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BY LAWS

HAWAII EDUCATION ASSOCIATION (HEA)
(A Hawaii nonprofit corporation)

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ARTICLE I

ORGANIZATION OF CORPORATION AND ACTIVITIES

Hawaii Education Association (HEA) (referred to in these bylaws as the “Corporation”) is organized and shall be operated exclusively 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, and all of the Corporation’s activities shall be performed in furtherance of such exempt purposes, as required by law.

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.

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, 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 Number and Qualifications of Directors. The Board of Directors shall consist of three (3) or more individuals. The Board may increase or decrease the number of directors from time to time, provided that the number of directors is not less than three. (HRS 414D-133.) All director candidates and directors must be an Active, a Retired or a Life Member of the Corporation, as described in Section 10.2.

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 Election and Term of Office. The Board of Directors may decide upon the number of directors for the current and/or ensuing year at a regular or special meeting of the Board in accordance with Article III, which number may be decreased or increased thereafter at any subsequent meeting (provided, that the number of directors shall not be less than three). (HRS 414D-133.)

The members entitled to vote shall elect the directors at each annual meeting of the members or at any special meeting held for that purpose (see Article XI for member meeting and notice requirements). (HRS 414D-134(a).) The Corporation may conduct such election by mail in the Board's discretion. (HRS 414D-115.)

All directors shall hold office for a term of two (2) years. Directors 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 President may fill a vacancy on the Board by appointment with the affirmative vote of approval of the Board. If the directors remaining in office constitute fewer than a quorum of the Board, the directors may approve such appointment by the affirmative vote of a majority of the directors remaining in office. (HRS 414D-141(a).) 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 without 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. If a director was elected by a class of membership, only members from such class may vote for removal. (HRS 414D-138(a) and (b).) The vacancy 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.

Section 3.2 Call and Notice of Meetings. Unless the articles or bylaws provide otherwise, the presiding officer of the Board, 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 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 (so long as the directors have received previous 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 is effective at the earliest of the following: when received, five (5) days after it is mailed, or on the date signed by or on behalf of the addressee, if sent by registered or certified mail. (HRS 414D-15(a), (c) and (e).)

Notice may be provided by electronic transmission; provided, that the director to whom the notice is given consents ("electronic transmission" means a 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 (i.e., more than half) of the directors in office will constitute a quorum. (HRS 414D-147(a).) The required quorum of directors shall include the two directors, who also hold the offices of President and Vice-President. Unless the Hawaii Nonprofit Corporations Act, articles of incorporation or bylaws require a greater vote, a vote of a majority of the directors at a meeting at which a quorum is present will be the decision of the Board. (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 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. 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

Section 4.1 Committees of the Board/Advisory Committees and Creation of 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 (i.e., two (2) or more members of the Board). The President shall have the authority to create committees of the board and appoint directors to serve on them with the approval of the number of directors required to take action under Section 3.3 or a majority of the Board members, whichever is greater.

Each committee of the board may exercise such Board authority 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 President may create advisory committees in the same manner as committees of the board. 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.

Section 4.2 Standing Committees. Unless otherwise determined by the Board, the standing committees of the Corporation shall include the Programs Committee, Finance Committee, HEA Executive Committee, and other standing committees as the Board may designate with such responsibilities as determined by the Board.

ARTICLE V

OFFICERS

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

Section 5.2 Election, Qualifications and Term of Office. All officer candidates and officers must be qualified members of the Board of Directors. The Board of Directors shall elect the officers at a regular or special meeting of the Board (or at such meeting of the members as the Board may determine). Officers shall serve a term of one (1) year and may hold office for successive terms. The terms of office shall commence with the beginning of the fiscal year, unless otherwise determined by the Board. 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(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 date, the Board of Directors may fill the pending vacancy before the effective date, provided the successor does not take office until the effective date.

The Board may fill all other vacancies of an officer by appointment of a qualified candidate. If a vacancy will occur at a specified later date, such vacancy may be filled before it actually occurs so long as the new officer does not take office until the vacancy occurs.

The Board may remove an officer at any time with or without cause. (HRS 414D-156.)

Section 5.4 President. The President shall serve as the Chairperson of the Board and preside at all meetings of the Board of Directors and members. 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 Vice-President. The Vice-President shall assist the President and in the President's absence, perform the duties of the President and shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President 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 to ensure that periodic and annual State and federal tax filings are timely prepared and the public support test is satisfied, as described in Sections 7.2(2) and 7.2(3), respectively. The Treasurer shall perform all other duties assigned by the Board of Directors or President. (HRS 414D-154.)

Section 5.7 Secretary. The Secretary (if selected) 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(3); and
- 5) Perform all other duties assigned by the Board of Directors or President. (HRS 414D-15; 153(b); -154.)

If the Secretary is not selected by the Board, the President shall ensure that such duties and responsibilities of the Secretary, described above, are performed through other means.

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, with ordinary care, and in the Corporation's best interests. 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 whom 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 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.

A director or an officer who acts in compliance with this Section will not be liable to the Corporation or other person for actions and omissions. A director or an officer who serves without remuneration or expectation of remuneration shall not be liable for any action or omission while in office, unless grossly negligent. (HRS 414D-149(a) – (d) and (f); -155.)

ARTICLE VII

ADMINISTRATION AND COMPLIANCE

Section 7.1 Corporate Requirements and Records.

(1) 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. If the mailing address changes, the Corporation must notify the State Department of Commerce and Consumer Affairs (“DCCA”), IRS and Department of Taxation by letter. If the agent or agent’s address changes, the Corporation must file a change of agent form with the DCCA (this can also be done in the State annual report if it is due (see Subsection 7.1(2)) and provide the filed form along with an explanation letter to the IRS and Department of Taxation. (HRS 414D-71; -72.) The Corporation should also notify other persons of these and other changes that may impact upon the relationship of the parties.

(2) State Annual Report to be Filed. The Corporation shall file an annual report with the State Department of Commerce and Consumer Affairs on a form furnished by the Department. The annual report shall be filed each year. (HRS 414D-308.)

(3) Records to be Kept. The Corporation shall maintain the following records required by State law (HRS 414D-301), 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 upon demand 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 State annual reports filed with the Department of Commerce and Consumer Affairs under Section 7.1(2).

(4) 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. 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).)

(5) Regular Review of Articles and Bylaws. The Board of Directors shall review the articles of incorporation and 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.)

(6) Notification of State and IRS of Material Changes. The Corporation must report any change in its corporate name to the IRS and State Department of Taxation. The Corporation must report structural and operational changes to the IRS. Note: changes in a corporate name must be made by an official filing with the State Department of Commerce and Consumer Affairs (other changes may also have to be made by filing documentation; the Corporation may consult with the DCCA or its legal advisor to ensure compliance).

Notice to the IRS must be made in the Corporation's 990 series filing. (The Corporation may also notify the IRS by letter; however, it must still notify the IRS in the 990 filing.) Notice to the State Department of Taxation may be made by letter or other form as required by the State. If documentation was filed to make any change, the approved documentation should be attached to the notice. (See IRS Publication 557 (Rev. Feb. 2016) and IRS Compliance Guide for 501(c)(3) Public Charities (Rev. 7-2014).)

(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 vendors.ehawaii.gov, FAQ.)

Section 7.2 Fiscal Year, Taxes and Tax Exemption.

(1) Fiscal Year. The fiscal year of the Corporation is July 1 through June 30, 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 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. The Board of Directors shall consult with the Corporation's tax advisor to ensure that the Corporation maintains the required "public support" to satisfy the IRS's public support test.

(4) Real Property Tax Exemption. The following applies to Oahu, only:

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 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 you may wish to consult with the county of a particular island in this regard.

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. (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.)

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.

(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 (Rev. 7-2014).)

(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 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 (Rev. 7-2014).)

(3) Legislative Activities. The Corporation shall not engage in substantial legislative activity, commonly referred to as lobbying. Generally, 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 (Rev. 7-2014).)

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 "disqualified persons" conform to the IRS's intermediate sanctions regulations, which are incorporated in the policy.

Under the intermediate sanctions regulations, a tax-exempt corporation is prohibited from entering into any transaction in which an economic benefit is provided to or for the use of any "disqualified person" (referred to in the policy as "interested person") if the value of the economic benefit provided exceeds the value of the consideration (including the performance of services) received for providing the benefit. A "disqualified person" is any person who was, at any time during the five-year period ending on the date of the transaction involved, in a position to exercise substantial influence over the affairs of the organization, a family member of a disqualified person, or a 35% controlled entity of persons in the previous two categories. An authorized body composed of individuals who do not have a conflict of interest must approve any such transaction in advance, and the authorized body must rely upon appropriate data as to comparability and adequately document the basis of the decision concurrently with the decision. The Board shall consult with its legal or other expert advisor to ensure proper compliance with this federal mandate. (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 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 the Corporation. 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.)

Section 10.2 Admission and Qualifications of Members. The Board of Directors shall have the power to establish conditions for admission of members, admit members, and issue memberships through the articles of incorporation, these bylaws, and resolutions and documents adopted by the Board. (HRS 414D-52(15); -131(b).) The members of the Corporation shall consist of the following classes of membership:

- 1) Active Membership: Active Members shall consist of those persons in educational service of a professional nature in the State of Hawaii. Active Members in good standing shall enjoy all the benefits of membership and be entitled to hold office and vote on matters submitted to a vote of the members.
- 2) Retired Membership: Retired Members shall consist of those persons who are retired from educational service of a professional nature in the State of Hawaii. Retired Members in good standing shall enjoy all the benefits of membership and be entitled to hold office and vote on matters submitted to a vote of the members.
- 3) Life Membership: Life Members shall consist of the following: Prior to 01 July 2012, any person upon retirement from active service who: (a) for ten (10) consecutive years immediately prior to the date of retirement has been a paid member of the Corporation, or (b) for twenty (20) or more years has been a paid member of the Corporation, provided he/she was a paid member for two years immediately preceding his/her retirement. Life Members in good standing shall enjoy all the benefits of membership and be entitled to hold office and vote on matters submitted to a vote of the members.
- 4) Student Membership: Student Members shall be actively enrolled in an institute of higher learning. Student members in good standing shall enjoy all the benefits of membership and be entitled to vote on matters submitted to a vote of the members, but are not entitled to hold office.

- 5) Associate Membership: Associate Members shall consist of those persons who are interested in advancing the cause of education. Associate Members in good standing shall enjoy all the benefits of membership and be entitled to vote on matters submitted to a vote of the members, but are not entitled to hold office.
- 6) Honorary Membership: Honorary Members shall consist of those persons who have provided distinguished service to education in Hawaii. Honorary Members in good standing shall enjoy all the benefits of membership, but are not entitled to hold office or vote on matters submitted to a vote of the members.

In addition to the qualifications of each class of membership, described above, all members must have a strong commitment to furthering the charitable purposes and objectives of the Corporation and abide by the requirements of membership as promulgated by the Board. 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 matters promulgated 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 shall not be personally liable for the acts, debts, liabilities or obligations of the Corporation by reason of being a member. (HRS 414D-85.)

Section 10.4 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 articles of incorporation or bylaws set forth a procedure that provides:
 - (a) prior written notice less than fifteen (15) days before the expulsion, suspension, or termination and 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) The procedure 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 on the Corporation's records. A member who has been expelled or suspended may be liable to the Corporation 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 the month of April of each year, or as otherwise determined, annually, by the Board, and may have other regular meetings. 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. A majority of the directors or the President may call special meetings of the members and provide notice to the members in accordance with these bylaws. 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) and (e).)

Section 11.2 Record Date: Determining Members Entitled to Notice, Vote, and Other. Under Hawaii law, a 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.) This allows a corporation to use the official count of the membership as of that 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. (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 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).)

Note: A record date may not be more than seventy (70) days before the meeting or other member action. 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 (70) 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, subject to the limitations outlined in Sections 12.1(7) and 12.2, copy the list at a reasonable time and at the member's expense during the period that it is available. (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 a 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 prescribe notice requirements for particular circumstances, those requirements shall govern. If the articles of incorporation or the 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 the following: 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 the following: 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 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 percent (10%) of the voting members shall constitute a quorum, unless otherwise indicated in 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 or by proxy, 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 otherwise. 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 or proxies of 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 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 or proxy of a member. (HRS 414D-101(g); -102(f).)

Section 11.7 Proxy Voting. A member may appoint a proxy to vote or otherwise act for the member by signing an appointment form. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. Such appointment shall remain valid for eleven (11) months, unless otherwise expressly provided in the appointment form; provided, that no proxy shall be valid for more than three (3) years from execution. An appointment of a proxy is revocable by the member making the proxy, unless the appointment form states that it is irrevocable and the appointment is coupled with an interest. (HRS 414D-113(a), (b), (c) and (e).)

Section 11.8 Decision-Making Without Meeting.

(1) Action by Written Consent Prohibited: Action by written consent is prohibited. (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 the bylaws or articles, 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; 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(2) 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 to be inspected, and such records are directly connected with the purpose:

- a) Excerpts of the minutes of the meetings of the members and Board, records of actions taken by the members or directors without a meeting under Sections 3.4 and 11.8, and records of actions taken by committees of the board, 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. (HRS 414D-302(b) and (c).)

(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).)

This Section does not affect a member's right to inspect records under HRS 414D-109 (Section 11.3) or as the member may otherwise be entitled to as a litigant or by court order. (HRS 414D-302(d).)

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 for the Corporation on the basis of generally accounting principals, 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 of 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 the 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 of Bylaws. Subject to Section 14.3, the Board of Directors may alter, amend, or repeal the bylaws or adopt new bylaws by an affirmative vote of not less than a majority of the directors in office at a meeting duly called and noticed for that purpose. (HRS 414D-182(a)(2); -187.)

Section 14.2 Amendment/Restatement of Articles of Incorporation. Subject to Section 14.3, the articles of incorporation may be amended or restated by the Board of Directors by an affirmative vote of not less than a majority of the directors in office at a meeting duly called and noticed for that purpose. Provided that if the amendment or restatement includes an amendment requiring approval by the members, the Board must submit the amendment/restatement to the members for approval.

If the Board seeks to have the amendment/restatement approved by the members at a membership meeting, 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 written ballot, 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 or represented by proxy are entitled to cast. (HRS 414D-182(a)(1); -184(a) – (e).)

Section 14.3 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, whether through attendance or proxy, by two-thirds (2/3) of the votes cast by each class present at the meeting at which the amendment is voted upon.

Section 10.4 shall not apply to any amendment meeting the requirements of this Section. (HRS 4140-89.5.)

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 revised on April 22, 2012, and all amendments thereto.

Date: _____

Authorized Officer (signature and office held)

(20161210)