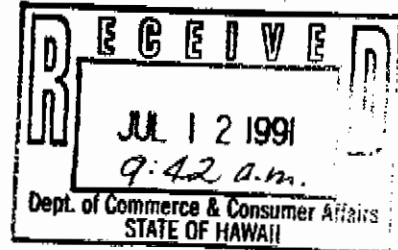


IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter)
) of
- TAX FOUNDATION OF HAWAII)
_____)



ARTICLES OF AMENDMENT

The undersigned, duly authorized officers of the corporation submitting these Articles of Amendment, certify as follows:

1. The name of the corporation is TAX FOUNDATION OF HAWAII.
2. The amendment adopted is attached.
3. The amendment was adopted by the underwriting members, such members being the only members entitled to vote, at a meeting of such voting members held on June 20, 1991.

A quorum was present at the meeting, and at least two-thirds of the members present at the meeting voted to adopt the amendment.

We certify under the penalties of 415B-158, Hawaii Revised Statutes, that we have read the above statements, and that the same are true and correct.

Witness our hands this 9 day of July, 1991.

Lowell L. Kalapa
President/Secretary

(Type/Print Name & Title)

Justina A. Desuacido, Vice President
Treasurer

(Type/Print Name & Title)



(Signature of Officer)



(Signature of Officer)

ATTACHMENT TO ARTICLES OF AMENDMENT

The Articles of Incorporation are amended in their entirety to read as follows:

ARTICLE I

Corporate Name

The name of the Corporation is TAX FOUNDATION OF HAWAII.

ARTICLE II

Period of Duration

The duration of the Corporation is perpetual.

ARTICLE III

Corporate Purposes and Powers

Section 3.1 Purposes. The Corporation is organized exclusively for the following purposes:

- (i) To foster and encourage efficiency in public administration;
- (ii) To improve the economic status and standards of living of the citizens of the State of Hawaii;
- (iii) To make unprejudiced, non-partisan and non-political surveys and studies of a factual nature and make available and disseminate such information to the people of the State of Hawaii;
- (iv) To cooperate with public officials and other organized groups or individuals working for the adoption of improved methods, systems and procedure of public administration;
- (v) To make surveys and studies of operations and activities in the field of government;
- (vi) To collect data and provide a clearing house for information relative to government and taxation;

(vii) To study the effect of the tax structure on the economy of the State of Hawaii;

(viii) To cooperate with and further the exchange of information and cooperation among other organizations and citizens' groups in the field of public administration;

(ix) To make available and disseminate, by the publication of books, pamphlets and periodicals, and by the use of radio, television and other means of communication, data and information acquired or compiled by the corporation bearing upon the operations of government and methods and means of rendering them more efficient or otherwise improving the same;

(x) To promote and encourage better public understanding of the organization, financing and operation of the governments having jurisdiction over the people of said State; and

(xi) To operate exclusively for charitable, literary, educational and scientific purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code, including for such purposes, the making of distributions to organizations that qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or any future corresponding provisions).

Section 3.2 Restrictions. The Corporation is a nonprofit corporation and shall not authorize or issue any shares of stock. No dividend shall be paid and no part of the income or profit of the Corporation shall be distributed to the members, directors or officers of the Corporation. No loans shall be made by the Corporation to its directors or officers. The Corporation may, however, pay compensation in a reasonable amount to its members, directors, or officers for services rendered. Except as permitted by this Section 3.2, no part of the assets or earnings of the Corporation shall inure to the benefit of any individual. The Corporation shall not participate in or intervene (including publication or distribution of statements) in any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of the Corporation's articles of incorporation, the Corporation shall not carry on any activities not permitted (i) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States internal revenue law); or (ii) 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).

Section 3.3 Powers. The Corporation shall have all powers granted by law.

ARTICLE IV

Location of the Corporation

The principal address of the Corporation is 201 Merchant Street, Suite 901, Honolulu, Hawaii 96813.

ARTICLE V

Directors and Officers

Section 5.1 Board of Directors. The board of directors shall consist of not fewer than three persons or of such greater number of persons as may be authorized by the bylaws. The board of directors shall be elected as provided by the bylaws. The board of directors shall have and may exercise all the powers of the Corporation except as otherwise provided by law, these articles of incorporation or the bylaws.

Section 5.2 Officers. The officers of the Corporation shall be a chair of the board, one or more vice-chairs of the board, a president, one or more vice presidents, a secretary, one or more assistant secretaries, and a treasurer.

The officers shall have the powers, perform the duties and be appointed in the manner set forth in the bylaws or as may be determined by resolution of the board of directors not inconsistent with the bylaws. Any person may hold two or more offices of the Corporation, provided the Corporation shall have at least two persons as officers.

Section 5.3 Terms Of Directors. The directors shall serve for a term of three years. The terms of office of the directors shall be staggered so that terms of approximately one-third of the directors shall expire each year.

ARTICLE VI

Membership

Membership in the Corporation shall be held by those persons who have the qualifications of membership specified in the bylaws. Members of the Corporation shall be admitted or

expelled in the manner provided by the bylaws. Members of the Corporation, other than members of the board of directors, have no vote on electing the members of the board of directors.

ARTICLE VII

Corporate Dissolution; Distribution of Assets

If the Corporation shall be dissolved, all assets of the Corporation, after payment of liabilities, shall be distributed only to one or more public agencies, organizations, corporations, trusts or foundations having like purposes and organized and operated exclusively for charitable, religious, eleemosynary, benevolent, scientific, educational, literary or similar purposes, no part of whose assets, income or earnings may be used for dividends or otherwise withdrawn or distributed to or inure to the benefit of any private shareholder or individual and the activities of which do not include participation or intervention in any political campaign on behalf of any candidate for public office. In no event shall any distribution be made to any organization unless it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986 (or any future corresponding provision) with purposes similar or related to those of the Corporation.

ARTICLE VIII

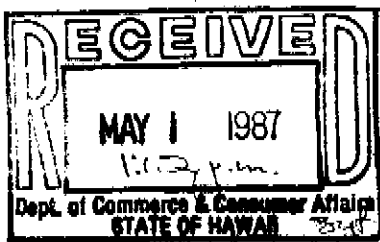
Amendment of Bylaws

The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the board of directors.

ARTICLE IX

Amendment

The Articles of Incorporation may be amended by adoption of a resolution describing the proposed amendment upon receiving the vote of a majority of the board of directors.



IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Amendment of)
the Charter of Incorporation)
)
of)
)
TAX FOUNDATION OF HAWAII)
_____)

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CERTIFICATE OF AMENDMENT
OF CHARTER OF INCORPORATION OF
TAX FOUNDATION OF HAWAII

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IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

In the Matter of the Amendment of)
the Charter of Incorporation)
of)
TAX FOUNDATION OF HAWAII)

CERTIFICATE OF AMENDMENT
OF THE CHARTER OF INCORPORATION OF
TAX FOUNDATION OF HAWAII

TO THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS:

PAUL L. TAKENAKA and LOWELL L. KALAPA do hereby
certify as follows:

That they are respectively the Vice President and
Secretary of the Tax Foundation of Hawaii; that on the 19th day
of June, 1986, ^{in Honolulu, Hawaii} the annual meeting of the Underwriting Members *RLK*
of said corporation was held pursuant to notice duly given in
accordance with the by-laws of said corporation and the laws of
the State of Hawaii; that George T. Wada acted as presiding
officer and Lowell L. Kalapa acted as secretary of said annual
meeting; that said annual meeting of the Underwriting Members

was called for the purpose, among others, of amending the Charter of Incorporation of said corporation in the manner hereinafter set forth; that at said annual meeting there were present four members out of a total of four members of said corporation; that at said annual meeting of Underwriting Members the following resolution amending the Charter of Incorporation was duly adopted:

"RESOLVED, by the members of the Tax Foundation of Hawaii at the annual meeting called and held on June 19, 1986, that the Charter of Incorporation of this corporation be amended by amending Article VI, Section 3 so that the said Section 3 reads as follows:

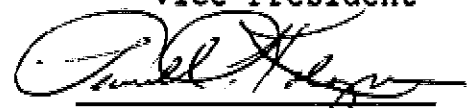
'Sec. 3. Executive Committee. The Executive Committee shall consist of not less than three nor more than seven members, including the President, elected annually by the Board from its members, in addition to the Executive Director. The Executive Committee shall have and exercise all of the powers of the Board in the interim between meetings of the Board, subject to any limitations fixed by the Board, except that the Executive Committee shall not be empowered to admit or terminate the membership of underwriting members or to elect or remove officers or fix the compensation of officers and employees. A majority of the members of the Executive Committee shall constitute a quorum, but a majority of all of the membership of the Committee shall be necessary to validate its actions except as to adjournment.'; and

"FURTHER RESOLVED, by the same members that the proper officers of this corporation be and they hereby are authorized and directed to make, execute, verify and file any and all such certificate or certificates as may be necessary, proper or convenient to effectuate the foregoing amendment to the Charter of Incorporation of this corporation.";

that there were four members of said corporation voting in favor of said resolution and no members of said corporation voting against said resolution at the said annual meeting; that said resolution was adopted by the vote of not less than two-thirds of the members of said corporation present at said annual meeting; that said amendment to the Charter of Incorporation of said corporation does not confer any other or greater power or privilege upon said corporation than could lawfully be conferred or obtained in an original Charter of Incorporation; and that this certificate is made and filed in conformity with the provisions of Section 416-23 of the Hawaii Revised Statutes of 1985.

IN WITNESS WHEREOF the aforesaid officers of said corporation have hereunto set their hands this 1st day of MAY, 1987.


Vice President


Secretary

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

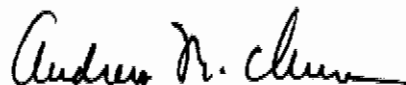
PAUL L. TAKENAKA and LOWELL L. KALAPA, being first duly sworn according to law on oath depose and say:

That said Paul L. Takenaka is the Vice President and said Lowell L. Kalapa is the Secretary of Tax Foundation of Hawaii; that as such officers they are authorized and empowered to make the foregoing certificate; and that said Paul L. Takenaka and Lowell L. Kalapa have read the foregoing certificate, know the contents thereof, and that the same are true.


Paul L. Takenaka


Lowell L. Kalapa

Subscribed and sworn to before
me this 1st day of May
1987.


Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 3-30-90

The foregoing amendment is hereby allowed this 1st day of May, 1987.

Robert Ash

Director of Commerce and Consumer Affairs

By *Kenneth H. Yamamoto*
Corporation and Securities Administrator

TAX FOUNDATION OF HAWAII
CHARTER OF INCORPORATION
As Amended May 27, 1960
" " Aug. 13, 1968
" " June 19, 1986

ART. I - NAME

The name of the proposed corporation shall be "Tax Foundation of Hawaii."

ART. II - LOCATION OF PRINCIPAL OFFICE

The location of the principal office of the corporation shall be at Honolulu, City and County of Honolulu, State of Hawaii.

ART. III - OBJECTS AND PURPOSES

The purposes of the corporation shall be to foster and encourage efficiency in public administration, and to improve the economic status and standards of living of the citizens of the State of Hawaii, by making unprejudiced, non-partisan and non-political surveys and studies of a factual nature and making available and disseminating such information to the people of the State of Hawaii. Without prejudice to the generality of the foregoing general purposes, the corporation shall be authorized, among other things, to engage in the following activities, to the extent determined by the charter, by-laws, rules and regulations of the corporation:

1. Cooperate with public officials and other organized groups or individuals working for the adoption of improved methods, systems and procedures of public administration.
2. Make surveys and studies of operations and activities in the field of government.
3. Collect data and provide a clearing house for information relative to government and taxation.
4. Study the effect of the tax structure on the economy of the said State.
5. Cooperate with and further the exchange of information and cooperation among other organizations and citizens' groups in the field of public administration.
6. Make available and disseminate, by the publication of books, pamphlets and periodicals, and by the use of radio, television and other means of communication, data and information acquired or compiled by the corporation bearing upon the operations of government and methods and means of rendering them more efficient or otherwise improving the same.
7. Promote and encourage better public understanding of the organization, financing and operation of the governments having jurisdiction over the people of said State.

ART. IV - DURATION

The period of duration of the corporation shall be perpetual.

ART. V - CORPORATE ORGANIZATION

The corporation shall complete its corporate organization within ninety (90) days from the date of the issuance of the charter hereby applied for.

ART. VI - BOARD OF TRUSTEES AND OTHER OFFICERS

Sec. 1. Officers generally; designation, general qualifications, hold-over after term; holding more than one office; vacancies. The officers of the corporation shall consist of: (a) members (sometimes hereinafter called "Trustees") of the Board of Trustees (sometimes hereinafter called the "Board"); (b) members of the Executive Committee; and (c) general officers, who shall be a President, one or more Vice Presidents, an Executive Director, a Secretary, a Treasurer, and such other officers as shall be determined from time to time by the Board of Trustees or provided for in the by-laws. Members of the Board and other officers need not be members of the corporation. Two or more offices may be held by the same person. The Treasurer may be a corporation. All officers shall hold over until their successors are elected and take office, unless sooner removed; vacancies in offices having stated terms, shall be filled for the remainder of the unexpired term by the Board.

Sec. 2. Board of Trustees. The Board of Trustees shall be composed of such number of Trustees as shall be determined from time to time by the voting members at the annual membership meeting. Trustees shall be elected by the voting members at annual membership meetings, and their terms of office shall be three years; provided: (a) that the terms shall be so adjusted that, as nearly as practicable, one-third only of the total number of authorized Trustees shall be elected in any one year; and (b) that the terms of office of the Trustees initially designated shall be as hereinafter set forth opposite their respective names. Nominations of Trustees to be elected by the members shall be made by a nominating committee appointed by the Board, but additional nominations may be made by members from the floor. If the number of authorized Trustees is changed at any annual meeting, the members may re-determine at such meeting the terms of one or more hold-over members or newly-elected members, or both, so that as nearly as practicable and with as little disturbance of hold-over Trustees' terms as possible, the terms of not more than one-third of the Trustees shall expire thereafter during any one year.

The number terms, names, addresses (business or residence as designated by the abbreviation "bus." or "res.," respectively), and terms, of the initial Trustees, shall be as follows:

Group I (Trustees holding office for three years from date of Charter):

Group II (Trustees holding office for two years from date of Charter):

Group III (Trustees holding office for one year from date of Charter):

The Board shall meet at regular sessions at such times and places as may be determined pursuant to the by-laws. Special meetings of the Board may be called by the Chairman or any two members, in the manner provided in the by-laws. Eleven (11) members of the Board shall constitute a quorum. A majority of such quorum may act on all matters except as otherwise provided in the by-laws; provided that less than a quorum may adjourn from time to time.

Sec. 3. Executive Committee. The Executive Committee shall consist of not less than three nor more than seven members, including the President, elected annually by the Board from its members, in addition to the Executive Director. The Executive Committee shall have and exercise all of the powers of the Board in the interim between meetings of the Board, subject to any limitations fixed by the Board, except that the Executive Committee shall not be empowered to admit or terminate the membership of underwriting members or to elect or remove officers or fix the compensation of officers and employees. A majority of the members of the Executive Committee shall constitute a quorum, but a majority of all of the membership of the Committee shall be necessary to validate its actions except as to adjournment.

Sec. 4. General Officers. The Board shall elect annually from its membership a President and other General Officers. The President shall be ex-officio the Chairman of the Board and of the Executive Committee. He shall preside at all meetings of the members of the corporation, but shall have no vote at such meetings, unless he be also a voting member or hold a proxy for a voting member.

A Vice President shall have and perform the duties of the President in the absence of the President, and under such order of priority (if more than one) as may be prescribed in the by-laws. The terms of General Officers shall be one year, except as provided in Sec. 1 of Art. VI. The Executive Director shall be the chief administrative officer of the corporation and shall be ex-officio a non-voting member of the Board and of all committees, including the Executive Committee. He shall have the general powers of supervision and management usually vested in a general manager, subject, however, to the right and power of the Board to delegate any specific powers to any other officer or officers of the corporation, and shall have and perform such other duties and powers as shall be prescribed from time to time by the by-laws, the Board or the Executive Committee.

The powers and duties of all other officers shall be as prescribed by or pursuant to the by-laws.

The officers and employees of the corporation shall receive such salary or compensation as may be fixed and determined from time to time by the Board subject to any provisions in the by-laws relevant thereto.

All officers, employees and members of committees, regardless of the manner in which they shall have been elected or appointed, shall be subject to suspension or removal at any time with or without cause by the Board.

Any Trustee, officer or employee of the corporation who shall become a candidate for election to any public office, or who is elected or appointed to any salaried office or employment in any governmental organization, entity or agency whatsoever, shall ipso facto be conclusively

deemed to have abandoned and vacated his office or employment in or under the corporation.

ART. VII - MEMBERS

Sec. 1. Eligibility. Any person and any non-partisan corporation, partnership, joint stock association, trust, unincorporated association or other entity having residence in any state, territory, district or possession of the United States of America shall be eligible for membership in accordance with the by-laws from time to time in effect.

Sec. 2. Classes of members. There shall be two classes of members, namely:

1. Underwriting members, being members who shall have pledged substantial support to the corporation by entering into membership subscription agreements with the corporation in such form as may be prescribed or approved by the Board and whose admission shall be approved by the Board.

2. Associate members, being members who are not underwriting members and who are admitted pursuant to the by-laws by the Board or by an officer of the corporation authorized so to do by the Board.

3. The manner of termination of membership in the corporation by resignation, removal or otherwise shall be as provided in the by-laws.

4. Dues. Membership dues may be prescribed and fixed by the Board, subject to the by-laws.

5. Voting power. Only underwriting members shall be entitled to vote and each such member, regardless of the amount contributed, shall be entitled to one vote. Subject to this Charter, underwriting and associate members shall enjoy such rights and privileges as may be provided in the by-laws.

6. Meetings. The time and place for, and the manner of calling, annual and special meetings of the membership of the corporation shall be as prescribed by the by-laws. At each annual or special meeting of such members, one-half of the number of members entitled to vote present in person or by proxy shall constitute a quorum for the transaction of business, and the action of a majority of such quorum shall constitute the action of the meeting; provided that if a quorum is not present at any duly called meeting, a majority of the members present and entitled to vote may adjourn to a later date of which due notice shall likewise be given, and at such adjourned meeting a majority of the voting members present, constituting at least one fourth of all voting members of the corporation, may act regardless of the number present. Subject to such limitations, if any, as may expressly be contained in any statutory provisions applicable to any particular action, and notwithstanding Article VIII and any other provision of this charter, when three-fourths of the members entitled to vote at any meeting shall, by themselves or their proxies or otherwise-authorized representatives, sign a written consent or approval on the record of such meeting, the doings of such meeting, however called or notified, shall be valid.

ART. VIII - BY-LAWS

By-laws of the corporation may be adopted by the incorporators at

the inception of the corporation, and thereafter may be adopted, amended or repealed only by both of the following acts: (a) the vote of a majority of the members present constituting a quorum at a meeting of the members duly called and held, due notice of which meeting shall have been given setting forth the substance or text of the proposed by-law, amendment or repeal; and (b) the approval of such by-law, amendment or repeal by a majority of the members of the Board at a meeting of the Board, which approval may be given either before or after such meeting of the members of the corporation.

ART. IX - OTHER POWERS

The corporation shall have power, in and by said corporate name to sue and be sued; to make and use a corporate seal and alter the same at its pleasure; to make and adopt and from time to time amend or repeal by-laws not inconsistent with law or with the charter governing the qualification, admission, suspension and expulsion of its members, and governing the procedure, election and removal of its membership, board, council and officers and the management of its property and affairs; to purchase, take on lease, or otherwise acquire, own, hold, use, exchange, and (for cash or any other consideration) dispose of any lands, buildings or other property of any kind, including investments in shares, bonds or other securities of any other corporation or otherwise, as may be suitable or convenient for its purposes, without restriction or limitation except as provided by law; to borrow money and to issue bonds or other evidences of indebtedness and secure payment thereof by mortgage, pledge, hypothecation or deed of trust of all or any of its property, conformably with law; and to obtain capital and revenue for its purposes through donations, subscriptions, dues or otherwise; to merge or consolidate with, and/or acquire the property of, any other corporation, organization, society or association having like purposes, and assume any of its debts and liabilities; and to promote, assist, or subscribe or contribute to, any organization, society or association organized for the same or similar purposes; to initiate and maintain pension or retirement systems or plans of any type or types for its officers and employees; and to exercise any other powers, conformably with law, necessary or proper to carry into effect the foregoing powers, purposes and objects.

ART. X - GENERAL POWERS VESTED IN BOARD

All the powers and authority of the corporation shall be vested in and be exercised by the Board, subject to any limitations prescribed by law, this charter and the by-laws; and, except as so limited by law, this charter or the by-laws, and, in furtherance and not in limitations of said general powers, the Board shall have power generally to do any and every lawful act necessary or proper to carry into effect the powers, purposes and objects of the corporation.

ART. XI - CHARTER SUBJECT TO LAWS

This charter shall be subject to amendment from time to time in accordance with law, and the corporation shall be subject to all general laws now in force or hereafter enacted with regard to corporations of this nature.

ART. XII - NON-PROFIT ORGANIZATION

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 used for dividends, or otherwise withdrawn or distributed to any of its members; provided that this Article shall not be deemed to prohibit the payment of reasonable compensation to an officer or employee of the corporation, who may also be a member of the corporation, for services performed by him. In the event of corporate dissolution, all assets accumulated income or earnings may be transferred only to a corporation, association, foundation fund or trust not organized for profit and having objects and purposes similar to the corporation or to the United States or the State of Hawaii, or any political subdivision thereof, for exclusively public purposes.

Given under my hand and seal of the Office of the Treasurer this 21st day of December, 1953.

KAM TAI LEE

Treasurer of the Territory of Hawaii

I consent to and approve of the foregoing charter this 22nd day of December, 1953.

SAMUEL WILDER KING

Governor of the Territory of Hawaii.