

BYLAWS
OF
HAWAII FOREST INDUSTRY ASSOCIATION

ARTICLE I
ACTIVITIES

The activities of this Corporation shall be those necessary and appropriate to accomplish the purposes of the Corporation as stated in the Corporation's articles of incorporation.

ARTICLE II
OFFICES

The principal office of the Corporation shall be at such place as the board of directors shall from time to time determine. The Corporation may have other offices, either within or without the State of Hawai'i as the board of the directors may designate or as the activities of the Corporation may require from time to time.

ARTICLE III
MEMBERSHIP

Section 3.1 Membership Qualification. Membership in the Corporation shall be open to persons or firms involved in or associated with the forest product industry of Hawai'i. Membership in the Corporation shall be evidenced by the membership role of the Corporation. The power to admit and expel members shall be vested solely in the board of directors.

Section 3.2 Membership Categories. Qualifying persons shall be admitted to membership in one of two categories, namely:

(a) Regular Membership. Regular voting membership in the Corporation is limited to persons or firms engaged in business as forest land owners or lessees , lumber brokers, wholesalers, and retailers, and users of forest products, including but not limited to building contractors, cabinet makers, craftsmen and frame shops. Regular members may serve as directors and hold office.

(b) Associate Membership. Associate membership shall be open to federal state and county agencies with direct interest or jurisdiction over forest land or products as well as to any person, organization, association, corporation or other legal entity which demonstrates concern toward and support for the purposes and are subject to approval by the board of directors and upon payment of the fees herein prescribed, if any. Associate members shall not be entitled to vote or hold office in the Corporation.

Section 3.3 Application for Membership. All applicants for membership in the Corporation shall submit a written and signed application on a form prescribed by the board of directors. The application shall then be considered by the board of directors at their regular meeting or at any special meeting of the board and shall be approved or disapproved.

Section 3.4 Fees. Application fees and annual dues payable by each classification of membership shall be as determined by the resolution of the board of directors of the Corporation; subject, however, to repeal or change by a majority vote of the membership eligible to vote. Dues and fees shall be payable to the Corporation and collected in the manner prescribed by the board of directors.

Section 3.5 Termination of Membership for Nonpayment of Dues. The board of directors may in its discretion terminate a membership of a member who fails to pay his dues or any obligation to the Corporation within 60 days after such debt has become due. Any membership so terminated may be reinstated by the board of directors under such conditions and procedures as the board of directors may prescribe.

Section 3.6 Resignation. Any member may resign by filing a written resignation with the board of directors; however, resignation does not relieve a member from liability for dues accrued and unpaid as of the date of resignation.

ARTICLE IV

MEETING OF MEMBERS

Section 4.1 Annual Meeting. The annual meeting of members shall be held each year at such time and place as the board of directors shall determine. The purpose of the annual meeting shall be electing directors and transacting other business as may come before the meeting. A unanimous written consent of members may be executed in lieu of the annual meeting.

Section 4.2 Special Meetings. Special meetings of members may be held for any purpose or purposes. Special meetings shall be held at any time upon the call of the president, of the board of directors, or upon the written request of members entitled to cast a majority of the votes entitled to be cast at the special meeting.

Section 4.3 Place of Meeting. The board of directors may designate any place as the place of meeting for any annual meeting or any special meeting of the members. If no designation is made, the place of meeting shall be the principal office of the Corporation.

Section 4.4 Notice of Meetings. Written notice of all meetings, annual or special, shall state the place, day, and hour of the meeting and whether it is an annual or special meeting. In the case of a special meeting, the notice shall state the purpose or purposes for which the meeting is called. If notice is given by mail, it shall be postage prepaid to each member at his address as it appears on the membership roll of the Corporation at least ten (10) days before the meeting.

Section 4.5 Adjourned Meetings and Notice Thereof. Any meeting of the members, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members present, but in the absence of a quorum no other business may be transacted at any such meeting.

When any members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise, it shall not be necessary to give any notice of an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 4.6 Voting. At all meetings of members, every member entitled to vote shall have the right to vote in person or by written proxy. Elections of directors may be conducted by mail if the board of directors decides to do so.

Section 4.7 Quorum. A quorum for meeting shall be a majority of the members. A majority of the quorum shall act for the Corporation.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1 Number and Qualification of Directors. The authorized number of directors of the Corporation during each year shall be seventeen (17) of which nine (9) shall be "at large" and the remaining eight (8) directors shall each be chosen from a different county within the State of Hawai'i such that industry members in all four counties shall be represented at all times on the board of directors. There shall be two representatives from each county, as long as sufficient qualified candidates from each county are nominated.

Section 5.2 Election. All seventeen (17) directors shall be elected for a term of three years such that four (4) at large directors and four (4) county directors shall be elected in one year, and the remaining five (5) at-large directors and four (4) county directors elected the following year. No elections will be held the third year.

Section 5.3 Term of Office. Subject to Section 5.2, all directors shall hold office until their successors are elected.

Section 5.4 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, or by a sole remaining director. Each director so elected shall hold office for the unexpired term of the director's predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors for a term of office continuing until the next election of directors.

Section 5.5 Removal. Any one or more or all of the directors may be removed from office with or without cause by the affirmative vote of a majority of the members. In case any vacancy so created shall not be filled by the members at the meeting, the vacancy may be filled by the board of directors.

Section 5.6 Reduction. No reduction of the authorized number of directors shall have the effect of shortening the term of any incumbent director.

Section 5.7 Committees of the Board. The board of directors may appoint committees of one or more directors. Anything to the contrary in Section 6.5 of these bylaws notwithstanding, committee members must be designated by a majority of the entire board of directors. If the board of directors appoints an executive or other committee, the executive or other committee may exercise all power of the board of directors, except that the executive or other committee may not:

- (1) Amend or repeal the bylaws;
- (2) Elect, appoint, or remove any member of any committee or any director or officer of the Corporation;
- (3) Amend the articles of incorporation, restate articles of incorporation, adopt a plan of merger, or adopt a plan of consolidation with another corporation;
- (4) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation;
- (5) Authorize the voluntary dissolution of the Corporation or revoke proceedings therefor;
- (6) Adopt a plan for the distribution of the assets of the Corporation; or
- (7) Amend or repeal any resolution of the board of directors which by its terms provides that it shall not be amended or repealed by committees.

ARTICLE VI

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

Section 6.1 Regular Meetings. A regular meeting of the board of directors shall be held immediately after, and at the same place as, the annual meeting of members. No notice other than this bylaw need be given. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings. No notice other than such resolution need be given.

Section 6.2 Special Meetings. Special meetings of the board of directors or of a committee may be called by or at the request of the president or any three (3) directors or committee members. The person or persons authorized to call special meetings of the board of directors or the committee may fix any place within the State of Hawai'i as the place for holding any special meeting of the board of directors called by them.

Section 6.3 Telephone Meetings. Subject to the provisions below regarding notice, members of the board of directors or any committee may participate in a meeting of the board of directors or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

Section 6.4 Notice. The secretary shall give notice of each meeting of the board of directors or any committee. Notice shall be in writing and be mailed to the director's mailing address, registered pursuant to Section 5.1 of these bylaws, not less than three days before the meeting. Notice may be given personally, by telephone, telecopy or telegraph not less than one day before the meeting. Notice may also be given as otherwise prescribed in advance by the board of directors. The failure of any director to receive notice shall not invalidate the proceedings of any meeting at which a quorum of directors is present. Notice need not be given to any director who shall, either before or after the meeting, sign a waiver of notice or who shall attend the meeting without protesting, prior to or at its commencement, the lack of notice. Except as otherwise provided by law, the Corporation's articles of incorporation or these bylaws, a notice or waiver of notice need not state the purposes of the meeting.

Section 6.5 Quorum and Adjournment. A majority of the directors or committee members shall constitute a quorum for the transaction of business. No action taken other than the election of directors to fill permanent vacancies, as provided in these bylaws, 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 or a majority of the directors present may adjourn the meeting from time to time without further notice until a quorum is present.

Section 6.6 Presumption of Assent. A director who is present at a meeting of the board of directors or any committee at which action on any matter is taken shall be presumed to have assented to the action. To dissent, the director's dissent or the director's withholding of the director's vote shall be entered in the minutes of the meeting. Alternatively, the director shall file a written dissent to the action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward the dissent by registered or certified mail to the secretary within two days after the date of the action. The right to dissent shall not apply to a director who voted in favor of the action.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 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 Hawai'i. The board of directors shall have general charge of the affairs, funds and property of the Corporation. It shall be the duty of the board of directors to enforce the bylaws. The board of directors shall have the power to expel any member of the Corporation with or without cause.

Section 7.2 Duties. It shall be the duty of the directors to direct the affairs and activities of the Corporation. The board of directors may promulgate and enforce rules and regulations not inconsistent with law, the articles of incorporation or these bylaws.

ARTICLE VIII

ACTION BY BOARD OF DIRECTORS OR COMMITTEE WITHOUT A MEETING

Any action required or permitted to be taken at any meeting of the board of directors or a committee may be taken without a meeting if all of the directors or all the committee members consent in writing to the action. The consent may be signed at any time before or after the intended effective date of the action. The consent shall be filed with the minutes of the board of directors meetings or committee meetings and shall have the same effect as a unanimous vote.

ARTICLE IX

OFFICERS

Section 9.1 Titles and Number. The officers of the Corporation shall consist of those whose titles are named in the articles of incorporation. Any person may hold two or more offices of the Corporation, provided the Corporation shall have at least two persons as officers.

Section 9.2 Election and Term of Office. The President, Vice President, Treasurer and Secretary shall be chosen from among those individuals currently elected as directors and shall be elected by the board of directors for a term of two years. Additional officers may be selected from the board of directors or the membership of the Corporation. 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.

Section 9.3 President. The president shall preside at all meetings of the members and 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 9.4 Vice Presidents. In the absence or disability or refusal to act by the president, the vice presidents shall, in the order designated by the president or the board of directors, 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 presidents 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 9.5 Secretary and Assistant Secretaries. The secretary shall keep the minutes of all meetings of the members and board of directors. The secretary shall keep or cause to be kept a register showing the names of the members, directors and officers with their addresses. The secretary shall give notice in conformity with the bylaws of all meetings of the members and 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, and shall perform all the duties assigned by the president or the board of directors.

Section 9.6 Treasurer and Assistant Treasurers. The treasurer shall be the chief financial officer of the Corporation and 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 the 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.

Section 9.7 Executive Director. The executive director shall serve as the principle staff of the board of directors and of the Corporation, and shall also serve as assistant secretary and assistant treasurer of the Corporation. The executive director shall be a non-voting member of the board and shall assist in the development, implementation and communication of the board's policies and programs. The executive director shall advise and assist the members of the board in all matters concerning the program and management of the affairs of the Corporation. The executive director, under the direction of the president and the board of directors, shall perform the administrative work of the Corporation and shall communicate matters and suggestions to promote the prosperity and increase the usefulness of the Corporation. The board may delegate to its executive director those functions and powers that the board deems necessary and appropriate, including but not limited to the oversight and supervision of employees of the Corporation.

ARTICLE X

DISBURSEMENTS AND CONTRIBUTIONS

Section 10.1 Disbursements. Disbursements of the funds of the Corporation for the purposes for which it is organized shall be authorized by the board of directors in its discretion.

Section 10.2 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 member, director or officer of the Corporation, except as provided by the articles of incorporation.

ARTICLE XI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 11.1 Indemnification Generally. 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, 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 the person is or was a director or officer of the Corporation or of any division of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceedings, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgement, 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, with respect to any criminal action or proceeding, create a presumption that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 11.2 Suits by or in the Right of the Corporation. 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 or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Corporation or of any division of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense settlement of the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which the person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Corporation unless and only to the extent that the court in which the 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, the person is fairly and reasonably entitled to indemnity for expenses which the court shall deem proper.

Section 11.3 Effect of Success in Defense. To the extent that a person who is or was a director or officer of the Corporation or of any division of the Corporation, or a person serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 11.1 and 11.2, or in defense of any claim, issue or matter therein, the person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection therewith.

Section 11.4 Authorization for Indemnification. Any indemnification under Section 11.1 and 11.2 (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 person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 11.1 and 11.2. The determination may be made:

- (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;
- (2) if a quorum is not obtainable, or, even if obtainable a quorum if disinterested directors so directs, by independent legal counsel in a written opinion to the Corporation;
- (3) if a quorum of disinterested directors so directs, by a vote of a majority of the members who vote; or
- (4) by the court in which the proceeding is or was pending upon application made by the Corporation or the agent, attorney, or other person rendering services in connection with the defense, whether or not the application by the agent, attorney or other person is opposed by the Corporation.

Section 11.5 Expenses. Expenses incurred in defending any action, suit or proceeding may be paid by the Corporation in advance of the final disposition of the 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 person to repay the amount unless it shall ultimately be determined that the person entitled to be indemnified by the Corporation as authorized in this article.

Section 11.6 Indemnification not Exclusive. The indemnification provided by this article shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of the person.

Section 11.7 Insurance. 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, partnership, joint venture, trust or another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify the person against such liability under the provisions of the article. Insurance may be procured from any insurance company designated by the board of directors, including any insurance company in which the Corporation shall have any equity or other interest, through stock ownership or otherwise.

Section 11.8 Fiduciaries of Employee Benefit Plans. Indemnification, expense advancement or the purchase of insurance for the benefit of any fiduciary of any employee benefit plan or trust for the benefit of employees of the Corporation or another corporation in which the Corporation owns shares shall be made upon the authorization of the board of directors.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Inspection of Corporate Records. The articles of incorporation, these bylaws, the books and records of account and the minutes of proceedings of the members and the board of directors and each committee shall be open to inspection upon the written demand of any member, at any reasonable time, and for any proper purpose, and shall be exhibited at any time when required by the demand of a majority of the members. Such inspection may be made in person or by an agent or attorney, and shall include the right to make copies. Demand for inspection may be made in writing upon the president or secretary of the Corporation.

Section 12.2 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 12.3 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.

ARTICLE XIII

SEAL

The corporation may have a seal. If the corporation has a seal, the seal shall be of such form as the board of directors may determine.

ARTICLE XIV

AMENDMENTS

The bylaws may be amended or repealed in accordance with the Corporation's articles of incorporation.

The undersigned, being all of the directors of the Corporation, hereby certify that these Bylaws were adopted by unanimous consent this 22 day of September, 1989.

/s/ Peter D. Simmons_____

/s/ Stephen E. Smith_____

/s/ Gwendolyn G. Gomes_____

/s/ C. Barton Potter_____

/s/ Ed Murty_____

/s/ James Kiyabu_____

/s/ Vernon R. Lindsey_____

CERTIFICATE

The undersigned secretary of HAWAII FOREST INDUSTRY ASSOCIATION hereby certifies that the foregoing bylaws were duly adopted by the unanimous written consent of the directors of HAWAII FOREST INDUSTRY ASSOCIATION on September 22, 1989, and that the same remain in full force and effect.

DATED: September 22, 1989

/s/ Stephen E. Smith _____
Secretary