

BYLAWS
OF
KAVILCO INCORPORATED
(Updated as of May 7, 2010)

ARTICLE I
IDENTIFICATION

- A. Name. The name of the Corporation is Kavilco Incorporated.
- B. Office and Agent. The address of the registered office of the Corporation is: One Copper Crescent Drive, Kasaan, Alaska 99924 and the name of the registered agent at this address is: Louis A. Thompson.
- C. Seal. The seal of the Corporation shall be in such form as the Board of Directors shall prescribe.
- D. Fiscal Year. The fiscal year of the Corporation shall be as prescribed by the Board of Directors.

ARTICLE II
SHAREHOLDERS

- A. Annual Meeting. The annual meeting of the shareholders shall be held on such date after the close of the fiscal year of the Corporation and at such time of the day as the Board of Directors at its discretion shall prescribe each year.

B. Special Meetings. Special meetings of the shareholders may be called by the Board of Directors, the Chairman of the Board of Directors, the President, or the holders of not less than one-tenth (1/10th) of all shares entitled to vote at the meeting. Only such business shall be conducted at a special meeting as is specified in the notice thereof.

C. Place of Meetings. Unless otherwise provided by the Board of Directors, all meetings of shareholders shall be held at the registered office of the Corporation.

D. Notice of Meetings. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting to each registered holder entitled to vote at such meeting. If mailed, each notice shall be deemed to be delivered when deposited in the United States mail postage prepaid addressed to the registered holder at his address as it appears on the stock transfer books of the Corporation. Waiver by a shareholder in writing of a notice of a shareholders' meeting shall be equivalent to the giving of such notice. Attendance, whether in person or by proxy, at a shareholders' meeting shall constitute a waiver of notice of the meeting.

E. Quorum. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. The shareholders present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

F. Closing of Transfer Books and Fixing Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, seventy (70) days. If the stock transfer books shall be closed for any purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, the books shall be closed for at least twenty (20) days immediately preceding the meeting. In lieu of closing the stock transfer books, the Board of Directors may fix a date as the record date for any such determination of shareholders, such date, in any case, to be not more than sixty (60) days and, in case of a meeting of shareholders, not less than twenty (20) days prior to the date on which the particular action, requiring this determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice or to vote at a meeting of shareholders or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring the dividend is adopted, as the case may be, shall be the record date for the determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this paragraph, the determination shall apply to any adjournment thereof, except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

G. List of Shareholders. At least twenty (20) days before each meeting of shareholders, the officer or agent having charge of the share transfer book for shares of the Corporation shall make a list of the shareholders entitled to vote at the meeting or an adjournment of the meeting, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be kept on file at the registered office of the Corporation and is subject to inspection by a shareholder at any time during usual business hours for a period of twenty (20) days prior to the meeting. The list shall also be produced and kept open at the time and place of the meeting and be subject to the inspection of a shareholder during the meeting. Failure to comply with the requirements of this paragraph does not affect the validity of the action taken at the meeting.

H. Voting. At any meeting of the shareholders every shareholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such shareholder or his authorized attorney in fact, and bearing a date not more than eleven (11) months prior to said meeting. At an election for Directors every shareholder entitled to vote may vote, in person or by proxy, the number of shares owned by him for as many persons as there are Directors to be elected (or may cumulate his votes by giving one candidate as many votes as the number of Directors to be elected multiplied by the number of his shares equals, or by distributing these votes on the same principle among any number of candidates).

I. Action Without a Meeting. Any action required to be taken at a meeting of the shareholders of the Corporation, or any action that may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing setting forth the action so

taken shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

J. Inspector of Elections. An inspector of elections shall be appointed by the Board of Directors before the meeting or, if no such appointment shall have been made or, if the inspector previously appointed shall fail to attend, or refuse or be unable to serve, then a substitute inspector shall be appointed by the presiding officer at the meeting.

K. Advance Notice of Shareholder Proposals and Director Nominations.

(1) Shareholder Proposals. Shareholders may propose business to be brought before the annual meeting of shareholders only if (i) such business is a proper matter for shareholder action under the Alaska Corporations Code and (ii) the shareholder has given timely notice in proper written form of such shareholder's intent to propose such business.

(a) Effective for all annual meetings held on or after May 7, 2010, to be timely, a shareholder's proposal notice relating to the annual meeting shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 nor more than 120 days prior to the first anniversary (the "Anniversary") of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders. However, if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 30 days after the Anniversary of the preceding year's annual meeting, then notice by the shareholder to be timely must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 15th day following the day on which public announcement of the date of such meeting is first made.

(b) To be in proper form a shareholder's notice to the Secretary shall be in writing and shall set forth (i) the name and address of the shareholder who intends to propose the business, (ii) a representation that the shareholder is a holder of record of stock of the Corporation, that the shareholder intends to vote such stock at such

meeting, (iii) a brief description of the business desired to be submitted at the meeting and the reasons for proposing such business at the meeting, (iv) such other information regarding such matter of business as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), had the matter been proposed, or intended to be proposed, by the Board of Directors of the Corporation, and (v) such other information reasonably requested by the Corporation.

(2) Director Nominations. Shareholders may nominate one or more persons for election as directors at the annual meeting of shareholders, only if the shareholder has given timely notice in proper written form of such shareholder's intent to make such nomination or nominations.

(a) Effective for all annual meetings held on or after May 7, 2010, to be timely, a shareholder's nomination(s) notice relating to the annual meeting shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 nor more than 120 days prior to the first anniversary (the “Anniversary”) of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders. However, if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 30 days after the Anniversary of the preceding year's annual meeting, then notice by the shareholder to be timely must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 15th day following the day on which public announcement of the date of such meeting is first made.

(b) To be in proper form a shareholder's notice to the Secretary shall be in writing and shall set forth (i) the name and address of the shareholder who intends to make the nomination(s), (ii) a representation that the shareholder is a holder of record of stock of the Corporation, that the shareholder intends to vote such stock at such meeting and, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (iii) the name and address of such nominee or nominees and a description of all arrangements or understandings between the shareholder and each nominee

or any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder, (iv) such other information regarding each nominee by such shareholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), had the nominee been nominated, or intended to be nominated, by the Board of Directors of the Corporation, (v) the consent of each nominee to serve as a director of the Corporation if so elected, and (vi) such other information reasonably requested by the Corporation.

(3) The Chairman of a meeting of shareholders may refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedures.

(4) Notwithstanding the foregoing provisions of this Section K, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section K. Nothing in this Section K shall affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act nor grant any shareholder a right to have any nominee included in the Corporation's proxy statement.

ARTICLE III

BOARD OF DIRECTORS

A. Composition. The business, affairs and property of the Corporation shall be managed by a Board of Directors composed of nine (9) members. The terms of members, except those of members elected prior to and at the first annual meeting of shareholders held after the completion of the roll required by Section 5 of the Settlement Act, shall be three (3) years; three (3) members to be elected at each annual meeting of shareholders as hereinafter

prescribed. The terms of members of the initial board and of any successor board elected prior to the completion of such roll and the first annual meeting of shareholders held thereafter shall be one year, or until such first annual meeting of shareholders, whichever first occurs, and until their successors are elected and qualified. Members of the Board of Directors elected at and after such first annual meeting of shareholders shall be shareholders of the Corporation over the age of eighteen (18) years.

B. Election. At the first annual meeting of shareholders held after completion of the roll, nine (9) members shall be elected to the Board of Directors in three classes, each consisting of three (3) members. The term of office of the directors of the first class shall expire at the first annual meeting of shareholders held after their elections. The term of office of the directors of the second class shall expire at the second annual meeting of shareholders held after their elections. The term of office of the directors of the third class shall expire at the third annual meeting of shareholders held after their elections. At each annual meeting after the first, three (3) directors shall be elected whose term shall expire at the third annual meeting of shareholders held after the meeting at which they were elected. Each director shall hold office for the term for which he is elected and until a successor is elected and qualified.

C. Removal. A director may be removed from office by majority vote of the shares eligible to vote, with or without cause, after proper notice, at any annual meeting of shareholders or at a special meeting called for that purpose.

D. Vacancies. A vacancy occurring in the Board of Directors may be filled by the vote of a majority of the remaining directors though the majority is less than a quorum of the Board. A director elected to fill a vacancy is elected for the unexpired term of his predecessor.

A directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of shareholders or at a special meeting of shareholders called for that purpose.

E. Place of Meeting. Meetings of the Board of Directors, annual, regular and special, may be held at any place designated by the Board, or, in the case of a special meeting, at any place designated by the authority calling the meeting, either within or without the State of Alaska.

F. Annual Meetings. The Board of Directors shall meet each year immediately after the annual meeting of the shareholders for the purpose of election of a Chairman, organization, election of officers of the Corporation, and the consideration of any other business that may properly be brought before the meeting. No notice of any kind of this meeting shall be necessary either to old or new members of the Board of Directors. The Chairman shall preside at meetings of the Board of Directors and shall supervise the execution of actions taken by it.

G. Regular Meetings. The Board of Directors may from, time to time provide for the holding of regular meetings. No notice of any kind need be given to any members of the Board of Directors of any such meetings if the time and place of such meetings is fixed by the Board of Directors.

H. Special Meetings. Special meetings of the Board of Directors may be held upon notice by letter, telegram, cable, or radiogram, delivered for transmission not later than during the third day immediately preceding the day for the meeting, or by word of mouth, telephone or radiophone received not later than during the second day immediately preceding

the day for the meeting, upon the call of the Chairman of the Board, the President of the Corporation, or a majority of the members of the Board of Directors then in office, at any place within or without the State of Alaska. Notice of any meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice, whether before or after the time of the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of the meeting.

I. Acting Without Assembling. Any action that may be taken at a meeting of the Board of Directors or of a committee thereof may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors or all of the members of the committee, as the case may be. Without assembling the members of the Board of Directors or of a committee thereof can conduct a meeting by communicating simultaneously with each other by means of conference telephones or similar communications equipment.

J. Executive Committee. When the Board of Directors are not meeting, the powers of the Board may be exercised by an Executive Committee, consisting of three (3) members of the Board of Directors. In its exercise of the authority of the Board in the management of the Corporation, the Executive Committee, except as otherwise provided by resolutions of the Board, may do anything that the Board itself might lawfully do, except that it may not take any action contrary to or inconsistent with any action taken by the Board.

K. Transactions in Which Directors Have an Interest. Any contract or other transaction between the Corporation and one or more of its directors, or between the

Corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one or more of its directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the Board of Directors of the Corporation that acts upon, or in reference to, the contract or transaction, and notwithstanding his or their participation in the action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize or ratify the contract or transaction, the interested director or directors to be counted in determining whether a quorum is present and to be entitled to vote on such authorization or ratification. This section shall not be construed to invalidate any contract or other transaction that would otherwise be valid under the common and statutory law applicable to it.

L. No Conflict of Interest. No director of this Corporation shall be a director, trustee or officer of any other company, whether a corporation, partnership, joint venture, trust or other form of business entity, if such other company is involved in competition with this Corporation in any way or manner, either directly or indirectly and regardless of whether or not such director thinks that service in both capacities does not present any conflict of interest, it being the desire and purpose of this provision to prevent any possibility of a conflict of interest or the appearance thereof.

ARTICLE IV

OFFICERS

A. Titles and Tenure. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors at such times, in such manner, and upon and for such terms as it shall prescribe. In addition to the above officers, the Board of Directors may designate and elect or appoint such other officers, assistant officers, and agents as it deems necessary at such times, in such manner, and upon and for such terms as it shall prescribe. Two or more offices may be held by the same person, except the offices of the President and the Secretary. No officer or agent of the Corporation need be a shareholder of the Corporation or a member of the Board of Directors. All officers and agents of the Corporation shall serve at the pleasure of the Board of Directors and may be removed by the Board or the Executive Committee whenever in its judgment the best interests of the Corporation will be served. Removal is without prejudice to the contract rights of the person removed, but election or appointment of an officer or agent by the Board of Directors, regardless of whether for a stated term, does not of itself create contract rights.

B. Duties and Powers.

1. Powers and Duties of the President. The principal duties of the President shall be to preside at meetings of the stockholders. He shall have general supervision of the affairs of the Corporation, shall sign or countersign all certificates, contracts, or other instruments of the Corporation, shall make reports to the Board of

Directors, and to the stockholders, and shall perform such other duties as are incidental to this office, or properly required of him by the Board of Directors.

2. Powers and Duties of the Vice President. The principal duties of the Vice President shall be to discharge the duties of the President in the event of the absence or disability for any cause whatsoever of the latter, and to perform such other duties as the Board of Directors may direct.

3. Powers and Duties of the Secretary. The principal duties of the Secretary shall be to countersign all deeds, leases, and conveyance executed by the Corporation, affix the seal of the Corporation thereto, and to such other papers as shall be required or directed to be sealed, and to keep a record of the proceedings of the Board of Directors, and to safely and systematically keep all books, papers, records, and documents belonging to the Corporation or pertaining to the business thereof, and to perform such other duties as the Board of Directors may from time to time direct.

4. Powers and Duties of the Treasurer. The principal duties of the Treasurer shall be to keep an account for all monies, credits, and property, of any and every nature, of the Corporation which shall come into his hands, and to keep an accurate account of all monies received and disbursed, and of monies and property on hand, and generally, of all matters pertaining to this office, as shall be required by the Board of Directors.

ARTICLE V
CERTIFICATES

A. Certificates Representing Shares. The shares of the Corporation shall be represented by certificates signed by the President or Vice President and the Secretary or an Assistant Secretary of the Corporation, and may be sealed with the seal of the Corporation or a facsimile of the seal. The signatures of the President or Vice President and the Secretary or the Assistant Secretary upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the Corporation itself or an employee of the Corporation. If an officer who has signed or whose facsimile signature has been placed upon such certificate ceases to be an officer before the certificate is issued, it may be issued by the Corporation with the same effect as if he were an officer at the date of its issue.

B. Information to be Stated on Face of Certificate. Each certificate representing shares shall state upon the face:

1. That the Corporation is organized under the laws of Alaska, subject to the provision of the Alaska Native Claims Settlement Act of December 18, 1971, P.L. 92-203 (85 Stat. 688).
2. The name of the person to whom issued.
3. The number of shares it represents; and
4. That the shares are without par value.

C. Additional Information. The Board of Directors may provide for the setting out on the face or back of each certificate such additional statements about the provisions of the

Settlement Act or the Corporation Act as may be required or as it believes would be helpful to the holder, including statements or provisions about restrictions upon alienation, affidavit for transfer by inheritance, and variations in voting depending upon whether the holder is a Native or a non-Native.

D. Regulations. The Board of Directors may make such rules and regulations as it deems appropriate to govern the issue, transfer, registration and replacement of certificates.

ARTICLE VI

AMENDMENTS

These Bylaws may be amended, repealed or restated by a majority vote of the shares eligible to vote at any annual meeting of shareholders, or at any special meeting of shareholders called for that purpose, or by the Board of Directors.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each director and officer, as those terms are defined in AS 10.05.825, shall be indemnified to the fullest extent permitted by the laws under which this Corporation is formed. Each person who serves at the request of the Corporation as a trustee of an employee benefit plan shall be indemnified to the fullest extent permitted by the laws under which this Corporation is formed. Further, the Corporation shall have the power to indemnify each employee or agent of the Corporation to the same extent as directors are indemnified pursuant to the first sentence above, and to such further extent as authorized by the Board of Directors.

The Board of Directors may obtain insurance on behalf of any person who is or was a director, officer, employee or agent, against any liability arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability.

AMENDMENTS TO BYLAWS
OF
KAVILCO INCORPORATED
(May 21, 1988)

RESOLVED, that a new ARTICLE VII of the Bylaws of this Corporation be adopted to read as follows:

ARTICLE VII
Indemnification of Directors and Officers

Each director and officer, as those terms are defined in AS 10.05.825, shall be indemnified to the fullest extent permitted by the laws under which this Corporation is formed. Each person who serves at the request of the Corporation as a trustee of an employee benefit plan shall be indemnified to the fullest extent permitted by the laws under which this Corporation is formed. Further, the Corporation shall have the power to indemnify each employee or agent of the Corporation to the same extent as directors are indemnified pursuant to the first sentence above, and to such further extent as authorized by the Board of Directors. The Board of Directors may obtain insurance on behalf of any person who is or was a director, officer, employee or agent, against any liability arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability.

FURTHER RESOLVED, that a new Section K of ARTICLE II of the Bylaws of this Corporation be adopted to read as follows:

K. Matters to be Considered at Shareholder Meetings. If any shareholder desires to bring up a matter at a meeting of the shareholders of the Corporation, such shareholder must give written notice to either the President or Secretary of the Corporation at least ninety (90) days in advance of the date of the meeting of the shareholders setting forth in the notice the subject matter that the shareholder desires to bring up at the meeting and the reason or reasons for doing so. The President or Secretary of the Corporation, depending on which one receives the written notice, shall then promptly make and forward copies of such notice to each of the Board of Directors and the Corporate Controller of the

Corporation so that they will be aware of the matter. No matter may be brought up by any shareholder at a special meeting of the shareholders of the Corporation as only the business specified in the notice of such special meeting is to be conducted at a special meeting of the shareholders of this Corporation.

FURTHER RESOLVED, that a new Section L of ARTICLE III of the Bylaws of this Corporation is adopted to read as follows:

L. No Conflict of Interest. No director of this Corporation shall be a director, trustee or officer of any other company, whether a corporation, partnership, joint venture, trust or other form of business entity, if such other company is involved in competition with this Corporation in any way or manner, either directly or indirectly and regardless of whether or not such director thinks that service in both capacities does not present any conflict of interest, it being the desire and purpose of this provision to prevent any possibility of a conflict of interest or appearance thereof.

APPROVED by the Board of Directors of Kavalco Incorporated at a meeting of the Board of Directors held on May 21, 1988.

AMENDMENT TO BYLAWS
OF
KAVILCO INCORPORATED
(May 7, 2010)

RESOLVED, that Article II, Paragraph K of the Bylaws of the Corporation shall be amended to read in its entirety as follows:

K. Advance Notice of Shareholder Proposals and Director Nominations.

(1) Shareholder Proposals. Shareholders may propose business to be brought before the annual meeting of shareholders only if (i) such business is a proper matter for shareholder action under the Alaska Corporations Code and (ii) the shareholder has given timely notice in proper written form of such shareholder's intent to propose such business.

(a) Effective for all annual meetings held on or after May 7, 2010, to be timely, a shareholder's proposal notice relating to the annual meeting shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 nor more than 120 days prior to the first anniversary (the "Anniversary") of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders. However, if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 30 days after the Anniversary of the preceding year's annual meeting, then notice by the shareholder to be timely must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 15th day following the day on which public announcement of the date of such meeting is first made.

(b) To be in proper form a shareholder's notice to the Secretary shall be in writing and shall set forth (i) the name and address of the shareholder who intends to propose the business, (ii) a representation that the shareholder is a holder of record of stock of the Corporation, that the shareholder intends to vote such stock at such meeting, (iii) a brief description of the business desired to be submitted at the meeting and the reasons for proposing such business at the meeting, (iv) such other information regarding such matter of business as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), had the matter been proposed, or intended to be proposed, by the Board of Directors of the Corporation, and (v) such other information reasonably requested by the Corporation.

(2) Director Nominations. Shareholders may nominate one or more persons for election as directors at the annual meeting of shareholders, only if the shareholder has given timely notice in proper written form of such shareholder's intent to make such nomination or nominations.

(a) Effective for all annual meetings held on or after May 7, 2010, to be timely, a shareholder's nomination(s) notice relating to the annual meeting shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 nor more than 120 days prior to the first anniversary (the "Anniversary") of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders. However, if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 30 days after the Anniversary of the preceding year's annual meeting, then notice by the shareholder to be timely must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 15th day following the day on which public announcement of the date of such meeting is first made.

(b) To be in proper form a shareholder's notice to the Secretary shall be in writing and shall set forth (i) the name and address of the shareholder who intends to make the nomination(s), (ii) a representation that the shareholder is a holder of record of stock of the Corporation, that the shareholder intends to vote such stock at such meeting and, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (iii) the name and address of such nominee or nominees and a description of all arrangements or understandings between the shareholder and each nominee or any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder, (iv) such other information regarding each nominee by such shareholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), had the nominee been nominated, or intended to be nominated, by the Board of Directors of the Corporation, (v) the consent of each nominee to serve as a director of the Corporation if so elected, and (vi) such other information reasonably requested by the Corporation.

(3) The Chairman of a meeting of shareholders may refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedures.

(4) Notwithstanding the foregoing provisions of this Section K, a shareholder shall also comply with all applicable requirements of the Exchange

Act and the rules and regulations thereunder with respect to matters set forth in this Section K. Nothing in this Section K shall affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act nor grant any shareholder a right to have any nominee included in the Corporation's proxy statement.

APPROVED by the Board of Directors of Kavalco Incorporated at a meeting of the Board of Directors held on May 7, 2010.