

BYLAWS
OF
THE VOLCANO ART CENTER

ARTICLE I

Name and Office.

Section 1.01 Name. The name of the corporation is THE VOLCANO ART CENTER.

Section 1.02 Principal Office. The principal office of the corporation shall be located at Volcano, Hawaii.

ARTICLE II

Members.

Section 2.01. Eligibility for Membership. All persons who are interested in the purposes for which the corporation is organized and who make annual or other contributions to the corporation in accordance with membership categories and dues established by the board of directors shall be eligible to apply for membership.

Section 2.02. Voting Rights. There shall be only one category of voting members. Each voting member shall be entitled to one vote on each matter submitted to a vote of the members.

Section 2.03. Termination of Membership. A member may be suspended or expelled for cause by the vote of not less than three-fourths of the members present at a meeting of the members, provided notice of such proposed action shall have been duly given in the notice of the meeting and provided the member has been informed in writing of the changes preferred against the member at least ten days before such meeting. The member shall be given an opportunity to be heard at such meeting. Failure to pay annual dues within 30 days following renewal date shall cause immediate termination of membership. All rights of membership shall cease with termination.

Section 2.04. Resignation. Any member may resign by filing a written resignation with the secretary.

Section 2.05. Reinstatement. Upon written request signed by a former member and filed with the secretary, the board may reinstate such former member to membership upon such terms as the board may deem appropriate.

Section 2.06. Transfer of Membership. Membership in this corporation is not transferable or assignable.

Section 2.07. Membership – Liability for Corporation’s Obligations. Members shall not be liable for any debts or obligations of the corporation and shall not be subject to any assessment.

No member shall be entitled to any share of the corporate assets upon dissolution of the corporation.

ARTICLE III

Meetings of Members.

Section 3.01. Annual Meeting. An annual meeting of the members shall be held each year at such time and place as designated by the board of directors, for the purpose of fixing the number of directors for the ensuing year, electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the board shall cause the election to be held at a special meeting of the members as soon thereafter as convenient.

Section 3.02. Special Meetings. Special meetings of the members, other than those required by statute, may be called by the president or vice-president of the board of directors or by any two directors, and must be called by the president or vice-president on receipt of a written request of one-third of the directors or one-third of the members of the corporation.

Section 3.03. Place of Meeting. The board of directors may designate any place within the County of Hawaii as the place for an annual meeting or for any special meeting called by the board.

Section 3.04. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than ten nor more than thirty days before the date of such meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as it appears on the records of the corporation, with postage thereon prepaid.

Section 3.05. Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a meeting upon written consent or approval of a majority of the members, setting forth the action so taken.

Section 3.06. Quorum. At such a meeting a quorum shall consist of fifteen voting members. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 3.07. Proxies; Voting.

- (a) At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven months from the date of its execution. A proxy may be canceled by notice executed by the member with like formality and delivered to the secretary.

- (b) At each meeting of the members, every voting member shall be entitled to vote in person or by proxy and shall be entitled to cast one vote. The votes for directors shall be by ballot. Only the person in whose name membership is standing in the books of the corporation on the day of such meeting shall be entitled to vote in person or by proxy.
- (c) For any person to represent a member by proxy, such person must submit a power of attorney to the secretary of the board for examination at least one hour before the time of meeting. When the secretary has certified the power of attorney is in good order, the proxy holder shall have the right to do any and all things which might be done by the member present in person, which right shall include the establishment of a quorum and the organizing of any meeting.
- (d) All elections and all questions or actions shall be decided by majority vote of members present in person or by proxy.

Section 3.08. Waiver of Notice. A member may, in writing, waive any notice required herein.

ARTICLE IV

Board of Directors.

Section 4.01. General Powers. The affairs of the corporation shall be managed by its board of directors.

Section 4.02. Number, Tenure and Qualifications. The number of directors shall be not less than seven nor more than fifteen and shall be fixed at the annual meeting of the corporation. The directors elected at the annual meeting shall be elected for two year terms, and shall be limited to three consecutive terms. The terms of approximately one-third (1/3) of the directors shall expire annually. Directors shall be voting members of the corporation. Not more than one person from a single household may be a director of the corporation at the same time.

Section 4.03. Regular Meetings. A regular annual meeting of the board shall be held, without other notice than these bylaws, immediately after and at the same place as the annual meeting of the members. The board shall hold at least four regular meetings each year. All board meetings shall be open to all members, but any portion of a regular or special meeting may be closed at the discretion of the president, but if so closed no binding decision may be made concerning any changes to the bylaws or the corporation goals, objectives or policies.

Section 4.04. Special Meetings. Special meetings of the board may be called by or at the request of the president or vice-president and shall be called by the secretary at the request of one-third of the directors. The authorized person or persons calling a special meeting of the board may fix any place within the County of Hawaii as the place for holding such meeting.

Section 4.05. Notice. Notice of any special meeting of the board shall be given at least five days prior thereto by written notice delivered personally by mail to each director at the director's address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a

director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these bylaws.

Section 4.06. Quorum. A majority of the board shall constitute a quorum for the transaction of business at any meeting of the board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 4.07. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board, unless the act of a greater number is required by law or by these bylaws. The board may also act by written consent or approval of all the directors of the corporation setting forth the action taken.

Section 4.08. Vacancies. Any vacancy occurring in the board shall be filled by the board for the unexpired term of office of the predecessor in office.

Section 4.09. Compensation. Directors shall not receive any compensation for their services as directors.

Section 4.10. Absence from Meetings. Any director who misses more than three meetings during a year, without excuse satisfactory to the board, shall be deemed to have surrendered the office as director.

Section 4.11. Residuary Powers. The board shall have the powers and duties necessary or appropriate for the administration of the affairs of the corporation. All powers of the corporation except those specifically granted or reserved to the members by law, the Articles of Incorporation, or by these bylaws shall be vested in the board.

Section 4.12. Removal from Office. A director may be removed from office, for cause, by the vote of not less than three-fourths of the members present at a meeting of the members, provided notice of such proposed action shall have been duly given in the notice of the meeting, and provided the director has been informed in writing of the charges preferred against the director at least ten (10) days before such meeting. The director involved shall be given an opportunity to be heard at such meeting. Any vacancy created by the removal of a director shall be filled by a majority vote, which may be taken at the same meeting at which such removal takes place.

ARTICLE V

Officers.

Section 5.01. Officers. The officers of the corporation shall be a president, a vice-president, a secretary, and a treasurer. The board may elect or appoint such other officers as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the board. The offices of secretary and treasurer may be combined and held by one person. The President and a majority of the officers shall be residents of the State of Hawaii.

Section 5.02. Election and Term of Office. The officers of the corporation specified in Section 5.01 shall be elected by majority vote from the membership of the board by the board at

its annual meeting or as soon thereafter as feasible. New offices may be created and filled at any meeting of the board. Each officer shall hold office until the next annual election of directors and until a successor shall have been duly elected and shall have qualified. Employees of the corporation shall not be eligible to serve as officers.

Section 5.03. Removal. Any officer elected or appointed by the board may be removed by the board by two-thirds vote of the remaining directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer shall not of itself create contract rights.

Section 5.04. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the board by majority vote for the unexpired portion of the term.

Section 5.05. Chair. The Chair shall be the principal executive officer of the corporation and shall in general supervise and control all the business and affairs of the corporation. The Chair shall preside at all meetings of the members and of the board. The Chair may sign, with attestation of the secretary or any other proper officer of the corporation authorized by the board, any deeds, mortgages, bonds, contracts, or other instruments which the board authorizes to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board or these bylaws or statute to some other officer or agent of the corporation, and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board from time to time.

Section 5.06. Vice-President. In the absence of the president or in the event of any inability or refusal to act, the vice-president shall perform the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. The vice-president shall perform such other duties as from time to time may be assigned by the Chair or the board.

Section 5.07. Treasurer. The treasurer may be required by the board to give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the board shall determine. The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation, from any source whatsoever, deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provision of Article X of these bylaws; and in general perform all duties incident to the office of treasurer and such other duties as from time to time be assigned by the president or the board.

Section 5.08. Secretary. The secretary shall keep the minutes of the meeting of the members and board in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of and see that any seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; keep a register of all active members with the address of each member, which shall be furnished to the secretary by such member; and in general perform all duties incident to the office of the secretary and such other duties as from time to time may be assigned by the Chair or the board.

Section 5.09. Executive Director. The Executive Director shall be appointed by and be responsible to the Board for overall administration of the Corporation and implementation of policies, procedures, and programs as determined or approved by the Board. The Executive

Director shall be a paid staff member of the Corporation. Appointment and removal of the Executive Director shall require a two-thirds vote of the Board. The Board shall review the work performance of the Executive Director at least annually. The Executive Director shall serve as a non-voting member of all committees of the Board and Volcano Art Center's Board of Directors.

ARTICLE VI

Advisory Council.

Section 6.01. Advisory Council. The board of directors may from time to time appoint persons to serve on the advisory council of the corporation. Such persons may but need not be members of the corporation. The primary purpose of the advisory council will be to provide advice and expertise to the board of directors when called upon to do so but otherwise the advisory council shall not have any responsibility for the management or control of the corporation. Members of the advisory council may be removed by the board of directors by majority vote.

ARTICLE VII

Order of Business.

Section 7.01. Order of Business. The order of business at any regular or special meeting of the members or the board shall be:

- (a) Reading and approval of any unapproved minutes.
- (b) Reports of officers, committees and employees.
- (c) Unfinished business.
- (d) New business.
- (e) Adjournment.

Section 7.02. Parliamentary Procedure. On questions of parliamentary procedure not covered in these bylaws, Robert's Rules of Order, current edition, shall prevail.

ARTICLE VIII

Committees.

Section 8.01. Committees. The board of directors, by resolution adopted by majority of the directors in office, may designate one or more committees, each of which shall consist of one or more directors, which committees, to the extent provided in said resolution shall have and exercise the authority of the board in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the board, or any individual director, of any responsibility imposed upon the board or any individual, nor shall the authority of said committees exceed that which is allowed by law. Committees are expected to thoroughly discuss and consider issues, and then make recommendations to the board and bring

all matters to the board for majority vote. All decisions shall be decisions of the board. One member of each committee shall be selected chairman by a majority vote of committee members, or, if requested by a majority vote of committee members, by the Chair.

Section 8.02. Required Committees. The Board of Directors shall have at least the following committees:

(a) The Administration and Finance Committee. This committee shall address all internal and operational issues coming before the board, in particular issues related to finance, investments, capital acquisitions, human resources and facilities, and advise the board accordingly. The Chair and Treasurer shall automatically be members of this committee. This committee shall assign at least two of its members, one of whom shall be the Treasurer, to serve on the Audit Subcommittee. The activities of this committee should not interfere with the operations of the corporation's staff but should offer the broadest possible guidelines to ensure that the policies and programs adopted are within the corporations capabilities and responsive to the needs of the membership and the community.

(i) The Audit Subcommittee. The Treasurer shall be a member of this committee. This committee shall be responsible for overseeing the reliability and integrity of the corporation's financial statements. This committee shall consist of not fewer than three members, at least two of whom shall be board members, at least one of whom shall be familiar with financial statements and have in-depth knowledge of generally accepted accounting principles, effective and efficient audit processes and internal financial controls, and tax requirements for nonprofit corporations . This committee shall be responsible for retaining the corporation's independent certified public accountant(s), for overseeing and monitoring the independence and performance of such accountant(s), and overseeing and monitoring the corporation's compliance with its legal and regulatory requirements.

(b) Executive Committee. The Executive Committee shall consist of the Board officers elected from its own membership, which shall include the following officers: Chair, Vice-President, Secretary and Treasurer. Meetings of the Executive Committee shall be held upon call of the Chair. The Executive Committee shall have and may exercise the power of the Board of Directors in the management of the affairs of the Corporation when the Board is not in session. Without limiting the foregoing, the responsibility and authority of the Executive Committee shall include the following:

To recommend the appointment of the Executive Director.

(c) Other committees. Other committees not having and exercising the authority of the board in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interest of the corporation shall be served by such removal

(d) Non-Board Members: At the Board's discretion and approval, non-members may be invited to participate in the functioning of a committee.

Section 8.03. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 8.04. Chairman. One member of each committee shall be appointed chairman by the persons authorized to appoint the members thereof.

Section 8.05. Quorum. Unless otherwise provided in the resolution of the board of directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 8.06. Rules. Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the board of directors.

ARTICLE IX

Contracts, Checks, Deposits, and Funds.

Section 9.01. Contracts. The board may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to special instance.

Section 9.02. Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation shall be signed by the officer or officers, agent or agents of the corporation, and in a manner as shall from time to time be determined by resolution of the board. In the absence of determination by the board, these instruments shall be signed by the treasurer and countersigned by the president of the corporation.

Section 9.03. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board may select.

Section 9.04. Gifts. The board may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE X

Books and Records. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, the board, and committees having any of the authority of the board of directors, and shall keep at the registered or principal office a record giving the names and addresses of the members. All books and records of the corporation may be inspected by any member, or member's agent or attorney, for any proper

purposes at any reasonable time. The board shall cause an audit of the records of the corporation to be made each year by a competent auditor.

ARTICLE XI

Fiscal Year. The fiscal year of the corporation shall be fixed by the board of directors and may be changed by the board whenever, in its judgment, the best interests of the corporation will be served thereby.

ARTICLE XII

Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes of the State of Hawaii or the Articles of Incorporation or the bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII

Liability of Officers and Directors.

Section 13.01. Exculpation. Each director or officer shall be free from all personal liability for any acts done on behalf of the corporation or for any losses incurred or sustained by the corporation unless the same have occurred through his willful negligence or willful misconduct.

Section 13.02. Indemnification. Every director or officer shall be indemnified by the corporation against all reasonable costs, expenses and liabilities (including attorneys' fees) actually and necessarily incurred by or imposed upon such director or officer in connection with or resulting from any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which such director or officer may be involved as a party or otherwise by reason of being or having been a director or officer of the corporation, whether or not such director or officer continues to be such director or officer of the corporation at the time of the incurring or imposition of such costs, expenses or liabilities, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, has no reasonable cause to believe the conduct of such person was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

As to whether or not a director or officer was liable by reason of willful misconduct, willful neglect or negligence toward the corporation in the performance of such person's duties as such director or officer, in the absence of such final adjudication of the existence of such liability, the board of directors and each director and officer may conclusively rely upon an opinion of legal counsel selected by or in the manner designated by the board of directors.

The foregoing rights to indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and shall inure to the benefit of the legal representatives of such person.

ARTICLE XIV

Conflict of Interest.

Section 14.01. Disclosure. No Board Member shall vote at any Board meeting on any issue in which the member has a conflict of interest. "Conflict of interest" shall mean situations where an individual's judgment or loyalty is or may be affected by his/her own financial, business, property or personal interest. A Board Member who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that the disclosure was made. In the event of a conflict of interest, a majority of disinterested Board Members shall constitute a quorum.

Section 14.02. Uncertainty. If a Board Member is uncertain as to whether he/she has a duality or conflict of interest which requires abstention, or if a Board Member asserts that another Board Member has such a duality or conflict, the Board by majority vote of those present other than the Board Member having the possible conflict, shall decide whether abstention is required. If so, the Board Member will be deemed to have abstained.

Section 14.03. Purchases From Board Member(s). No purchase involving \$100.00 or more from any Board Member or any entity of which the Board Member is an Officer, Board Member, partner or owner shall be made without prior approval of the Board of Directors. Any contract, transaction or act on behalf of the corporation in a matter in which a director, officer or employee is personally interested shall be at arms length and not violative of the prescription in the charter of incorporation against the corporation's use or application of its funds for private benefit, and no contract, transaction or act shall be taken with or on behalf of the corporation if such contract, transaction or act is a prohibited transaction which may result in the denial of tax exempt status for the corporation pursuant to Section 501(c)(3) of the Internal Revenue Code or which may violate the provisions of Sections 503, 504 or 4946 of the Internal Revenue Code or its regulations as they now exist or as they may hereafter be amended or supplemented.

Section 14.04. Previous Staff or Board Member. No Board Member shall be allowed to become an employee of the Corporation until at least 90 days after the Board Member's membership on the Board has ended. Similarly, no employee of the corporation shall be eligible to serve as a Board Member until at least 90 days after his or her last day of employment.

Section 14.05. Official Action. No officer, director or employee of the corporation shall take any official action directly affecting a business or other undertaking in which the person has a substantial financial interest, or affecting a private undertaking in which the person is engaged as legal counsel, advisor, consultant, representative or in any other agency capacity.

Section 14.06. Disbursements and Loans. Neither the board of directors, nor the Executive Committee, nor any officer or employee of the corporation shall make any disbursements, loans or contributions of the funds or assets of the corporation to or for the benefit, directly or

indirectly, of any member, director or officer of the corporation, except for repayment of authorized expenditures made on behalf of the corporation.

Section 14.07. Tax-Exempt Status. In no event shall any member of the corporation or any director or officer of the corporation enter into or consummate any contract, transaction or other action which would endanger the tax exempt status of the corporation.

ARTICLE XV

Repeal or Amendment of Bylaws. These bylaws may be repealed or amended by a two-thirds majority vote of the members present at any annual meeting of the members, or at any special meeting of the members called for such purpose, at which a quorum is present; provided, however, no such action shall change the purposes of the corporation so as to impair its rights and powers under the laws of the State of Hawaii or to waive any requirements of bond or any provision for the safety and security of the property and funds of the corporation or its members or to deprive any member without an express assent of rights, privileges, or immunities then existing. Notice of any amendment to be offered at any meeting shall be given not less than seven nor more than thirty days before such meeting and shall set forth such amendment.

CERTIFICATE OF ADOPTION

At the annual meeting of the members of the corporation duly called and held on October 26, 2014 at Volcano Art Center's Niaulani Campus in Volcano Village, the Bylaws were amended by the affirmative vote of more than two-thirds of the voting members present in person or by proxy at the meeting.

IN WITNESS WHEREOF, the undersigned, who are the President and Secretary, respectively, of The Volcano Art Center, as of October 26, 2014, have executed this Certificate as of this day of October 26, 2014.

THE VOLCANO ART CENTER

by _____
Hugh Jenkins, Chair

by _____
Julie Williams, Secretary