_, Aye/No/Abs.  
Thomas Pickett Gary Pacheco

By \_\_\_\_\_, Aye/No/Abs. By \_\_\_\_\_, Aye/No/Abs.  
Scott Mijares Nicki Pignoli

By \_\_\_\_\_, Aye/No/Abs. By \_\_\_\_\_, Aye/No/Abs.  
Bill Troutman Tim Kallai



By \_\_\_\_\_, Aye/No/Abs. By \_\_\_\_\_, Aye/No/Abs.  
Alvin Castelo Charlie Martin

By \_\_\_\_\_, Aye/No/Abs. By \_\_\_\_\_, Aye/No/Abs.  
Carrie Souza Jim Spencer

Amended by the General Membership: By \_\_\_\_\_, President  
Yoshito L'Hote