

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

February 14, 2020

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Ref. No.: GLS-5360

KAUAI

Amend Prior Board Action of January 25, 2019, Item D-2, *Amend General Lease No. S-5360, Hale Opio Kauai, Inc., Lessee, Lot 50, Kapaa Homesteads, 1st Series, Kawaihau, Kauai, Tax Map Key: (4) 4-6-005:002.*

The purpose of the amendment is to change the annual rental rate under the lease for the current reopening period from fair market value to minimum rent at \$480 per annum, which is available to non-profit entities in accordance with the Board policy of May 13, 2005, agenda Item D-19, and to change the lease language for future rental reopening so that such reopening will be based on the Board's then prevailing minimum rent policy.

The purpose of the current amendment is to correct the time period for payment of minimum rent under the lease.

BACKGROUND:

At its meeting of January 25, 2019, item D-2, the Board of Land and Natural Resources approved to amend General Lease No. S-5360 by reducing the annual rental rate charged from \$937.00 per year to the current minimum rent of \$480.00 per year. (Exhibit 1)

REMARKS:

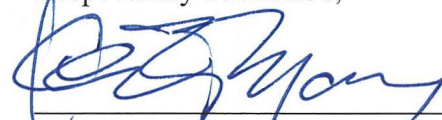
In processing staff's lease amendment request, the Department of the Attorney General noted a discrepancy between the Remarks section and Recommendation section of the prior Board action. The Remarks section stated that the annual rent for the first 25 years of the lease (May 1, 1994 through April 30, 2019) would be \$937.00, and for the next five years (May 1, 2019 through April 30, 2024) would be at the current minimum rent of \$480.00. However, the Recommendation section of the submittal stated that the annual rent would be \$937.00 for the first 24 years of the lease, and minimum rent of \$480.00 for the next six years. The Remarks section reflects the correct dates because lessee had paid the old rent of \$937 per year through April 30, 2019 (the 25th year of the lease term). Accordingly, staff is recommending an amendment to the Recommendations section to reflect the correct the annual lease rent payable as NINE HUNDRED THIRTY SEVEN AND NO/100

DOLLARS (\$937.00) for the first twenty-five (25) years of the lease and FOUR HUNDRED EIGHTY AND NO/100 DOLLARS (\$480.00) per annum for the next five (5) years of the lease.

RECOMMENDATION: That the Board:

- I. Amend its prior Board action of January 25, 2019, under agenda item D-2 by deleting recommendation 1 in its entirety and replacing it with the following:
 1. Amend General Lease No. S-5360, Hale Opio Kauai, Inc., by deleting sections A, B, and C on pages 1-2 of the lease in their entirety and replacing them with following:
 - A. For the first twenty-five (25) years, the sum of NINE HUNDRED THIRTY-SEVEN AND NO/100 DOLLARS (\$937.00) per annum.
 - B. For the next five (5) years, the sum of FOUR HUNDRED EIGHTY AND NO/100 DOLLARS (480.00) per annum.
 - C. The annual rent reserved shall be reopened and redetermined as of the day following the expiration of the thirtieth (30th), the fortieth (40th), and fiftieth (50th) years based on the Board's then prevailing minimum rent policy.
- II. Except as amended hereby, all terms and conditions listed in its January 25, 2019 approval to remain the same.

Respectfully Submitted,



Wesley T. Matsunaga
District Land Agent

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

January 25, 2019

Ref. No.: GLS-5360

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

KAUAI

Amend General Lease No. S-5360, Hale Opio Kauai, Inc, Lessee, Lot 50, Kapaa Homesteads, 1st Series, Kawaihau, Kauai, Tax Map Key: (4) 4-6-005:002.

The purpose of the amendment is to change the annual rental rate under the lease for the current reopening period from fair market rent to minimum rent at \$480 per annum, which is available to non-profit entities in accordance with the Board policy of May 13, 2005, agenda Item D-19, and to change the lease language for future rental reopening so that such reopening will be based on the Board's then prevailing minimum rent policy.

APPLICANT:

Hale Opio Kauai, Inc., a Hawaii non-profit corporation.

LEGAL REFERENCE:

Sections 171-6 and 171-43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kapaa Homesteads, 1st Series, Lot 50, situated at Kawaihau, Kauai, identified by Tax Map Key: (4) 4-6-005:002, as shown on the attached map labeled Exhibit A.

AREA:

4.41 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON
January 25, 2019 *uo*

EXHIBIT 1

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES ___ NO x

CHARACTER OF USE:

Youth education and residential purposes.

TERM OF LEASE:

Fifty-five years, commencing on May 1, 1994 and expiring on April 30, 2049.

ANNUAL RENTAL:

\$937.00. For the first twenty (20) years, the sum of Nine Hundred Thirty-Seven and No/100 Dollars (\$937.00) per annum. Lessee has continued to pay \$937.00 per annum beyond the initial 20-year term of the lease for the reasons discussed in the Rental Reopening section immediately below.

RENTAL REOPENINGS:

General Lease No. S-5360 provides for rental reopening in the 20th, 30th, 40th, and 50th years of the term. The lease provides that "The rental for any ensuing period [after the initial 20-year term] shall be the fair market rental at the time of reopening." The last rental reopening was scheduled to occur on May 1, 2014, however staff contacted the lessee by letter dated June 22, 2014 and let it know lessee may be eligible for nominal rent subject to Board approval. A rental reopening was therefore not conducted in 2014, and lessee has continued to pay \$937.00 per year since the commencement of the lease. The next rental reopening is scheduled for May 1, 2024.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>x</u>	NO
Registered business name confirmed:	YES <u>x</u>	NO
Applicant in good standing confirmed:	YES <u>x</u>	NO

REMARKS:

Hale Opio Kauai, Inc. (HOK), a private, non-profit organization was incorporated in 1975, whose mission is embracing the children and youth entrusted to their care. They provide residential and community programs for young adults and children, and these programs are described in more detail below. Services are dedicated to improving quality of life, enhancing a sense of belonging, increasing self-awareness and strengthening Ohana.

In October 1988, after six years of negotiations between the U.S. Department of Justice, the federal General Services Administration (GSA), and the State of Hawaii regarding the relocation of group homes for Kauai youth were successfully concluded. Hawaii's Congressional delegation led by Senator Daniel K. Inouye secured a \$1.5 million Congressional allocation for the relocation and construction of an administration office and three new group homes from the former Loran station at Makahuena Point in Poipu to various communities throughout Kauai.

On June 20, 1989, the State and GSA entered into a memorandum of understanding whereby: (1) the State would provide an alternate site to HOK for its facilities; (2) the State would oversee payment of \$1,500,000.00 in GSA funds to assist in the relocation; and (3) the State would receive 89 acres in Maile from the federal government, in exchange for the 13 acres at Makahuena Point.

On June 18, 1990, a memorandum of understanding was entered into between HOK and the State to provide an alternate site or sites to HOK for relocation by March 30, 1992.

At its meeting of April 12, 1991, Item F-9, the Board of Land and Natural Resources (Board) approved a direct lease to HOK for youth education, administration offices, and support facility purposes. The lease commenced on May 1, 1994. The lease provides that rent for the first 20 years of the term is \$937.00 per annum, and that rent is to be reopened at fair market rates at 10-year intervals thereafter.

A first group of homes was built on the lease premises. However, for various reasons, the State did not offer any additional sites to HOK until August 1992. Accordingly, in May 1992, HOK used the GSA money to purchase a Lawai property for \$180,000.00. HOK subsequently built a home on that site.

On May 13, 2005, the Land Board established a Minimum Rent Policy that stated, among other things, that the minimum rent for new dispositions be no less than \$480.00 per year. Although the present request does not involve a new disposition, staff is recommending the HOK lease rent be set at the minimum amount in accordance with the policy because HOK is eligible for "nominal rent" under Section 171-43.1, HRS, and provides a valuable community service. HOK has paid rent through April 30, 2019. Accordingly, staff is recommending that the rent for the period from May 1, 2019 through April 30, 2024 be set at \$480.00 per annum, and that for subsequent scheduled rental re-openings, rent also be set in accordance with the minimum rent policy, as may be amended from time to time.

By letter dated July 22, 2014, staff notified HOK that it may qualify for a minimum rental rate, available pursuant to non-profit organizations.

HOK, a non-profit entity under Internal Revenue Code Section 501(c)(3), provides emergency transitional or long-term residential facilities for abused, neglected, adjudicated or homeless children and young adults, children or young adults with special needs, and children or young adults who have been determined to be in stressful or traumatic emotional crises. HOK also provides educational and vocational services, professional

counseling, drug rehabilitation services and other such similar services, on an out-patient or residential basis, to children and young adults.

As indicated above, the lease requires HOK to pay market rent as determined by an independent appraisal. However, by statute and consistent with current Board policy, the Board is authorized to lease State lands to qualifying eleemosynary (charitable) organizations at nominal rent. The statutory authority is as follows:

§171-43.1 Lease to eleemosynary organizations. The board may lease, at a nominal consideration, by direct negotiation and without recourse to public auction, public lands to an eleemosynary organization which has been certified to be tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended. The lands shall be used by such eleemosynary organizations for the purposes for which their charter was issued and for which they were certified by the Internal Revenue Service. [L 1970, c 83, §5; am L 1971, c 100, §1; am L 1982, c 202, §1; am L 1991, c 212, §3]

HOK is in compliance with respect to rent, insurance, and performance bond. There were no notices of defaults sent in the past three years.

HOK has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

The next rental reopening is scheduled for May 1, 2024. There are no outstanding rental reopening issues.

No agency or community comments were solicited as the request involves only a change in the annual lease rent and does not involve a new disposition or change in land use.

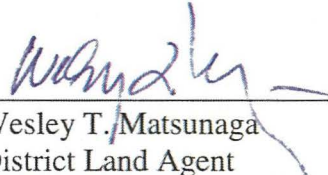
HOK provided the Kauai District Land Office various documents to verify HOK's non-profit status as a 501(c)(3) entity.

1. HOK Organizational History (Exhibit B)
2. IRS 501(c)(3) determination letter. (Exhibit C)
3. HOK Bylaws (Exhibit D)
4. List of HOK's Board of Directors, as filed with the Department of Commerce and Consumer Affairs (DCCA): Curtis Law (Pres.), Orianna Skomoroch (V.P.), Mark Hubbard (Sec.), Thomas Lodico (Treasurer), Vonnell Ramos (Exec. Dir.), Sandra Cummings (Comptroller), Member Directors: Addison Bulosan, Randall Hee, Wanda Shibata, Dr. Geri Young, William J. Fernandez Jr., Carol Furtado, and Robert Ladendecker. (Exhibit E)
5. HOK's Financial Statements as prepared by Russell Yamase and Associates, Inc for period covering June 30, 2017-18, which includes a Balance Sheet, Income Statement, Cash Flow Statement, and the Statement of Changes in Equity. (Exhibits F)

RECOMMENDATION: That the Board:

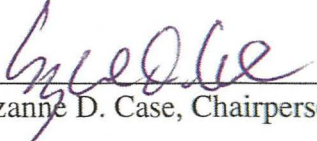
1. Amend General Lease No. S-5360, Hale Opio Kauai, Inc., by deleting sections A, B, and C on pages 1-2 of the lease in their entirety and replacing them with following:
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 - B. For the next six (6) years, the sum of FOUR HUNDRED EIGHTY AND NO/100 (\$480.00) per annum.
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2. Acknowledge that the amendment of the lease shall further be subject to the following:
 - A. The standard terms and conditions of the most current amendment document form, as may be amended from time to time;
 - B. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

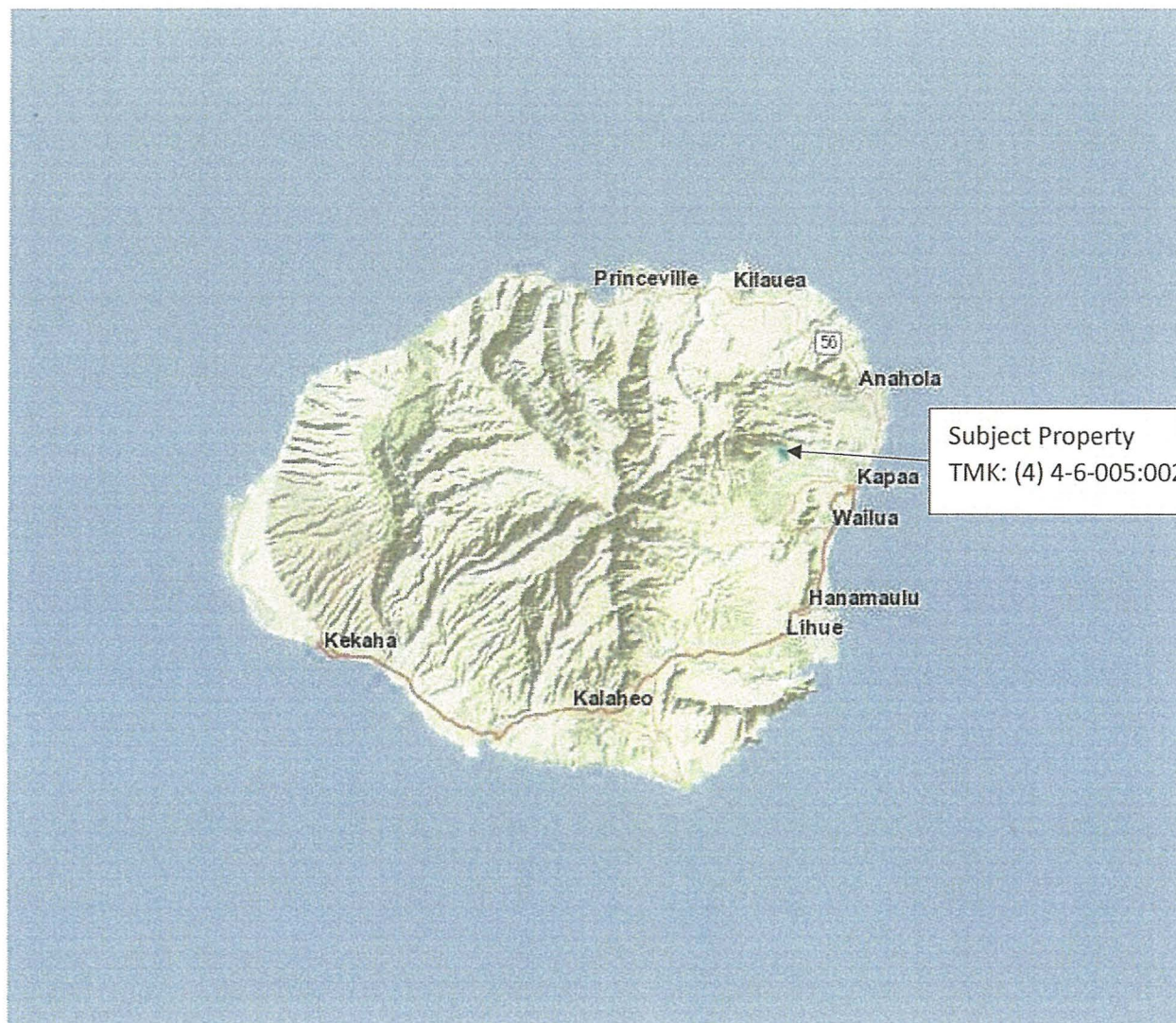


Wesley T. Matsunaga
District Land Agent

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson



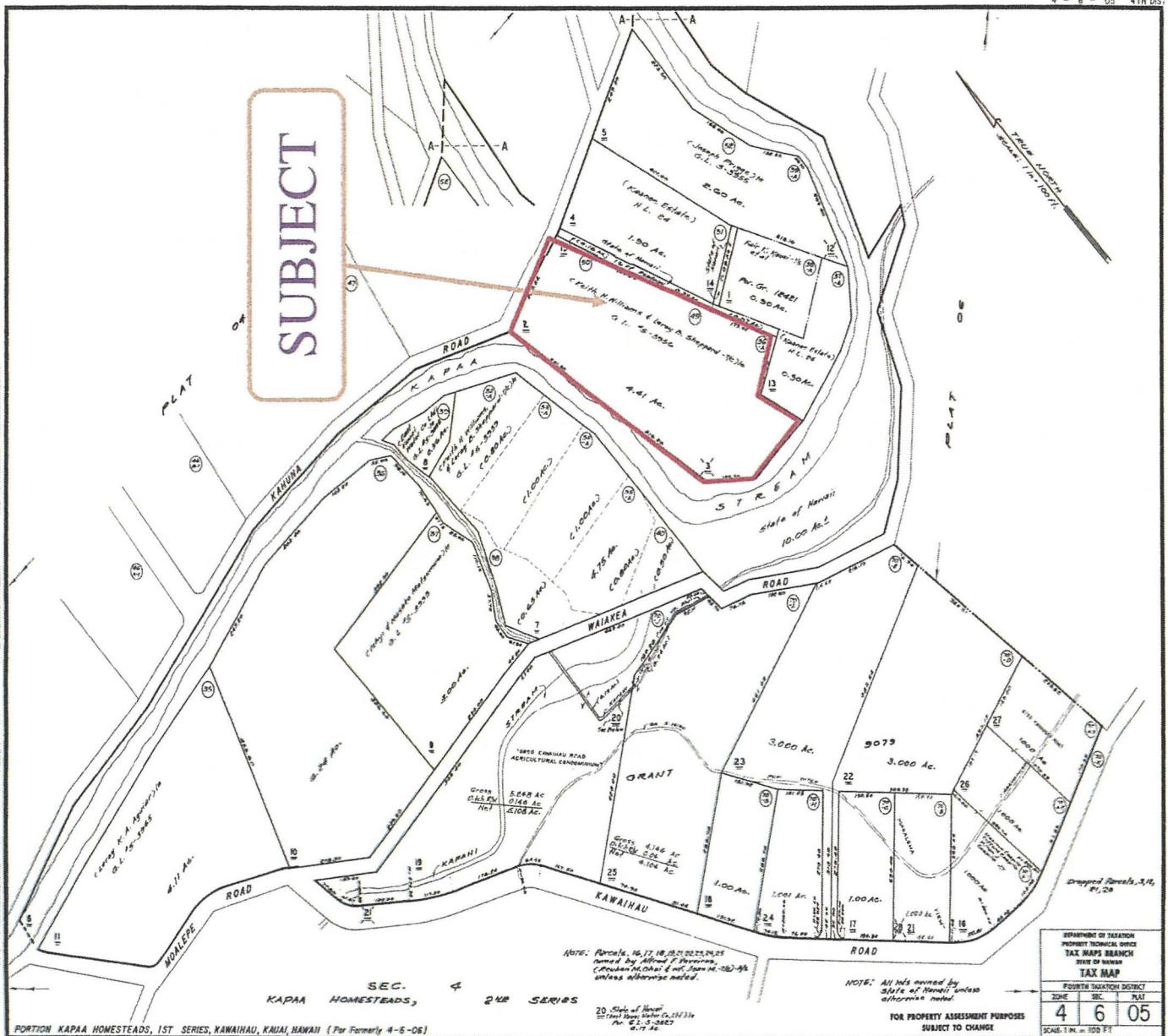




EXHIBIT A



hale 'ōpio kAUAI
INC.

ORGANIZATIONAL HISTORY

Hale 'Opio Kaua'i Inc., is a private, non-profit organization incorporated in 1975, whose mission is "Embracing the children and youth entrusted to our care." We provide residential and community programs for education, prevention, diversion and treatment. Services are dedicated to improving quality of life, enhancing a sense of belonging, increasing self-awareness and strengthening *ohana*.

In 1970 the Secure Custody Committee, established by the Family Court of the First Circuit concluded that: "there is a desperate need of temporary and permanent shelter. The current available space for placement, both temporary and long-term, is inadequate for the number of children needing help."

In 1972, Family Court received an LEAA (Law Enforcement Administrative Agency) Grant to recruit, train and evaluate career foster parents. This was an attempt to provide suitable homes for those children with a composite of problems from abuse and neglect, educational deficiencies, drug and alcohol involvement, and whose response to these problems was truancy, running away or illegal behavior. Several factors led to the demise of this project. Although initially willing, foster parents eventually became overwhelmed by the complexity of the problems and the emotional strain they faced every day. Recruitment was difficult in view of the biases formed about the "type" of children Family Court wished to place.

In 1974, from this need and one man's vision, emerged Hale Hanau Hou Boys Home of Kaua'i, Inc. Bill Cashion along with Michael Sheehan, Will Welsh, Ruth Smith, Albert Stiglmeier, Walter Briant, James Cribley, Jean Holmes, George Masuoka, Thomas Masuoka, Charlotte Nurock, Arnold Nurock, Warren Topp, Howard Carvalho and Roland Gay helped to make the dream a reality.

In 1975 the name was changed to Hale 'Opio Kaua'i, Inc, and with the assistance and support of Mr. Jack Nagoshi, Director, Center for Youth Research, University of Hawai'i, the Therapeutic Living Program continued to evolve. Services are now provided to 12 boys and girls, ages 12-17 in one of two homes located on the island. Teams of Resident Counselors, on duty 24 hours a day, 365 days a year, work with six youth in each home. Youth participate in weekly individual and family therapy provided by the agency therapist. They attend public school with daily on-campus support and monitoring provided by Hale 'Opio's School Liaisons. Unique to Hale 'Opio is a very successful Fine Arts program which includes instruction in ceramics, photography and other media, along with instruction in selected aspects of Hawaiian culture such as canoe paddling.

In 1976 Emergency Shelter Services were made available to DHS and the Judiciary for girls and boys, ages 0-21, who were in need of sanctuary and crisis stabilization counseling.

EXHIBIT B

In October 1979, Hale 'Opio Kaua'i, Inc. moved from the old Wilcox House in Lihue and under license from the U. S. Coast Guard, moved into the deactivated Loran Station in Poipu, Kaua'i. At the same time Hale 'Opio formally advised the Director of Real Property, U. s. General Services Administration of its desire to obtain this surplus property.

In 1980 Hale 'Opio began the process of establishing our eligibility to receive surplus Federal real property for its use. The property was known as the Loran Station at Makahuena Point Light. Property formerly used by the U.S. Coast Guard.

In 1985 Governor George R. Ariyoshi authorized the Department of Social Services' Franklin Sunn and the Department of Land and Natural Resources' Susumo Ono, to accept the property on behalf of the state of Hawai'i so that it could continue to be utilized by Hale 'Opio.

In 1987, then Governor John Waihee, notified GSA that he shared former Governor Ariyoshi's commitment for the continued use of the property by Hale 'Opio. During the same year Senator Inouye intervened on our behalf and began working closely with the State Of Hawai'i and the U.S. General Services Administration to arrive at a suitable housing solution for Hale 'Opio.

In August 1988 the property was determined to be surplus property and the U. S. General Services Administration was adamant that the property was to be disposed of through public auction. During the same year GSA asked Senator Inouye and the State for assistance in relocating Hale 'Opio and thereby allowing GSA to sell the land at Makahuena. GSA offered the State 90 acres of federal surplus land on Oahu at a no-cost basis in exchange for their help.

In 1989, due largely to Senator Inouye's diligence and courage, legislation was introduced to the U.S. Congress whereby a \$1.5M allocation was made available to Hale 'Opio for the relocation of its facility to alternate sites to be provided by the State. The Senator never gave up on us and continued to support us even during an election year when it may not have served his best interest.

In June 1990, in consultation with Ira Schwartz, Dean, School of Social Work, University of Pennsylvania (currently the Provost with Temple University), and with the on-site consultation from Russ Van Vleet, Director, Social Research Institute, University of Utah, a ten member Community Advisory Task Force was formed to serve as an Advisory Committee to the Board of Directors in assisting with the relocation of the 15 bed residential facility in Poipu. Nearly two years were invested in this effort, and more than 50 sites were reviewed. The process was long and arduous and not without emotion. Undaunted, we continued our march, and on July 1993 we moved into the first of two homes.

In 1986 Hale 'Opio was subcontracted by Kapiolani Women's and Children's Center to bring Multidisciplinary Team Services to Kaua'i.

In 1990 Hale 'Opio contracted with Catholic Services to Families and The Institute for Family Enrichment, both Oahu agencies, to assist us in developing and implementing a Therapeutic Foster Home Program and Homebased Services on Kaua'i.

In 1993 Hale 'Opio in collaboration with the Hawai'i State Student Council, Sprint Hawai'i and the Hawai'i Youth Services Network, Kaua'i YWCA, Kaua'i Boys & Girls Club and Queen Liliuokalani Children's Center brought Teen Line to Kaua'i. Taped phone messages on a variety of important topics are made available to our young people.

Again in 1993 Hale 'Opio Kaua'i, Inc., in partnership with G. N. Wilcox Health Services, Kaua'i Medical Clinic, Kaua'i Community College, the Departments of Education and Health began providing collaborative and comprehensive School-based Health Services on campus at a local high school.

In 1996 the Child and Adolescent Mental Health Division of the Department of Health contracted with Hale 'Opio to provide Therapeutic Aide Services. Services are designed to facilitate the development of youth's skills, parenting skills, and to provide a linkage to community support. Aides model networking, behavior management, communication and other skills that lead to the parents' ability to better manage their special needs children.

In 1997 in partnership with the Departments of Health & Education, as part of Kaua'i's mental health services system for children and adolescents, Hale 'Opio developed an urgency response system of safe-beds in foster home settings for youth who have been assessed to be in a stressful traumatic situation which requires immediate intervention but not hospitalization.

Again in 1997, Hale 'Opio, in collaborative effort between the Kaua'i Police Department, Family Court Fifth Circuit, Kaua'i County Prosecutor's Office developed the Kaua'i Teen Court. Practicing judges and attorneys, youth serving public and private sector agencies assist in providing a diversionary program for first time misdemeanor or status offending youth between the ages of 10-17. Juveniles who have admitted guilt and are prepared to be sentenced by their peers will be given a hearing.

In 1999 Hale Kipa, an Oahu based agency, contracted with Hale 'Opio Kaua'i, Inc. to implement Hawai'i Advocates for Youth, a locally-adapted, nationwide program, serving youth who are returning to Kaua'i from the Hawai'i Youth Correctional Facility by providing a blend of individualized, in-home and community-based services that facilitate the youth's successful integration in the community.

In 2001, Victim Impact Classes were implemented. Youth on probation are taught the principles of restorative justice, emphasizing the ways in which crime hurts relationships between people who live in a community. The probationer is taught to be accountable to those that he or she has harmed. Group learning and victim testimonials are core elements of the classes aimed at changing attitudes.

In 2003 in partnership with the Family Court of the Fifth Circuit, youthful offenders selected by the Court participate in a Restorative Justice Program. This group conflict resolution process focuses on repairing relationships when offenders admit wrongdoing. The conference provides the opportunity for the victim to explain how they were harmed and ask questions of the offender. The conference ends with a reparation agreement. A follow-up conference determines whether the plan was carried out and strengthens learning to prevent re-offending.

Returning to 1999, Hale 'Opio (HOK) was accredited by the Council on Accreditation for Children and Family Services, Inc. (COA), a nationally recognized body attesting to Hale 'Opio's high standards of practice in administration and program. HOK continues to be re-accredited every four years.

Throughout the 2000-2010 decade, HOK expanded and contracted with the shift in public policy driven by the Felix Consent Decree, a class-action lawsuit which found the state violating disabled students right of access to a free, appropriate public education, involving the Departments of Education (DOE) and Health, Child and Adolescent Mental Health Division (DOH-CAMHD). This court action created an array of school-based, community-based, and residential services which included Hale 'Opio being licensed as a Special Treatment Facility to offer Therapeutic Group Home services, while continuing Therapeutic Foster Home services and residential services for the Office of Youth Services and the Judiciary. The DOH performance-based contracts required credentialed staff utilizing evidence-based treatment modalities for specific diagnoses and provided significant training and support for professional development of services statewide. A therapeutic gardening component was added to residential services and a second-tier assessment and case management program was added to our diversion programs.

With the close of the lawsuit in 2007 and the resulting shift in state funding priorities, DOH-CAMHD began to close Therapeutic Group Homes statewide. Concurrently, the Department of Human Services first federal review found Hawaii in need of substantial improvement in placing young people with family while strengthening services to prevent their removal in the first place.

Hale 'Opio suspended the Therapeutic Group Home contract in October 2009 while continuing Therapeutic Foster Homes, now named Transitional Family Homes. HOK licensed our Lawai and Kapahi homes as group foster homes and continued to provide residential treatment for three state agencies with Professional Parents as staff. For a three year period our Professional Parents also participated in a federal demonstration project providing shelter services in a host home model.

Since 2009, Hale 'Opio developed core elements of our residential services as stand-alone community education and skills development programs through grant-writing, fundraising, collaborations, and the competitive RFP process. In cooperation with the DOE, our school liaisons are working within designated schools with students identified by administration as disconnected from the academic and social process; youth are failing, make poor health choices, and are isolated. Another in-school program targets truancy prevention and intervention, focusing on strengthening the family's commitment to their child's education while giving the student the tools necessary to learn in school.

Building cultural practice, developing teamwork, expanding future options, solidifying decision-making and other personal and interpersonal skills, a series of positive youth development programs utilizing evidence-based prevention curricula are offered during and after school around the island:

- Ke Kahua O Ka Malamalama brings young people into relationship with cultural practitioners to learn and practice host culture values to regain their sustainable, healthy lifestyle. Youth capture their experiences via traditional and digital media to share with the community.
- Street Smart is an HIV and substance abuse prevention curriculum adapted for Asian and Pacific Island young women. Increased self-efficacy, decreased substance use, and strengthened peer relationships for positive decision-making are results.
- Positive Action is a nationally acclaimed, locally trialed, character development program that prevents underage drinking and bullying while improving grades.
- Teen Dating Violence Prevention teaches healthy communication and decision-making while learning the difference between healthy and unhealthy relationships, the effect of domestic violence on development, and futures planning resources.
- Teen Pregnancy Prevention is taught using two national curricula - Making a Difference is abstinence only and on the Hawaii DOE approved list, and Making Proud Choices is comprehensive sexual health information, proven to delay initiation of sexual activity and reduce the teen pregnancy rate in communities.
- Mother-Daughter Circles, "The Heart of the Matter" is a series of small group sessions that teach communication, conflict resolution and negotiation while a series of activities surface issues, develop understanding, and promote bonding.
- The Kaua'i Chapter of the Hawaii Foster Youth Coalition is a peer-led group of current and former foster youth supported by an adult counselor who work together to empower foster youth, enact legislation affecting their future, and contribute to the community in service activities.

In 2010 the First Jobs Academy began teaching current and former foster youth, youth in the mental health and juvenile justice systems and other disconnected youth, work readiness and independent living skills while training employers as "business mentors" to work with youth.

In 2012, the Hawaii Youth Opportunities Initiative added to the financial literacy skills taught in the First Jobs Academy, and offers matches for each literacy graduate's savings up to \$3000 for tangible asset purchases while encouraging saving. HYOI developed a powerful advocacy youth voice, the HI H.O.P.E.S. Board, a statewide youth leadership team, and a community leadership team, the Community Partnership Hui, that facilitates connections in critical self-sufficiency areas of housing, finance, employment, education, health, permanent connections, among others. The HYOI continues to work with youth affected by foster care between the ages of 14 and 26 to build financial literacy skills, educate the public about federal and state initiatives aimed at supporting youth affected by foster care, and, through

through regularly scheduled healthy, fun, normalizing activities. These programs are conducted in partnership with EPIC, INC. and Family Programs Hawaii.

Keiki to Career Kaua'i, modeled on The Forum for Youth Investment's national movement "Ready by 21", is a community-wide effort to improve the odds for all young people on Kaua'i. Using education as the core change element, wrapped by the family strengthening and youth development services of non-profit programs including Hale 'Opio, and supported by all other community sectors, K2CK aims to transform the futures of our keiki through collective actions.

Foster Youth Institute was a demonstration project with five states who were piloting evidence based teen pregnancy prevention curriculum adapted specifically for foster youth. The Annie E. Casey Foundation, the National Campaign to Prevent Teen Pregnancy and STI, and the American Human Services Public Administration are spear-heading the initiative using Making Proud Choices, developed and adapted by physicians at the University of Pennsylvania. When the demonstration results are incorporated into the curriculum and training of its facilitators, it will be a required component in all Independent Living Programs using federal funding for foster youth nationwide.

Connecting for Success continues the work Hale 'Opio has been doing in partnership with Waimea Canyon Middle School (WCMS) to assist students "off track" in attendance, behavior, and grades, according to DOE data, to get "on track". CFS is an evaluation project funded by the Hawaii Community Foundation to determine which evidence-based interventions have the most positive results with Hawaii students and their families. Providing targeted instruction and tutoring, positive engagement opportunities with peers and families, experiences with various career paths through field trips and classroom speakers, and support for remaining in school, rather than utilizing out-of-school suspension, CFS is demonstrating significant improvement in students, including the WCMS and HOK collaboration experiencing the most improved attendance of the eight remaining schools in the study cohort.

Recognizing the hurdles youth who exit foster care at the age of 18 faces, Hale 'Opio piloted a new state program of voluntary case management named Imua Kakou. Now the Department of Human Services (DHS) has invested further in foster youth futures by contracting EPIC, Inc. for Independent Living Collaborator Services to coordinate and train organizations statewide in providing supports, skills, and opportunities necessary for normal development of youth affected by foster care. A second procurement consolidated Imua Kakou with the Independent Living Skills and Higher Education state contracts with services to begin in January 2017. This program of Hale 'Opio, titled THI works with current and former foster youth ages 12 - 26 years providing assessment, case management, activities, skills, education supports, including higher education funding, and more. Two case managers partner with a former foster youth on staff to change the trajectory of youth in foster care and to educate the community, including foster parents, on their needs and rights.

Residential Treatment Programs

Young people of supportive counsel, structured activities, educational training, individual development skills and a safe, nurturing environment live with specially trained, professionally supervised, licensed families.

- Transitional Family Homes Program- Is built around our our Professional Parents who provide family-based treatment with daily opportunities for success for youth ages 6 to 19. The Professional Parents' commitment is supported by extensive training and supervision, with clinical consultation provided 24/7 by Masters'-prepared staff and licensed therapists.
- Intensive Independent Living Skills- Young adults ages 16 to 20 lacking the attitudes, skills, and resources for independent living are provided a safe family setting to which to learn and practice the necessary skills to successfully transition into adult life

Join our team of Professional Parents

Call Kevin Lowry at
808-245-2873 ext. 8204



Emergency Shelters

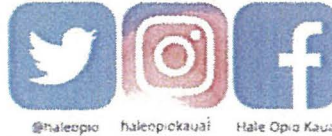
Services are available for youth age birth - 18 in need of sanctuary, counseling, and crisis stabilization.

Services and referrals are provided to return to return the young person home as soon as possible

Normal activities of the youth, including school or work may continue while they are in placement

24 hr on call shelter services

(808) 635-0210



hale 'ōpio kaua'i Inc.

Hale 'Ōpio Kaua'i, Inc. is dedicated to improving quality of life, enhancing a sense of belonging, increasing self-awareness and strengthening 'ohana by providing residential and community programs for education, prevention, diversion, and treatment.

Office Hours

Monday-Friday

8:30am - 4:30pm

(808) 245-2873

www.haleopio.org

2959 Umi St.

Lihue, HI 96766

Chartered on Kaua'i in 1974, Hale 'Opio continues to serve youth and families through evidence-based, culturally adapted youth development programs during and after school and in therapeutic residential settings.

Ke Kahua o Ka Malamalama

Embracing and recognizing the importance of 'ohana, HOK's Ke Kahua o Ka Malamalama program or Ke Kahua is a conduit for families, youth, and young adults and our island resources. Through this program, families, youth, and young adults have the opportunity to attend and participate in culturally diverse activities that strengthen and grow their personal identity, family connection, and sustain our island resources.

'IHI- Inter/independent Living, Higher Education, and Imua Kakou

A program for former and current foster youth, ages 12-26, to develop personal skills and competencies leading to confident, capable, caring and healthy young people



Imua Prevention Education

An educational program that provides direct instruction on substance abuse prevention, risky behaviors, comprehensive sexual health, healthy relationships and the dynamics of effective communication

Staff are trained on the following curriculum:

- Making Proud Choices
- Making Proud Choices *
- Making a Difference-DOE approved
- Street Smart
- Positive Action
- Healthy Relations
- Mother Daughter Circle

First Jobs Academy (FJA)

Designed as a work readiness program to address Hawaii's economic changes, FJA ensures that youth and young adults are equipped to enter the workforce, enhance the development of lifelong skills and be progressive contributors to our Kauai economy

Training topics include

- Critical Thinking & Problem Solving
- Exploring Careers
- Decorum in the workplace
- Interview dos and don'ts
- Teamwork & Collaboration
- Resume Building
- Healthy Decision Making
- Banking & Budgeting
- Laws and Policies
- Matching you to a Business Mentor in your area of Career Interest

Kaua'i Teen Court

Built on the restorative justice principles of repairing the harm, KTC is a diversion program for first time misdemeanor or status offenses for youth 10- 18 years old

A collaborative effort between HOK, Kaua'i Police, Office of the Prosecuting Attorney, Office of the Mayor, 5th Judicial circuit court, KTC also provides the following:

- Victim Impact Classes- opportunity for juveniles on probation to accept responsibility for their harmful actions, personalize offense, and develop a understand of the impact their crime had on their family, friends, and community
- Family Conferencing- a group resolution process focusing on repairing and strengthening relationships when offenders admit wrong doing

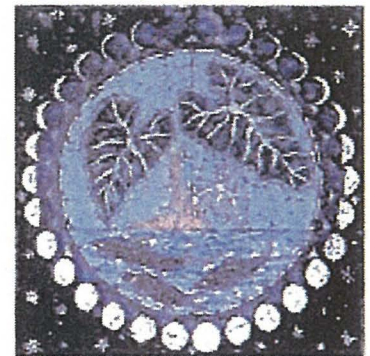


EXHIBIT B

Address any reply to:

P.O. Box 2350, Los Angeles, Calif. 90053

Department of the Treasury

LA:EO:75:1376

District Director

Internal Revenue Service

Date:

AUG 20 1975

In reply refer to: M. Wei

L-178, Code XXXI

Determination Section (213) 688-41

▷ Half-Opio Kauai, Inc.
P. O. Box 1426
Lihue, Hawaii 96766

(e)

Purpose: Charitable and Educational
Accounting Period Ending: January 31, -

Gentlemen:

June 30

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

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

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

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

If your purposes, character, or method of operation is changed, please let us know so we can consider the effect of the change on your exempt status. Also, you should inform us of all changes in your name or address.

tb

(Over)

TO be
distributed
for 513 263 9330
The Mayor
not with

Form 1-178 (Rev)

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

MAR 18 2013

Date: March 12, 2013

Hale Opiu Kauai Inc
2959 Umi St
Lihue, HI 96766-1806

Person to Contact:

Karen Gleason #0203083

Contact Telephone Number:

877-829-5500

Employer Identification Number:

99-0155279

13
3/18/13

Dear Sir or Madam:

Thank you for the information recently submitted regarding your change in accounting period. We have updated our records to reflect your new accounting period.

An organization that is required to file Form 990, Form 990-EZ, or Form 990-N (e-postcard), or a private foundation that is required to file Form 990-PF, must report its name, address, structural, and operational changes on its annual information return.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Thank you for your cooperation.

Sincerely,

Cindy Thomas

Cindy Thomas
Manager, Exempt Organizations
Determinations

EXHIBIT C

**BYLAWS
OF
HALE OPIO KAUAI, INC.**

ARTICLE I

ACTIVITIES

Section 1.1 The activities of this Corporation shall be those necessary and appropriate to accomplish the purposes of the Corporation as stated in the Articles of Incorporation,

ARTICLE II

OFFICES

Section 2.1 Principal Office. The principal office of the corporation shall be at such place in the State of Hawai'i as the Board of Directors shall from time to time determine.

Section 2. 2 Other Offices. The Corporation may have such other offices within the State of Hawaii as the Board of Directors may designate

ARTICLE III

BOARD OF DIRECTORS

Section 3 .1 Number and Qualification of Directors The authorized number of directors of the Corporation during each year shall be such member, not fewer than nine (9) nor more than seventeen (17), as shall be fixed by the Board of Directors at its annual meeting.

Section 3.2 Election. Except for the initial directors, the directors shall be elected by majority vote at each annual meeting of the Board of Directors of the Corporation or at any special meeting of the Board held for that purpose.

Section 3.3 Term of Office. All directors shall

hold office until their respective successors are elected. Terms shall be staggered, as determined by the Board of Directors, with terms of one, two, or three years from the date of election. At the end of each term of service, the incumbent directors shall be re-elected, or if they are not re-elected, new directors shall be elected, in either event pursuant to Section 3.2, above.

Section 3. 4 Vacancies. Permanent vacancies on the Board of Directors caused by death, resignation, removal, or other cause may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office until his or her successor is elected at an annual or special meeting of the directors. In the case of a temporary vacancy due to the absence of any director or the sickness or disability of any director, the remaining directors, or director, may appoint some person as a substitute director who shall be a director during such absence or disability and until such absent director returns to duty. The determination by the remaining directors, as shown by the minutes, of the fact of such absence or disability and the duration thereof shall be conclusive as to all persons and the Corporation.

Section 3.5 Removal. A director who is absent without cause from two (2) or more consecutive regular meetings of the Board of Directors without excuse shall forfeit his or her seat by majority vote of the Board of Directors. "Excuse" includes illness, absence from the island, and other grounds acceptable to the Board of Directors.

Section 3.6 Reduction. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the term of office.

ARTICLE: IV

MEETINGS OF THE BOARD OF DIRECTORS

Section 4.1 Regular Meetings. A regular meeting of the Board of Directors shall be held at such time and place as the Board of Directors determines, but not less often than once every three (3) months. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings. No notice other than

such resolution need be given.

Section 4.2 Annual Meeting. The first regular meeting of the Board of Directors, which shall be held in the first quarter of each fiscal year shall be designated as the annual meeting, at which meeting the board shall elect officers and new directors, consider reports of the affairs of the corporation, and transact such other business as may properly be brought before the meeting.

Section 4.3 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the State of Hawaii as the place for holding any special meeting of the Board of Directors called by them. A special meeting may be called at the request of one-half of the members of the Board of Directors.

Section 4.4 Notice. The Secretary shall give notice of each special meeting of the Board of Directors in writing by mailing the same not less than three days before the meeting or by giving notice personally, by telephone, email or facsimile not less than ten (10) days before the meeting, or as otherwise prescribed by the Board. The failure by the Secretary to give such notice or by any director to receive such notice shall not invalidate the proceedings of any meeting at which a quorum of the directors is present. Notice need not be given to any director who shall, either before or after the meeting, submit a signed waiver of notice or attend such meeting without protesting, prior to or at its commencement, the lack of notice to him or her. Except as otherwise provided by law, the Articles of Incorporation or by these Bylaws, a notice or waiver of notice need not state the purposes of such meeting.

Section 4.5 Quorum and Adjournment. The presence of six (6) directors shall constitute a quorum. No action taken, other than the appointment of directors to fill temporary vacancies, shall bind the Corporation unless it shall receive the concurring vote of a majority of the quorum of all the directors. In the absence of a quorum, the presiding officer and a majority of the directors present may adjourn the meeting from time to time without further notice until a quorum is present.

Section 4.6 Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is

taken shall be presumed to have assented to the action taken unless the dissent or refusal to vote is entered in the minutes of the meeting or unless the director either files a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or forward such dissent by certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 4 .7 Conduct of Meetings. The Board may conduct its business, including voting, by telephone or other electronic communication or by taking action without a meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if action is taken by all directors and evidenced by written consent signed by each director.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 5 .1 Powers. The corporate powers of this Corporation shall be vested in the Board of Directors to the fullest extent permitted by the laws of the State of Hawaii. The Board of Directors shall have general charge of the affairs, funds, and property of the Corporation, and shall have full power, and it shall be their duty, to enforce the bylaws. The Board of Directors shall have the power to remove any directors of the Corporation from office without cause.

Section 5 .2 Duties. It shall be the duty of the directors to conduct, manage, and control the affairs and business of the corporation and to promulgate and enforce rules and regulations therefor not inconsistent with the law, the Articles of Incorporation or the Bylaws of the Corporation.

ARTICLE VI.

OFFICERS

Section 6.1 Number. The officers of the Corporation shall be the President, Vice-President, secretary, and Treasurer and, in the discretion of the Board of Directors, a Chair of the Board and such other officers as the Board of Directors shall from time to time elect with such duties as from time to time may be prescribed by

the Board of Directors or the Bylaws; provided that the Corporation shall have not fewer than two persons as officers.

Section 6.2 Election and Term of Office. All officers shall be elected by the Board of Directors and shall serve until their successors are elected. One person may hold more than one office. All officers shall be subject to removal at any time without cause by the Board of Directors. The Board of Directors may, in its discretion, elect acting or temporary officers and may elect officers to fill vacancies occurring for any reason whatsoever and may limit or enlarge the duties and powers of any officer elected by it. Officers need not be directors of the Corporation,

Section 6.3 President. The President (in the absence of the Chair of the Board, if elected) shall preside at all meetings of the Board of Directors. The President shall be the chief executive officer of the Corporation and shall have general charge and supervision of the Corporation. The President shall perform such other duties as are incident to the office or are required by the Board of Directors.

Section 6.4 Vice-President. In the absence or disability or refusal to act by the President, the Vice-President shall perform all of the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall have such powers and perform such other duties as from time to time may be prescribed by the President, the Board of Directors, or the Bylaws.

Section 6.5 Treasurer and Assistant Treasurer(s). The Treasurer shall be the chief financial officer of the Corporation and shall exercise general supervision over the receipt, custody, and disbursement of Corporate funds. The Treasurer shall perform all other duties assigned by the President or the Board of Directors. The Assistant Treasurer or assistant treasurers, if elected, shall, in the order designated by the President or Board of Directors, perform all the duties and exercise all the powers of the Treasurer during the absence or disability of the Treasurer or whenever the office is vacant and shall perform all the duties assigned by the President or the Board of Directors. The Treasurer shall report an accurate account of all transactions at the Annual meeting of the Association, and at all Board of Directors' meetings. The Treasurer shall provide to the Board of Directors an annual audited financial statement

by an independent certified public accountant, unless otherwise directed by the Board of Directors.

Section 6.6 Secretary and Assistant Secretary(s). Unless otherwise assigned to an Assistant Secretary, the Secretary shall keep the minutes of all meetings of the Board of Directors. The Secretary shall keep or cause to be kept a register showing the names of the directors and officers with their addresses. the Secretary shall give notice in conformity with the bylaws of all meetings of the Board of Directors. The Secretary shall also perform all other duties assigned by the President or the Board of Directors. The Assistant Secretary or assistant secretaries, if elected, shall, in the order designated by the President or Board of Directors, perform all the duties and exercise all the powers of the Secretary during the absence or disability of the Secretary or whenever the office is vacant or as assigned by the President of the Board of Directors.

Section 6.7 Chair of the Board. The Chair of the Board, if appointed, shall preside at all meetings of the Board of Directors and shall perform such other duties as may be required by the Board of Directors.

Section 6.8. Committees. The Board of Directors may appoint an Executive Committee and such other committees as may be necessary from time to time, consisting of such number of its members and with such powers as it may designate, consistent with the Articles of Incorporation and By-Laws and the laws of the State of Hawaii. Such committees shall hold office at the pleasure of the Board and may include persons who are not members of the Board, provided that at least two

members of such committee shall be members of the Board of Directors.

ARTICLE VII

DISBURSEMENTS AND CONTRIBUTIONS

Section 7.1 Disbursements. Disbursements of the funds of the Corporation for the purposes for which it is organized shall be made by the Board of Directors in its discretion.

Section 7.2 Limitations on Disbursements. The Board of Directors shall not make any disbursements or contributions of the funds or assets of the Corporation to or for the benefit, directly or indirectly, of any director or officer of the Corporation, except for

reasonable payments for services actually rendered to the Corporation by such director or officer.

ARTICLE VIII

MISCELLANEOUS

Section 8 .1 Inspection of Corporate Records. The books of account and minutes of proceedings of the directors shall be open to inspection by any director or officer.

Section 8.2 Handling of Funds. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the Corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 8.3 Execution of Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 8.4 Inspection of Bylaws. The corporation shall keep in its principal office the original or a copy of the Bylaws, as amended, certified by the Secretary, which shall be open to inspection by the Board of Directors or officers of the Corporation at any reasonable time.

ARTICLE IX

LIABILITY AND INDEMNIFICATION OF OFFICERS, DIRECTORS, AND AGENTS

Section 9.1 No Liability to Corporation. No director, officer, employee, or other agent of the Corporation and no person serving at the request of the Corporation as a director, officer, employee, or other

agent of another corporation, partnership, joint venture, trust, or other enterprise and no heir, or personal representative of any such person shall be liable to the Corporation for any loss or damage suffered by it on account of an action or omission by such person as a director, officer, employee, or other agent if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of this Corporation, unless with respect to an action or suit by or in the right of the Corporation to procure a judgment in its favor such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to this Corporation.

Section 9.2 Indemnity. (1) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a director, officer, employee or other agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or other agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Corporation, or, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit; or 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 he or she reasonably believed to be in or not opposed to the best interests of this Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(2) The Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by reason of the fact that such person is or was a director, officer, employee, or other agent of the

Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other entity, against expenses (including attorney 's fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of this Corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to this Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(3) To the extent that a director, officer, employee, or other agent of the Corporation or of any division of the Corporation, or a person serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other entity, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs (1) and (2) of this section, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney 's fees) actually and reasonably incurred by him or her in connection therewith.

(4) Any indemnification under paragraphs (1) and (2) of this section (unless ordered by a court) shall be made by the Corporation only if authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or he has met the applicable standard of conduct set forth in paragraphs (1) and (2) and pursuant to Hawaii Revised Statutes Section 414D-160. Such determination may be made:

(i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding;

(ii) if such a quorum is not obtainable, or, even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion to the Corporation;

(iii) by the court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

(5) Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in a particular case upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized in this article.

(6) The indemnification provided by this Article shall not be deemed exclusive of any other right\$ to which those indemnified may be entitled and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs and personal representatives of any such person.

(7) The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or other agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or other agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

ARTICLE X

NON-PROFIT

Section 10.1 The Corporation is not organized for profit and it will not issue any stock, and no part of

its assets, income, or earnings shall be distributed to its directors or officers, except for services actually rendered to the Corporation, except that the Corporation shall be empowered to make payments and distributions in furtherance of the exempt purposes for which it was formed.

This Corporation is organized exclusively for purposes within the meaning of section 501(c) (3) of the Internal Revenue Code of 1986, as amended.

The Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

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

The corporation is a non-profit corporation duly registered with the Department of Commerce and Consumer Affairs of the State of Hawaii. All employees shall be hired on the basis of merit and not upon the basis of their family, blood or kin relationship with any member of the Board of Directors or any current officer or employee.

ARTICLE XI

DISSOLUTION

Section 11.1 Upon the dissolution of this corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, as amended from time to time (or the corresponding section of any future tax code), or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed shall be disposed by the Court with jurisdiction in the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as such Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XII

Section 12 .1 The corporation shall have a seal of such form as the Board of Directors may from time to time determine.

ARTICLE XIII

CONFLICTS OF INTEREST

Section 13 .1 The corporation shall adopt policies, consistent with state and/or federal laws, which shall govern transactions or arrangements which may benefit a private interest; of an officer or director of this corporation and which shall be, upon adoption, incorporated herein and become a part hereof.

ARTICLE XIV

AMENDMENTS

Section 14.1 The Bylaws may be mended or appealed in accordance with the provisions of the Articles of Incorporation.

C E R T I F I C A T I O N

BY SECRETARY OF

HALE 'OPIO KAUAI, INC.

I HEREBY CERTIFY that I am the duly elected,
qualified and acting Secretary of the above-named
corporation and that the attached By-Laws were duly
adopted by said corporation and are currently effective.

Date:

01/12/2004


Tom L. Lodico

EXHIBIT D

DCCA State of Hawaii

Downloaded on December 11, 2018.

The information provided below is not a certification of good standing and does not constitute any other certification by the State.

Website URL: <http://hbe.ehawaii.gov/documents>

Business Information

MASTER NAME	HALE OPIO KAUAI, INC.
BUSINESS TYPE	Domestic Nonprofit Corporation
FILE NUMBER	25825 D2
STATUS	Active
PURPOSE	IN-COMMUNITY PROGRAMS FOR CHILDREN, YOUTH AND FAMILITES
PLACE INCORPORATED	Hawaii UNITED STATES
INCORPORATION DATE	Jan 7, 1974
MAILING ADDRESS	2959 UMI ST LIHUE, Hawaii 96766 UNITED STATES
TERM	PER
AGENT NAME	VONNELL RAMOS
AGENT ADDRESS	2959 UMI STREET LIHUE, Hawaii 96766 UNITED STATES

Annual Filings

FILING YEAR	DATE RECEIVED	STATUS
2018	Jan 3, 2018	Processed
2017	Jun 13, 2017	Processed
2016	Feb 3, 2016	Processed
2015	Jan 5, 2015	Processed
2014	Jan 3, 2014	Processed
2013	Feb 11, 2013	Processed
2012	Jan 30, 2012	Processed
2011	Apr 1, 2011	Processed
2010	Jan 7, 2010	Processed
2009	Feb 24, 2009	Processed
2008	Jan 13, 2008	Processed
2007	Mar 6, 2007	Processed
2006	Jan 31, 2006	Processed
2005	Feb 19, 2005	Processed
2004	Jan 18, 2004	Processed
2003	Mar 14, 2003	Processed
2002		Not Required
2001		Processed
2000		Processed
1999		Processed

Officers

NAME	OFFICE	DATE
LAW,CURTIS	P	Jan 1, 2013
LODICO,THOMAS	T	Jan 1, 2018
RAMOS,VONNELL	ED	Jan 1, 2018
BULOSAN,ADDISON	D	Jan 1, 2018
HEE,RANDALL	D	Jan 1, 2018
SHIBATA,WANDA	D	Jan 1, 2018
YOUNG,GERI DR MD	D	Jan 1, 2018
FERNANDEZ,WILLIAM J JR	D	Jan 1, 2018
SKOMOROCH,ORIANNA	D	Jan 1, 2018
FURTADO,CAROL	D	Jan 1, 2018
LADENDECKER,ROBERT	D	Jan 1, 2017
CUMMINGS, SANDRA	CO	Jan 1, 2018

Trade Names

NAME	TYPE	CATEGORY	REGISTRATION DATE	STATUS
JEWEL UPON THE SAND	Trade Name	NO CATEGORY SELECTED	Jan 9, 2008	Expired

EXHIBIT E

Hale 'Opio Kaua'i, Inc.
Statements of Financial Position
June 30, 2018 and 2017

	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	\$ 381,020	\$ 633,452
Receivables - service contracts	177,337	122,426
Prepaid expenses and other	38,430	36,638
Total current assets	<u>596,787</u>	<u>792,516</u>
Certificate of deposit - restricted (Note 2)	200,000	200,000
Property and equipment, net (Note 3)	1,350,230	1,378,721
	<u>\$ 2,147,017</u>	<u>\$ 2,371,237</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and other	\$ 60,588	\$ 48,090
Deposits	5,045	6,045
Notes payable - current portion (Note 4)	31,352	28,571
Total current liabilities	<u>96,985</u>	<u>82,706</u>
Notes payable - noncurrent (Note 4)	152,957	208,726
Total liabilities	<u>249,942</u>	<u>291,432</u>
Net Assets (Note 2):		
Unrestricted	1,620,519	1,727,464
Temporarily restricted	76,556	152,341
Permanently restricted	200,000	200,000
Total net assets	<u>1,897,075</u>	<u>2,079,805</u>
	<u>\$ 2,147,017</u>	<u>\$ 2,371,237</u>

EXHIBIT F

The accompanying footnotes are an integral part of the financial statements.

Hale 'Opio Kaula'i, Inc.

Statements of Activities and Changes in Net Assets
for the Years Ended June 30, 2018 and 2017

2018				2017			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
with							
\$ 919,287	\$ -	\$ -	\$ 919,287	\$ 767,375	\$ -	\$ -	\$ 767,375
6,368	159,065	-	165,433	24,734	218,500	-	243,234
63,420	-	-	63,420	65,013	-	-	65,013
2,345	-	-	2,345	1,321	-	-	1,321
991,419	159,065	-	1,150,484	858,443	218,500	-	1,076,943
263,878	-	-	263,878	278,919	-	-	278,919
116,825	-	-	116,825	100,611	-	-	100,611
70,681	-	-	70,681	54,322	-	-	54,322
535,155	-	-	535,155	436,856	-	-	436,856
986,539	-	-	986,539	870,708	-	-	870,708
331,671	-	-	331,671	267,371	-	-	267,371
15,004	-	-	15,004	11,171	-	-	11,171
346,675	-	-	346,675	278,542	-	-	278,542
1,333,214	-	-	1,333,214	1,149,250	-	-	1,149,250
(341,795)	159,065	-	(182,730)	(290,807)	218,500	-	(72,307)
1,727,464	152,341	200,000	2,079,805	1,790,938	161,174	200,000	2,152,112
234,850	(234,850)	-	-	227,333	(227,333)	-	-
1,620,519	76,556	\$ 200,000	\$ 1,897,075	\$ 1,727,464	\$ 152,341	\$ 200,000	\$ 2,079,805

EXHIBIT F

Hale 'Opio Kaua'i, Inc.
Statements of Cash Flows
for the Years Ended June 30, 2018 and 2017

	2018	2017
Operating Activities		
Change in net assets	\$ (182,730)	\$ (72,307)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	54,044	53,011
(Increase) decrease in receivables	(54,911)	24,289
(Increase) decrease in prepaid expenses and other	(2,792)	(484)
Increase (decrease) in accounts payable and other	12,498	(7,852)
Net cash provided by operating activities	<u>(173,891)</u>	<u>(3,343)</u>
Investing Activities		
Capital expenditures	<u>(25,552)</u>	<u>(3,588)</u>
Net cash used in investing activities	<u>(25,552)</u>	<u>(3,588)</u>
Financing Activities		
Principal repayments on notes payable	<u>(52,989)</u>	<u>(69,294)</u>
Net cash used in financing activities	<u>(52,989)</u>	<u>(69,294)</u>
Net increase in cash	(252,432)	(76,225)
Beginning cash balance	<u>633,452</u>	<u>709,677</u>
Ending cash balance	<u>\$ 381,020</u>	<u>\$ 633,452</u>
Supplemental cash flow information:		
Cash paid for interest	<u>\$ 11,079</u>	<u>\$ 13,779</u>

EXHIBIT F

The accompanying footnotes are an integral part of the financial statements.