

O`AHU HAWAIIAN CAONE ASSOCIATION - HAWAII

BY LAWS

(A Hawaii nonprofit corporation)

Table of Contents

ARTICLE I: ORGANIZATION OF CORPORATION AND ACTIVITIES	4
ARTICLE II: BOARD OF DIRECTORS	5
Section 2.1 Powers and Duties of the Board	5
Section 2.2 Number and Qualification of Directors.....	5
Section 2.3 Annual Meetings, Election, and Term of Office	5
Section 2.4 Vacancies. The Board of Directors may fill a vacancy on the Board	5
Section 2.5 Resignation of Directors.....	5
Section 2.6 Removal.....	6
ARTICLE III: MEETINGS OF THE BOARD OF DIRECTORS	7
Section 3.1 Regular and Special Meetings	7
Section 3.2 Call and Notice of Meetings	7
Section 3.3 Decision-Making by Meeting and Quorum	8
Section 3.4 Decision-Making without Meeting.....	8
ARTICLE IV: COMMITTEES OF THE BOARD AND ADVISORY COMMITTEES	9
ARTICLE V: OFFICERS.....	10
Section 5.1 Designation and Authority	10
Section 5.2 Election and Term of Office	10
Section 5.3 Resignation and Removal.....	10
Section 5.4 President	10
Section 5.5 Vice-President	10
Section 5.6 Treasurer	10
Section 5.7 Secretary	11
ARTICLE VI: STANDARDS OF CONDUCT: DIRECTORS AND OFFICERS.....	12
ARTICLE VII: ADMINISTRATION	13
Section 7.1 Fiscal Year.....	13
Section 7.2 Maintenance of Mailing Address and Agent.....	13
Section 7.3 State Annual Report to be Filed	13
Section 7.4 Records to be Kept	13
Section 7.5 Designation of Persons with Signing Authority.....	14
Section 7.6 Regular Review of Articles and Bylaws	14
Section 7.7 Notification of State and IRS of Material Change	14

Section 7.8 State and Federal Taxes; Annual Filings.....	14
Section 7.9 Solicitation and Registration with State Attorney General.....	14
Section 7.10 Policies Required by Law and Operations.....	14
Section 7.11 Public Support	15
ARTICLE VIII: LIMITATIONS: DISTRIBUTIONS; LOANS/GUARANTIES; PRIVATE INTEREST/LEGISLATIVE ACTIVITIES; CONFLICTS OF INTEREST.....	16
Section 8.1 Distributions Prohibited	16
Section 8.2 Loans or Guaranties Prohibited	16
Section 8.3 Restrictions--Private Interest; Political and Legislative Activities	16
Section 8.4 Managing Conflicts of Interest/Excess Benefit Transactions Prohibited	16
ARTICLE IX: LIMITATION OF DIRECTOR LIABILITY & INDEMNIFICATION.....	18
ARTICLE X: MEMBERS AND MEMBERSHIPS	19
Section 10.1 Official Members of Record	19
Section 10.2 Admission and Qualifications of Members	19
Section 10.3 Member's Liability to Third Parties	21
Section 10.4 Termination, Expulsion or Suspension of Members	21
ARTICLE XI: MEMBERS' MEETINGS AND VOTING	22
Section 11.1 Annual, Regular and Special Membership Meetings	22
Section 11.2 Record Date: Determining Members Entitled to Notice, Vote, and Other.....	22
Section 11.3 Corporation to Prepare Members' List for Meetings	23
Section 11.4 Notice of Meetings of Members	23
Section 11.5 Waiver of Notice by Member.....	25
Section 11.6 Decision-Making by Meeting and Quorum	25
Section 11.7 Proxy Voting	25
Section 11.8 Decision-Making without Meeting.....	26
ARTICLE XII: INSPECTION OF CORPORATE RECORDS	27
Section 12.1 Inspection of Records by Members	27
Section 12.2 Limitation on Use of Membership List.....	27
Section 12.3 Inspection and Copying of Financial Statements	28
ARTICLE XIII AMENDMENTS.....	29
Section 13.1 Amendment of Bylaws	29
Section 13.2 Amendment/Restatement of Articles of incorporation.....	29

Section 13.3 Amendment Terminating or Canceling Members 29

DOCUMENT RETENTION AND DESTRUCTION POLICY..... 31

WHISTLEBLOWER POLICY..... 42

CONFLICT OF INTEREST POLICY..... 45

ANNUAL CONFLICT OF INTEREST STATEMENT 50

ARTICLE I: ORGANIZATION OF CORPORATION AND ACTIVITIES

O'ahu Hawaiian Canoe Racing Association - Hawaii (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 tax 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.

ARTICLE II: BOARD OF DIRECTORS

Section 2.1 Powers and Duties of the Board

All corporate powers are vested in the Board of Directors to the fullest 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. The Board shall conduct, manage and control the affairs and business of the Corporation consistent with State and federal laws, the articles of incorporation, and the bylaws.

Section 2.2 Number and Qualification of Directors

The Board of Directors shall consist of three (3) or more individuals, who believe in and will work to further the exempt purposes of the Corporation. 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.

All directors shall 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.

Section 2.3 Annual Meetings, Election, and Term of Office

The annual meeting of the Board of Directors shall be held in the last quarter of each year or at such other time as the Board may designate. The Corporation shall also have an annual meeting of the members in accordance with Section 11.1(1), which may be held at the same time as the annual meeting of the Board.

Except for the initial directors, 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.). Such election may be conducted by mail, in the Board's discretion.

All directors shall hold office for a term of three (3) years. Directors may hold office for successive terms. 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.

Section 2.4 Vacancies. The Board of Directors may fill a vacancy on the Board

If the directors remaining in office constitute fewer than a quorum of the Board, the directors may fill the vacancy by a majority vote of the directors remaining in office. 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.

Section 2.5 Resignation of Directors

A director may resign at any time by giving written notice to the Board of Directors, President or Secretary. Such resignation will be effective when the notice is effective, unless the notice specifies a

future effective date. If the notice specifies a future date, the pending vacancy may be filled before that date so long as the successor does not take office until the effective date.

Section 2.6 Removal

The members may remove one or more directors 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 class of membership elected a director, only members from such class may vote for removal. 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 time and place of a directors' meeting, the meeting is a regular meeting. All meetings other than regular meetings are special meetings. Notice of regular and special meetings shall be given in accordance with Section 3.2.

Section 3.2 Call and Notice of Meetings

Regular meetings of the Board shall be held at such time and place as the Board of Directors may determine. The President or twenty percent (20%) of the directors may call special meetings of the Board. The individual(s) calling the meeting may fix the place and time 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, bylaws or Jaw, regular meetings may be held without notice (so long as the Board has received previous notice of the 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.
- (2) Form of Notice and Effectiveness. Unless otherwise required, notice may be oral or written and communicated in person, by telephone or other form of wireless communication. 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 the date signed by or on behalf of the addressee, if sent by registered or certified mail.

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 to the director.
- (d) If by any other form of electronic transmission, when directed

The 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 the bylaws prescribe notice requirements, which are not inconsistent with this Section or the Nonprofit Corporations Act, those requirements shall govern.

- (3) Waiver of Notice. A director may waive any required notice by submitting a signed waiver of notice or by attending or participating in a meeting without objecting to the lack of notice.

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. Unless the Hawaii Nonprofit Corporations Act, articles or bylaws require a greater vote, a vote of a majority of the directors present at a meeting at which a quorum is present will be the decision of the Board. 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 directors can hear each other at the same time shall constitute presence in person at a meeting. (Please note that email communication is not an allowable method to hold a meeting by wireless communication, unless all directors are able to "hear" each other at the same time.)

Section 3.4 Decision-Making without Meeting

Any action permitted to be taken at a meeting of the Board may be taken without a meeting if all the directors unanimously sign one or more written consents (or resolutions) 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.

ARTICLE IV: COMMITTEES OF THE BOARD AND ADVISORY COMMITTEES

The Corporation may have two types of committees: committees of the board and advisory committees. A "committee of the board" is a committee that can exercise Board authority and consists solely of directors (i.e., two (2) or more directors). The Board of Directors may create committees of the board and appoint directors to serve on them by a vote of a majority of the Board. 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 directors or fill vacancies on the Board or on committees; or adopt, amend, or repeal the articles or bylaws.

An "advisory committee" is a committee that does not exercise Board authority. Advisory committee members may include non-directors. The Board 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.

Sections 3.1 to 3.4, above, which govern meetings of the Board apply to committees of the board and their members.

ARTICLE V: OFFICERS

Section 5.1 Designation and Authority

The officers of the Corporation shall be the President, Vice-President, Treasurer and Secretary, and such assistant officers as the Board of Directors may designate. The officers shall perform the duties and have the authority as set forth in the bylaws, determined by the Board, or directed by an officer authorized to prescribe the duties of other officers. All officers shall report to the Board.

Section 5.2 Election and Term of Office

The Board of Directors shall elect the officers at the annual meeting of the Board or at such other time as the Board may determine. Officers shall serve three (3) year terms and may hold office for successive terms. The same individual may hold more than one office in the Corporation, provided, that not less than two (2) persons shall be officers.

Section 5.3 Resignation and Removal

An officer may resign by delivering notice to the Corporation. If the resignation is made effective at a future date, the Board of Directors may fill the pending vacancy before the effective date, provided, that the successor does not take office until the effective date. The Board may remove an officer at any time with or without cause.

Section 5.4 President

The President shall preside at all meetings of the Board of Directors and 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.

Section 5.5 Vice-President

In the absence of the President, the Vice-President shall perform the duties of the President and when so acting shall have the powers of and be subject to 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.

Section 5.6 Treasurer

The Treasurer shall exercise general supervision over the receipt, custody, and disbursement of corporate funds. The Treasurer shall ensure that periodic and annual State and federal tax filings are timely prepared and submitted as described in Section 7.8. The Treasurer shall perform all other duties assigned by the Board of Directors or President.

Section 5.7 Secretary

The Secretary shall have the following duties:

- (1) Prepare (or cause to be prepared) the minutes of directors', committee, and member meetings;
- (2) Give (or cause to be given) proper notice of all meetings of the Board of Directors, committees and members;
- (3) Authenticate records;
- (4) Keep and maintain (or cause to be kept and maintained) the records and reports described in Section 7.4; and
- (5) Perform all other duties assigned by the Board of Directors or President.

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 (see Article IV) of which the director is not a member regarding matters within its jurisdiction and the director reasonably believes the committee merits confidence.

A director or officer is not acting in good faith if the director or officer has knowledge, which would make reliance upon these persons or the committee unwarranted.

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.

ARTICLE VII: ADMINISTRATION

Section 7.1 Fiscal Year

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

Section 7.2 Maintenance of Mailing Address and Agent

The Corporation shall continuously maintain in this State a mailing address of its principal office and a registered agent, as required under HRS 414D-32, and if the mailing address or agent changes notify the Department of Commerce and Consumer Affairs (also known as the "DCCA"), IRS, and Department of Taxation.

Section 7.3 State Annual Report to be Filed

The Corporation shall deliver an annual report to the Director of the State Department of Commerce and Consumer Affairs on a form furnished by the Department. The annual report shall be filed each year. The Board shall consult with the DCCA or the Corporation's legal advisor to ensure timely submission of reports.

Section 7.4 Records to be Kept

The Corporation shall maintain the following records (and others necessary to the operations of the Corporation):

- (1) 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, above;
- (2) Appropriate accounting records;
- (3) An alphabetical list of the names and addresses of the members by class, as applicable, and indicating the number of votes each member is entitled to cast;
- (4) The articles of incorporation, bylaws, and all amendments in effect;
- (5) Resolutions adopted by the Board relating to the members' characteristics, qualifications, rights, limitations, and obligations;
- (6) Records of all actions approved by the members for the past three (3) years;
- (7) Financial statements furnished to members upon demand under Hawaii Revised Statutes 414D-306 (see Section 12.3) for the past three (3) years;
- (8) A list of the names and business or home addresses of the current directors and officers;
- (9) The State annual reports filed with the Department of Commerce and Consumer Affairs under Section 7.3;
- (10) The State general excise tax (GET) license and employer identification number (EIN);
- (11) The application for exemption from federal income taxes (Form 1023) and all documents in support of the application, the IRS exemption ruling letter, and federal annual information returns (Form 990 series);

(12) The State application for exemption from general excise taxes (Form G-6S), all documents in support of the application, and the State exemption certification.

Section 7.5 Designation of Persons with Signing Authority

The Board of Directors shall designate by resolution an individual or individuals to sign checks, contracts and other instruments. 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.

Section 7.6 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.

Section 7.7 Notification of State and IRS of Material Change

The Corporation shall notify the IRS, Department of Commerce and Consumer Affairs, and State Department of Taxation of any change in the Corporation, including structural and operational changes.

Section 7.8 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 (Form 990 series) filings are submitted and taxes are properly paid.

Section 7.9 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. The Corporation shall consult with its legal advisor to ensure proper compliance with or exemption from this charity registration law.
- (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 4678 of the Hawaii Revised Statutes in the solicitation of contributions.

Section 7.10 Policies Required by Law and Operations

The Board of Directors shall create and adopt such policies necessary to the operations of the Corporation and required by law (including the whistleblower and document retention and destruction policies, which are required by federal law). All policies shall be consistent with Hawaii State, federal and local laws.

Section 7.11 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 obtains the required "public support" to satisfy the IRS's public support test to maintain tax-exempt status.

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.)

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. The Corporation shall further not lend money where the money is intended to be used for political purposes, such that it would violate the prohibition against political campaign activity of an exempt corporation.

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 true-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.
- (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.
- (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.

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 rule.

Under the Intermediate Sanctions rule, 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" 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.

ARTICLE IX: LIMITATION OF DIRECTOR LIABILITY & INDEMNIFICATION

The personal liability of a director to the Corporation and the members for any monetary damage because of a breach of the director's duties to the Corporation and the members shall be limited to the extent specified in Article VII of the articles of incorporation. The Corporation shall further indemnify and advance expenses to a director and an officer, employee, or agent of the Corporation consistent with Article VU of the articles of incorporation. 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.

ARTICLE X: MEMBERS AND MEMBERSHIPS

Section 10.1 Official Members of Record

The members of the Corporation shall consist of those persons who are admitted into the membership under the provisions of the articles of incorporation or bylaws. Membership in the Corporation is evidenced by the Corporation's current list of members.

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. Unless otherwise determined by the Board, the admission and qualification requirements for members and memberships will be as described, below.

- (1) Eligibility. Any canoe club on the Island of Oahu is eligible for membership in the Corporation. A qualified canoe club is defined as a club duly organized under the laws of the State of Hawaii and registered with the Department of Commerce and Consumer Affairs.
- (2) Classification of Membership. The Corporation shall have three classes of membership: Active Members, Associate Members, and Inactive Members.
 - (a) Active Members: An eligible club who participates in regatta races and other Corporation sponsored races. An active member in good standing has the right to vote on matters submitted to a vote of the members.
 - (b) Associate Members: An eligible club who does not participate in regatta races, but may, at the invitation of the Corporation, participate in other races sponsored by the Corporation. An associate member in good standing may speak on any issue but may not vote.
 - (c) Inactive Members: An eligible club who, due to unusual circumstances, may request in writing to be placed on inactive status. An inactive club relinquishes their voting rights.
- (3) Application for New Membership. All applications for membership shall be submitted to the Secretary, using the application form provided for this purpose, together with the non-refundable application fee (if any, as established by the Board) and one year dues. No person shall be admitted as a member without the person's consent.
- (4) New Club Qualifications and Requirements.
 - (a) Every qualified applicant eligible for membership shall be admitted as a member of the Corporation upon two-thirds (2/3) vote of the Board of Directors.
 - (b) Application forms cannot be changed except at the annual meeting of the Board or at another duly called meeting held for that purpose.
 - (c) Applications for membership can be submitted for consideration only during the months of November, December, January and February.
- (5) Qualifications for Active Club Membership.
 - (a) It is required that an active new club carry a minimum of six (6) crews to be accepted as a new active club. An active club must carry a minimum of six (6) crews in order to maintain their active status.
 - (b) It is recommended that each club sponsor or co-sponsor a sanctioned regatta or long distance race each year.

- (c) Member clubs shall submit in writing to the Corporation Race Director their intent for sponsorship of regatta and/or long distance races and special events by the annual meeting of the Board.
 - (d) All active clubs will fully support all the fund-raising efforts of the Corporation as approved by the Board of Directors.
 - (e) All active member clubs of the Corporation that do not own a koa canoe will be given two (2) years to obtain one. However, they may apply for a one (1) year extension. The extension request must be submitted in writing prior to the end of the two (2) year period and be approved by the Corporation's Board of Directors.
- (6) Associate Membership.
- (a) A club wanting to belong to the Corporation as an associate member must submit a letter of intent to the President. The Board of Directors must approve the associate membership.
 - (b) Associate members will pay annual dues of twenty-five (\$25.00) dollars to the Corporation and the membership dues to HCRA.
 - (c) Associate members will have no voting rights, however, they may speak on any issue or participate in discussions.
 - (d) Associate members may participate in any activity of the Corporation upon invitation. Associate members must participate in at least one (1) Corporation sanctioned long distance race, excluding Moloka'i Hoe, per year.
 - (e) Associate members will have first preference to become an active member, in the order of request received by the Corporation, over any other applications for active membership.
- (7) Inactive Membership.
- (a) Any member club desiring to become inactive shall submit its desire in writing to the President. Until notification of inactivity has been received, a fine of twenty-five (\$25.00) dollars shall be assessed the member club for non-representation at the general membership meetings. All dues and debts must be paid before active reinstatement.
 - (b) Inactive member clubs shall be barred from any further participation in Corporation races and activities, but may attend meetings without voting power, or participate in any activities the Board of Directors may allow.
 - (c) A club may remain inactive for a period of no longer than two (2) years.
 - (d) A club that is inactive for more than two (2) years must submit an application for new membership.
 - (e) The two (2) year period will begin from the date the club submits its letter requesting inactivity.
 - (f) Inactive clubs will pay annual dues of twenty-five (\$25.00) dollars to the Corporation and the full membership dues to HCRA during the two (2) year period.
- (8) Reinstatement of Inactive Club Membership. Any inactive canoe club may become an active member of the Corporation upon resubmission of an application as provided in Section 10.2(3) and payment of current annual dues. An inactive club need not pay the initiation fee again if reinstated within a two-year period. Such club shall also pay one-year dues upon returning to the association at the appropriate time (i.e., annual meeting or any special meeting called to discuss club acceptance).

(9) Number of Clubs to be Carried. The Corporation will be made up of no more than twenty (20) clubs including inactive clubs.

(10) Membership Fees and Dues.

(a) Dues. All members shall pay dues as set by the Board of Directors. All dues are payable to the Treasurer at the beginning of each calendar year. Dues for new members shall become payable upon admission and may be pro-rated at the discretion of the Board of Directors.

(b) Fines.

(1) Any club that misses a regular scheduled meeting or a specially called meeting will be fined twenty-five (\$25.00) dollars, unless excused.

(2) Fines must be paid prior to the start of the next scheduled meeting, or the club will not have voting rights at that meeting. Any member club ineligible to vote will be so listed on the agenda for that meeting.

(3) Fines will also include the directors of the Board, unless excused.

(4) Any club that misses the annual meeting of the Board shall be fined (\$50.00) dollars.

(c) Other Fines and Assessments. The Board of Directors may assess other fees on its member clubs as may be deemed necessary.

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, except as otherwise provided by law.

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 unless such action is fair and reasonable and carried out in good faith. The procedure shall be deemed fair and reasonable if the Corporation provides the member with at least fifteen (15) days prior written notice, which states the reason(s) for the action, and the member is given an opportunity to be heard, orally or in writing, by persons authorized to decide to cancel such action not less than five (5) days before the effective date. Alternatively, the Corporation may follow such other procedure that is fair and reasonable under the facts and circumstances. Any written notice given by mail shall be sent to the member's last known address as shown in the Corporation's records.

ARTICLE XI: MEMBERS' MEETINGS AND VOTING

Section 11.1 Annual, Regular and Special Membership Meetings

- (1) Annual/Regular Meetings. The Corporation shall hold an annual membership meeting and may have other regular meetings as determined by the Board. At each annual meeting, the President and Treasurer shall report on the activities and financial condition of the Corporation and the members shall consider and act upon such other matters as may be raised consistent with the notice requirements in Section 11.4. The annual membership meeting may be held at the same time as the annual meeting of the Board as provided for in Section 2.3.
- (2) Special Meetings. The Board of Directors, persons authorized to do so by the articles or bylaws, or five percent (5%) of the voting members may call special meetings of the members by submitting a signed and dated writing to an officer, describing the purpose for which the meeting is to be held. The close of business on the thirtieth (30th) day before delivery of the demand for a special meeting to the officer shall be the record date under Section 11.2 for the purpose of determining whether the five percent requirement has been met under this Section for determining if there is an adequate number of voting members for calling a meeting.

Upon delivery of the written demand, the Corporation shall provide notice of the meeting to the members in accordance with Section 11.4 within thirty (30) days. If such notice is not given, a person signing the demand may set the time and place of the meeting and give appropriate notice. Only those matters within the purpose described in the meeting notice may be conducted at a special meeting of members.

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. This helps alleviate the challenge of deciding who the official members are for purposes of providing adequate notice for a specific meeting or taking other action since members may join 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.
- (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.

- (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.

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.

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, 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.
- (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.

- (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.

Section 11.4 Notice of Meetings of Members

Unless otherwise required, notice to members may be oral or written. Notice may also 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 Corporation's current list of members.

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.

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 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 the bylaws prescribe notice requirements, which are not inconsistent with this Section or the Nonprofit Corporations Act, those requirements shall govern.

All notices to the members shall be provided in a fair and reasonable manner. 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 the meeting within a period, no fewer than ten (10) days or more than sixty (60) days before the meeting date; and
- (2) The notice also includes a description of any matter that must be approved by the members under the following circumstances: director conflict of interest (HRS 4140-150); determination and authorization of indemnification (HRS 4140-164); amendment of the articles of incorporation (HRS 4140-182); approval of a plan of merger (HRS 4140-202); 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 4140-222); and approval of a plan of dissolution (HRS 4140-241; -242) (the descriptions shall include that which is required under the provisions of the applicable Hawaii Revised Statute (HRS) sections).

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), above, must be given. If a 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 and notice given to the members of record as of the new record date.

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 holding the meeting by attending the meeting without objecting to the meeting and to consideration of a particular matter at the meeting by not objecting when it is presented.

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, 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 (if allowed), the only matters that may be voted upon at a meeting of members are those that are described in the meeting notice.

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.

Unless otherwise limited, enlarged or denied in the articles of incorporation, each voting 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.

If authorized by the Board, members or proxies of members (if allowed) may participate at an annual, regular or special meeting of the members by means of the Internet, teleconference, or other electronic transmission technology in a manner that allows members the opportunity to read or hear the proceedings substantially concurrently with the occurrence of the proceedings, vote, pose questions, and make comments. The Corporation shall implement reasonable measures to verify that each person deemed present in this manner and permitted to vote is a member or proxy of a member.

Section 11.7 Proxy Voting

Proxy voting may be allowed in the Board's discretion. If allowed by the Board, members 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.

Section 11.8 Decision-Making without Meeting

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

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

- (2) Action by Ballot: Action by ballot may be allowed in the Board's discretion. If ballot voting is allowed, 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 an 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 shall 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.

ARTICLE XII: INSPECTION OF CORPORATE RECORDS

Section 12.1 Inspection of Records by Members

A member in good standing 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:

- (1) The articles of incorporation, bylaws, and all amendments in effect;
- (2) Resolutions adopted by the Board relating to the members' characteristics, qualifications, rights, limitations, and obligations;
- (3) Minutes of member meetings and records of actions approved by the members for the past three (3) years;
- (4) Financial statements furnished to members under Section 12.3 for the past three (3) years;
- (5) The names and business or home addresses of the current directors and officers; and
- (6) The most recent State annual report filed with the State Department of Commerce and Consumer Affairs.
- (7) Additionally, a member may inspect and copy excerpts of the minutes of the meetings of the members and Board, records of actions taken by the members or directors without a meeting, and records of actions taken by committees of the board (to the extent not subject to inspection above); accounting records; and subject to Sections 11.3(2) and 12.2, the membership list. However, in addition to the five-business day notice, the demand to inspect must be made in good faith and for a proper purpose, must describe the purpose for the inspection and the specific records to be inspected, and such records must directly be connected with the purpose. The Corporation may comply with a member's demand to inspect the membership list by providing the member with a list that was compiled no earlier than the date of the member's demand.

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.

This Section does not affect a member's right to inspect records under Section 11.3 or as the member may otherwise be entitled to as a litigant or by court order.

Section 12.2 Limitation on Use of Membership List

Without the Board's consent, the membership list (or any part) shall not be obtained or used by any person for a purpose unrelated to a member's interest as a member. Without limiting the foregoing, without the Board's consent, the membership list 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 public.

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 a public accountant reports upon 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 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 describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

ARTICLE XIII AMENDMENTS

Section 13.1 Amendment of Bylaws

Subject to Section 13.3, 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 Board at a meeting duly called and noticed for that purpose.

Section 13.2 Amendment/Restatement of Articles of incorporation

Subject to Section 13.3, 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 Board at a meeting duly called and noticed for that purpose and in the manner provided by the bylaws. Provided, that if a restatement includes an amendment requiring member approval, the Board must submit the restatement to the members for approval.

If the Board seeks to have the restatement approved by the members at a membership meeting, 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 of the meeting is to consider the proposed restatement and contain or be accompanied by a copy or summary of the restatement. If the Board seeks to have the restatement approved by written ballot or consent, the material soliciting the approval shall contain or be accompanied by a copy or summary of the restatement. 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 (if allowed) are entitled to cast.

Section 13.3 Amendment Terminating or Canceling Members

The members must approve any amendment to the articles of incorporation or the bylaws, which would terminate all or any class of members or redeem or cancel all memberships or any class of memberships by the following procedure:

- (1) Before adopting a resolution proposing such 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 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 three percent (3%) or more of the voting members, whichever is less; provided, that such statements are received not later than twenty (20) days after the Board has voted to submit the amendment to the members for approval.
- (3) The proposed amendment must be approved by the members, whether through attendance or proxy (as allowed under the bylaws), 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.

CERTIFICATION

I hereby certify that I am the Secretary of the Corporation and that the Board of Directors duly adopt this policy on _____, and the policy is currently effective.

Date: _____

Secretary

[The foregoing policy has been adapted from the IRS sample policy (Form 1023 Instr., Rev. June 2006) and incorporates state and federal laws.]

DOCUMENT RETENTION AND DESTRUCTION POLICY

O'AHU HAWAIIAN CANOE RACING ASSOCIATION - HAWAII

(A Hawaii nonprofit corporation)

The Board of Directors of O'ahu Hawaiian Canoe Racing Association - Hawaii (hereafter, the "Corporation") has approved this Document Retention and Destruction Policy to ensure that the records of the Corporation are managed in a manner consistent with the need to maintain appropriate records of the Corporation and purge unnecessary, outdated documents. The Corporation has developed the following provisions to establish clear guidelines to implement this principle and fulfill the purposes of the policy.

ARTICLE I: PURPOSES

The purposes of this policy are as follows:

1. To establish procedures for the retention, maintenance, and destruction of records, consistent with federal, Hawaii State, and local laws.
2. To ensure that records are not altered, destroyed, mutilated or concealed for use in an official proceeding or otherwise to obstruct, influence or impede any such proceeding.
3. To ensure that the Corporation and those responsible for its records maintain the highest standards of conduct in discharging their corporate duties.

This policy is intended to supplement but not replace federal, State, and local laws governing retention of records, applicable to nonprofit corporations.

ARTICLE II: POLICY IMPLEMENTATION

Each individual of the Corporation is responsible for retaining the official files for those document categories identified in the Document Retention and Destruction Schedule in the individual's area of responsibility. Each such individual is responsible for ensuring that such files are retained in accordance with this policy and records are disposed of when no longer required.

Each responsible individual, in the individual's discretion, may establish longer records retention periods than recommended for special circumstances in the individual's operations.

The Document Retention and Destruction Schedule is subject to the following qualifications:

- Records not listed: If a particular record is not listed, do not destroy the record until an appropriate retention schedule is created.
- Differing retention periods: Where records having one retention period cannot be separated from records having a longer retention period, both records should be retained for the longer period.

- Correspondence: Correspondence should be retained until the record that it supports is destroyed.
- Supporting documents: Documents should be retained as necessary to provide a record of significant events and the conclusion reached in a particular issue.
- Unneeded documents: Document files, both hard and electronic copy, should be reviewed periodically to ensure that only required documents are retained and unneeded superseded drafts are destroyed.
- Official proceeding exception: If the Corporation is the subject of an authorized investigation, an audit, or is involved in a legal action of any sort, do not destroy the records related to the audit, investigation or legal action.

Questions concerning the appropriate disposition of records not listed in the Schedule or any question about application of the policy in specific circumstances should be directed to the President.

All records that are relevant or related to or are involved in any currently pending official proceeding or suspected official proceeding should promptly be brought to the attention of the President.

ARTICLE III: DOCUMENT RETENTION AND DESTRUCTION SCHEDULE

Note: Other retention requirements may apply to the Corporation based on its programs and operations that have additional or longer retention requirements than those listed below and these should be inserted and followed (e.g. Requirements of a grantor, insurance company, accountant, creditor, or State agency may have longer retention periods).

Corporate Records:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
The articles of incorporation (or restated articles) and all amendments.	Permanent.	IRS Compliance Guide for 501(c)(3) Public Charities (Publication 422-1PC (02-2009)) (“IRS Compliance Guide”); Hawaii Nonprofit Corporate Act.
The bylaws (or restated bylaws) and all amendments.	Permanent.	IRS Compliance Guide; Hawaii Nonprofit Corporate Act.
Employer identification number (EIN).	*Permanent.	Recommended period.
Minutes of the meetings of the Board of Directors; records of all actions taken by the directors without a meeting (i.e., actions taken by unanimous written consent of the directors).	Permanent.	IRS Compliance Guide; Hawaii Nonprofit Corporate Act.
Records of all actions taken by committees of the board (i.e., committees whose members consist solely of directors and may be authorized to take board actions).	Permanent.	Hawaii Nonprofit Corporate Act.
A list of the names and business or home addresses of the Corporation’s current directors and officers.	Permanent.	Hawaii Nonprofit Corporate Act.
Annual reports filed with the State Department of Commerce and Consumer Affairs (including prior year’s reports).	(a). *Permanent. (b). Compare; State law requires that a copy of the current report be kept.	(a). Recommended period. (b). Hawaii Nonprofit Corporate Act.
Trade name / trademark & other intellectual property registration.	*Permanent.	Recommended period.

Solicitation Records:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
Records related to requests directly or indirectly for money, credit, property, financial assistance, or thing of value on the plea or representation that they will be used for charitable purpose or to benefit the Corporation. Financial records related to solicitation should be kept as indicated in the retention schedule for accounting records below.	5 yrs.(fiscal records should be kept in accordance with the accounting records, below)	Hawaii Law: Solicitation of Funds From the Public.

Members and Membership Records:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
An alphabetical list of the names and addresses of the members by class (as applicable) and indicating the number of votes each member is entitled to cast.	(a.) *Permanent. (b.) Compare: State law requires that a list of current members be kept with this detail.	(a.) Recommended period to have a record of member record dates. (b.) Hawaii Nonprofit Corporations Act.
Resolutions of the Board relating to member characteristics, qualifications, rights, limitations, and obligations.	Permanent.	Hawaii Nonprofit Corporations Act.
Member meeting minutes.	Permanent.	Hawaii Nonprofit Corporations Act.
Records of actions approved by the members without a meeting.	Permanent.	Hawaii Nonprofit Corporations Act.
Financial statements furnished to members upon demand (under Hawaii Revised Statutes 414D-306).	3 yrs.	Hawaii Nonprofit Corporations Act.
Documents relating to the expulsion or suspension of a member or termination or suspension of a membership or memberships (including related notices to a member and proceedings held).	(a.) *6 yrs. After the effective date. (b.) Compare: 1 yr. after the effective date.	(a.) Hawaii limitations period for contract actions (e.g., action on governing or other instruments). (b.) Hawaii Nonprofit Corporations Act limitations period for actions based on expulsion/suspension.

Accounting Records:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
IRS exemption application (Form 1023) and supporting documents.	Permanent.	IRS Compliance Guide.
IRS exemption ruling letter.	Permanent.	IRS Compliance Guide.
GET license.	Permanent.	Hawaii General Excise Tax Law.
State application for exemption from GET and supporting documents.	*Permanent.	Recommended period to support license cation of exemption under Hawaii General Excise Tax Law.
State certification of exemption from GET.	Permanent.	Hawaii General Excise Tax Law.
Accounts payable ledgers and schedules.	*7 yrs.	Hawaii accounting professionals ("CPA") and National Council of Nonprofit Organizations (2004) ("NCNO")
Annual information returns (Form 990 Series).	(a.) *Permanent. (b.) Compare: 3yrs. after the later of the due date of the return, or the date the return is filed.	(a.) Recommended period. (b.) IRS Information For Organizations Exempt Under Section 501 (c)(3); IRS Publication 557.
Audit reports.	*Permanent.	Recommended period.
Bank reconciliations.	*7 yrs.	CPA.
Bank statements.	*7 yrs.	CPA.
Checks and other backup documents.	*Permanent (organizational documentation or through participating bank).	Recommended period.
Depreciation schedules.	*Permanent.	CPA; NCNO.
Duplicate deposit slips.	*7 yrs.	CPA
Expense Analysis and expense distribution schedules.	*7 yrs.	CPA; NCNO.
Year-end financial statements.	*Permanent.	CPA; NCNO.
Inventories of products, materials, and supplies.	*7 yrs.	CPA; NCNO.
Invoices.	(a.) *7 yrs. (b.) Compare: 3 yrs. (for records of gross proceeds of sale and gross income, and other records of account and invoices).	(a.) CPA; NCNO. (b.) Hawaii General Excise Tax Law; Hawaii Income Tax Law.
Tax returns and worksheets.	*Permanent.	CPA; NCNO.
Timesheets.	*7 yrs.	CPA; NCNO.
Withholding tax statements.	*7 yrs.	CPA; NCNO.
Employment tax records.	4 yrs. after the date the tax	IRS Compliance Guide.

	becomes due or is paid, whichever is later.	
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Agreements:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
Contracts, agreements and memorandums of understanding.	*Duration of contract plus 6 yrs.	Hawaii limitations period for contract actions.

Program Records:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
Records related to specific programs / projects based on contractors with grantors or other funders.	(a.) *Permanent. (b.) Compare: Duration of program / project plus 6 yrs. (or longer if required by the grant or enabling statute of the grant).	(a.) Recommended period. (b.) Hawaii limitations period of contract actions.

Insurance Policies and Records:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
Insurance policies and records.	*Permanent.	Recommended period for potential claims and coverage based on policy type (e.g., occurrence policy coverage).

Employment Records:		
Document Categories	Longest Minimum Statutory Retention Period or *Recommended Minimum Retention Period	Source
<p>1. Payroll records; basic employment and earnings records; wage rate tables; leave documents.</p> <p>2. Compensation agreements.</p>	<p>1. 6 yrs. from the last date of entry, date taxes are due or paid, calendar year in which the remuneration to which they relate was earned, last effective date, or termination, whichever is later.</p> <p>2. Duration of employment plus 6 yrs.</p>	<p>1. Age Discrimination in Employment Act of 1967 (ADEA); Fair Labor Standards Act (FLSA); Family Medical Leave Act (FMLA); Federal Insurance Contribution Act (FICA); Federal Unemployment Tax Act (FUTA); Social Security Act; Hawaii Employment Security (SUTA); Hawaii Wages and Other Compensation Law; Hawaii Employment Practices; Hawaii limitations of actions.</p> <p>2. FLSA; Hawaii limitations of actions.</p>
<p>1. Personnel and employment records (including records of involuntarily terminated employees).</p> <p>2. In the case of a claim of discrimination: personnel records relevant to the charge (e.g., relating to the complainant and others holding similar positions held or sought by complainant; applications / tests completed by complainant and others for same position).</p>	<p>1. Duration of employment 6 yrs.</p> <p>2. The expiration of the statutory period within which to bring a claim or final disposition of the complaint or other action or where civil action brought, upon entry of final order and expiration of filing notices or appeal, whichever is later.</p>	<p>1. Age Discrimination in Employment Act of 1967 (ADEA); Americans with Disabilities Act (ADA)/Civil Rights Act of 1964 (Title VII); Office of Federal Contract Compliance Programs (OFCCP); Equal Employment Opportunity (EEO); Department of Labor; Vietnam Era Veteran's Readjustment Act; Civil Rights Commission; Hawaii Wage Hour Law; Hawaii Payment of Wages and Other Compensation Law; Hawaii limitation of actions.</p> <p>2. FLSA; Hawaii limitations of actions</p>
<p>1. Benefit plan descriptions; plan annual reports; summaries of plan modifications.</p>	<p>1(a). *Permanent.</p> <p>1(b). Compare: 6 yrs. after the filing date of the documents (or would have been filed) or termination of the plan, whichever is later.</p>	<p>1(a). Recommended period.</p> <p>1(b). ADEA; Employment Retirement Income Security Act (ERISA).</p>

<p>2. Documents relating to the established and administration of the plan.</p> <p>3. For covered employees: records relating to enrollment, service and eligibility, determination of benefits, and payment of benefits, and payment of benefits to the plan participants.</p>	<p>2. *Permanent.</p> <p>3(a). *Permanent.</p> <p>3(b). Compare: 6 yrs. after death of plan participant.</p>	<p>2. Recommended period.</p> <p>3(a). Recommended period.</p> <p>3(b). ADEA; ERISA.</p>
<p>1. Records relating to workplace injury / accident / illness other than by exposure to toxic substances or harmful physical agents.</p> <p>2. Records relating to an employee exposed to toxic substances or harmful physical agents.</p>	<p>1(a). *Permanent.</p> <p>1(b). Compare: 5 yrs. following the end of the calendar yr. that the record covers.</p> <p>2. *Permanent.</p>	<p>1(a). * Recommended period.</p> <p>1(b). Occupational Safety & Health Act (OSHA); Hawaii Occupational Safety & Health (HIOSH); Hawaii limitation of actions.</p> <p>2. *Permanent.</p>
<p>Affirmative Action Program (AAP) documents.</p>	<p>(a). *Permanent.</p> <p>(b). Compare: Maintain current document and preserve for immediately preceding AAP year.</p>	<p>(a). Recommended period.</p> <p>(b). OFCCP; EEO; Department of Labor, Rehabilitation Act.</p>
<p>Employee handbooks and policies.</p>	<p>*Permanent.</p>	<p>Hawaii limitation of actions and tolling period.</p>

Electronic Records, Back-up and Archiving:

Electronic Transactions

The rules described below apply to electronic records generated on or after June 28, 2000, unless otherwise:

1. Governed by a law other than Chapter 489E of the Hawaii Revised Statutes;
2. Agreed by the parties;
3. Required by a state or government agency.

A record required to be retained may be satisfied by retaining an electronic record of the information in the record that:

1. Accurately reflects the information in the record in its final form; and
2. Remains accessible for later reference.

A properly retained electronic record satisfies the requirement:

1. That a record be retained in its original form;
2. That a check be retained; provided that the information on the front and back of the check is retained;
3. That a record be retained for evidentiary, audit, or like purposes;
4. That a record be in writing;
5. That a record have a signature; provided, that there is an electronic signature ("electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record);
6. That a signature or record be notarized, certified, acknowledged, verified, or made under oath or seal; provided, that the electronic signature or seal of the person authorized to perform those acts, together with all other information required to be included by other acceptable law, is attached with the signature or record.

Data Back-up and Archiving

Documents on electronic file should be backed-up to an external media as a precautionary measure.

Documents no longer required to be on-line, but for which access may be required should be archived in a removable storage media (e.g., hard drive). The media used may have a particular life expectancy and so this should be taken into consideration.

The methods to back-up stored information and archive vary and the Corporation should consult a professional in determining the most effective, appropriate method for its operations.

Records Distribution:

Electronic Files

Documents on electronic file need only be maintained and readable for periods similar to those for the same records stored on paper form. Any document not required to be retained should be deleted.

Exception to destruction: Official proceedings (e.g., legal actions; audits; investigations).

Any time the Corporation is the subject of an official proceeding of any sort, the records related to the proceeding should not be altered, destroyed, mutilated or concealed.

As soon as the Corporation knows of the action, whether it has formally started or not, all records potentially related to that action should be identified. The individual responsible for coordinating the Corporation's activities regarding the action should be made responsible for control as the temporary owner of those records, which should be treated as a separate record series until the proceeding is resolved. Then, the temporary owner should verify with the Corporation that the records could be returned to the normal retention and disposition cycle.

Confidential, Sensitive or Personal Records

Records containing confidential, sensitive or personal information must be handled with care. When potentially sensitive records are destroyed, the Corporation must take reasonable measures to protect unauthorized access to or use of such information contained in records with or after its disposal. Such reasonable measures include:

⇒ Implementing and monitoring procedures that require burning, pulverizing, recycling, or shredding or papers or destroying or erasing electronic and other nonpaper media containing personal information so that it cannot be practicably read or reconstructed.

⇒ Describing these procedures as an official policy in the Corporation.

Consideration should be given to include the following procedures, among others: records should be transported in covered vehicles or containers; records should be temporally stored in closed containers; records should not be temporally stored and awaiting disposition for more than two days; records should never be sold in pre-shred form to distant recycling processors.

These reasonable measures may be satisfied by entering into an agreement with another person in the business of record destruction to destroying personal information in a manner consistent with the measures described above. In doing so, the Corporation must execute due diligence by doing one or more of the following:

⇒ Reviewing an independent audit of the disposal business's operations or its compliance with Hawaii law relating to destruction of personal information records (Title 26, as amended) or its equivalent;

⇒ Obtaining information about the disposal business from several references or other reliable sources and requiring that the disposal business be certified by a recognized trade association or similar third party with a reputation for high standards or quality review;

⇒ Reviewing and evaluating the disposal business's information security policies or procedures, or taking other appropriate measures to determine the competency and integrity of the disposal business.

CERTIFICATION

I hereby certify that I am the Secretary of the Corporation and that the Board of Directors duly adopt this policy on _____, and the policy is currently effective.

Date: _____

Secretary

[The foregoing policy has been adapted from the IRS sample policy (Form 1023 Instr., Rev. June 2006) and incorporates state and federal laws.]

WHISTLEBLOWER POLICY

O'AHU HAWAIIAN CANOE RACING ASSOCIATION - HAWAII

(A Hawaii nonprofit corporation)

In keeping with the policy of maintaining the highest standards of conduct and ethics, O'ahu Hawaiian Canoe Racing Association - Hawaii (hereafter, the "Corporation") will investigate any suspected fraudulent or dishonest use or misuse of the Corporation's resources or property. Board members, officers, staff, consultants, and volunteers are encouraged to report suspected fraudulent or dishonest conduct pursuant to the procedures set forth below.

This policy is intended to supplement but not replace State and federal laws and agreements governing whistleblower protection, including the Hawaii Whistleblowers ' Protection Act.

Reporting

A person's concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to his or her supervisor or, if suspected by a volunteer, to the person supporting the volunteer's work. If, for any reason, a volunteer finds it difficult to report his or her concerns to the person supporting the volunteer's work, the volunteer may report the concerns directly to the President or Board of Directors. Alternatively, to facilitate reporting of suspected violations where the person wishes to remain anonymous, a written statement may be submitted to one of the persons listed above.

Examples of activities and situations that may present fraudulent or dishonest use or misuse of resources or property include but are not limited to the following:

- Forgery or alteration of documents;
- Unauthorized alteration or manipulation of computer files;
- Fraudulent financial reporting;
- Pursuit of a benefit or advantage in violation of the Corporation's conflict of interest policy;
- Misappropriation or misuse of the Corporation's resources, such as funds, supplies, or other assets;
- Authorizing or receiving compensation for goods not received or services not performed.

Baseless Allegations

Persons making allegations with reckless disregard for their truth or falsity may be subject to disciplinary action by the Corporation and/or legal claims by persons accused of such conduct.

Investigation

All relevant matters, including suspected but unproved matters, will be reviewed with documentation of the receipt, retention, investigation, and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and findings will be communicated to the reporting person. Investigations may warrant investigation by independent persons such as auditors and/or attorneys.

Reasonable care should be taken in dealing with suspected misconduct to avoid baseless allegations, premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation, and violations of a person's rights under the law

Whistleblower Protection

The Corporation will use its best efforts to protect reporting persons against retaliation. Complaints will be handled with sensitivity, discretion, and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that complaints will only be shared with those who have a need to know so that the Corporation can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of a complaint, such persons may also have the right to know the identity of the reporting person.)

This policy will not be construed to diminish or impair the rights of persons to the continued protection of confidentiality of communications where statute or common law provides such protection.

Board members, officers, staff, consultants, and volunteers of the Corporation may not retaliate against a person for informing the Corporation about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the person's relationship with the Corporation, including but not limited to, loss of position, threats, or otherwise discriminate against the person regarding the person's compensation, terms, conditions, location, or privileges of such relationship.

Persons who believe that they have been retaliated against may file a written complaint with the President or Board of Directors. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated.

CERTIFICATION

I hereby certify that I am the Secretary of the Corporation and that the Board of Directors duly adopt this policy on _____, and the policy is currently effective.

Date: _____

Secretary

[The foregoing policy has been adapted from the IRS sample policy (Form 1023 Instr., Rev. June 2006) and incorporates state and federal laws.]

CONFLICT OF INTEREST POLICY
O'AHU HAWAIIAN CANOE RACING ASSOCIATION - HAWAII
(A Hawaii nonprofit corporation)

The Board of Directors of O'ahu Hawaiian Canoe Racing Association - Hawaii (the "Corporation") has adopted this policy to ensure that the affairs of the Corporation are managed in an ethical manner, without improper conflicts of interest. The Board has adopted the following provisions to establish clear guidelines to implement this objective and fulfill the purposes of the policy.

ARTICLE I: PURPOSE

The purposes of this policy are as follows:

- (1) To ensure that the Corporation receives fair value for the goods and services it obtains and that no one affiliated with the Corporation receives an unfair benefit from such affiliation;
- (2) To maintain the confidence of donors, the constituency, and the community in the integrity, honesty and exempt purposes of the Corporation; and
- (3) To ensure that the directors and officers of the Corporation maintain the highest standards of conduct in discharging their corporate duties.

ARTICLE II: DEFINITIONS

Virtually any situation in which the Corporation provides a benefit to or for an interested person may present a conflict of interest. An "interested person" may be (a) any person who was during the previous 5-years in a position of substantial influence over the affairs of the Corporation, (b) a member of the family of such person, or (c) an entity in which individuals described in the preceding categories have more than a 35% interest.

A person is in a position of "substantial influence" if the person (a) is a member of the Board of Directors, (b) has ultimate responsibility for implementing the decisions of the Board, for supervising the management, administration, or operation of the Corporation, or for managing the finances of the Corporation (for example, the president, executive director or treasurer), or (c) has substantial influence over the affairs of the Corporation under the facts and circumstances.

An interested person's "family" includes the person's spouse; brothers or sisters (by whole or half-blood) and their spouses (by whole or half-blood); ancestors; and children, grandchildren and great grandchildren and their spouses. An adopted child of an interested person is treated as a child of that person by blood.

ARTICLE III: PROCEDURES

Section 3.1 Governing Body

The Corporation's authorized body to review actual or possible conflicts of interest shall be the Board of Directors or a committee of the board (composed solely of directors). The members of the board or committee, as the case may be, shall not have any conflict of interest with the transaction or arrangement at issue.

Section 3.2 Duty to Disclose Possible Conflict

In connection with any actual or possible conflict of interest, directors, officers and staff covered by this policy must disclose the existence of the interest and be given the opportunity to disclose all material facts to the Board of Directors or members of a committee with board-delegated powers considering the proposed transaction or arrangement.

Section 3.3 Procedure

After disclosure of the interest or becoming aware of the material facts, the Board or committee members, without the presence of any interested person, shall decide if a conflict of interest exists. If a conflict of interest exists; the transaction shall be addressed as follows:

- (1) The interested person, if any, may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement so that the Board or committee has information sufficient to determine the reasonableness or fairness of the transaction or arrangement.
- (2) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person that would not give rise to a conflict of interest.
- (3) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable, and make a decision as to whether to enter into the transaction or arrangement.
- (4) By the Members: A conflict of interest transaction may be authorized, approved or ratified by the members entitled to be counted under Hawaii Revised Statutes 4140- 150, in view of the determinations of the Board or committee of the board as described in Subsection 3.3.

ARTICLE IV: RECORD OF PROCEEDINGS

The minutes of the governing Board or committee shall contain the following:

- (1) In determining whether a conflict of interest exists: The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, the names of the persons present for discussions and votes relating to the transaction or arrangement, any action taken to determine whether a conflict of interest was present, and the governing Board's or committee's decision as to whether a conflict of interest in fact exists.
- (2) In addressing the conflict of interest: (a) the names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of the discussion, including any alternatives to the proposed transaction or arrangement, the comparability data obtained, how it was obtained, and what data was relied upon; and a record of any votes taken in connection with the proceedings and those who approved; (b) the terms of the approved transaction and date it was approved; and (c) any action taken with respect to consideration of the transaction by anyone who is otherwise a member of the authorized body but who had a conflict of interest with respect to the transaction.

Such documentation must be prepared before the later of the next meeting of the authorized body or 60 days after the final action or actions of the authorized body are taken. The authorized body must review and approve the record as being reasonable, accurate and complete within a reasonable time thereafter.

ARTICLE V: COMPENSATION

A voting member of the Board who receives compensation from the Corporation and a voting member of any committee whose jurisdiction includes compensation matters and who receives compensation from the Corporation is precluded from voting on matters pertaining to that member's compensation. However, no voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation from the Corporation is prohibited from providing information to any committee regarding compensation.

Members of the Corporation who receive compensation from the Corporation, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No member, either individually or collectively, is prohibited from providing information to any committee regarding member compensation.

ARTICLE VI: ANNUAL STATEMENTS

Each director, officer and member of a committee with Board-delegated powers shall annually sign a statement, which affirms such person has received a copy of this conflict of interest policy, has read and understands the policy, agrees to comply with the policy, and understands that the Corporation is charitable and in order to maintain its federal tax exemption must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

ARTICLE VII: PERIODIC REVIEWS

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- (2) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII: USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATION

I hereby certify that I am the Secretary of the Corporation and that the Board of Directors duly adopt this policy on _____, and the policy is currently effective.

Date: _____

Secretary

[The foregoing policy has been adapted from the IRS sample policy (Form 1023 Instr., Rev. June 2006) and incorporates state and federal laws.]

ANNUAL CONFLICT OF INTEREST STATEMENT

O'AHU HAWAIIAN CANOE RACING ASSOCIATION - HAWAII

(A Hawaii nonprofit corporation)

In my capacity as a _____ (insert office or offices held) for O'ahu Hawaiian Canoe Racing Association - Hawaii (the "Corporation"), I submit this Annual Conflict of Interest Statement in accordance with Article VI of the Corporation's Conflict of Interest Policy (the "Policy"). In this regard, I affirm that I have received a copy of the Policy, have read and understand the Policy, agree to comply with the Policy, and understand the Corporation is charitable and in order to maintain its federal tax exemption must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

I further affirm that to the best of my knowledge, except as disclosed below, neither I nor any person with whom I have or have had a personal or business relationship is engaged in (or intends to engage in) any transaction or activity or has (or intends to have) any relationship that may present an actual or potential conflict of interest. I agree that if I become aware of any transaction or activity in the future that may contradict these affirmations or otherwise may present an actual or potential conflict of interest, I will immediately disclose this to the Board of Directors.

Signature: _____

Date: _____

Name (please print your name): _____

DISCLOSURE STATEMENT

The following describes actual or potential conflicts of interest (if you have a disclosure, describe the actual or potential conflict):