

## **BY-LAWS OF THE HAWAII PAPAYA INDUSTRY ASSOCIATION**

### **Article I - Name**

The name of this organization shall be the Hawaii Papaya Industry Association.

### **Article II - Location**

The location of its principal office shall be in Hilo Hawaii, County of Hawaii, but branch offices may be established by the Board of Directors in any place in the State of Hawaii. The principal address of said organization shall be, in Hilo, Hawaii. The prerogative to change the location of the main office shall be vested with the Board of Directors.

### **Article III - Purpose**

The purpose of this organization shall be to have all members work cooperatively for the improvement and orderly development of the Hawaii papaya industry. The organization shall pursue its purpose through research and development, marketing and promotion, education and cooperation on a non-partisan basis.

### **Article IV - Membership**

#### Section 1. Charter members.

All members who join the organization within the first year of organization and who were engaged in the production, processing and distribution and those who were interested in the welfare of the papaya industry shall be charter members of the organization.

#### Section 2. Admission of new members.

New members who meet the requirement for eligibility to the organization shall be admitted upon application for membership, payment of dues and approval by the Board.

#### Section 3. Membership Roll.

A roll of membership shall be kept by the Secretary, and such shall be the official list of the membership of the organization.

#### Section 4. Classification of Members.

There shall be three classes of members: Voting Members, Non-Voting Supporters and patrons and Non-Voting Associates:

##### Voting Members:

- Handler – Individuals, partnerships, corporations, incorporated or unincorporated associations, and other entities that pack, process or distribute papayas in the State of Hawaii, and for export. This

includes brokers, wholesalers, packinghouses, and others, in excess of 100 pounds per week.

- Grower – Any person who grows papayas, and is not a handler.

Non-Voting Supporters/ Patrons:

- Industry partners, individuals, partnerships, corporations, incorporated or unincorporated associations who support the papaya industry.

Non-Voting Associates:

- Government employees, researchers, individuals who support the papaya industry.

Section 5. Eligibility

Those applying for membership shall:

- Ascribe to the purpose of the organization as stated in Article III.
- Be engaged in the production, processing, distribution, or have an interest in the welfare of the papaya industry.
- Be willing to work for the common good of the industry.
- Complete application and pay the required membership dues.

Section 6. Grounds for Termination & Expulsion

The following are grounds for termination and expulsion:

- Non payment of dues.
- There is a 3-months grace period at the end of each fiscal year.
- Upon termination of membership, a member may re-apply after one year. However, membership is not guaranteed.

Members whose actions are considered detrimental to the Association, may be expelled by a two-thirds vote by the Board of Directors. Members considered for expulsion shall be given an opportunity to explain their case before final voting by the Board. An expelled member may apply for re-instatement after one year of the expulsion date pending approval of two-thirds of the Board.

Section 7. Membership Dues & Production Contributions

Membership dues and production contributions shall be determined by the Board. Individual members production information shall be held confidential.

Section 8. General Membership Meeting

There shall be at least one general membership meeting annually. Voting members must be present to vote, no proxies will be accepted.

## Article V – Board of Directors

### Section 1. Composition

The Board of Directors shall be composed of a maximum of eleven (11) members from the following constituencies.

Two (2) from Hawaii Island  
One (1) from Oahu  
One (1) from Kauai  
One (1) from Maui County  
One (1) in good standing with the Hawaii Farm Bureau Federation  
Three (3) Handlers  
Two (2) At-Large

### Section 2. Terms of Office & Qualifications

Each member of the Board shall serve for a term of two (2) fiscal years. Each member of the Board shall continue to serve beyond the date of expiration of his/her term until a successor has been named and certified by the President of the organization. Directors shall be elected by the voting membership, at the annual meeting. Board members must be a voting member in good standing for not less than three (3) consecutive years.

### Section 3. Quorum and vote

The quorum of the Board shall be the majority of the total list of members of the Board as shown on the official record of the Secretary. At any Board meeting a quorum of the Board must be present before business of the Board may be transacted and an affirmative vote of not less than the majority of the Board members present shall be necessary for valid action by the Board.

Board members may participate in the meeting by phone, video conferencing and teleconferencing at the discretion of the President. No proxies will be allowed.

Each Director shall have one vote, but the Director presiding at any meeting of the Board shall not cast a vote except in the event of a tie vote.

### Section 4. Meetings

There shall be quarterly Board meetings. Non-attendance of two (2) quarterly meetings may be grounds for removal from the Board.

The Board shall meet at the call of the President or any three (3) Directors. The Secretary shall notify each Director of any Board meeting personally, by email, mail, fax or phone at least five (5) days before the meeting.

#### Section 5. Vacancies

If any vacancy occurs among the members of the Board, a suitable person from among the constituents represented by the vacating member may be appointed by the President to fill such vacancy with Board confirmation.

#### Section 6. Additional Duties

The Board of Directors has the authority to establish related organizations to meet special industry needs.

The Board of Directors has the authority to employ or contract person(s) as necessary to carry out the programs of the HPIA.

### **Article VI – Officers**

#### Section 1. Composition

The officers of the organization shall be comprised of a President, Vice President, Secretary and a Treasurer.

#### Section 2. Eligibility

Only members mentioned in Article IV, Section 4, shall be eligible to hold offices mentioned in Article VI, Section 1.

#### Section 3. Election

All officers shall be elected from the Board of Directors.

#### Section 4. Terms

Each officer shall serve for a term of two (2) fiscal years, and shall continue to serve beyond the expiration date of his term until a successor is named and assumes office.

#### Section 5. Duties

The officers shall perform duties as prescribed by these By-Laws, such additional duties as are customary to the offices held and as the Board shall from time to time determine within the authorized scope of law and these By-Laws.

The President shall preside at all business meetings of the organization and of the Board. He shall appoint standing and special committees and their chairman, subject to the approval of the Board. He shall make a report at the annual meeting of the members concerning the activities of the organization for the past year. He shall sign together with the Secretary all legal papers of the organization authorized by the Board. He shall appoint persons to fill vacancies occurring in any office, committee, council or position of the organization which appointee shall discharge the duties of the office on a temporary basis until action by the Board.

The Vice President shall assist the President whenever requested by the President, and in the order of their destination, shall have all the powers and perform all the duties of the President in the absence or inability of the President to act. In the absence or inability to act of the President and the Vice President, the Secretary shall perform the duties of the President.

The Secretary shall keep the minutes of all the business meetings of the organization and the Board of Directors and shall attest the same with his signature. He shall notify all officers of the election and all committee members of their appointment. He shall notify all officers, members and committee members and others of all meetings in conformity with law and these By-Laws. He shall sign together with the President all legal papers of the organization authorized by the Board.

The Treasurer shall receive, deposit, disburse, have care and custody of all funds of the organization, subject to such regulations as may be prescribed by the Board. He shall make a financial report to the Board whenever so requested and to the members at the annual meeting and at such other times as required by the Board. He shall keep correct books of accounts of all receipts and expenditures of the organization, and chair the Finance Committee.

#### Section 6. Vacancies

In case any vacancy occurs among the officers of the organization, a suitable person or persons may be appointed by the President to fill such vacancy for the un-expired term of office, subject to approval by the Board.

#### **Article VII – Elections**

Elections of Officers and Directors of the organization shall be as specified in Articles V and VI of these By-Laws.

#### **Article VIII – Vacancies**

Except as otherwise provided in these By-Laws, all vacancies, whether temporary or permanent occurring among any elected or appointed Officers, Directors, or other position of the organization may be filled by the President, subject to the approval of the Board of Directors. Such appointees shall exercise the powers and discharge the duties of the vacant office or position on a temporary basis until action by the Board.

#### **Article IX – Fiscal Year**

The fiscal year of the organization shall begin on the 1<sup>st</sup> of October and end on the 30<sup>th</sup> of September of each year.

## ARTICLE X – Standing Committees

There shall be the following standing committees. Committee members and chairpersons shall be appointed by the President and confirmed by the Board. Committee chairperson must be a Board member. All recommendations of the committees shall be acted upon by the full Board.

### Finance:

The Finance Committee shall develop a budget, review Association financial documents, develop proposals for sources of income and make recommendations to the Board. The Treasurer will be the chairperson of this committee.

### Research and Development:

R & D Committee shall explore all production areas of the industry from growing to treatment, to transportation. Make recommendations to the Board for research projects to address industry needs.

### Marketing:

Marketing Committee shall monitor orderly market development and make recommendations to the Board.

### Government Affairs:

Government Affairs Committee shall lobby government agencies as directed by the Board. This committee shall develop a legislative program that addresses future needs and shall make recommendations to the Board.

## Article XI – Amendments

Amendments to these By-Laws must be approved by a 2/3 vote by the Board of Directors before submission to the general membership.

These By-Laws may be amended or repealed by a majority vote of the members present at any membership meeting duly called and held, the notice of which meeting shall state the amendment or repeal proposed and shall state the purpose of the meeting is the consideration of such amendment or repeal.

## Article XII – Rules of Order

The Robert's Rules of Order should apply to all Association meetings, if not otherwise herein stated.

**FIRST AMENDMENT TO BY-LAWS OF  
HAWAII PAPAYA INDUSTRY ASSOCIATION**

The By-Laws of Hawaii Papaya Industry Association are hereby amended as follows:

1. Article III – Purpose is replaced by the following provisions:

**“Article III – Purpose, Limitations and Dissolution.**

**Section 1. Purpose.** This corporation exists to promote the improvement of business conditions in the State of Hawaii for the papaya industry, including the conditions relating to cultivation, distribution, sales and use of papayas. In order to do so, the corporation may provide information and take positions before Legislature and administrative bodies to advance business conditions for the papaya industry. The corporation is nonprofit in nature, and shall not authorize or issue shares of stock. No dividend shall be paid and no part of the income or profit of the corporation shall be distributed to its directors, officers or members, except for services actually rendered to the corporation. Upon dissolution of this corporation, the remaining assets of the corporation shall be distributed to one or more nonprofit corporations which then qualify under one of the subsections of Section 501(c), of the Internal Revenue Code, or any successor provisions. If no suitable organization is found, the Directors shall make such distribution to an agency of the federal government, the State of Hawaii or the County of Hawaii.

And in furtherance of said purposes, the corporation shall have all powers, rights, privileges and immunities, and shall be subject to all of the liabilities conferred or imposed by law upon corporations of this nature, and shall be subject and have all the benefits of all general laws with respect to corporations.

**Section 2. Earnings.** No part of the net earnings of the corporation shall inure to the benefit of any individual. The corporation may pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

**Section 3. Activities.** No part of the activities of the corporation shall consist of participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

**Section 4. Dissolution.** Upon dissolution of this corporation, the remaining assets of the corporation shall be distributed to one or more nonprofit corporations which then qualify under one of the subsections of Section 501(c), of the Internal Revenue Code, or any successor provisions. If no suitable organization is found, the Directors shall make such distribution to an agency of the federal government or the State of Hawaii.”

2. Article IV – Membership is amended by adding a new Section 9. Quorum as follows:

“**Section 9. Quorum.** The quorum for a membership meeting shall be ten percent (10%) of the voting Members.”

3. A new Article XIII is added to read as follows:

**“XIII  
Indemnification of Officers and Directors**

(1) 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 he is or was a director, officer or employee of the corporation, or is or was serving at the request of the corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys’ fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of this corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his 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 reasonably believed to be in or not opposed to the best interest of this corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his 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 or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer or employee of the corporation, or is or was serving at the request of the corporation as a director, officer, or employee of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys’ fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of this corporation and, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjusted to be liable for negligence or misconduct in the performance of his duty to this corporation unless any and only to the extent that the court in which such action or suit was brought or in any other court having jurisdiction in the premises shall determine upon application that, despite the adjudication of liability but in view of all of 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 or employee of the corporation or a person serving at the request of the corporation as a director, officer or employee of



another corporation, partnership, joint venture, trust or other enterprise has been successful on the merits of otherwise in defense of any action, suit or proceeding referred to in paragraph (1) or paragraph (2) of this Article XIII, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(4) Any indemnification under paragraph (1) or paragraph (2) of this Article XIII (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph (1) or paragraph (2). Such determination shall be made (a) 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, or (b) if such a quorum is not obtainable, or even if obtainable if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion to the corporation or (c) by a majority vote of the members.

(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 or employee to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article XIII.

(6) Any indemnification pursuant to this Article XIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled and shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, personal representatives and administrators of such a 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 or employee of the corporation, or is or was serving at the request of the corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article XIII."

4. Article X – Standing Committees is replaced by the following provisions as follows:

#### **“Article X – Standing Committees**

There shall be the following standing committees. Committee members and chairpersons shall be appointed by the president and confirmed by the board. Committee chairperson must be a board member. All recommendations shall be acted upon by the full board.

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The Finance Committee shall develop a budget, review Association financial documents, develop proposals for sources of income and make recommendations to the board. The treasurer will be the chairperson of this committee.

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