

**RESOLUTION OF THE ORCHIDLAND COMMUNITY ASSOCIATION, INC.
ADOPTION OF POLICIES, PROCEDURES, RULES, AND REGULATIONS**

SUBJECT: Adoption of a procedure to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter “Policy” or “Policies”) regarding the operation of the Association.

PURPOSE: To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford Owners an opportunity to provide input and comments on such Policies prior to adoption.

AUTHORITY: Authority is The Articles of Incorporation, Bylaws of the Association, and Hawaii law.

EFFECTIVE DATE: May 25, 2010

RESOLUTION: The Board of Directors, on behalf of the Association, hereby adopts the following:

1. **Scope.** The Board of the Association, from time to time, may adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

2. **Drafting Procedure.** The Board shall consider the following in drafting the Policy:

(a) Is there justification for such a Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue?

i. Answer the question, “Why?”

ii. Is the rule or policy designed to meet the purposes of the association/community (to maintain, preserve, enhance and protect the property value of the community, promote harmonious community living and preserve the common scheme and harmonious design of the community)?

iii. Determine if the problem identified is of sufficient consequence to justify creating a policy or rule – what are the trade offs?

(b) Do the governing documents, or Hawaii law, grant the Board the authority to adopt such a Policy?

i. The policy or rule must not violate a fundamental constitutional right (e.g., freedom of speech).

ii. The policy or rule must be consistent with applicable federal, state and local statutes.

iii. The policy or rule must be consistent with the associations governing documents (i.e., a policy or rule cannot prohibit what the Association’s Bylaws permit and vice versa).

iv. The policy or rule must reasonably relate to the operation and purpose of the association.

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v. Identify any possible source(s) of authority for the policy or rule; review the Hawaii Non-Profit Corporation Statutes, and Hawaii State Law to avoid conflicts.

(c) What are the immediate and long-term implications of the Policy?

(d) Is the policy or rule reasonable?

i. A reasonable policy or rule is just, sensible and not excessive (i.e., a policy or rule should be necessary and not more punitive than necessary).

ii. Reasonable policies or rules promote legitimate goals.

iii. Unreasonable policies or rules may promote illegitimate goals.

iv. Unreasonable policies or rules may be illogical or unfair, too broad or too severe.

(e) Is the policy or rule fair? It should not create a separate class or group of owners, residents or occupants.

(f) Is the policy or rule clear and unambiguous?

i. The proposed policy or rule should be drafted in such a manner as to be concise and simple, yet clear and understandable. Avoid words or phrases that are vague or ambiguous. Have the draft policy or rule reviewed or prepared by the Association's attorney.

(g) Can the policy or rule be uniformly enforced? This means there must be no selective enforcement or exceptions (i.e., a policy or rule must be enforced against all owners, not just owners who are delinquent in payment of assessments).

3. Notices and Comment for First Draft. Proposed new policies shall be introduced at either a regular monthly Board Meeting, or any Membership Meeting. A copy of the proposed Policy shall be provided to all Owners in a manner as determined by the Board, including, but not limited to posting on the Association's website. The Board may, at its sole discretion, hold a hearing if there are significant concerns with the new policy.

4. Final Draft. Once all comments have been collected and considered, a final Policy draft shall be written and posted on the Association's website within 10 days of the First Draft Comment meeting. The final draft shall be voted upon at a regular monthly Board Meeting, or any Membership Meeting.

(a) The Association may request the Association's attorney to perform a review of the final policy during the final review period prior to the vote.

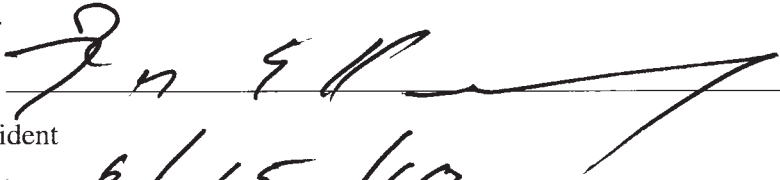
(b) If significant changes are required before voting can take place, the "Final Draft" (Section 4) procedure is repeated until the Policy is substantially complete. Minor clerical errors may change at any time without repeating the review process, as long as the change does not alter the intent of the article.

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5. Adoption Procedure. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by immediate posting on the Orchidland Community Association's website, and a summary announcement in the next newsletter.
6. Policy Book. The Board shall keep copies of all adopted Policies in a book designated as a Policy Book. The Board may further categorize this book with sections for Policies, Procedures, Rules and Regulations, and Resolutions but shall not be required to do so.
7. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
8. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Articles, Bylaws and the law of the State of Hawaii governing the Community.
9. Amendment. The Board may amend this Procedure from time to time only through the process set forth in the existing document.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of The Orchidland Community Association, Inc., a Hawaii nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on and in witness thereof, the undersigned has subscribed his/her name.

ORCHIDLAND COMMUNITY ASSOCIATION, INC., a Hawaii non-profit 501c(4) corporation.

By:  _____
President
Date: 6/15/10