

BY LAWS

ASSOCIATION OF HAWAII ARCHIVISTS
(A Hawaii nonprofit corporation)

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ARTICLE I

ORGANIZATION OF CORPORATION AND RULES OF LAW

The Association of Hawai'i Archivists (referred to in these bylaws as the "Corporation") is organized and shall be operated for the exempt purposes set forth in the articles of incorporation, as permitted to a Hawaii nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As stated in the articles of incorporation, the purposes of the Corporation are:

- 1) To promote cooperation and exchange of information,
- 2) To disseminate information on research materials and archival methodology,
- 3) To provide a forum for the discussion of matters of common concern,
- 4) To collaborate with the Society of American Archivists in its objectives and with similar cultural and educational organizations in furtherance of the Corporation's exempt purposes.

All such activities, and others for which nonprofit corporations may be incorporated under Chapter 414D, Hawaii Revised Statutes, shall be performed in furtherance of such exempt purposes, as required by law.

The Board of Directors and officers are responsible for ensuring that the Corporation adheres to these mandates and governing the Corporation in a manner that maintains the confidence of donors, the constituency, and the community in the integrity, honesty and exempt purposes of the Corporation.

These bylaws are based on the operations of the Corporation, as well as applicable Hawaii and federal rules. References to Hawaii law, the Hawaii Nonprofit Corporations Act in Chapter 414D of the Hawaii Revised Statutes (HRS), and IRS rules are referenced within parenthesis following the provisions for which they apply. Unless otherwise indicated in these bylaws, references to "Members" or "Member" or "Membership" with an initial capital letter refers to persons within the classes of Membership of the Corporation described in Article X of these bylaws with such rights and limitations described in the bylaws, the articles of incorporation and Hawaii law.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1 Powers/Duties of the Board and Inspection of Records. All corporate powers are vested in the Board of Directors to the extent permitted by the laws of the State of

Hawaii and the Internal Revenue Code, including the power to do all things necessary, not inconsistent with the law, to further the activities of the Corporation. (HRS 414D-52(17); - 131(b).) The Board shall conduct, manage and control the affairs and business of the Corporation consistent with State and federal laws, the articles of incorporation, bylaws, and policies and resolutions of the Board.

Without limiting the foregoing, a director is entitled to inspect and copy the Corporation's books, records and documents at any reasonable time to the extent reasonably related to the performance of the director's duties, including the duties as a committee member, but not for any other purpose or in any manner that would violate any duty to the Corporation or law. (HRS 414D-306.5(a).)

Section 2.2 Composition, Qualifications and Number of Directors. The Board of Directors shall be composed of the following designated and elected directors:

- 1) Designated Directors: Designation occurs when the bylaws designate the holder of some office or position as a director. (HRS 414D-134.) The holders of the following offices shall be directors: The President and President-Elect (referred to in these bylaws as the "Designated Directors").
- 2) Elected Directors: Six (6) elected directors, all of whom must be and remain Members of the Corporation in good standing (referred to in these bylaws as the "Elected Directors").

The Board may increase or decrease the number of directors from time to time pursuant to Sections 2.6 (in regard to the Designated Directors) and 14.1, provided that the number of directors is not less than three as required by Hawaii law. (HRS 414D-133.)

Any person who does not have the authority to vote as a member of the Board of Directors shall not be a "director" as that term is used under the Hawaii Nonprofit Corporations Act, Chapter 414D of the HRS. (HRS 414D-14.)

All directors will serve without remuneration or expectation of remuneration in their role as directors. Remuneration does not include payment of reasonable expenses and indemnification or insurance for actions as a director. (HRS 414D-149(f).)

Section 2.3 Selection and Term of Office. The Designated Directors and Elected Directors shall be selected and take office as a member of the Board of Directors, as follows:

- 1) Designated Directors: The Designated Directors shall automatically take office on the Board concurrently with their positions as officers of the Corporations (that is, the President and President-Elect). The Designated Directors shall serve on the Board concurrently with their terms as an officer of the Corporation.

- 2) Elected Directors: The Members entitled to vote shall elect the Elected Directors for a term of two (2) years at the annual meeting of the Members or at any special meeting held for that purpose (see Article XI for Member meeting, notice and voting requirements). The election shall be held such that three (3) directors shall be elected in alternate years, to the extent possible. (HRS 414D-134(a).)

The procedures for selection of nominees for the offices of the Elected Directors (and the President-Elect) shall be as follows: The Board shall create a Nomination and Elections Committee, who will prepare a slate of candidates for directorship (or President-Elect). A call for nominees may also be made to the Members, including directors/officers. A list of nominees shall be circulated to the Membership at least thirty (30) days prior to the annual or other Membership meeting at which the election will occur and the Members shall vote in accordance with the procedures in Sections 11.6 or 11.8.

The Corporation may conduct such election by mail in the Board's discretion. (HRS 414D-115.)

Directors who continue to qualify may hold office for successive terms. A decrease in the number of directors or term of office does not shorten an incumbent director's term. The term of a director filling a vacancy expires at the end of the unexpired term that the director is filling. Even if a term has expired, a director shall continue to serve until the director's successor is selected, or until there is a decrease in the number of directors. (HRS 414D-135.)

Section 2.4 Vacancies. The Members entitled to vote may fill a vacancy on the Board by an Elected Director in accordance with Sections 2.2 and 2.3. (HRS 414D-141(a)(1).) Unless otherwise provided in the articles of incorporation or bylaws, if a Designated Director held a vacant office, such office will be filled by the successor who fills the designated office (that is, the successor to the President and/or President-Elect). (HRS 414D-141(c).) If a vacancy will occur at a specified later date (by reason of a resignation effective at a later date or otherwise), such vacancy may be filled before it actually occurs so long as the new director does not take office until the vacancy occurs. (HRS 414D-141(d).)

Section 2.5 Resignation of Directors. A director may resign at any time by giving written notice to the Board of Directors, its presiding officer, or to the President or Secretary. Such resignation will be effective when the notice is effective, unless the notice specifies a future effective date. If the notice is made effective at a later date, the Board may fill the pending vacancy before that date so long as the successor does not take office until the effective date. (HRS 414D-137.)

Section 2.6 Removal. The Members may remove one or more directors elected by them (that is, the Elected Directors) with reasonable cause unless otherwise provided in the articles or bylaws at a meeting duly called for that purpose, and the notice must state the purpose of the meeting. (HRS 414D-138(a) and (b).)

A Designated Director may be removed by amending these bylaws and deleting or changing the designation. (HRS 414D-139(a).) The person removing the director shall do so by giving written notice of the removal to the director, and either the presiding officer of the Board or the President or Secretary. A removal is effective when the notice is effective, unless the notice specifies a future effective date. (HRS 414D-139(c) and (d).) Note: the resignation or removal of the President or President-Elect will automatically serve to remove and replace the individual who held the designated office with his/her successor who fills the position of the President or President-Elect.

Vacancies in office shall be filled in accordance with Section 2.4.

ARTICLE III

MEETINGS OF THE BOARD OF DIRECTORS

Section 3.1 Regular and Special Meetings. If the bylaws or the Board fixes the date, time and place of a directors' meeting, the meeting is a regular meeting. All meetings other than regular meetings are special meetings. (HRS 414D-143(a).) Notice of regular and special meetings shall be given in accordance with Section 3.2.

The Board shall hold a Board meeting at least once each quarter during the calendar year.

Section 3.2 Call and Notice of Meetings. The President or twenty percent (20%) of the directors may call and give notice of a meeting of the Board. (HRS 414D-145(d).) The individual(s) calling the meeting may fix the date, time and place for holding the meeting. The Secretary shall give (or cause to be given) notice of each meeting of the Board for which notice is required in accordance with this Section.

(1) Notice Requirements. Except as otherwise required in the articles of incorporation, bylaws or law, regular meetings may be held without notice (provided, that the Board has previously fixed and provided notice of the date, time and place of the meeting). Special meetings shall be preceded by at least two (2) days' notice to each director of the date, time and place, and may state the purpose of the meeting. (HRS 414D-145(a) and (b).) Note: The form of notice and its effectiveness, as provided for in Subsection (2), below, must be taken into consideration when providing notice under this Subsection.

(2) Form of Notice and Effectiveness. Unless otherwise required, notice may be oral, written or in the form of an electronic transmission. Oral notice is effective when it is communicated. Except for a notice provided to the Members under Section 11.4, written notice to the directors is effective at the earliest of the following: when received, five (5) days after its deposit with the US Postal Service, as evidenced by the postmark, or on the date shown on the return receipt signed by or on behalf of the addressee, if sent by registered or certified mail. (HRS 414D-15(a), (b), (c) and (e).)

Notice may be provided by electronic transmission; provided, that the director to whom the notice is given consents (“electronic transmission” means any form of communication that does not involve the transmission of paper and that creates a record). The following means of electronic transmission shall be deemed to have been given as follows:

- a) If by facsimile, when directed to a number at which the director has consented to receive notice;
- b) If by electronic mail, when directed to an electronic mail address at which the director has consented to receive notice;
- c) If by posting on an electronic network together with separate notice to the director of the specific posting, upon the later of the posting and the giving of the separate notice; and
- d) If by any other form of electronic transmission, when directed to the director.

A director may revoke such consent by written notice or electronic transmission to the Corporation. Such consent shall be deemed to be revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices in accordance with the consent and (2) such inability becomes known to the Secretary or other person responsible for giving notice; provided, that the inadvertent failure to treat the inability to give electronic notice as a revocation shall not invalidate any meeting or other action.

If the Hawaii Nonprofit Corporations Act prescribes notice requirements for particular circumstances, those requirements shall govern. If the articles of incorporation or these bylaws prescribe notice requirements, which are not inconsistent with this Section or the Nonprofit Corporations Act, those requirements shall govern. (HRS 414D-14; -15(i), (j) and (k).)

(3) Waiver of Notice. A director may waive any required notice by submitting a written and signed waiver or by attending or participating in a meeting, unless the director at the beginning of the meeting or prior to a vote on a matter not noticed in conformity with law or these bylaws objects to the lack of notice and does not thereafter vote for or assent to the objected to action. (HRS 414D-146.)

Section 3.3 Decision-Making By Meeting and Quorum. The Board of Directors shall make decisions by holding a meeting at which a quorum is present either in person and/or by wireless communication, as described below. Alternatively, the Board may make decisions without holding a meeting under Section 3.4. In making any such decision, a director may not vote by proxy.

Where Board decisions will be made at a meeting, a majority (that is, more than half) of the directors in office will constitute a quorum. (HRS 414D-147(a).) If a quorum is present, the affirmative vote of a majority of the directors present shall be the act of the Board, unless the Hawaii Nonprofit Corporations Act, articles of incorporation or these bylaws require a greater vote. (HRS 414D-147(b).) Each director shall be entitled to one (1) vote.

In establishing a quorum, the Board may allow any director (or all directors) to participate in the meeting by any means of communication whereby all participating directors can hear each other at the same time (e.g., telephone conference). Participation by such means whereby all directors can hear each other at the same time shall constitute presence in person at a meeting. (HRS 414D-143(c).)

Section 3.4 Decision-Making Without Meeting. Any action permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if all the directors unanimously sign one or more written consents describing the action taken and include such consent(s) in the corporate records.

“Written consent” includes a consent executed by an electronic or digital signature; provided that the Corporation employs reasonable measures to authenticate the electronic or digital signature. Reasonable measures include commercially available security measures used by board meeting portal systems.

The action taken is effective when the last director signs the consent, unless the consent specifies a different effective date. Such consent(s) shall have the same effect as a meeting vote. (HRS 414D-144.)

ARTICLE IV

COMMITTEES OF THE BOARD AND ADVISORY COMMITTEES

The Corporation may have two types of committees: committees of the board and advisory committees. A “committee of the board” is a committee of the Board of Directors that can exercise the authority of the Board and consists solely of directors (that is, two (2) or more members of the Board). The Board may create committees of the board and appoint directors to serve on them by an affirmative vote of a majority of the Board members. (Note: the vote to create a committee of the board is greater than the vote to create an advisory committee described below.)

Each committee of the board may exercise such authority of the Board of Directors as specified by the Board. However, a committee of the board may not authorize distributions; approve or recommend to Members dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Corporation’s assets; elect, appoint or remove Board members or fill vacancies on the Board or on committees; or adopt, amend, or repeal the articles of incorporation or bylaws. (HRS 414D-148(a), (b), (d) and (e).)

Sections 3.1 to 3.4, above, that govern meetings of the Board apply to committees of the board and their members. (HRS 414D-148(c).)

An “advisory committee” is a committee that does not exercise Board authority. Advisory committee members may include non-Board members. The Board may create advisory committees by a majority vote of the directors at a meeting at which a quorum is present. Advisory committees shall have such powers as authorized by the Board; provided, however, that advisory committees may only act in an advisory capacity to the Board and cannot exercise Board authority.

Committees of the board and advisory committees may further be classified as standing or special (ad hoc) committees. Standing committees are those committees with a continuing existence. Special committees are those committees created for a special situation and whose existence may not be permanent.

ARTICLE V

OFFICERS

Section 5.1 Designation and Authority. The officers of the Corporation shall be the President, President-Elect, Treasurer, Secretary, and other officers as determined by the Board of Directors. The officers shall perform the duties and have the authority as set forth in these bylaws, prescribed in a resolution of the Board, or directed by an authorized officer. (HRS 414D-153(a); -154.)

Section 5.2 Succession/Election, Qualifications and Term of Office.

- 1) President: The President-Elect shall succeed to the office of the President at the completion of the President’s term in office.
- 2) Election of the President-Elect: The Members entitled to vote shall elect the President-Elect at the annual meeting of the Membership or at a special Membership meeting as the Board may determine. The candidates for the office of the President-Elect must be Members in good standing of the Corporation and shall be selected in accordance with the procedures in Section 2.3, Subsection 2), of these bylaws. (HRS 414D-153(a) and (d).)
- 3) Election of the Treasurer and Secretary: The Board of Directors shall elect the Treasurer and Secretary at a regular or special meeting of the Board (or at such meeting of the Members as the Board may determine). The candidates for the offices of the Treasurer and Secretary must be members of the Board. (HRS 414D-153(a) and (d).)

- 4) Term of office; Succession; Limit on Holding Office For Immediate Past President: All officers shall serve a term of one (1) year. At the completion of the one-year term of the President, the President-Elect shall succeed to the office of the President. The Treasurer and Secretary may hold office for successive terms. Upon the completion of the one-year term of the President, he/she (as the immediate past President) may not seek or hold office of the President-Elect in the next election. The same individual may hold more than one office in the Corporation, provided that not less than two (2) persons shall be officers. (HRS 414D-153(a), (c) and (d).)

Section 5.3 Resignation and Removal; Vacancies. An officer may resign by delivering notice to the Corporation and the resignation will be effective when the notice is effective unless the notice specifies a future effective date. If the resignation is made effective at a future date and the Board accepts that future date, the Board of Directors may fill the pending vacancy for the remainder of the term before the effective date, provided the successor does not take office until the effective date. The Board may remove an officer at any time with reasonable cause. (HRS 414D-156.)

Section 5.4 President. The President shall preside at all meetings of the Board of Directors and Membership. The President shall have general charge and supervision of the Corporation. The President shall work with the other officers, directors and staff, if any, to ensure that the Corporation complies with State and federal mandates, including those described in Articles VII and VIII. The President shall perform such other duties as are incident to the office or are required by the Board. (HRS 414D-154.)

Section 5.5 President-Elect. The President-Elect shall assist the President and in the President's absence, perform the duties of the President and have all the powers of and be subject to all the restrictions upon the President. The President-Elect shall have such powers and perform such other duties as from time to time may be prescribed by the Board of Directors or President. (HRS 414D-154.)

Section 5.6 Treasurer. The Treasurer shall exercise general supervision over the receipt, custody, and disbursement of corporate funds. The Treasurer shall work with the Corporation's tax advisor, as necessary, to ensure that periodic and annual State and federal tax filings are timely prepared, as described in Section 7.2(2). The Treasurer shall perform all other duties assigned by the Board of Directors or President. (HRS 414D-154.)

Section 5.7 Secretary. The Secretary shall have the following duties:

- 1) Prepare (or cause to be prepared) the minutes of directors', committee, and Member meetings;
- 2) Give (or cause to be given) proper notice of all meetings of the Board of Directors, committees, and Members under Sections 3.2, Article IV and Section 11.4;

- 3) Authenticate records;
- 4) Keep and maintain (or cause to be kept and maintained) the records and reports described in Section 7.1(4); and
- 5) Perform all other duties assigned by the Board of Directors or President. (HRS 414D-14; -153(b); -154.)

ARTICLE VI

STANDARDS OF CONDUCT: DIRECTORS AND OFFICERS

A director and an officer shall discharge his or her duties as a director/officer or member of a committee in good faith, in a manner that is consistent with the director's/officer's duty of loyalty to the Corporation, with ordinary care, and in the best interests of the Corporation and Members. In performing such duties, a director and an officer are entitled to rely on information, opinions, reports, or statements if prepared or presented:

- 1) By one or more officers or employees of the Corporation who the director or officer reasonably believes to be reliable and competent in the matters presented,
- 2) By legal counsel, public accountants, or other persons regarding matters the director or officer reasonably believes are within the person's professional or expert competence, or
- 3) In the case of a director, by a committee of the board (see Article IV) of which the director is not a member regarding matters within its jurisdiction and the director reasonably believes the committee merits confidence.

A director or officer is not acting in good faith if the director or officer has knowledge, which would make reliance upon these persons or the committee unwarranted. (HRS 414D-149(a) - (c); -155(a) – (c).)

ARTICLE VII

ADMINISTRATION AND COMPLIANCE

Section 7.1 Corporate Requirements and Records.

(1) State Annual Report to be Filed. The Corporation shall file an annual report with the State Department of Commerce and Consumer Affairs (“DCCA”) on a form

furnished by the DCCA. The annual report allows the DCCA to keep up-to-date on information required by the State on the statutory requirements to be a Hawaii nonprofit corporation. The annual report shall be filed each year. (HRS 414D-308.)

(2) Maintenance of Mailing Address and Agent. The Corporation shall continuously maintain in this State a mailing address of its principal office, a registered agent and a business street address of the agent. To change the mailing address, agent or address of the agent, the Corporation must file a form provided by the DCCA. This can also be done in the State annual report if it is due (see Subsection 7.1(1), above). (HRS 414D-71; -72.) Notification to be made in the event of any change to the mailing address and other matters are addressed, next.

(3) Reporting Changes to the IRS and State. A tax-exempt organization, as the Corporation, must report name, address and structural operational changes to the IRS (United States Dept. of the Treasury, Internal Revenue Service, Pub. 557: Tax-Exempt Status for Your Organization (Rev. January 2020), pp.20-21), and may also be required to notify the DCCA and/or State Department of Taxation. The notice should include all supporting documentation filed with the DCCA or other agency to make the change, if any.

(4) Records to be Kept. The Corporation shall maintain the following records, as well as others necessary to the operations of the Corporation:

- a) Permanent records of the following: minutes of the meetings of the Members and Board of Directors, a record of all actions taken by the Board or Members without a meeting under Sections 3.4 and 11.8, and a record of all actions taken by committees of the board as authorized under Article IV;
- b) Appropriate accounting records;
- c) An alphabetical list of the names and addresses of the Members by class and indicating the number of votes each Member is entitled to cast;
- d) The articles of incorporation, bylaws, and all amendments in effect;
- e) Resolutions adopted by the Board relating to the Members' characteristics, qualifications, rights, limitations, and obligations;
- f) Records of all actions approved by the Members for the past three (3) years;
- g) Financial statements furnished to the Members under Hawaii Revised Statutes Section 414D-306 (see Section 12.3) for the past three (3) years;

- h) A list of the names and business or home addresses of the current directors and officers;
- i) The most recent State annual report filed with the DCCA under Section 7.1(1). (HRS 414D-301)

All such records and others necessary to the operations of the Corporation shall be maintained in accordance with the Corporation's Document Retention and Destruction Policy.

(5) Designation of Persons With Signing Authority. The Board of Directors shall designate by resolution an individual or individuals to sign checks, contracts and other instruments, as approved by the Board. In the absence of any specific designation of authority, checks of five hundred dollars (\$500) or more shall require the signatures of the Treasurer and either the President or President-Elect. For checks less than five hundred dollars (\$500), the signature of the President, President-Elect or the Treasurer shall be sufficient. Unless authorized by the Board, no director, officer, agent or employee of the Corporation shall have any power or authority to bind the Corporation by any contract or other instrument. (HRS 414D-52(17).)

(6) Regular Review of Articles and Bylaws. The Board of Directors shall review the articles of incorporation and these bylaws on a regular basis to ensure that they reflect the current exempt purposes of the Corporation and comply with existing operations and State and federal laws. All amendments to the bylaws shall be consistent with the articles of incorporation. (HRS 414D-187.)

(7) Hawaii Compliance Express (HCE). The Corporation shall consider the following if it plans to conduct business as a vendor for State or county agencies: Organizations that plan to conduct business as a vendor for State or county agencies are generally required to utilize the HCE to obtain proof of compliance prior to an award for funding. The HCE is an electronic system that allows vendors doing business with State or county agencies to quickly and easily obtain proof that they are compliant with applicable laws. The HCE certificate, "Certificate of Vendor Compliance," is submitted in place of a tax clearance, labor certificate, and a Certificate of Good Standing required by Hawaii's procurement and administrative rules. This certificate of vendor compliance is also utilized as proof of tax clearance and good standing for contracts for health and human services under Hawaii law. (See FAQ at vendors.ehawaii.gov.)

(8) Make required disclosures. All Hawaii nonprofit corporations that are tax-exempt, as the Corporation, must make the following documents available for public inspection and copying upon request and without charge (except for a reasonable charge for copying):

- Application for exemption (Form 1023) and all documents submitted in support of the application.

- The IRS exemption ruling letter.
- Annual information return (Form 990 Series) with schedules, attachments and supporting documents (note: if you file Form 990/990-EZ you do not need to disclose the names/addresses of the contributors listed in Schedule B; certain other information may be withheld).
- Form 990-T (used to report information regarding unrelated business income) with certain limitations.

The Corporation may place reasonable restrictions on the time, place and manner of in-person inspection and copying and may charge a reasonable fee for providing copies. The Corporation does not have to comply with individual requests for copies if it makes the documents widely available; for example, on a website. (See Compliance Guide for 501(c)(3) Public Charities, IRS Pub. 4421- PC (Rev. 3-2018), pp. 21-23.) The Corporation shall consult with its tax advisor, as necessary, to ensure compliance with the disclosure requirements of the IRS.

Section 7.2 Fiscal Year, Taxes and Tax Exemption.

(1) Fiscal Year. The fiscal year of the Corporation is January 1 through December 31, or as the Board of Directors may otherwise determine.

(2) State and Federal Taxes; Annual Filings. Hawaii imposes three taxes that are potentially applicable to the Corporation: income, general excise, and use taxes. Employment and other State, federal and local taxes may also be applicable. The Board of Directors shall consult with the Corporation’s tax advisor, as necessary, to ensure that all periodic and annual State and federal filings are timely submitted and taxes are properly paid.

(3) Public Support. The Corporation must be publicly supported in order to maintain tax-exempt status. (See IRS Publication 557 (Rev. Jan. 2020), pp. 32-41.) The Board of Directors shall consult with the Corporation’s tax advisor, as necessary, to ensure that the Corporation maintains the required “public support” to satisfy the IRS’s public support test.

(4) Real Property Tax Exemption on Oahu. The Corporation may consider the following (and file an appropriate application) if it may benefit from an exemption from real property taxes as an owner of real property or lessee on Oahu by passing such benefit on to the property owner: The Revised Ordinances of Honolulu (ROH) exempts from real property taxes on certain designated real property exclusively used for nonprofit purposes. The designated properties include real property owned in fee simple or leased or rented for a period of one year or more by a corporation or association. (See Revised Ordinances of Honolulu (ROH) Section 8-10.10.) Note: the neighbor islands may have a similar ordinance and the Corporation may wish to consult with the county of a particular island in this regard, as necessary.

Section 7.3 Solicitation and Registration With State Attorney General.

(1) Registration With Attorney General Prior to Solicitation. The Corporation shall register with the State department of the attorney general before conducting any solicitation for money or thing of value, as defined in Hawaii Revised Statutes Section 467B-1. Such registration must be completed at such time and include such financial and other reports as required under the law.

Certain exemptions to this registration rule exist. (Note: Under HRS 467B-11.5, charitable organizations that are exempt from registration include, but are not limited to, organizations that normally receive less than \$25,000 in contributions annually and do not pay for a professional solicitor/fundraising counsel.) A corporation that is exempt must apply to the department of the attorney general to be exempt from the registration requirement. (For more information, see the Hawaii Charity Registration System at ag.hawaii.gov/tax/; HRS 467B-2.1(a) and -11.5.)

(2) Use of Unregistered Professional Persons Prohibited. The Corporation shall not use the services of an unregistered professional solicitor or professional fundraising counsel as defined in Chapter 467B of the Hawaii Revised Statutes in the solicitation of contributions. (HRS 467B-9(o).)

ARTICLE VIII

LIMITATIONS: DISTRIBUTIONS; LOANS/GUARANTIES; PRIVATE INTEREST/LEGISLATIVE ACTIVITIES; CONFLICTS OF INTEREST

Section 8.1 Distributions Prohibited. The Corporation shall not make any distribution, except as otherwise authorized under the law. “Distribution” means “the payment of a dividend or any part of the income or profit of a corporation to its members, directors, or officers.” (HRS 414D-14; -231; -232.)

Section 8.2 Loans or Guaranties Prohibited. The Corporation shall not lend money to or guaranty the obligation of a director or officer of the Corporation. (HRS 414D-151(a).)

Section 8.3 Restrictions--Private Interest; Political and Legislative Activities. The Corporation shall ensure that it complies with the following mandates by consulting with its tax advisor, as necessary:

- 1) Private Benefit and Inurement. The Corporation shall not allow more than an insubstantial accrual of private benefit to individuals or organizations. This restriction is to ensure that a tax-exempt organization serves a public interest, not a private one. Accordingly, no part of the Corporation’s net earnings may inure to the benefit of any person who has a personal or

private interest in the activities of the Corporation such as an officer, director, or a key employee. (IRS Compliance Guide for 501(c)(3) Public Charities, Pub. 4221-PC (Rev. 3-2018).)

- 2) Political Campaign Intervention. The Corporation shall not participate or intervene in any political campaign on behalf of (or in opposition to) a candidate for elective public office. Contributions to political campaign funds or public statements of position made on behalf of the Corporation in favor of or in opposition to any candidate for public office is a violation of this prohibition against political campaign activity. (IRS Compliance Guide for 501(c)(3) Public Charities, Pub. 4221-PC (Rev. 3-2018).)
- 3) Legislative Activities. The Corporation shall not engage in substantial legislative activity, commonly referred to as lobbying. An organization will be regarded as attempting to influence legislation if it contacts, or urges the public to contact, members or employees of a legislative body for purposes of proposing, supporting or opposing legislation or if the organization advocates the adoption or rejection of legislation. (IRS Compliance Guide for 501(c)(3) Public Charities, Pub. 4221-PC (Rev. 3-2018).)

Section 8.4 Managing Conflicts of Interest/Excess Benefit Transactions Prohibited. The Board of Directors shall ensure that the affairs of the Corporation are managed in an ethical manner without improper conflicts of interest by following the mandates of the Corporation's Conflict of Interest Policy. The Board shall further ensure that transactions with "interested persons" conform to the IRS's intermediate sanctions regulations, which are incorporated in the Policy. (26 CFR 53.4958-4.)

ARTICLE IX

LIMITATION OF DIRECTOR LIABILITY AND INDEMNIFICATION

The personal liability of a director to the Corporation and the Members for any monetary damage because of a breach of his or her duties to the Corporation and the Members shall be limited to the extent specified in Article VII of the articles of incorporation and the Hawaii Nonprofit Corporations Act. (HRS 414D-32(b)(5).) The Corporation shall further indemnify and advance expenses to a Board member and an officer, employee, or agent of the Corporation consistent with Article VII of the articles of incorporation and the Act. (HRS 414D-160 to -167.)

If the Corporation indemnifies or advances expenses under Article VII of the articles of incorporation in connection with a proceeding by or in the right of the Corporation, the Corporation shall report such action taken in writing to the Members with or before the notice of the next meeting of the Members. (HRS 414D-307.)

ARTICLE X

MEMBERS AND MEMBERSHIPS

Section 10.1 Members of Record. The Members of the Corporation shall consist of those persons who are admitted into the Membership under the provisions of the articles of incorporation, bylaws and resolutions adopted by the Board. Membership in the Corporation is evidenced by the Corporation's current list of Members. (HRS 414D-81(a).)

Section 10.2 Classes of Membership and Good Standing; Admissions, Qualifications and Rights.

- 1) Classes of Membership; Benefits/Limitations and Good Standing: The Members of the Corporation shall consist of the following classes of Membership:
 - Individual Membership: Individual Members shall consist of those individuals who are interested in furthering the purposes of the Corporation and endeavors for accomplishing those purposes. Individual Members in good standing shall enjoy all the benefits of Membership, with such limitations as described in the bylaws and determined by the Board of Directors, and have the right to vote on matters submitted to a vote of the Members. Individual Members in good standing may hold office as a director and/or officer of the Corporation.
 - Institutional Membership: Institutional Members shall consist of organizations and companies, including but not limited to partnerships, corporations and associations, who are not otherwise eligible for Individual Membership and are interested in furthering the purposes of the Corporation and endeavors for accomplishing those purposes.

Institutional Members in good standing shall enjoy all the benefits of Membership, with such limitations as described in the bylaws and determined by the Board of Directors, and have the right to vote on matters submitted to a vote of the Members.

Each Institutional Member shall notify the Corporation in writing of its delegate, who shall represent the Member until the next annual Membership meeting unless prior notification of a substitute is received from the institution and accepted by the Board of Directors. A delegate as an individual, but not the Institutional Member, may hold office as a director and/or officer of the Corporation during the period of Institutional Membership.

Individual and Institutional Members who do not adhere to criteria applicable to Members and Memberships, appropriate standards of conduct or who otherwise fail to meet the qualifications of Membership as determined by the Board, shall be considered not in good standing and, as such, will not enjoy the benefits of Membership, including holding office or voting on matters submitted to a vote of the Members, and may be subject to such actions including those in Section 10.5.

The Board may establish other and/or additional criteria for Membership, as described below.

- 2) Admission, Qualifications and Member Rights: The Board of Directors shall have the power to establish conditions for admission of Members, admit Members, and issue Memberships. (HRS 414D-52(15); -131(b).) No person shall be admitted as a Member without the person's consent. (414D-81(b).) Except as described in these bylaws, the articles of incorporation and governing documents established by the Board, all Members shall have the same rights and obligations. (HRS 414D-84.)

Section 10.3 Member's Liability to Third Parties. A Member of the Corporation shall not, as such, be personally liable for the acts, debts, liabilities or obligations of the Corporation. (HRS 414D-85.)

Section 10.4 Resignation of Members. A Member may resign at any time by giving written notice to the Secretary. The resignation of a Member shall not release the Member from any obligations the Member may have to the Corporation as a result of obligations incurred or commitments made prior to such resignation. (HRS 414D-86.)

Section 10.5 Termination, Expulsion or Suspension of Members. No Member may be expelled or suspended, and no Membership or Memberships may be terminated or suspended except pursuant to a procedure that is fair and reasonable and carried out in good faith. Under Hawaii law, the procedure will be deemed fair and reasonable when either:

- 1) The Corporation provides: (a) prior written notice to the Member not less than fifteen (15) days before the expulsion, suspension, or termination indicating the reasons therefor; and (b) an opportunity for the Member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension, or termination by a person or persons authorized to decide that the proposed expulsion, suspension, or termination not take place; or
- 2) An alternative procedure is used that is fair and reasonable taking into consideration all the relevant facts and circumstances.

Any written notice given by mail shall be sent to the last known address of the Member shown in the corporate records. A Member who has been expelled or suspended may be liable for dues, assessments, or fees as a result of the obligations incurred or commitments made prior to the expulsion or suspension. (HRS 414D-89(a) - (c) and (e).)

ARTICLE XI

MEMBERS' MEETINGS AND VOTING

Section 11.1 Annual, Regular and Special Membership Meetings.

(1) Required Annual Meeting/Regular Meetings. The Corporation shall hold an annual Membership meeting in each calendar year and may have other regular meetings as determined by the Board. At each annual meeting, the President and Treasurer shall report on the activities and financial condition of the Corporation and the Members shall consider and act upon such other matters as may be raised consistent with the notice requirements in Section 11.4. The failure to hold an annual or regular meeting at a time stated in or fixed in accordance with these bylaws shall not affect the validity of any corporate action. (HRS 414D-101(a), (b), (d), (e) and (f).)

(2) Special Meetings. The Board of Directors, President, or nine (9) Members entitled to vote may call special meetings of the Members. Such Members may call the meeting by submitting a signed and dated writing to an officer, describing the purpose for which the meeting is to be held; the close of business on the thirtieth (30th) day before delivery of the demand for a special meeting to the officer shall be the record date under Section 11.2 for the purpose of determining whether the nine (9) Member requirement has been met under this Section for determining if there is an adequate number of voting Members for calling a meeting.

Upon delivery of the written request by the Members, the Corporation shall provide notice of the meeting to the Members in accordance with Section 11.4 within thirty (30) days. If such notice is not given, a person signing the demand may set the time and place of the meeting and give appropriate notice.

Only those matters within the purpose or purposes described in the meeting notice required by Section 11.4 may be conducted at a special meeting of Members. (HRS 414D-102(a), (b), (c) and (e).)

Section 11.2 Record Date: Determining Members Entitled to Notice, Vote, and Other. Under Hawaii law, the Corporation may set a date, called a "record date," to determine and set an official count of the Members for the purpose of providing notice, to vote or other action. (HRS 414D-107.) A record date allows the Corporation to use the official count of the Membership as of a predetermined date to ensure that it meets the notice and quorum requirements or taking other action since Members may join (or resign) from day-to-day.

(1) Record Date For Entitlement to Notice of Members' Meetings. The Board of Directors may fix a future date as the record date for determining the Members entitled to notice of a Members' meeting. If no such record date is fixed, Members at the close of business on the business day preceding the day on which notice is given, or if notice is waived, at the close of business on the business day preceding the day on which the meeting is held, are entitled to notice of the meeting. (HRS 414D-107(a).)

(2) Record Date For Entitlement to Vote. The Board may fix a future date as the record date for determining the Members entitled to vote at a Members' meeting. If no such record date is fixed, Members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting. (HRS 414D-107(b).)

(3) Record Date For Entitlement to Other Rights. The Board may fix a future date as the record date for the purpose of determining the Members entitled to exercise any rights in respect of any other lawful action. If no such record date is fixed, Members at the close of business on the day on which the Board adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is later, are entitled to exercise such rights. (HRS 414D-107(c).)

A record date may not be more than seventy (70) days before the meeting or action requiring a determination of the Members occurs. A determination of Members entitled to notice of or to vote at a Membership meeting is effective for any adjournment of the meeting, unless the Board fixes a new date for determining the right to notice or the right to vote, which the Board must do if the meeting is adjourned to a date more than seventy days after the record date for determining Members entitled to notice of the original meeting. (HRS 414D-107(d) and (e).)

Section 11.3 Corporation to Prepare Members' List for Meetings.

(1) Preparation and Maintenance of List. After fixing a record date for a notice of a meeting under Section 11.2, the Corporation shall prepare an alphabetical list of the names of all Members entitled to notice of the meeting. The list shall include the Members' addresses and number of votes each Member is entitled to cast at the meeting. The Corporation shall further 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. (HRS 414D-109(a).)

(2) Inspection of List Upon Demand. The list of Members shall be available for inspection by any Member for the purpose of communication with other Members concerning the meeting. The list shall be available at the Corporation's principal office or other reasonable place identified in the meeting notice in the city where the meeting will be held, beginning two (2) business days after notice of the meeting for which the list was prepared is given and continuing through the meeting. A Member is entitled on written demand to inspect and copy the list at a reasonable time and at the Member's expense during the period that it is available if the demand is made in good faith and for a proper purpose, the Member describes

with reasonable particularity the purpose and the records the Member desires to inspect, and the records are directly connected with this purpose. The demand shall also be subject to the limitations in Section 12.2. (HRS 414D-109(b).)

(3) Inspection at Meeting Upon Request. If a request is submitted at least five (5) business days prior to the meeting, the Corporation shall make the list of Members available at the meeting. Any Member may inspect the list at the meeting or any adjournment. (HRS 414D-109(c).)

Section 11.4 Notice of Meetings of Members. Unless otherwise required, notice to Members may be oral, written or in the form of an electronic transmission. Notice may be provided by electronic transmission; provided, that the Member to whom the notice is given consents (“electronic transmission” means any form of communication that does not involve the transmission of paper and that creates a record). Oral notice is effective when it is communicated. Unless otherwise indicated in the Hawaii Nonprofit Corporations Act, written notice to Members is effective when mailed so long as the notice is postpaid and correctly addressed to the Member’s last known address as shown in the organization’s current list of Members. (HRS 414D-14; -15(a), (b), (c), and (d).)

A written notice or report delivered as part of a newsletter or other publication regularly sent to Members shall constitute a written notice if addressed or delivered to the Member’s last known address, or in the case of Members who are residents of the same household and who have the same address, if addressed or delivered to one of the Members, at the last known address. (HRS 414D-15(g).)

The following means of electronic transmission shall be deemed to have been given as follows:

- 1) If by facsimile, when directed to a number at which the Member has consented to receive notice;
- 2) If by electronic mail, when directed to an electronic mail address at which the Member has consented to receive notice;
- 3) If by posting on an electronic network together with separate notice to the Member of the specific posting, upon the later of the posting and the giving of the separate notice; and
- 4) If by any other form of electronic transmission, when directed to the Member. (HRS 414D-15(j).)

A Member may revoke such consent by written notice or electronic transmission to the Corporation. Such consent shall be deemed to be revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices in accordance with the consent, and

(2) such inability becomes known to the Secretary or other person responsible for giving notice; provided, that the inadvertent failure to treat the inability to give electronic notice as a revocation shall not invalidate any meeting or other action. (HRS 414D-15(i).)

If the notice requirements described below or Hawaii Nonprofit Corporations Act prescribes notice requirements for particular circumstances, those requirements shall govern. If the articles of incorporation or these bylaws prescribe notice requirements, which are not inconsistent with this Section or the Nonprofit Corporations Act, those requirements shall govern. (HRS 414D-15(k).)

All notices to the Members shall be provided in a fair and reasonable manner. (HRS 414D-105(a).) Notice shall be deemed fair and reasonable if given as follows:

- 1) The Corporation gives notice to the Members of the date, time and place of each annual, regular and special meeting of Members no fewer than ten (10) or more than sixty (60) days before the meeting date;
- 2) The notice of an annual or regular meeting includes a description of any matter that must be approved by the Members under the following circumstances: director conflict of interest (HRS 414D-150); determination and authorization of indemnification (HRS 414D-164); amendment of the articles of incorporation (HRS 414D-182); approval of a plan of merger (HRS 414D-202); approval of a sale, lease, exchange or other disposition of all, or substantially all, of the Corporation's assets other than in the usual and regular course of activities (HRS 414D-222); and approval of a plan of dissolution (HRS 414D-241 and -242); and
- 3) The notice of a special meeting includes a description of the matter(s) for which the meeting is called. (HRS 414D-105(c).)

Other means of giving notice may also be fair and reasonable when all the circumstances are considered; provided, however, that notice of the matters referred to in Subsection 2), immediately above, must be given. (HRS 414D-105(b).)

If an annual, regular or special meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place, so long as the new date, time or place is announced at the meeting prior to the adjournment. However, if the new date is more than seventy (70) days from the original record date for determining Members entitled to notice, then a new record date must be set under Section 11.2, above, and notice given to the Members of record as of the new record date. (HRS 414D-105(d).)

Section 11.5 Waiver of Notice by Member. A Member may waive any required notice before or after the date and time stated in the notice by delivering to the Corporation a signed waiver of notice. A Member may also waive any objection to the lack of notice or

defective notice of the meeting by attending the meeting without objecting at the beginning of the meeting and to consideration of a particular matter at the meeting by not objecting when it is presented. (HRS 414D-106.)

Section 11.6 Decision-Making By Meeting and Quorum. Ten (10) voting Members shall constitute a quorum, unless otherwise required by the articles of incorporation, bylaws or the Hawaii Nonprofit Corporations Act. Any amendment to decrease the quorum may be approved by the Members or, unless prohibited by the bylaws, by the Board of Directors. The Members must approve any amendment to the bylaws to increase the quorum required for any Member action. Unless one-third (1/3) or more of the voting Members are present in person, the only matters that may be voted upon at an annual or regular meeting of Members are those that are described in the meeting notice. (HRS 414D-111.)

If a quorum is present, a majority vote of the Members present at the meeting shall be the act of the Members, unless the articles of incorporation, bylaws or the Hawaii Nonprofit Corporations Act require a greater vote or voting by class. The Members must approve any amendment to the bylaws to increase or decrease the vote required for any Member action. (HRS 414D-112.)

Unless otherwise limited, enlarged or denied in the articles of incorporation, each Member shall be entitled to one (1) vote on each matter submitted to a vote of Members. Unless the articles or bylaws provide otherwise, if a Membership stands of record in the names of two (2) or more persons, if one votes, the act binds all; if more than one votes, the vote shall be divided on a pro rata basis. (HRS 414D-110.)

If authorized by the Board in its sole discretion, Members may participate at an annual, a regular or a special meeting of the Members by means of the Internet, teleconference, or other electronic transmission technology in a manner that allows Members the opportunity to read or hear the proceedings substantially concurrently with the occurrence of the proceedings, vote, pose questions, and make comments. The Corporation shall implement reasonable measures to verify that each person deemed present in this manner and permitted to vote is a Member. (HRS 414D-101(g); -102(f).)

Section 11.7 Proxy Voting Prohibited. A Member may not appoint a proxy to vote or otherwise act for the Member.

Section 11.8 Decision-Making Without Meeting.

(1) Action by Written Consent: If authorized by the Board in its sole discretion, any action to be approved by the Members at a meeting may be approved without a meeting if at least eighty percent (80%) of the Members entitled to vote approve such action by written consent, and the consent is signed by those Members, describes the action taken, and is delivered to the Corporation. Such written consent shall have the same effect as a meeting vote.

If the record date is not otherwise determined by the Board under Section 11.2, the record date for determining Members entitled to take action without a meeting is the date the first Member signs the written consent. Written notice of Member approval under this Section shall be given to all Members who have not signed the written consent. If written notice is required, Member approval under this Section shall be effective ten (10) days after the written notice is given. (HRS 414D-104.)

(2) Action by Ballot: If authorized by the Board in its sole discretion, any action that may be taken by the Members at a meeting of Members may be taken without a meeting if the Corporation delivers a ballot to every Member entitled to vote on the matter. The Corporation may deliver the ballot by electronic transmission. To be effective, the ballot must: (a) be in written form or in the form of an electronic transmission, (b) set forth each proposed action, (c) provide an opportunity to vote for or withhold a vote for each candidate for election as a director or officer, and (d) provide an opportunity to vote for or against each proposed action.

All solicitations for votes by ballot shall (a) indicate the number of responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to approve each action, and (c) specify the time by which a ballot must be received by the Corporation in order to be counted.

Approval by ballot shall be valid if (a) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting to authorize the action, and (b) the number of affirmative votes equals or exceeds the number of affirmative votes for approval that would be required to approve the action at a meeting. Except as provided in these bylaws or articles of incorporation, a ballot may not be revoked. (HRS 414D-104.5.)

ARTICLE XII

INSPECTION OF CORPORATE RECORDS

Section 12.1 Inspection of Records by Members.

(1) A Member is entitled to inspect and copy the following records at a reasonable time and location specified by the Corporation; provided, that the Member gives at least five (5) business days written notice:

- a) The articles of incorporation, bylaws, and all amendments in effect;
- b) Resolutions adopted by the Board relating to the Members' characteristics, qualifications, rights, limitations, and obligations;
- c) Minutes of Member meetings and records of actions approved by the Members for the past three (3) years;

- d) Financial statements furnished to Members under HRS 414D-306 (Section 12.3 of these bylaws) for the past three (3) years;
- e) The names and business or home addresses of the current directors and officers; and
- f) The most recent State annual report filed with the State Department of Commerce and Consumer Affairs under HRS 414D-308 (Section 7.1(1) of these bylaws). (HRS 414D-302(a).)

(2) Additionally, a Member may inspect and copy, at a reasonable time and location specified by the Corporation, the following documents; provided, that the Member gives the Corporation written notice at least five (5) business days before the date that the Member wishes to inspect and copy, the demand to inspect is made in good faith and for a proper purpose, the Member describes with reasonable particularity the purpose and the records the Member desires to inspect, and the records are directly connected with the purpose:

- a) Excerpts of the minutes of the meetings of the Members and Board, a record of actions taken by the Members or directors without a meeting under Sections 3.4 and 11.8, and a record of authorized actions taken by committees of the board (see Article IV), to the extent not subject to inspection above;
- b) Accounting records; and
- c) Subject to HRS 414D-109(b) and -305 (see Sections 11.3(2) and 12.2), the Membership list. The Corporation may comply with a Member's demand to inspect the Membership list by providing the Member with a list of its Members that was compiled no earlier than the date of the demand. (HRS 414D-302(b) and (c); -303(d).)

(3) The Corporation may impose a reasonable charge for labor and materials to cover the cost of copies; provided, that such charge shall not exceed the estimated cost of production or reproduction of the records. (HRS 414D-303(c).)

Section 12.2 Limitation on Use of Membership List. Without the Board of Directors' consent, the 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 foregoing, without the Board's consent, the Membership list or any part thereof shall not be 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 the Corporation, used for any commercial purpose, sold to or purchased by any person, or published in whole or in part to the general public. (HRS 414D-305.)

Section 12.3 Inspection and Copying of Financial Statements. Upon a Member's written demand, the Corporation shall provide the Member with its latest annual financial statements. If the financial statements are prepared on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.

If a public accountant reported upon the annual financial statements, the accountant's report must accompany them. If not, the statements must be accompanied by a statement by the President or person responsible for the financial accounting records, 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 any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year. (HRS 414D-306.)

ARTICLE XIII

EMERGENCY POWERS

In anticipation of or during an emergency, the Board of Directors may act in accordance with the following guidelines, as provided for in Hawaii Revised Statutes 414D-53:

- 1) An emergency exists if a quorum of the directors cannot readily assemble because of some catastrophic event.
- 2) The Corporation may modify lines of succession to accommodate the incapacity of any director, officer, employee or agent.
- 3) The Corporation may relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so.
- 4) During an emergency, notice of a Board meeting need only be given to those directors that are practicable to reach and may be given in any practicable manner, including publication and radio. Additionally, one or more officers present at a Board meeting may be deemed to be directors for the meeting in order of rank, as necessary, to achieve a quorum.
- 5) Corporate action taken in good faith during an emergency to further the ordinary affairs of the Corporation binds the Corporation and may not be used to impose liability on a director, officer, employee or agent.

ARTICLE XIV

AMENDMENTS

Section 14.1 Amendment/Restatement of Bylaws and/or Articles of Incorporation. Subject to Section 14.2, to amend or restate these bylaws or the articles of incorporation, the Board shall adopt a resolution setting forth the proposed amendment/restatement and directing that it be submitted to a vote at a meeting of the Members. The Corporation shall notify each Member of the meeting in accordance with these bylaws for giving notice to Members. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment/restatement and contain or be accompanied by a copy or summary of the amendment/restatement. If the Board seeks to have the amendment/restatement approved by ballot or written consent, the material soliciting the approval shall contain or be accompanied by a copy or summary of the amendment/restatement. An amendment or a restatement requiring Member approval must be approved by receiving at least two-thirds (2/3) of the votes which Members present at the meeting are entitled to cast. (HRS 414D-182(a)(1); -184; -187.)

All amendments to these bylaws shall be consistent with the articles of incorporation. (HRS 414D-187.)

Section 14.2 Amendment Terminating or Canceling Members. Any amendment to the articles of incorporation or the bylaws, which would terminate all Members or any class of Members or redeem or cancel all Memberships or any class of Memberships must be approved by the Members by the following procedure:

- 1) Prior to adopting a resolution proposing such an amendment, the Board of Directors shall give notice of the general nature of the amendment to the Members.
- 2) After adopting a resolution proposing such an amendment, the Board must give notice to the Members proposing the amendment, and the notice shall include one or more statements of up to five hundred (500) words opposing the amendment if such statement is submitted by any five (5) Members or by Members having three percent (3%) or more of the voting power, whichever is less, not later than twenty (20) days after the Board has voted to submit such amendment to the Members for approval.
- 3) The proposed amendment must be approved by the Members by two-thirds (2/3) of the votes cast by each class present at the meeting at which the amendment is voted upon.

Section 10.5 shall not apply to any amendment meeting the requirements of this Section. (HRS 414D-89.5.)

C E R T I F I C A T I O N

I certify that I am an authorized officer of the Corporation and that the Members entitled to vote adopted these bylaws on _____, and the bylaws are currently effective. These bylaws supersede the bylaws adopted on February 16, 2013, and all amendments thereto.

Date: _____

Authorized Officer (signature and office held)