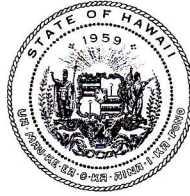


LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



KURT KAWAFUCHI  
DIRECTOR OF TAXATION

SANDRA L. YAHIRO  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

P.O. BOX 259  
HONOLULU, HAWAII 96809

PHONE NO. (808) 587-1577  
FAX NO. (808) 587-1584

May 30, 2007

Effective: July 1, 2005

EXOPOLITICS INSTITUTE  
P.O.Box 2199  
Kealahou, HI 96750

Attention: Dr. Michael Salla

Re: Exemption from general excise tax under section 237-23, Hawaii Revised Statutes (HRS)

Gentlemen:

Since EXOPOLITICS INSTITUTE (the organization) has met the condition of our letter of February 17, 2006 by sending us a copy of its Internal Revenue Service Determination Letter, we are issuing this letter of approval.

The claim for exemption has been approved with the following exception(s):

Gross income received from fund-raising activities (i.e., non-educational merchandise, and the like) is subject to the general excise tax notwithstanding the exemption afforded the organization.

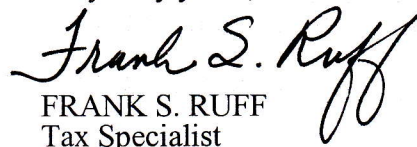
This approval for exemption does not apply to any income from any activity, the primary purpose of which is to produce income, even though such income is to be used for or in furtherance of the exempt activities of the organization.

Furthermore, this exemption **does not** apply to any pass-on of the general excise tax to the organization. Section 237-23, HRS, does not provide for a general excise tax exemption for sales of tangible personal property, services, etc., to the organization.

If there is a material change in the facts as set forth in your application for exemption, the organization must notify this office in writing so we can consider the effect of the change on its exempt status. Also, please notify us in writing of all changes in the organization's name or address and the cancellation of the organization's registration.

Since this letter could help resolve any questions about the application of section 237-23, HRS, to the organization's income, please keep this letter in the organization's permanent records.

Very truly yours,

  
FRANK S. RUFF  
Tax Specialist

FR:jsg