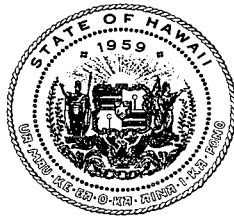


NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

DIVISION OF STATE PARKS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

January 31, 2013

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Senate Committee on Ways and Means
State Capitol, Room 208
Honolulu, HI 96813
Attn: Rod Becker

Dear Mr. Becker:

Please accept this application for a grant-in-aid to fund the preparation of a Master Plan for Ahupua'a 'O Kahana State Park. I am a Planner with the Division of State Parks and a member of the Living Park Planning Council established by Act 15, SLH 2009. Ralph Makaiau, Jr., the Applicant for the grant-in-aid is also a council member and he represents the nonprofit organization for which the funds will be passed through to be administered by the division. The funds are being sought to hire an independent contractor to prepare the park's Master Plan.

Should you have any questions or need additional information, please do not hesitate to contact me at 587-0293 or by email to: Lauren.A.Tanaka@hawaii.gov.

Sincerely,



Lauren A. Tanaka
Division of State Parks

House District 48
Senate District 23

THE TWENTY-SEVENTH LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

- GRANT REQUEST - OPERATING GRANT REQUEST - CAPITAL SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):
Land and Natural Resources, Division of State Parks

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Ralph Makaiiau, Jr. for Kahuku 2000 (K2K)
Dba:

Street Address: 56-134 Ualalea St.
Mailing Address: Kahuku, HI 96731

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name Ralph Makaiiau, Jr.
Title Vice- President, Kahuku 2000 (K2K)
Phone # 293-5220
Fax # ----
e-mail rmakaiiau@tbrdevelopment.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
 FOR PROFIT CORPORATION
 LIMITED LIABILITY COMPANY
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Preparation of a Master Plan for Ahupua'a 'O Kahana State Park by an independent contractor.

4. FEDERAL TAX ID #: [REDACTED]
5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: \$ 25,000.00

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ 0
FEDERAL \$ 0
COUNTY \$ 0
PRIVATE/OTHER \$ 0

NAME & TITLE OF AUTHORIZED REPRESENTATIVE

Ralph Makaiiau Jr. (K2K)
NAME & TITLE

Jan. 25, 2013
DATE SIGNED

Application for Grants and Subsidies

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. A Brief Description of Applicant's Background

The applicant's occupation is Senior Project Manager for Turtle Bay Development. He is also a member of the Kahana Planning Council and former Chair, representing the greater community; Vice President of Kahuku 2000 (K2K); Member and 2012 Chair, Kahuku Community Association; Member, Mālama 'Ohana, an organization comprised of representatives of the Ko'olauloa moku; and Member, Kahuku Burial Committee, Kūpuna Iwi.

2. Goals and Objectives Related to Request

The primary goal of this request is to complete a Master Plan for Ahupua'a O Kahana State Park as required by Act 15, SLH 2009.

3. Public Purpose and Need to be Served

Ahupua'a 'O Kahana State Park is unique in that it is the only remaining ahupua'a in the major Hawaiian islands with a single owner and the only one owned by the State of Hawai'i. At 5228.7 acres, it is the second largest state park in the state park system. In 1965, a report was prepared by former legislator and real estate appraiser, John Hulten that found Kahana suitable to become a regional park, with recreational opportunities in water sports, mountain camping, salt and freshwater fishing, and a tropical botanical garden, having 600 developable acres with cabins, restaurants, a hotel and a manmade 50 acre lake. In response, the Legislature appropriated \$1 million for the first of five payments to purchase the land. The offer was rejected by the private landowner and the State moved to condemn the property for park purposes for the same price of \$5 million. By 1969, the State had made the last payment and owned the ahupua'a free and clear. The residents that were living there, were granted month-to-month permits and were told that the State intended to relocate them outside of Kahana.

The concept of making the ahupua'a into a cultural living park was initiated in 1970 with the intent of allowing its residents to continue to live in the ahupua'a by providing interpretive programs. For the next 17 years, the State struggled with managing a public resource in which families resided, becoming a landlord of an ahupua'a, a responsibility for which it had no management experience.

From 1970 to 2000, a number of plans, reports, and studies were prepared that for various reasons, the residents, the general public, the State Legislature, and the Board of Land and Natural Resources did not approve. The plans funded by the State recommended grandiose themes for development that would have negatively impacted the rural culture and destroyed Kahana's natural beauty.

In 1987, the Legislature enacted Act 5, establishing the interpretive programs for the public benefit and assuring the residents' ability to live in the park by authorizing the DLNR to issue long-term leases up to 65 years to those who met one or both of the following criteria:

- 1) lived continuously on park land prior to 1970; and
- 2) those who had permits from the department that allowed them to reside on specific property within the park.

The lease required all qualified persons to agree to be an essential part of the interpretive programs.

In 1992 another report was completed concluding that the residents are in need of direction, a vision of what will be and systems for achieving it. In order for the cultural living park to be actualized, commitment and empowerment to succeed must be established in those who are living in Kahana.

In 1999, 31 leases were signed with the requirement that 25 hours of interpretive services be provided in lieu of lease rent. By 2001, some of the families fell behind in their hours and evictions were issued by the State. Also in 2001, the Legislative Reference Bureau prepared a report in response to the passage of SCR 61, S.D.1, requesting a study on the feasibility of creating a culturally-sensitive ahupua'a-based entity that would provide comprehensive management of the ahupua'a and promote cooperation between government agencies and the residents of Kahana. The report came to the conclusion that the primary problem facing Kahana was the lack of a Master Plan that ranks activities in the interpretive programs by priority and ties these activities into a commitment by the residents. Other issues such as the relationship between the State and the residents, the lease, were raised and in 2004, 6 families try to submit applications for a new lease. In 2008, eviction notices were issued to the 6 families.

In 2009, Act 15 became law placing a moratorium on the evictions for 2 years and established the Living Park Planning Council who was charged with the development of a master plan that includes the following:

- establish goals and objectives to ensure the living park reaches its full potential;
- sets forth standards and timelines that enables the goals and objectives to be met;
- identify programs for enhancement of educational opportunities and cultural awareness;
- develop plans to secure funding for a land manager, a housing fund, and any other financial needs identified in the park's Master Plan;
- dialogue with residents, kūpuna, community groups and organizations from other ahupua'a to share knowledge that is mutually beneficial;
- advise the Department of Land and Natural Resources on park related matters;
- propose agreements establishing the council's authority to implement the Master Plan;
- establish criteria, policies, and controls for the management of the living park leases including how people are selected for a lease, designation of lands to be leased, terms and conditions of the leases, monitoring and enforcement of the lease terms and conditions, treatment of persons residing in the living park without a lease, assignment and renewal of leases;
- maintain, promote, and perpetuate the aloha spirit; and
- develop protocols, and proposals to encourage caring for kūpuna and for sharing and perpetuating kūpuna knowledge.

Act 15 created yet another entity to be responsible for coming up with a comprehensive master plan but did not provide the council with any funds to accomplish what they are charged to do. (To date, the council has had 9 unofficial meetings (a full council was not appointed until February 10, 2010), 30 official meetings, and 5 meetings conducted specifically to hear the residents' concerns.)

The intent of Act 15 and its requirement that the council develop a Master Plan is seen by some as finding solutions to enable both the State and the residents to peacefully coexist. To provide guidance, direction and vision for what needs to be done in order for the State to better manage the leases, its interpretive programs, and the people who live there, and to empower the people to build a functioning community that has shared values for what a cultural living park is. To address the dysfunctional relationship between the State and the residents by recommending ways to build mutual respect and a common vision with instructions on how to develop collaborative partnerships that will benefit the ahupua'a resources and the people of Hawai'i now and in the future. A Master Plan without these goals in mind will result in the State continuing its inability to manage Kahana's people and the people will remain struggling and floundering with trying to meet the interpretive requirement so that they can live in Kahana or give up trying and be faced with the threat of eviction.

4. Description of Target Population to be Served

The primary beneficiaries of a Master Plan will be the residents of Kahana and the State; the residents will be able to perform the interpretive services required for their leases willingly and with a sense of commitment; and the State will have the means to: 1) improve their relationship with a community that is an essential part of the park and is contributing to the park's programs which serve organized group visitations, particularly school groups; 2) supports a thriving ahupua'a system; 3) preserves its cultural and environmental resources, and 4) manage a cultural living park that nurtures and fosters Hawaiian culture and is dedicated to sharing the knowledge with the greater Hawaiian community.

5. Description of Geographic Coverage

The ahupua'a of Kahana is part of the larger district of Ko'olauloa.

II. Service Summary and Outcomes

The service summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities
Review Act 5, SLH 1987.
Review Act 15, SLH 2009.
Review residents' history.
Review all plans, reports, and studies prepared about the ahupua'a.
Coordinate and conduct in-depth interviews with all residents of Kahana.
Perform community building with the residents and appropriate staff in the Department of Land and Natural Resources.
Compile and analyze interview data and provide summary report to stakeholders.
Prepare preliminary draft of the Master Plan and seek comments from stakeholders.
Prepare final draft of Master Plan.
2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;
See attached Timeline.
3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results.

The Governor appointed a staff person of the Division of State Parks to the Living Park Planning Council. She will be responsible for administering the grant-in-aid funds for this project and will provide quarterly reports to the department on the progress made towards the Master Plan.

- 4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency).
See attachment 2.

III. Financial

Budget

- 1. The Applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
Not applicable.
- 2. The Applicant shall provide its anticipated quarterly funding requests for the fiscal year 2014.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$5,000.00		\$15,000.00	\$5,000.00	\$25,000.00

- 3. The Applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2014.
No other sources of funding are planned to be sought.
- 4. The Applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the Applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.
Not applicable.

IV. Experience and Capability

A. Necessary Skills and Experience

The Applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The Applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to this request.

K2K has functioned as a pass through nonprofit with the City and County of Honolulu for baseline marine ocean outlet studies from Waiale'e to Hau'ula for \$1.2 million.

K2K has partnered with the State Department of Transportation (DOT) and Federal Department of Transportation (US DOT) for the construction of two bridges in Kahuku for \$11 million.

Prepared flood studies for the Kahuku area with the US Army Corps of Engineers for \$200,000.

B. Facilities

Provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

Not applicable.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The Applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The Applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train, and provide administrative direction relative to the request.

Not applicable.

B. Organization Chart

The Applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

Not applicable.

VI. Other

A. Litigation

The Applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

Not applicable.

B. Licensure or Accreditation

The Applicant shall specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

Not applicable.

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2013 to June 30, 2014)

Applicant: Ralph Makaiiau, Jr.

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	-0-			
2. Payroll Taxes & Assessments	-0-			
3. Fringe Benefits	-0-			
TOTAL PERSONNEL COST	-0-			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	-0-			
2. Insurance	-0-			
3. Lease/Rental of Equipment	-0-			
4. Lease/Rental of Space	-0-			
5. Staff Training	-0-			
6. Supplies	-0-			
7. Telecommunication	-0-			
8. Utilities	-0-			
9 Funds will be used to	\$25,000.			
10 hire an independent contractor				
11 to prepare a Master Plan for				
12 Ahupua'a 'O Kahana State Park				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	\$25,000.			
C. EQUIPMENT PURCHASES	-0-			
D. MOTOR VEHICLE PURCHASES	-0-			
E. CAPITAL	-0-			
TOTAL (A+B+C+D+E)	\$25,000.			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	\$25,000.	Ralph Makaiiau, Jr. 447-6954		
(b)				
(c)				
(d)				
TOTAL BUDGET	\$25,000.	Ralph Makaiiau, Jr., VP K2K Name and Title (Please type or print)		

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Ralph K. Makaiiau J. (VPK2K)
(Typed Name of Individual or Organization)

(Date)

Ralph K. Makaiiau, Jr.

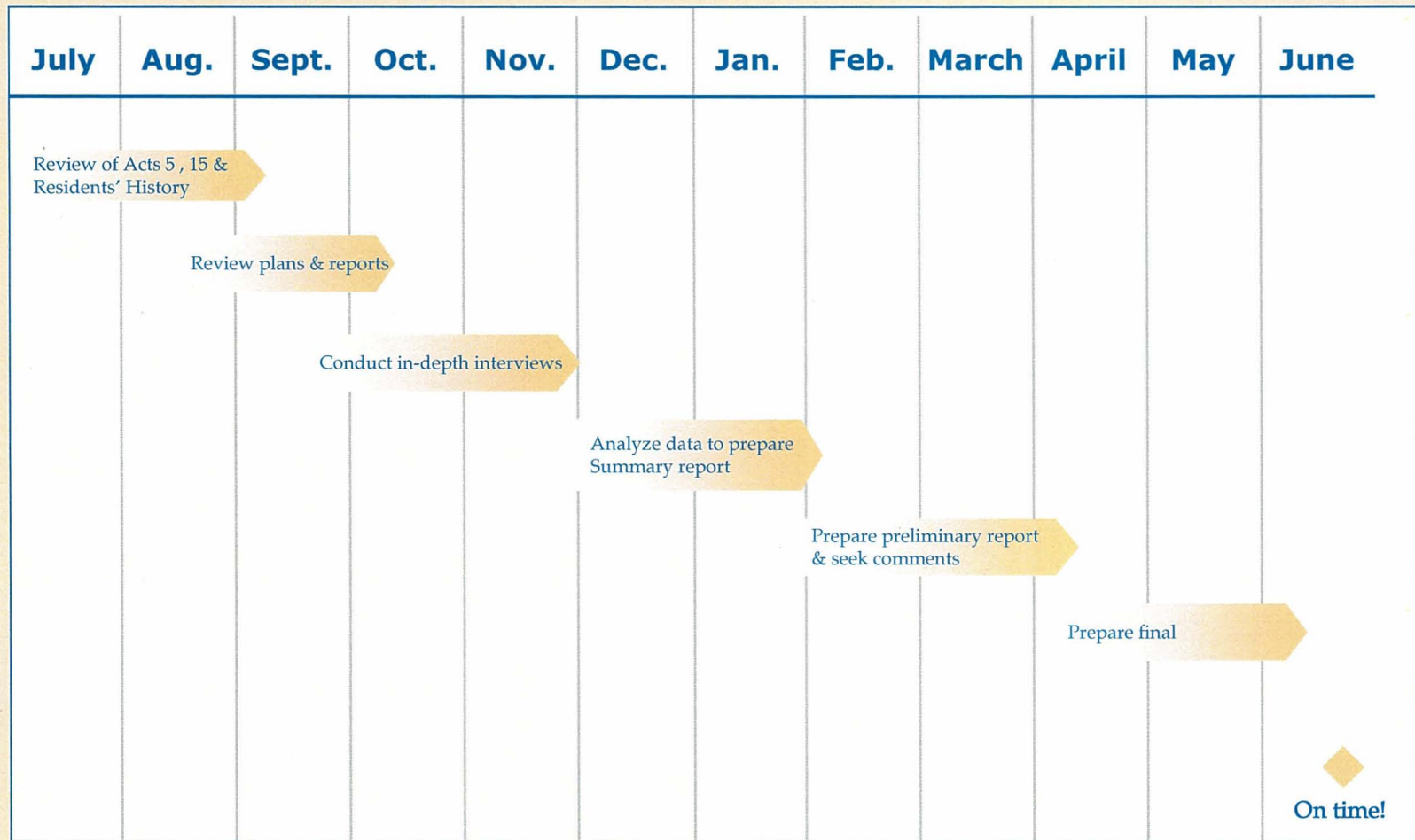
Vice-President (K2K)

(Typed Name)

(Title)

Timeline for the Master Plan of Ahupua‘a ‘O Kahana State Park

Fiscal Year 2014

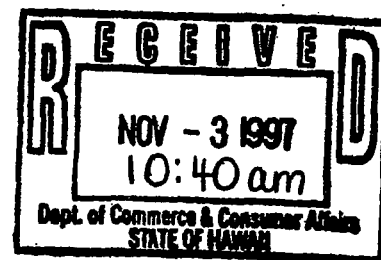


Measures of EffectivenessBudget Period
FY 2014 (July 1, 2013 to June 30, 2014)1st Quarter 2nd Quarter 3rd Quarter 4th QuarterNo. of Interviews Conducted
with Resident Families

Analysis of Interview Data in Summary Report

Preliminary Draft of Master Plan

Final Master Plan
(To Land Board for Approval after June 30, 2014)



ARTICLES OF INCORPORATION
(Section 415B-34, Hawaii Revised Statutes)

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, certify as follows:

I

The name of the corporation shall be: KAHUKU 2000

II

The address of the corporation's office is (provide street address): 56-134 Pualalea Street
Kahuku, Hawaii 96731.

III

The period of its duration is perpetual.

IV

Section 1. The purpose(s) for which the corporation is organized:

- a. To raise the economic, educational and social levels of the residents of the Kahuku area of Oahu, including members of the minority community, who are substantially unemployed, underemployed, or whose income is below federal poverty guidelines; to foster and promote community-wide interest and concern for the problems of said residents to the end that (a) educational and economic opportunities may be expanded; (b) sickness, poverty, crime, and environmental degradation may be lessened; and (c) racial tensions, prejudice, and discrimination, economic and otherwise, may be eliminated;
- b. To expand opportunities available to said residents and groups to own, manage, and operate business enterprises in economically depressed areas; to assist said residents and groups, and the nonprofit organizations working with them, in developing entrepreneurial and management skills necessary for the successful operation of business enterprises; and to assist said residents and groups, and their nonprofit supporters, in obtaining financial support from other sources;
- c. To expand opportunities available to said residents and groups to obtain adequate low-cost housing accommodations by constructing, rehabilitating, and providing decent, safe and sanitary housing in relevant parts of Oahu for persons and families of low income who otherwise would not be able to find or afford a suitable place to live; to help relieve the poor, distressed, underprivileged and indigent by enabling them to secure the basic human needs of decent shelter and to thus lessen the burdens of government and promote the social welfare; to provide such housing through rehabilitation of existing substandard buildings and construction of new facilities in the place of blighted structures or blighted vacant sites for the purpose of combatting the deterioration of the community and contributing to its physical improvement;

and the transaction of any or all lawful activities for which nonprofit corporations may be incorporated under Chapter 415B, Hawaii Revised Statutes.

Section 2. And in furtherance of said purposes, the corporation shall have all powers, rights, privileges and immunities, and shall be subject to all of the liabilities conferred or imposed by law upon corporations of this nature, and shall be subject and have all the benefits of all general laws with respect to corporations.

The number of directors shall not be less than three (3) and the number of directors constituting the initial Board of Directors is four (4). The following are the names and residence street addresses of the initial directors:

Directors (must be individuals)

Name	Residence Street Address (number, street, city, state, zip code)
1. <u>Mr. Warren Soh</u>	<u>56-330 Olauniu Pl. Kahuku, Hawaii 96731</u>
2. <u>Mr. Ralph K. Makaiiau</u>	<u>56-134 Pualalea St. Kahuku, Hawaii 96731</u>
3. <u>Mrs. Susan Kono</u>	<u>54-034 Kukuna Rd. Hauula, Hawaii 96717</u>
4. <u>Mr. Don Hurlbut</u>	<u>56-608 Pualalea Pl. Kahuku, Hawaii 96731</u>

The officers of the corporation shall consist of a president, vice president, secretary and treasurer. The following are the names and residence street addresses of the initial officers:

Officers (must be individuals)

Name	Residence Street Address (number, street, city, state, zip code)
President <u>Mr. Warren Soh</u>	<u>56-330 Olauniu Pl. Kahuku, Hawaii 96731</u>
Vice-President <u>Mr. Ralph K. Makaiiau</u>	<u>56-134 Pualalea St. Kahuku, Hawaii 96731</u>
Secretary <u>Mrs. Susan Kono</u>	<u>54-034 Kukuna Rd. Hauula, Hawaii 96717</u>
Treasurer <u>Mr. Ralph K. Makaiiau</u>	<u>56-134 Pualalea St. Kahuku, Hawaii 96731</u>

- The corporation has members.
- The corporation has no members.

The corporation is nonprofit in nature, and shall not authorize or issue shares of stock. No dividends shall be paid and no part of the income or profit of the corporation shall be distributed to its members, directors, or officers, except for services actually rendered to the corporation, and except upon liquidation of its property in case of corporate dissolution.

We certify under the penalties of Section 415B-158, Hawaii Revised Statutes; that we have read the above statements and that the same are true and correct.

Witness our hands this 31st day of October, 1997

Commission expires: 2.9.9

Mr. Warren Soh
(Type/Print Name of Incorporator)

Mr. Ralph K. Makaiiau
(Type/Print Name of Incorporator)

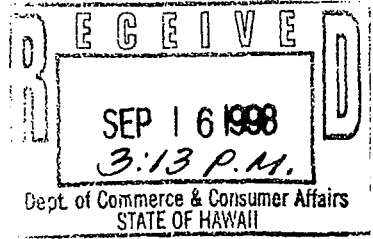
[Redacted Signature]

[Redacted Signature]

(Signature of Incorporator)
(Sign in black ink)

(Sign in black ink)

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P. O. Box 40, Honolulu, Hawaii 96810



ARTICLES OF AMENDMENT
(Section 415B-38, Hawaii Revised Statutes)

The undersigned, duly authorized officers of the corporation submitting these Articles of Amendment, certify as follows:

1. The name of the corporation is:

KAHUKU 2000

2. The amendment adopted is attached.

3. If adoption of the amendment was by the members, complete the following:

A. A meeting of the members was held on SEPTEMBER 12, 1998 ^{CORRECTION SEE 365}
(Month Day Year)

A quorum was present at the meeting, and at least two-thirds of the members present at the meeting voted to adopt the amendment.

OR

B. The amendment was adopted by the written consent of all of the members of the corporation entitled to vote.

4. If adoption of the amendment was by the board of directors, complete the following:

A. A meeting of the directors was held on SEPTEMBER 12, 1998
(Month Day Year)

A quorum was present at the meeting, and a majority of the directors in office voted to adopt the amendment.

OR

B. The amendment was adopted by the written consent of all of the board of directors.

5. If the amendment was adopted by the board of directors, check only one of the following:

The corporation has no members. OR There are no members entitled to vote.

We certify under the penalties of 415B-158, Hawaii Revised Statutes, that we have read the above statements, and that the same are true and correct.

Witness our hands this 16th day of September, 1998.

WARREN SOH PRESIDENT

SUSAN H. KONO, Secretary
(Type/Print Name & Title)

[Redacted Signature]

(Signature of Officer)

SUSAN H. KONO
(Signature of Officer)

(See Reverse Side For Instructions)

ATTACHMENT TO ARTICLES OF AMENDMENT
of

KAILUKU 2000

(Corporate Name)

Fill in applicable blank(s) and insert text of the amendment.

Article IX, Section _____, Subsection _____

Paragraph _____ is ~~amended~~ ^{ADDED} to read as follows:

This corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

No substantial part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall this corporation participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Upon winding up and dissolution of this corporation, after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable, educational, religious, and or scientific purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code. However, if the named recipient is not then in existence or no longer a qualified distributee, or unwilling or unable to accept the distribution, then the assets of this organization shall be distributed to a fund, foundation or organization which is organized and operated exclusively for the purposes specified in section 501(c)(3) of the Internal Revenue Code.

ATTACHMENT TO ARTICLES OF AMENDMENT
of

KAHUKU ZOO

(Corporate Name)

Fill in applicable blank(s) and insert text of the amendment.

Article VIII, Section _____, Subsection _____

Paragraph _____, is amended to read as follows:

THE CORPORATION IS NONPROFIT IN NATURE, AND
SHALL NOT AUTHORIZE OR ISSUE SHARES OF STOCK.
NO DIVIDENDS SHALL BE PAID AND NO PART OF THE
INCOME OR PROFIT OF THE CORPORATION SHALL BE
DISTRIBUTED TO ITS MEMBERS, DIRECTORS, OR OFFICERS
EXCEPT FOR SERVICES ACTUALLY RENDERED TO THE
CORPORATION

BYLAWS
OF
KAHUKU 2000

ARTICLE 1: NAME

The name of this corporation shall be Kahuku 2000 (hereinafter "KMM").

ARTICLE 2: GEOGRAPHIC AREA

Section 2.01. Geographic Service Area. The geographic service area of concern to KMM shall primarily be from Waimea Bay to Kaawa, but shall cover a broader area if deemed necessary by the board of Directors, particularly if needed to achieve adequate scale to properly serve the primary target area.

Section 2.02. Principal Executive Office. The principal executive office of the corporation shall be located at 56-134 Pualalea Street, Kahuku, HI 96731. The Board of Directors may change the location of this office. Any such change shall be noted on these Bylaws by the Secretary, opposite this section, or this section may be amended to state the new location.

Section 2.03. Other Offices. Other offices may at any time be established at any place or places specified by the Board of Directors.

ARTICLE 3: OBJECTIVES AND PURPOSES

The corporation is organized, and shall be operated, exclusively for community-based economic development purposes, within the meaning of 501(c)(3) of the Internal Revenue Code of 1954, as it now is or may from time to time be amended. It is not organized nor shall it be operated, for pecuniary profit, and no part of its assets, income, or earnings shall be distributed to any of its officers, except as ~~reasonable compensation for services actually rendered.~~

The purpose of KMM is to preserve and promote programs for building community-based partnerships that will enhance the development of Ko'olauloa as a healthy community, addressing current conditions of unemployment and underemployment, serious health problems, a shortage of decent affordable housing, and the lack of a supportive social infrastructure, at the same time preserving the unique environmental and cultural values of the area.

(KCCCA KAHUKU)

The goals of KMM are:

1. To provide or facilitate the promotion of programs and services to the community individuals and groups for the economic development of Kahuku.
2. To provide a forum and method for the sharing of resources and information with agencies involved in providing services to community individuals and businesses in the geographic service area.
3. To educate the public, including legislators and policy makers, of the needs for economic, ecological, and housing development in the service area and;
4. To promote the involvement of community members in decisions affecting their lives.

ARTICLE 4: DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, director or officer of this corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization dedicated to charitable purposes which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3).

ARTICLE 5: MEMBERSHIP

Section 5.01. Statutory Members. The corporation shall not have any members as described in Hawaii Revised Statutes Chapter 415B-31 et seq.

Section 5.02. Nonstatutory Members. Upon designation of criteria for advisory membership by the Board of Directors, the corporation may have advisory members who are not members with the rights described in Hawaii Revised Statutes Chapter 415B-31 et seq.

ARTICLE 6: BOARD OF DIRECTORS

Section 6.01. Powers. Subject to the provisions of the Hawaii Revised Statutes Chapter 415B, the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to a management company, committee (however composed), or other person (Managing Agent), provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

Section 6.02. Number of Directors. The authorized number of directors of the corporation shall be nine (9). The initial board shall consist of four (4) members who will serve until the first annual meeting, at which time a full board of nine (9) may be elected.

Section 6.03. Qualifications of Directors. Each Director shall reside in the target area being served by this Corporation. The Board may by resolution adopt other criteria to be used in selecting directors.

Except for the initial directors as described in Section 6.05 below, the members of the Board of Directors shall be appointed by the board of directors.

It is the intent of the corporation that the composition of the Board of Directors shall represent a diversity of technical skills and community interests to enable the Board of Directors to make informed, well-balanced decisions on the economic viability and social impact of its activities.

Section 6.04. Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person being compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 6.05. Election and Term of Office. The four (4) initial Board of Directors are listed in the articles of incorporation to serve until their successors have been selected and seated in office at the corporation's first annual meeting in January, 1998. At this annual meeting, the directors shall be classified into three groups for the purpose of providing, as nearly as numerically possible, for the election of one-third of the Board of Directors in each subsequent year. Thereafter, new directors will serve out the term of the person they replace, and additional directors, if any, will serve initially only until the next election of directors and will then be given terms so as to balance, as nearly as numerically possible, the number of directors coming up for election each year.

Except as provided above for the initial terms of directors and newly appointed replacement directors, the term of office of each director of the corporation shall be three (3) years and until his or her successor has been selected and seated.

If any annual meeting is not held or the directors are not appointed at the annual meeting, the directors may be appointed at any meeting of the Board. A director may succeed himself or herself in office, and there shall be no limit to the number of consecutive terms a director may serve.

The Board will create a nomination committee of three (3) to five (5) members annually at least thirty (30) days prior to the annual meeting. The nominating committee shall invite suggestions from board members and representatives of the community as to persons who might be nominated to serve on the Board of Directors. Additional nominations may be made by filing with the Secretary of the corporation no later than ten (10) days preceding the annual meeting, and no additional nominations shall be received without the unanimous consent of the nominating committee. The election of directors shall be by secret ballot.

Section 6.06. Vacancies and Removal. A vacancy in the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any director; (ii) an increase in the authorized number of directors; or (iii) the failure of the directors, at any annual or other meeting of directors at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

The Board of Directors, by affirmative vote of a majority of the directors then in office, may remove any director because the director has missed three (3) consecutive meetings of the Board of Directors or a total of five (5) meetings of the Board of Directors during any one calendar year without an excuse acceptable to the Board, and can remove any director without cause at any regular or special

meeting; provided that the director to be removed has been notified in writing in the manner set forth in Section 6.10 of this Article 6 that such action would be considered at the meeting.

All vacancies may be filled by vote of a majority of the directors then in office, whether or not the majority is less than a quorum, or by vote of a sole remaining director. Each director so appointed shall hold office until his or her successor is appointed at an annual or other meeting of the Board.

Any director may resign effective upon giving written notice to the President or to the Secretary of the corporation, unless the notice specifies a later time for the effectiveness of the resignation. The acceptance of such resignation is not necessary to make it effective. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 6.07. Place of Meetings; Meetings by Telephone. Regular meetings of the Board of Directors may be held at any place within or outside the State of Hawaii that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the Board shall be held at any place within or outside the State of Hawaii that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation. Notwithstanding the above provisions of this Section 6.07, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, as long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 6.08. Annual Meeting. The Board of Directors shall hold a regular meeting in January of each year, for the purpose of appointing directors and officers of the corporation, and for the transaction of other business. Notice of the annual meeting shall be given in the manner set forth in Section 6.10 of this Article 6. The President shall present at each annual meeting of the Board of Directors a report of the corporations activities during the preceding fiscal year and such reports as may be required by all applicable statutes.

Section 6.09. Other Regular Meetings. Other regular meetings of the Board of Directors shall be held at such times as are fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 6.10. Special Meetings. Special meetings of the Board of Directors for any purpose may be called at any time by the President or any three (3) directors.

Written notice of the time and place of special meetings shall be delivered personally to each director or communicated to each director by telephone, fax or first-class mail, with charges prepaid, addressed to the director at the director's address as it is shown upon the records of the corporation or, if it is not so shown on such records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held. In case such notice is mailed, it shall be deposited in the United States mail at least seven (7) days prior to the time of the holding of the meeting. In case such notice is delivered personally, by telephone or fax, it shall be so delivered at least five (5) days prior to the time of the holding of the meeting. Such mailing or delivery, personally or by telephone or fax, shall be due, legal, and personal notice to such director.

Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6.11. Action at a Meeting: Quorum and Required Vote. Presence of two (2) members of the Executive Committee or three (3) directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws. Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles of Incorporation, these Bylaws, or the Hawaii Revised Statutes Chapter 415B. Adoption or revocation of a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business, requires the approval of two-thirds (2/3) of the authorized number of directors of the corporation.

Section 6.12. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such directors.

Section 6.13. Fees and Compensation. The Directors of the corporation shall serve as such without salary, but the Board of Directors may authorize the payment by the corporation of the reasonable expenses incurred by Directors in the performance of their duties deemed appropriate by the President. The Board of Directors shall fix the salary or other compensation of the Officers or other agents of the corporation. Except as provided in this section, no Director or Officer of the corporation may receive, directly or indirectly, any salary, compensation or gift from the corporation.

Section 6.14. Conduct of Meetings. The conduct of meetings shall be according to Roberts Rules of Order, as amended from time to time, to the extent that those rules of order are consistent with the laws of the State of Hawaii.

ARTICLE 7: COMMITTEES

Section 7.01. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate and appoint one or more committees, which committees to the extent provided in the resolution, in the articles of incorporation, or in the bylaws, shall have and exercise all the authority of the Board of Directors, except that no committee, regardless of Board resolution, shall have authority in reference to:

- (a) Amending, altering, or repealing the bylaws;
- (b) Electing, appointing, or removing any member of any such committee or any director or officer of the corporation;
- (c) Amending the articles of incorporation, restating articles of incorporation, adopting a plan of merger, or adopting a plan of consolidation with another corporation;

- (d) Authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation;
- (e) Authorizing the voluntary dissolution of the corporation or revoking proceedings therefore;
- (f) Adopting a plan for the distribution of the assets of the corporation; or
- (g) Amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by the committee.

The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed upon the board or the director by law.

Section 7.02. Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 6 of these Bylaws, concerning meetings and actions of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the government of any committee.

Section 7.03. Executive Committee. Pursuant to Section 7.01, the board may appoint four (4) or more directors, including the President, Vice-President, Secretary and Treasurer, to serve as the Executive Committee of the board. The Executive Committee, unless limited in a resolution of the board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the board; provided, however, that the Executive Committee shall not have the authority of the board in reference to those matters enumerated in Section 7.01. The Secretary of the Corporation shall send to each director a summary report of the business conducted at any meeting of the Executive Committee.

ARTICLE 8: OFFICERS

Section 8.01. Officers. The officers of the corporation shall consist of the President, Vice-President, Secretary, and the Treasurer, and each of them shall be appointed by the Board of Directors. The President and Vice-President shall be directors; other officers may, but need not, be directors. If the articles of incorporation so provide, any two or more offices may be held by the same person, except that the corporation shall have at least two individuals as officers. The Board of Directors may appoint such other officers as the activities of the corporation may require, each of whom shall have such authority and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

All officers of the corporation shall hold office from the date appointed to the date of the next succeeding annual meeting of the Board of Directors, and until the successors to such officers are elected and qualified; provided that all officers, as well as any other employee or agent of the corporation, may, subject to any claim for breach of contract based on any contractual arrangements between any such person and the corporation, be removed at any time at the pleasure of the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the corporation, without prejudice, however, to the rights, if any, of the corporation under any contract to which such officer is a party. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective.

The salary and other compensation of the officers shall be fixed from time to time by resolution of or in the manner determined by the Board of Directors.

Section 8.02. Duties of the President. The President shall, when present, preside at all meetings of the Board of Directors and Executive Committee and shall perform all the duties commonly incident to that office. The President shall function as the General Manager and Chief Executive Officer of the corporation, and shall manage the corporation in administering the conduct of its business, unless those duties are delegated to a Managing Agent, who would in turn be supervised by the Executive Committee. The President shall be responsible to and governed by the board of directors, shall report to and advise the board on all significant matters of the corporation's business, and shall see that all orders and resolutions of the board are carried into effect. The President shall be empowered to act, speak for or otherwise represent the corporation between meetings of the board within the boundaries of policies and purposes established by the board and as set forth in the articles of incorporation and bylaws. The President shall have authority to execute in the name of the corporation all bonds, contracts, deeds, leases, and other written instruments to be executed by the corporation (except when by law the signature of the President is required), and shall perform such other duties as the Board of Directors may from time to time determine. The President will be expected to attend all meetings of the Board of Directors and the Executive Committee. He will be authorized to participate as an ex-officio member of all other committees.

Section 8.03. Duties of the Vice-President. The Vice-President shall possess the powers and discharge the duties of the President in the latter's absence or disability. He will be expected to attend all meetings of the Board of Directors and of the Executive Committee.

Section 8.04. Duties of the Secretary and Assistant Secretaries. The Secretary shall:

1. Record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board of Directors may order, a book of minutes of actions taken at all meetings of directors and committees, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at the such meetings, and the proceedings of such meetings.
2. Give, or cause to be given, notice of all the meetings of the Board of Directors and of the committees of this corporation required by these Bylaws or by law to be given, shall keep the seal of the corporation (if any) in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.
3. Oversee the keeping of all records and documents of the corporation other than those maintained by the Treasurer.

Section 8.05. Duties of the Treasurer and Assistant Treasurers. The Treasurer shall:

1. Have the care of, receive, and give receipt for moneys due and payable to the corporation;

2. Deposit all moneys received by him/her in the name of the corporation in such banks, trust companies, or other depositories as from time to time may be designated and approved by the board of Directors;
3. Have charge of the disbursement of the moneys of the corporation in accordance with the directors of the Board of Directors or the Executive Committee. Disbursement of moneys require any two any two (2) signature of the President, Treasurer, or Managing Agent;
4. Enter of cause to be entered regularly in books to be kept by him/her or under his/her direction for that purpose a complete and correct account of all moneys received by him/her for the account of the corporation;
5. Render a statement of his/her accounts to the Board of Directors monthly;
6. Exhibit the books of account of the Corporation and all securities, vouchers, papers and documents of the corporation in his/her custody to any member or designee of the Board of Directors or the President;
7. In general, have such powers and perform such other duties not inconsistent with these by-laws, as are incident to the office of Treasurer as may be determined from time to time by the Board of Directors of the President; and
8. The Board of Directors may require that the Treasurer give a bond for the faithful discharge of his/her duties in such sum and form and with such surety as the Board of Directors may determine. The cost of such bond shall be borne by the corporation.

The Board of Directors shall provide for an independent audit of the books of the corporation at least once a year, unless the Board of Directors by affirmative vote decides that a particular audit in not needed.

**ARTICLE 9: INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES,
AND OTHER AGENTS OF THE CORPORATION;
PURCHASE OF LIABILITY INSURANCE**

- (a) No director, officer, employee or other agent of the corporation and no person serving at the request of the Corporation as a trustee, director, officer, employee or other agent of another corporation, partnership, joint venture trust or other enterprise, and no heir or personal representative of any such person shall be liable to the corporation for any loss or damage suffered by it on account of an action or omission by such person as a trustee, director, officer, employee or other agent if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of this corporation, unless with respect to an action or suit by or in the right of the corporation to procure a judgement in its favor such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to this corporation.
- (b) For the purposes of this article, "agent" means any person who is or was a director, officer, employee, or other agent of the corporation, or is or

was serving at the request of the corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" include without limitation attorneys' fees and any expenses of establishing a right to indemnification under paragraph (d) or paragraph (e)(2) of this article.

- (c) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.
- (d) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.
- (e) To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in paragraph (b) or (c) or in defense of any claim, issue, or matter in the proceeding, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the proceeding.
- (f) Any indemnification under subsection (b) or (c) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in subsection (b) or (c). The determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding; or (2) if a quorum is not obtainable, by independent legal counsel in a

written opinion, or (3) by the members, or (4) by the court in which the proceeding is or was pending upon application made by the corporation or the agent of the attorney or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by the corporation.

- (g) Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this article.
- (h) The indemnification provided by this section is not exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the disinterested directors, or otherwise, both as to action in a person's official capacity and as to action in another capacity while holding office, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs and personal representatives of such a person.
- (i) The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this article.
- (j) This article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in paragraph (a). Nothing contained in this article shall affect any right to indemnification to which persons other than directors and officers of the corporation or any subsidiary of the corporation may be entitled by contract or otherwise.

ARTICLE 10: EXECUTION OF CORPORATE INSTRUMENTS, AND VOTING OF STOCKS AND MEMBERSHIPS HELD BY THE CORPORATION

Section 10.01. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the corporation.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the corporation, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the corporation, and other corporate instruments or documents, and certificates of shares of stock owned by the corporation, shall be executed, signed, or endorsed by the President or the Vice-President and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation, or in special accounts of the corporation, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Section 10.02. Voting of Stocks Owned by Corporation. All stock of other corporations or memberships in other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect to such stock or memberships shall be executed, by the person authorized to do so by resolution of the Board of Directors, or in the absence of such authorization, by the President, or by any other person authorized to do so by the President.

ARTICLE 11: MAINTENANCE AND INSPECTION OF CORPORATE RECORDS

Section 11.01. Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of Hawaii, at its principal business office in Hawaii, the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours.

Section 11.02. Maintenance and Inspection of Other Corporate Records. The accounting books, records, and minutes of proceedings of the Board of Directors and any committees of the corporation shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written or type form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the corporation shall turn over to his or her successor or the President, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

ARTICLE 12: CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS

Section 12.01. Contracts or Transactions with Directors and Officers. The corporation shall not be a party to any contract or transaction (a) in which one or more of its directors or officers has a material financial interest or (b) with any corporation, firm, association, or other entity in which one or more of its directors or officers has a material financial interest or (c) with any corporation, firm, association, or other entity (other than a Hawaii nonprofit corporation) in which one or more of its directors is a director, unless (i) the material facts concerning the contract or transaction and such director's or officer's financial interest or common directorship are fully disclosed in good faith and are noted in the minutes, or are known to all members of the board prior to consideration by the board of such contract or transaction; (ii) such contract or transaction is authorized or approved in good faith by a majority of the board by a vote sufficient for that purpose without counting the vote of such interested directors or officers; (iii) prior to authorizing or approving the contract or transaction, the board considers and in good faith determines after reasonable investigation under the circumstances that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances or that the contract or transaction implements a charitable program of this corporation; (iv) this corporation enters into the contract or transaction for its own benefit; and (v) the contract or transaction is fair and

reasonable to this corporation or implements a charitable program of the corporation at the time the contract or transaction is entered into.

A director or officer of this corporation shall not be deemed to have a "material financial interest" in a contract or transaction that implements a charitable program of this corporation solely because such a contract or transaction results in a benefit to a director or officer or their families by virtue of their membership in the class of persons intended to be benefited by the charitable program of this corporation, as long as the contract or transaction is approved or authorized by the corporation in good faith and without unjustified favoritism.

Section 12.02. Loans to Directors and Officers. The corporation shall not make any loan of money or property to or guarantee the obligation of any director or officer; provided, however, that the corporation may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such director or officer, provided that in the absence of such advance, such director or officer would be entitled to be reimbursed for such expenses by the corporation. Directors of the corporation who approve the making of any such loan or guaranty shall be jointly and severally liable to the corporation for any loss suffered by the corporation as a result of the loan or guaranty.

Section 12.03. Mutual Directors. No contract or other transaction between the corporation and any Hawaii nonprofit corporation of which one or more of its directors are directors of this corporation is either void or voidable because such director(s) are present at a meeting of the board which authorizes, approves, or ratifies the contract or transaction if the material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the board and the board authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director(s), or if the contract or transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified.

ARTICLE 13: FISCAL YEAR

13.1 The fiscal year of the corporation shall run from January 1 through December 31 of each year.

ARTICLE 14: CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Hawaii Revised Statutes Chapter 415B as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these Bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

ARTICLE 15: AMENDMENTS

These Bylaws may be adopted, amended or repealed by the vote of a majority of the directors present at a meeting duly held at which a quorum is present. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed Bylaw revisions with explanations therefor, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **AUG 01 2000**

KAHUKU 2000
C/O ALLEN M. ARAKAKI CPA INC
1314 S KING ST STE 723
HONOLULU, HI 96814

Employer Identification Number:
99-0334794
DLN:
600206014
Contact Person:
KENNETH N REINHARDT ID# 31385
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Form 990 Required:
Yes
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the

Letter 947 (DO/CG)

KAHUKU 2000

part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

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You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Steven T. Miller

Steven T. Miller
Director, Exempt Organizations