

**BYLAWS**

**THE OUTDOOR CIRCLE**

(A Hawai'i nonprofit corporation)

Approved by the Membership on May 30, 2013

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## ARTICLE I

### NAME, ORGANIZATION OF THE CORPORATION, AND GOVERNANCE

Section 1.1 Name and Organization of the Corporation. The name of this organization shall be The Outdoor Circle. The Outdoor Circle shall include The Outdoor Circle and all Branches of The Outdoor Circle throughout Hawai`i now existing or which may hereafter be established by the Board of Directors pursuant to these Bylaws.

The Outdoor Circle is a volunteer organization, established as a Hawai`i nonprofit corporation, whose purpose is to conserve and enhance the natural beauty and resources of our islands for future generations by providing and promoting environmental education and activities that cultivate respect and appreciation for Hawai`i's unique natural environment and advocating for public policies that protect Hawai`i's unique natural beauty.

The Outdoor Circle is organized and shall be operated exclusively for such purposes, as permitted to a Hawai`i nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and all of The Outdoor Circle's activities shall be performed in furtherance of such purposes.

Section 1.2 Government. The Outdoor Circle and each of its Branches shall be governed by the Articles of Incorporation (formally called the Charter of Incorporation) granted by the State of Hawai`i and by the Bylaws, as amended from time to time.

## 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 Hawai`i and the Internal Revenue Code, including the power to do all things necessary, not inconsistent with the law, to further the activities of the organization. The Board shall conduct, manage and control the affairs and business of The Outdoor Circle consistent with State and federal laws, and the Articles of Incorporation and Bylaws, as amended from time to time.

Section 2.2 Number, Composition and Qualifications of Directors.

(1) Number of Directors. The Board of Directors shall consist of not less than eleven (11) nor more than twenty-one (21) individuals. The Board may increase or decrease the number of directors from time to time, provided that the number of directors is not less than eleven or more than twenty-one.

(2) Composition of the Board. The Board of Directors shall be composed of the following directors:

(a) The officers of The Outdoor Circle (i.e., the President, Vice-President, Secretary, Treasurer, Branch Representative and Advisors described in Section 5.1) and the Chairperson of the Nominating Committee (referred to herein as the “designated directors”), and

(b) Other individuals who are elected in accordance with Section 2.3 (referred to herein as the “elected directors”).

(3) Qualifications. All directors must be members in good standing of the organization and shall not hold political office, be candidates for political office, or serve as officers of political parties while serving as directors.

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 Election/Designation and Term of Office. The members entitled to vote shall elect the directors at the Annual General Membership Meeting (or at any special meeting held for that purpose) from a slate of qualified candidates presented by the Nominating Committee. (See Article XI for member meeting and notice requirements.) Such election may be conducted by mail at the discretion of the Board.

All directors, whether elected or designated, shall hold office for a term of one (1) year from September 1 to August 31, unless otherwise determined by the Board. All directors, whether elected or designated, may hold office for successive terms, provided that they may not serve more than six (6) successive terms as a director. Designated directors may hold the same office for successive terms, provided that they may not serve more than three (3) successive terms in the same office.

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 by electing qualified candidates presented by the President. 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 elected directors without cause unless otherwise provided in the Articles of Incorporation or Bylaws at a meeting duly called for that purpose, and the notice must state the purpose of the meeting.

Amending the Articles or Bylaws and deleting or changing the designation may remove a designated director. The organization shall do so by giving written notice of the removal to the director, and either the presiding officer of the Board, President or Secretary. A removal is effective when the notice is effective, unless the notice specifies a future effective date. 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. The Board shall hold regular Board meetings every other month, unless otherwise determined by the Board. 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 Executive Committee may call special meetings of the Board at any time upon reasonable notice. The person calling the meeting may fix the place and time for holding the meeting. The Secretary (or other person responsible for giving notice) shall give notice of each meeting of the Board for which notice is required in accordance with this Section.

(1) Notice Requirements. Except as otherwise required in the Articles of Incorporation, Bylaws or law, regular meetings may be held without notice (so long as the 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 or may not 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 on the date signed by or on behalf of the addressee, if sent by registered or certified mail.

Notice may also be provided by electronic transmission; provided, that the director to whom the notice is given consents ("electronic transmission" means a form of

communication that does not involve the transmission of paper and that creates a record). The following means of electronic transmission shall be deemed to have been given as follows:

(a) If by facsimile, when directed to a number at which the director has consented to receive notice;

(b) If by electronic mail, when directed to an electronic mail address at which the director has consented to receive notice;

(c) If by posting on an electronic network together with separate notice to the director of the specific posting, upon the later of the posting and the giving of the separate notice; and

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

A director may revoke such consent by written notice or electronic transmission to The Outdoor Circle. Such consent shall be deemed to be revoked if (1) The Outdoor Circle 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 Hawai'i Nonprofit Corporations Act prescribes notice requirements for particular circumstances, those requirements shall govern. If the Articles of Incorporation or these Bylaws prescribe notice requirements, which are not inconsistent with this Section or the Nonprofit Corporations Act, those requirements shall govern.

(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, one half (1/2) of the directors in office will constitute a quorum. Unless the Hawai'i Nonprofit Corporations Act, Articles or Bylaws require a greater vote, a vote of a majority (i.e., more than half) 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, as well as letter or facsimile, 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.

Section 3.5 Option: Robert’s Rules of Order as Guidance. The Board may, but is not required to, use Robert’s Rules of Order as guidance when the circumstances warrant such use for the administration of a Board (or membership) meeting.

**ARTICLE IV**

**COMMITTEES OF THE BOARD AND ADVISORY COMMITTEES**

Section 4.1 Creation of Committees of the Board/Advisory Committees and Appointment of Committee Members and Chairs.

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 persons to serve on them by a vote of a majority of the Board. The President, with the approval of the Executive Committee, shall appoint chairpersons to serve on all committees. 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 organization’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 shall 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.

Section 4.2 Required Standing Committees. The Board of Directors shall create and maintain the following standing committees: Executive Committee, Nominating Committee, Finance Committee and Branch Committee. The Board may create and maintain such other standing and special committees as may be necessary for the effective operations of the organization. Each such committee shall have such purpose(s), be composed of persons, and operate in accordance with committee-specific descriptions that may be developed by the organization and amended from time-to-time by the Board. Unless otherwise determined by the Board, the President shall appoint all committee chairs (or other responsible person), with the Executive Committee's approval.

## **ARTICLE V**

### **OFFICERS**

Section 5.1 Designation and Authority. The officers of The Outdoor Circle shall be the President, the Vice-President, the Treasurer, the Secretary, the Branch Representative, and three Advisors. 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 Qualification, Election and Term of Office.

(1) Qualifications. All officer candidates and officers must be members in good standing of The Outdoor Circle.

(2) Election and Terms. The members entitled to vote shall elect the officers at the Annual General Membership Meeting (or at such other time as the Board may determine) from a slate of at least one candidate for each office presented by the Nominating Committee. Officers shall serve one (1) year terms and may hold office for successive terms; provided, that officers may not hold the same office for more than three (3) successive terms. All such terms shall begin on September 1 and end on August 31, consistent with the terms for directors. The same individual may hold more than one office in the organization, provided that not less than two (2) persons shall be officers.

(3) Vacancies. The President, with the approval of the Executive Committee and ratification by the Board, shall appoint officers to fill vacancies in office. If the

office of the President is vacant, the members entitled to vote shall fill such vacancy in accordance with Section 5.2(2).

Section 5.3 Resignation and Removal. An officer may resign by delivering notice to The Outdoor Circle. If the resignation is made effective at a future date, the Board of Directors may fill the pending vacancy before the effective date, provided, the successor does not take office until the effective date. The Board may remove an officer at any time with or without cause.

Section 5.4 President. The President shall have general charge and supervision of the organization and have the following responsibilities:

- (1) Preside at all general membership meetings, meetings of the Board, and meetings of the Executive Committee;
- (2) Call the meetings of the Executive Committee;
- (3) Along with the Executive Director, sign all agreements required to be executed on behalf of The Outdoor Circle and/or the Branches;
- (4) With the approval of the Executive Committee, appoint all standing committee and special committee chairpersons;
- (5) Be a non-voting ex-officio member of all committees with the exception of the Nominating Committee;
- (6) May serve as chairperson of one or more committees;
- (7) Work with the other officers, directors and Executive Director to ensure that the organization complies with State and federal mandates, including those described in Articles VII and VIII of these Bylaws;
- (8) Attend to such other duties as may be required by the Board.

Section 5.5 Vice-President. In the absence or disability 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. In the case of the absence or disability of the Vice-President, then such duties shall be performed by the Secretary. In the case of the absence or disability of both the Vice-President and Secretary, then a President *pro tem* shall be appointed by the Board. The Vice-President shall attend to such other duties as may be required by the Board, and may serve as chairperson of one or more committees.

Section 5.6 Secretary. The Secretary shall have the following duties:

- (1) Keep a record of the minutes of all meetings of The Outdoor Circle, including original minutes of all membership meetings and all meetings of the Board and the Executive Committee;
- (2) Ensure all records of the organization are adequately maintained (including those described in Section 7.9), except for those records expressly committed to the charge of another officer by these Bylaws or by the Board;
- (3) Certify resolutions adopted and other actions taken by the Board from time to time as needed;
- (4) Ensure that proper notice is given for all meetings of the Board of Directors, committees and members;
- (5) Attend to such other duties as may be required by the Board, and may serve as chairperson of one or more committees.

Section 5.7 Treasurer. The Treasurer shall exercise general supervision over the receipt, custody, and disbursement of corporate funds. The Treasurer shall ensure that the financial records of The Outdoor Circle are accurately maintained and report the financial status of The Outdoor Circle to the Board at its regular meetings and to the general membership at the annual meeting. The Treasurer shall serve as Chairperson of the Finance Committee to ensure sound management of the organization's investments and adequate fundraising effort to satisfy the organization's obligations. The Treasurer shall attend to such other duties as may be required by the Board, and may serve as chairperson of one or more committees.

Section 5.8 Branch Representative. The Branch Representative shall represent the interests of the Branches to the Board and serve as Chairperson of the Branch Committee. The Branch Representative shall attend to such other duties as may be required by the Board, and may serve as chairperson of one or more committees.

Section 5.9 Advisors. The Advisors shall serve in an auxiliary capacity to the officers and members of the Board, and may serve as chairpersons of one or more committees.

## 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 Outdoor Circle'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 organization whom the director or officer reasonably believes to be reliable and competent in the matters presented,

(2) By legal counsel, public accountants, or other persons regarding matters the director or officer reasonably believes are within the person’s professional or expert competence, or

(3) In the case of a director, by a committee of the board of which the director is not a member regarding matters within its jurisdiction and the director reasonably believes the committee merits confidence.

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

A director or an officer who acts in compliance with this Section will not be liable to the organization 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**

**FINANCE AND ADMINISTRATION**

Section 7.1 Fiscal Year. The fiscal year of The Outdoor Circle shall be from October 1<sup>st</sup> through September 30th, or as the Board of Directors may otherwise determine.

Section 7.2 Annual Budget; Spending Authorization. The Board shall approve and adopt a budget for the current fiscal year. Any unbudgeted expenditure by the central office in excess of \$500.00 must have the approval of the Board. The Outdoor Circle shall not disburse funds for purposes that are inconsistent with the Articles of Incorporation and these Bylaws, including its status as a nonprofit corporation. Gifts or loans to individuals or for-profit enterprises are prohibited.

Section 7.3 Audit. The books and accounts of The Outdoor Circle shall be audited annually by a certified public accountant selected by the Board.

Section 7.4 Bonding. The Board of Directors and Executive Staff shall be bonded whenever reasonably possible in an amount determined by the Board.

Section 7.5 Endowment Funds. All monies designated as Endowment Funds shall be invested in one or more segregated accounts maintained by the Treasurer at the direction of the Board, and only the income therefrom expended, unless an expenditure of principal is authorized by a resolution proposed by the Board and adopted by the general membership of The Outdoor Circle in the manner required for the amendment of these Bylaws.

Section 7.6 Check Authorizations. The President and Treasurer (or persons acting in such capacities as provided herein) and salaried executive personnel designated by the Board shall be authorized to sign checks for The Outdoor Circle. Two signatures shall be required on all checks. The Board may designate additional signatories.

Section 7.7 Maintenance of Mailing Address and Agent. The Outdoor Circle shall continuously maintain in this State a mailing address of its principal office and a registered agent, as required under Hawai‘i Revised Statutes (HRS) Section 414D-32, and if the mailing address or agent changes, notify the Department of Commerce and Consumer Affairs, IRS, and Department of Taxation.

Section 7.8 State Annual Report to be Filed. The Outdoor Circle 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 on or before September 30 of each year and reflect the state of the organization’s affairs as of July 1 of the year when filed.

Section 7.9 Records to be Kept. The Outdoor Circle shall maintain the following records, as required by law, (and others necessary to the operations of the organization):

(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;

(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, the 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 Hawai‘i Revised Statutes Section 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 7.8;

(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) If the organization has applied for and obtained exemption from State general excise taxes, the State application for exemption from general excise taxes (Form G-6 or G-6S), all documents in support of the application, and the State exemption certification.

Section 7.10 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 Outdoor Circle, and comply with existing operations and State and federal laws. All amendments to the Bylaws shall be consistent with the Articles of Incorporation.

Section 7.11 Notification of State and IRS of Material Changes. The Outdoor Circle shall notify the IRS, Department of Commerce and Consumer Affairs, and State Department of Taxation (if the organization has obtained exemption from general excise taxes) of any change in the organization, including structural and operational changes.

Section 7.12 State and Federal Taxes; Annual Filings. Hawai'i imposes three taxes that are potentially applicable to the organization: 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 organization'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 7.13 Solicitation and Registration With State Attorney General.

(1) Registration With Attorney General Prior to Solicitation. The Outdoor Circle shall register with the State department of the attorney general before conducting any solicitation for money or thing of value, as defined in Hawai'i 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 Board shall consult with its legal advisor to ensure proper compliance with this registration law.

(2) Use of Unregistered Professional Persons Prohibited. The organization shall not use the services of an unregistered professional solicitor or professional fundraising counsel as defined in Chapter 467B of the Hawai'i Revised Statutes in the solicitation of contributions.

Section 7.14 Policies Required by Law and Operations. The Board of Directors shall create and adopt such policies necessary to the operations of the organization 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 Hawai'i State, federal and local laws.

Section 7.15 Public Support. The Outdoor Circle must be publicly supported in order to maintain tax-exempt status. The Board of Directors shall consult with the organization's tax advisor to ensure that the organization 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; OFFICIAL STATEMENTS**

Section 8.1 Distributions Prohibited. The Outdoor Circle 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 Outdoor Circle shall not lend money to or guaranty the obligation of a director or officer of the organization. The Outdoor Circle 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 Outdoor Circle shall not allow more than an insubstantial accrual of private benefit to individuals or other organizations. This restriction is to ensure that a tax-exempt organization, as The Outdoor Circle, serves a public interest, not a private one. Accordingly, no part of The Outdoor Circle's net earnings may inure to the benefit of any person who has a personal or private interest in the activities of The Outdoor Circle such as an officer, director, or a key employee.

(2) Political Campaign Intervention. The Outdoor Circle 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 Outdoor Circle 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 Outdoor Circle shall not engage in substantial legislative activity, commonly referred to as lobbying. Generally, substantial legislative activity is found where a substantial amount of an organization's resources are used to influence legislation, including contacting and urging others to contact members or employees of a legislative body for the purposes of proposing, supporting, or opposing



legislation. An organization may engage in educational activities related to matters of public policy without engaging in lobbying.

Section 8.4 Managing Conflicts of Interest/Excess Benefit Transactions Prohibited. The Board of Directors shall ensure that the affairs of The Outdoor Circle are managed in an ethical manner without improper conflicts of interest by following appropriate procedures to manage conflicts of interest. 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, as The Outdoor Circle, 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.

#### Section 8.5 Official Statements.

(1) All formal statements of the views of The Outdoor Circle on matters of public interest shall be consistent with the policies and procedures of the organization. Nothing in this Section shall be deemed to limit the authority of officers to represent The Outdoor Circle in its business affairs within the scope of their respective offices as governed by responsible business practices consistent with the Articles of Incorporation of The Outdoor Circle, these Bylaws, and the policies and procedures of the organization.

(2) In the event that any proposed policy statement is known by the author to be the subject of a significant difference of opinion within the membership of The Outdoor Circle or amongst the Board, the proposed statement shall first be presented to the President or Executive Director for consideration by the Executive Committee, which shall recommend to the Board whether the statement should be adopted. The Board shall determine the official policy of The Outdoor Circle on the issue presented, and thereafter all public statements shall conform to the adopted policy.

## **ARTICLE IX**

### **LIMITATION OF DIRECTOR LIABILITY AND INDEMNIFICATION**

The personal liability of a director to The Outdoor Circle and the members for any monetary damage because of a breach of the director’s duties to The Outdoor Circle and the

members shall be limited to the extent specified in Article VII of the Articles of Incorporation. The Outdoor Circle shall further indemnify and advance expenses to a director and an officer, employee, or agent of The Outdoor Circle consistent with Article VII of the Articles of Incorporation. If The Outdoor Circle indemnifies or advances expenses under Article VII in connection with a proceeding by or in the right of the organization, The Outdoor Circle 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 The Outdoor Circle. The members of The Outdoor Circle shall consist of those persons who are admitted into the membership under the provisions of the Articles of Incorporation and Bylaws. Membership in the Corporation is evidenced by the organization's current list of members.

#### Section 10.2 Admission and Qualifications of Members.

(1) General Policy. Membership in The Outdoor Circle shall not be denied or limited on the basis of race, color, gender, disability, age, or religious affiliation.

(2) Membership Criteria and Classification. The Board of Directors shall have the power to establish conditions for admission of members, admit members, and issue memberships. The Board shall determine classes of voting membership and their respective dues. All dues shall be accrued by the central office.

Membership in The Outdoor Circle shall be open to any person whether a resident of the State of Hawai'i or not, upon the payment of dues as prescribed by the Board. No person shall be admitted as a member without the person's consent.

(3) Membership Records. Current and historical records of the membership shall be kept in the office of The Outdoor Circle.

(4) Members in Good Standing. All members who have satisfied the requirements of membership, as determined by the Board, shall be in good standing and entitled to the benefits of membership, including the right to vote on matters submitted to a vote of the members, in person or by proxy, at general meetings of The Outdoor Circle.

Except as described in these Bylaws and the Articles of Incorporation, all members shall have the same rights and obligations.

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 organization by reason of being a member.

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 organization 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 organization 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 organization's records.

## ARTICLE XI

### **MEMBERS' MEETINGS AND VOTING**

#### Section 11.1 Annual, Regular and Special Membership Meetings.

(1) Annual/Regular Meetings and Required Agenda. The Outdoor Circle shall hold a General Membership Meeting at least once per year, as determined by the Board. At one such annual meeting, the President and Treasurer shall report on the activities and financial condition of The Outdoor Circle. The officers and the Nominating Committee for the following year shall be elected and installed at a General Membership Meeting held prior to September 1st.

(2) Special Meetings. The Board of Directors, the President, the Executive Committee, 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 (30<sup>th</sup>) 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 Outdoor Circle 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 Hawai'i law, a corporation may set a date, called a "record date," to determine and set an official count of the members for the purposes 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 (60<sup>th</sup>) 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 Organization to Prepare Members' List for Meetings.

(1) Preparation and Maintenance of List. After fixing a record date for a notice of a meeting under Section 11.2, The Outdoor Circle 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 Outdoor Circle 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 Outdoor Circle'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 organization 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 Hawai‘i Nonprofit Corporations Act, written notice to members is effective when mailed so long as the notice is postpaid and correctly addressed to the member’s last known address as shown in the organization’s current list of members.

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 organization. Such consent shall be deemed to be revoked if (1) the organization 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 Hawai‘i 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 as follows:

(1) The organization 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 (provided, however, that notice in regard to amendments of the Articles

of Incorporation or Bylaws must be given no less than fourteen (14) days or more than sixty (60) days before the meeting); and

(2) The notice must also include a description of any matter that must be approved by the members under the following circumstances: director conflict of interest (HRS 414D-150); determination and authorization of indemnification (HRS 414D-164); amendment of the Articles of Incorporation (HRS 414D-182); approval of a plan of merger (HRS 414D-202); approval of a sale, lease, exchange or other disposition of all, or substantially all, of the organization's assets other than in the usual and regular course of activities (HRS 414D-222); and approval of a plan of dissolution (HRS 414D-241; -242) (the descriptions shall include that which is required under the provisions of the applicable Hawai'i Revised Statute (HRS sections).

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 Outdoor Circle 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. Fifty (50) voting members present or by proxy at a membership meeting shall constitute a quorum, unless otherwise indicated in the Articles of Incorporation, Bylaws or the Hawai'i 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, 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 voting members present shall be the act of the members, unless the Articles of Incorporation, Bylaws or Hawai'i 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 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 Outdoor Circle 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. A member may appoint a proxy to vote or otherwise act for the member by signing an appointment form. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. Such appointment shall remain valid for eleven (11) months, unless otherwise expressly provided in the appointment form; provided, that no proxy shall be valid for more than three (3) years from execution. An appointment of a proxy is revocable by the member making the proxy, unless the appointment form states that it is irrevocable and the appointment is coupled with an interest.

#### Section 11.8 Decision-Making Without Meeting.

(1) Action by Written Consent: 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 organization. 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: Any action that may be taken by the members at a meeting of members may be taken without a meeting if the organization delivers a ballot to every member entitled to vote on the matter. The organization 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 organization 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 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 Outdoor Circle 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 Outdoor Circle 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 Outdoor Circle), 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 Outdoor Circle shall provide the member with its latest annual financial statements. If annual financial statements are reported upon by a public accountant, 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**

### **BRANCHES**

Section 13.1 Existence. The Board may establish Branches of The Outdoor Circle by granting Branch Charters in the name of each Branch. Branch Charters shall be consistent with the Articles of Incorporation and Bylaws of The Outdoor Circle. The power to amend or suspend the Branch Charter of any Branch and the power to abolish any Branch by revocation of its Branch Charter are hereby reserved to the Board and shall not be limited except by amendment of these Bylaws. The Board may impose penalties on Branches in order to ensure compliance with the requirements of these Bylaws and the policies and procedures of the organization.

Section 13.2 Governance. Each Branch may adopt its own Bylaws and determine its own policies, provided that they shall be consistent with the Articles of Incorporation and Bylaws of The Outdoor Circle and the Branch Charter. No Branch shall engage in any activity or expend any funds for any purpose except those that are authorized by the Articles of Incorporation of The Outdoor Circle, these Bylaws, and the policies and procedures of the organization.

Section 13.3 Finances. The Branches of The Outdoor Circle are authorized to raise and expend funds to fulfill the mission of the organization, provided such activity is consistent with the Articles of Incorporation, these Bylaws, and the policies and procedures of the organization. Effective October 1, 2013, Branch funds may be held separately by the central

organization for Branch use or held by individual Branches, pursuant to a separate agreement.

The Board is authorized to establish policies and procedures to facilitate and support Branch projects, as well as to ensure compliance with the requirements of the Articles of Incorporation of The Outdoor Circle, these Bylaws, and the policies and procedures of the organization.

Section 13.4 Branch Records. All financial statements, membership lists, and other records shall be maintained by the central office of The Outdoor Circle and made available to members in accordance with Article XII of the Bylaws.

Section 13.5 Suspension or Revocation. Should the Branch Charter of any Branch of The Outdoor Circle be suspended or revoked, all funds of the Branch shall be held separately for a period of two calendar years. If the Branch Charter is reinstated within the two-year period, the balance of the funds shall be returned to the Branch; otherwise, the balance shall be added to the general funds of The Outdoor Circle. All dues, gifts and other property of the Branch at the time of suspension or revocation shall belong to The Outdoor Circle except as provided in Subsection 13.3. When necessary, the Board is authorized to expend Branch funds consistent with the intent of the donor(s), the Articles of Incorporation, these Bylaws, and the policies and procedures of the organization.

Section 13.6 Authority. All legal matters, including, without limitation, execution of contracts, grant agreements, preparation and filing of corporate exhibits, certificates, authorizations, tax returns, and applications for determination of tax status of The Outdoor Circle shall be the exclusive responsibility of the Board and the officers so authorized by the Board, and not by the Branches.

**ARTICLE XIV**

**AMENDMENTS**

Section 14.1 Amendment of the Articles of Incorporation and Bylaws. Subject to Section 14.2, to amend or restate the Articles of Incorporation or Bylaws, the Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at an annual, regular, or special meeting of members. Written notice shall then be given to each member entitled to vote along with the proposed amendment or a summary of the changes within the time and in the manner required in these Bylaws for giving meeting notice to members under Section 11.4. The proposed amendment shall be adopted upon receiving at least two-thirds (2/3) of the votes that members present at the meeting or represented by proxy are entitled to cast.

Section 14.2 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 under Section 11.4.

(2) After adopting a resolution proposing such amendment, the Board must give notice to the members proposing the amendment under Section 11.4, 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 the voting members 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 certify that I am the Secretary of the Corporation and that the members adopted these Bylaws on \_\_\_\_\_, and the Bylaws are currently effective. These Bylaws supersede all Bylaws adopted prior to this date and amendments thereto.

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary