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A

HONOLULU GAS COMPANY
LIMITED

ARTICLES OF ASSOCIATION

As Amended To
November 27, 1963

ARTICLES OF ASSOCIATION

of the

HONOLULU GAS COMPANY, LIMITED

ARTICLES OF ASSOCIATION made and entered into this 1st day of August, 1904, between ALBERT N. CAMPBELL, MRS. EMME A. DIMOND (widow of W. W. Dimond, Deceased), EMIL BERNDT, WILLIAM R. CASTLE, DAVID L. WITHINGTON, JAMES F. MORGAN, and FREDERICK J. LOWREY.

The said parties desiring to avail themselves, as well as their associates, successors and assigns, of the benefits conferred by the laws of the Territory of Hawaii upon joint stock associations becoming incorporated, as well as to acquire the franchises and rights and receive the benefits of a certain Act of the Legislature of the Territory of Hawaii, approved on the 15th day of April, 1903, entitled "An Act to authorize W. W. Dimond, his associates, successors and assigns, to manufacture and supply fuel and illuminating gas and its by-products, in Honolulu," which said Act was modified and as so modified, ratified, approved, confirmed and amended by an Act of the Congress of the United States of America duly approved on the 21st day of April, 1904, have made and entered into the following Articles of Association, the terms whereof it is agreed shall be equally binding upon the parties hereto and upon all others who from time to time hereafter may become members of this Company and may hold shares of the Capital Stock thereof.

ARTICLE I

Name

The name of this corporation shall be "HONOLULU GAS COMPANY, LIMITED".

ARTICLE II

Principal Office

The principal office of the corporation shall be at 1060 Bishop Street, Honolulu, Hawaii, and there may be such other offices as deemed necessary or advisable by the board of directors.

ARTICLE III

Purposes

1. The purposes for which this corporation is organized are:

(a) To acquire and take over from the Estate of W. W. Dimond, Deceased, and from his associates, the franchise, rights, and privileges set forth in a certain Act of the Legislature of the Territory of Hawaii, approved on the 15th day of April, 1903, entitled "An Act to authorize W. W. Dimond, his Associates, Successors and Assigns, to Manufacture and Supply Fuel and illuminating Gas and its By-Products, in Honolulu," which said Act was modified, and as so modified, ratified, approved, confirmed and amended by an Act of Congress of the United States of America duly approved on the 21st day of April, 1904, and to do and perform all of the matters and things in said Act and the Act confirmatory thereof set forth.

(b) To manufacture, produce, generate or otherwise obtain fuel and illuminating gas and other substances from coal, crude oil, or any other material or substance whatsoever, and to deal in and with such gas and other substances, and to buy, sell and deal in and with gas and its by-products of any nature and for any purpose whatsoever.

(c) To acquire, construct, maintain and carry on works or systems of works for the manufacture, storage and supply of gas for any purpose whatsoever, and such works in its discretion to lease or sell or maintain and carry on in connection with others.

(d) To acquire, buy, sell, lease, own, hold, maintain, operate and otherwise to deal in and with all such manufactories or other places as may be convenient, necessary or required for the manufacture and storage of gas and other fuel or illuminating substance, force or power for any purpose whatsoever, and in connection therewith, to own, lease or otherwise acquire and hold all such real and personal property as may be necessary or convenient for the enjoyment of such purposes.

(e) To manufacture and sell, and to buy and sell and otherwise deal in and with all and all sorts or kinds of machinery, material and appliances used in the manufacture of gas and other fuel or illuminating substance, force or power, or in the distribution and use thereof.

(f) To manufacture, acquire, buy, sell and otherwise deal in and with all and every class or nature of pipes, fixtures, stoves, lamps and every other implement or appliance necessary or convenient to be used in connection with the manufacture or use of gas or other fuel or illuminating substance, force or power or its by-products for any purpose whatsoever, and generally to buy, sell and deal in and with goods, wares, and merchandise necessary or convenient to the purposes stated herein, and for that purpose to own or lease and to conduct one or more places for the storage and sale of all or any of the articles above named, as well as to deal in and with its own products.

(g) To engage in the manufacture or production, in every other manner than as hereinbefore set forth, of any illuminating, heating or power producing force or substance whatsoever and to distribute, sell or otherwise deal in and with such substance or force in any manner it may deem beneficial to itself and for that purpose to do any or all of the matters and things set forth herein for gas, in such manner as may be requisite to apply to such other substance or force, and to acquire and hold as well as to sell, lease and otherwise dispose of or deal in rights and franchises relative to the manufacture, storage, distribution, sale, or in any other manner deal in and with all or any illuminating fuel and power producing substances or forces.

(h) To deal in and with in every manner, including buying, selling, or otherwise acquiring, holding and dealing in and with the by-products developed in the manufacture or production of any of the fuel,

illuminating or power producing substances which may, at any time, be produced by the corporation in carrying on its business and in connection therewith; to carry on fertilizer or any other works or manufactories for the purpose of using such by-products above mentioned, or to become owner in whole or in part of the shares or property of any corporation or association doing such business or using such by-products.

(i) To buy or otherwise acquire, own, hold, use, improve, develop, subdivide, mortgage, lease, or take on lease, sell, convey and in any and every other manner deal in and with and dispose of real estate, buildings, and other improvements, hereditaments, easements and appurtenances of every kind in connection therewith, or any estate or interests therein, of any tenure, or description, to the fullest extent permitted by law, and also any and all kinds of chattels, goods, wares, merchandise, and agricultural, manufacturing and mercantile products and commodities, and patents, licenses, debentures, securities, stocks, bonds, commercial paper, and other forms of assets, rights and interests and evidences of property or indebtedness, tangible or intangible;

(j) To promote, cause to be organized, finance and aid by loan, subsidy, guaranty or otherwise, any corporation, association, partnership, syndicate, entity, person, or governmental, municipal or public authority, domestic or foreign, located in or organized under the laws of any authority in any part of the world, any security of which is held directly or indirectly by or for the corporation, or in the business, financing or welfare of which the corporation shall have any interest; and in connection therewith to guarantee or become surety for the performance of any undertaking or obligation of any of the foregoing, and to guarantee by endorsement or otherwise the payment of the principal of, or interest or dividends on, any such security, and generally to do any act or things designed to protect, preserve, improve, or enhance the value of any such security;

(k) To guarantee the performance, or to undertake and agree to perform any covenant, condition, undertaking or agreement contained in any mortgage, deed, deed of trust, lease, guaranty, or other obligation to which it may or may not be a party; to guarantee any dividends or bonds, or contracts, or other obligations, and to act as surety on any bond;

(l) To undertake and carry on any business, investment, transaction, venture or enterprise which may be lawfully undertaken or carried on by a corporation and any business whatsoever which may seem to the corporation convenient or suitable to be undertaken whether

directly or indirectly to promote any of its general purposes or interests or render more valuable or profitable any of its property, rights, interests, or enterprises; to acquire by purchase, lease or otherwise, the property, rights, franchises, assets, business and goodwill of any person, firm, association, partnership or corporation engaged in or authorized to conduct any business or undertaking which may be carried on by this corporation or possessed of any property suitable or useful for any of its own purposes, and carry on the same, and undertake all or any part of the obligations and liabilities in connection therewith, on such terms and conditions and for such consideration as may be agreed upon, and to pay for the same either all or partly in cash, stocks, bonds, debentures, or other forms of assets and securities, either of this corporation or otherwise; and to effect any such acquisition or carry on any business authorized by these Articles of Association, either by directly engaging therein, or indirectly by acquiring the shares, stocks, or other securities or such other business or entity, and holding and voting the same and otherwise exercising and enjoying the rights and advantages incident thereto.

2. And in furtherance of said purposes, the corporation shall also have the following powers:

(a) To have succession by its corporate name in perpetuity; to sue and be sued in any court; to make and use a common seal and to alter the same at its pleasure; to hold, purchase and convey such property as the purposes of the corporation shall require, without limit as to amount, and to mortgage the same to secure any debt of the corporation; to appoint such subordinate officers or agents as the business of the corporation shall require; to make and adopt from time to time, amend or repeal by-laws not inconsistent with any existing law for the management of its properties, the election and removal of its officers, the regulation of its affairs and the transfer of its stock and for all other purposes permitted by law;

(b) To borrow money or otherwise incur indebtedness with or without security and to secure any indebtedness by deed of trust, mortgage, pledge, hypothecation or other lien upon all or any part of the real or personal property of the corporation and to execute bonds, promissory notes, bills of exchange, debentures or other obligations or evidences of indebtedness of all kinds, whether secured or unsecured, and to owe debts in an amount which may at any time be in excess of its capital stock;

(c) To purchase on commission or otherwise, subscribe for, hold, own, sell on commission or otherwise, or otherwise acquire

or dispose of and generally to deal in stocks, scrips, bonds, notes, debentures, commercial papers, obligations and securities, including, so far as permitted by law, its own issued shares of capital stock or other securities, and also any other securities, or evidences of indebtedness whatsoever, or any interest therein, and while the owner of the same to exercise all the rights, powers, and privileges of ownership;

(d) To draw, make, accept, endorse, assign, discount, execute and issue all such bills of exchange, bills of lading, promissory notes, warrants and other instruments to be assignable, negotiable or transferable by delivery or to order, or otherwise, as the business of the corporation shall require;

(e) To lend money or credit to and to aid in any other manner any person, firm, association or corporation of which any obligation or in which any interest is held by this corporation or in the affairs or prosperity of which this corporation has a lawful interest;

(f) To enter into partnership contracts (as a general partner or as a limited partner) with any other person or persons (natural or corporate), to enter into agreements of joint venture with any such natural or corporate person or persons, and to enter into and perform contracts, undertakings and obligations of every kind and character to the same extent as if this corporation were a natural person;

(g) To promote, assist, subscribe or contribute to any association, organization, society, company, institution or object, charitable or otherwise, calculated to benefit the corporation or any persons in its employ or having dealings with the corporation, or deemed to be for the common public welfare;

(h) To become a party to and effect a merger or consolidation with another corporation or other corporations, and to enter into agreements and relationships not in contravention of law with any persons, firms or corporations;

(i) To do all or any of the above things in any part of the world, directly or indirectly, and as principal, agent, factor, contractor or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

3. The enumeration herein of the objects and purposes of this corporation shall be construed as powers as well as objects and purposes and shall be liberally construed both as to purposes and powers

and shall not be deemed to exclude by inference any powers, objects or purposes which this corporation is empowered to exercise, whether expressly by force of the laws of the State of Hawaii now or hereafter in effect, or impliedly by the reasonable construction of said laws.

ARTICLE IV

Capital Stock

1. The capital stock of the company shall be Six Million Eight Hundred Thousand Dollars ($6,800,000) represented by Four Hundred Twenty-Five Thousand (425,000) shares of common stock of the par value of Ten Dollars ($10) per share, or a total authorized par value of common stock of Four Million Two Hundred Fifty Thousand Dollars ($4,250,000) and by Fifty Thousand (50,000) shares of 6% Preferred Stock of the par value of Twenty Dollars ($20) per share, or a total authorized par value of 6% Preferred Stock of One Million Dollars ($1,000,000), and by Thirty-Seven Thousand Five Hundred (37,500) shares of 5-5/8% Cumulative Preferred Stock, Series B, of the par value of Twenty Dollars ($20) per share, or a total authorized par value of 5-5/8% Cumulative Preferred Stock, Series B, of Seven Hundred Fifty Thousand Dollars ($750,000), and by Forty Thousand (40,000) shares of 4.90% Cumulative Preferred Stock, Series C, of the par value of Twenty Dollars ($20) per share, or a total authorized par value of 4.90% Cumulative Preferred Stock, Series C, of Eight Hundred Thousand Dollars ($800,000). The company may increase its capital stock from time to time to an amount, comprising all classes of capital stock, not exceeding Ten Million Dollars ($10,000,000). In case of any increase of the common capital stock of the company and the issuance of new shares therefor, such new shares, unless otherwise ordered or authorized by the meeting that sanctions their issue, shall be offered to the stockholders of the company in proportion to existing shares of common stock then respectively held by them.

2. The company may issue two or more classes of stock with such preferences, voting powers, restrictions and qualifications thereof as shall be fixed in the resolutions authorizing the issue thereof. The company shall have the power to reduce its capital stock and to reduce or increase the par value of the shares of any class thereof according to law.

3. The company may not increase its capital stock (other than common stock) at any time if the company is in default with respect to, or after such increase would be in default with respect to, the maintenance of capital ratio requirements of any Resolution of Stockholders creating a series of Preferred Stock.

ARTICLE V

Directors and Officers

1. The board of directors shall be of not less than five members, the number to be determined from time to time as provided by the By-Laws, who shall be elected annually by the stockholders. No director need be a stockholder. There may be an executive committee of the board of directors as provided by the By-Laws.

2. The board of directors shall appoint each year a president, one or more vice-presidents, a secretary and a treasurer and, in the discretion of the board of directors, a chairman of the board, and from time to time such other officers of the company as the conduct of its business may require. The chairman of the board, if any, and the president shall be appointed from among the directors. No other officer need be a director. No officer need be a stockholder.

3. The directors and officers shall be elected or appointed and may be removed from office in the manner provided by the By-Laws, and any vacancy in such offices may be filled in the manner provided by the By-Laws.

4. All the powers and authority of the corporation shall be vested in and may be exercised by the Board of directors except as otherwise provided by law, these Articles of Association or the By-Laws of the corporation, and in furtherance and not in limitation of said general powers, the board of directors shall have powers to acquire and dispose of property; appoint a general manager, branch managers and such other managers, officers or agents of the corporation as in its judgment the business thereof may require, and confer upon and delegate to them by power of attorney or otherwise such power and authority as it shall determine; fix the salaries or compensation of any or all of its officers, agents and employees and in its discretion require the security of any of them for the faithful performance of any of their duties;

declare dividends in accordance with law when it shall deem it expedient; make rules and regulations not inconsistent with law or these Articles of Association or the By-Laws for the transaction of business; instruct the officers or agents of the corporation with respect to, and to authorize the voting of stock of other corporations owned or held by this corporation; incur indebtedness as may be deemed necessary, which indebtedness may exceed the amount of the corporation's capital stock; create such committees (including an executive committee) and designate as members of such committees such persons as it shall determine, and confer upon such committees such powers and authority as may by resolution be set forth for the purpose of carrying on or exercising any of the powers of the corporation; create and set aside reserve funds for any purpose, and invest any funds of the corporation in such securities or other property as to it may seem proper; remove or suspend any officer; and, generally, to do any and every lawful act necessary or proper to carry into effect the powers, purposes and objects of the corporation.

ARTICLE VI

Auditor

An auditor shall be elected annually by the stockholders. The auditor may be an individual, partnership or corporation but shall not be an officer of the company.

ARTICLE VII

Transactions Involving Directors

No contract or other transaction between the corporation and any other person, firm or corporation, and no act of the corporation, shall in any way be affected or invalidated by the fact that any of the directors of the corporation are parties to such contract or transaction or act, or are pecuniarily or otherwise interested in the same, or are directors or officers or members of any such other firm or corporation, provided that the interest of such directors shall be disclosed or shall have been known to the board of directors authorizing or approving the same, or to a majority thereof. Any director of the corporation who is pecuniarily or otherwise interested in, or is a director or officer or

member of such other firm or corporation, may be counted in determining a quorum of any meeting of the board of directors which shall authorize or approve any such contract, transaction or act; and may vote thereon with like force and effect as if he were in no way interested therein, provided his interest has been disclosed or is known as hereinbefore set forth. No director or officer of the corporation being so interested in any such contract, transaction or act of the corporation which shall be approved by the board of directors, shall be liable or accountable to the corporation or to any stockholder thereof for any loss incurred by the corporation pursuant to or by reason of such contract, transaction or act, or for any gain received by any such other party pursuant thereto or by reason thereof.

ARTICLE VIII

Limitation of Liability

All of the property of the corporation shall be liable for the just debts thereof, but no shareholder shall be liable therefor beyond the amount due the corporation upon the share or shares held by such shareholder.

IN WITNESS WHEREOF the said parties have hereto set their hands this 1st day of August, 1904.

(Signed) Jas. F. Morgan
" David L. Withington
" F. J. Lowrey
" Albert N. Campbell
" Emme A. Dimond
" Emil A. Berndt
" William R. Castle

Hawaiian Islands)
Island of Oahu ss:)

On this 1st day of August, 1904, personally appeared before me Albert N. Campbell, Emme A. Dimond, Emil A. Berndt, William R. Castle, Jas. F. Morgan, David L. Withington, F. J. Lowrey, to me known and known to me to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same freely and voluntarily for the uses and purposes therein set forth.

(Signed) PERCY M. POND
Notary Public,
(SEAL) First Judicial Circuit.

B

PLAN OF REORGANIZATION

AND

AGREEMENT OF MERGER

EXHIBIT A

APPENDIX B

PLAN OF REORGANIZATION AND AGREEMENT OF MERGER

This Plan of Reorganization and Agreement of Merger (hereinafter called this "Agreement") made this JUN 2 4 1970 by and among Honolulu Gas Company, Limited (hereinafter called "HONGAS"), a Hawaii corporation, Pacific Resources, Inc. (hereinafter called "PRI"), a Hawaii corporation, and Gasco, Inc. (hereinafter called "GASCO"), a Hawaii corporation and a wholly-owned subsidiary of PRI,

WITNESSETH:

WHEREAS, the parties hereto desire that GASCO merge with HONGAS upon the terms and subject to the conditions herein set forth and in accordance with the laws of the State of Hawaii;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1
MERGER

1.1 On the Effective Date, as defined in Section 1.2, GASCO shall be merged with HONGAS which shall be the surviving corporation (hereinafter called "Surviving Corporation"). The corporate existence of HONGAS, with its purposes, powers and objects, shall continue unaffected and unimpaired by the merger, and as the Surviving Corporation it shall be governed by the laws of the State of Hawaii and shall succeed, insofar as permitted by law, to all rights, assets, liabilities and obligations of GASCO in accordance with the Hawaii Revised Statutes but the name shall be changed to "Gasco, Inc." The separate existence and corporate organization of GASCO shall cease upon the Effective Date, and thereupon HONGAS and GASCO shall be a single corporation.

1.2 Consummation of the merger provided for in this Agreement shall be effected at 12:01 A.M., local time at Honolulu, Hawaii, on the first day of the month following the month in which this Agreement, duly certified and acknowledged, shall have been filed in accordance with the Hawaii Revised Statutes. The time of the taking of effect of the merger provided for in this Agreement is herein called the "Effective Date".

ARTICLE 2
ARTICLES OF ASSOCIATION: BY-LAWS; BOARD OF DIRECTORS; OFFICERS

2.1 From and after the Effective Date and until thereafter amended as provided by law, the Articles of Association of the Surviving Corporation shall be as set forth in Exhibit A attached hereto, which is hereby made a part of this Agreement, and Exhibit A, separate and apart from this Agreement shall be and may be separately certified as, the Articles of Association of the Surviving Corporation.

2.2 From and after the Effective Date and until thereafter amended as provided by law, the ByLaws of the Surviving Corporation shall be as set forth in Exhibit B attached hereto which is hereby made a part of this Agreement, and Exhibit B, separate and apart from this Agreement, shall be, and may be separately certified as, the By-Laws of the Surviving Corporation.

2.3 The directors and officers of HONGAS immediately prior to the Effective Date shall be the directors and officers of the Surviving Corporation at the Effective Date, to hold office for the term provided by the By-Laws of the Surviving Corporation.

2.4 If on the Effective Date a vacancy shall exist in the Board of Directors or in any of the offices of the Surviving Corporation, such vacancy may thereafter be filled in the manner provided by the By-Laws of the Surviving Corporation.

2.5 On the Effective Date and until thereafter amended as provided by law, the Articles of Incorporation of PRI shall be as set forth in Exhibit C attached hereto, which is hereby made a part of this Agreement.

ARTICLE 3
CONVERSION OF SHARES, ETC.

3.1 On the Effective Date:

(a) PRI and GASCO shall each increase its authorized capital stock by authorizing the issuance of at least an additional 640,713 shares of common stock (or such greater or lesser number of shares as are necessary for conversion of HONGAS common shares). PRI shall issue and transfer to GASCO such number of additional shares as are necessary for the conversion of HONGAS common shares, in exchange for a like number of shares of GASCO common stock, for the purpose of consummating the merger.

(b) Each share of Common Stock of GASCO issued immediately prior to the Effective Date shall be an issued share of Common Stock of the Surviving Corporation. Each certificate representing immediately prior to the Effective Date issued shares of such Common Stock shall evidence ownership of the same number of shares of Common Stock of the Surviving Corporation.

(c) All shares of Common Stock of PRI owned and held by the existing stockholders of PRI immediately prior to the Effective Date shall be surrendered and canceled.

(d) Each share of Common Stock of HONGAS (hereinafter called "HONGAS Common Stock") outstanding immediately prior to the Effective Date shall thereupon be converted and changed into one share of Common Stock of PRI, $6-⅔ par value (hereinafter called "PRI Common Stock"), and each certificate representing immediately prior to the Effective Date outstanding shares of HONGAS Common Stock shall thereupon become and be deemed for all corporate purposes to evidence the ownership of the same number of fully paid, non-assessable shares of PRI Common Stock.

(e) Each share of 5-⅝% Cumulative Preferred Stock, $20 par value, Series B, and each share of 4.90% Cumulative Preferred Stock, $20 par value, Series C, of HONGAS issued immediately prior to the Effective Date (including any shares held in the treasury of HONGAS) shall remain the same classes of preferred stock of the surviving corporation.

(f) Each option heretofore or hereafter granted by HONGAS pursuant to its Qualified Stock Option Plan, which shall be outstanding immediately prior to the Effective Date, shall be assumed by PRI as of the Effective Date, after which assumption the terms of the option shall remain unchanged, except that the stock issuable upon the exercise thereof shall be PRI Common Stock in lieu of HONGAS Common Stock.

(g) All benefits under HONGAS's Retirement Savings (stock bonus) Plan payable by the Trustee thereunder in common stock of HONGAS immediately prior to the Effective Date, after the Effective Date shall be paid in PRI Common Stock in lieu of HONGAS Common Stock.

(h) All bonds issued under HONGAS's Indenture of Mortgage and Deed of Trust, dated as of August 1, 1951, and all Supplemental Indentures thereto and all notes and other obligations of HONGAS shall remain the obligations of the Surviving Corporation.

3.2 Each holder of a certificate representing immediately prior to the Effective Date outstanding shares of HONGAS Common Stock will be entitled, upon surrender of such certificate for cancellation after the Effective Date, to receive in exchange a certificate representing the number of shares of PRI Common Stock equal to the number of shares of HONGAS Common Stock previously represented by the Certificate surrendered.

ARTICLE 4
PENSION PLANS

4.1 The pension plans and any other employee benefit plans except those heretofore described of HONGAS shall be confirmed or adopted by the Surviving Corporation for the benefit of those employees entitled to participate thereunder immediately prior to the Effective Date who shall be in the active service with the Surviving Corporation on the Effective Date, and may permit participation thereunder for its employees whose service commences after the Effective Date, subject, however, in each case, to the right of

the Surviving Corporation to amend or terminate any such plan in accordance with the provisions thereof. Pension benefits with respect to persons who immediately prior to the Effective Date are on the pension rolls under any pension plan of HONGAS shall be payable on and after the Effective Date by the Surviving Corporation (except to the extent paid out to any trust fund theretofore established) in accordance with the provisions of such plan.

ARTICLE 5
CONDITIONS

5.1 The consummation of the merger herein provided for is subject to the satisfaction prior to the Effective Date of the following conditions:

(a) The merger herein provided for shall have received the requisite approval of the holders of capital stock of HONGAS and GASCO.

(b) There shall have been obtained a ruling of the Internal Revenue Service, satisfactory in form and substance to HONGAS and its counsel, or opinions of Messrs. Anthony & Waddoups and Messrs. LeBoeuf, Lamb, Leiby & MacRae, to the effect that

(1) The exchange by the common stockholders of HONGAS of their stock in HONGAS for PRI Common Stock pursuant to the merger constitutes a tax-free transaction, and neither gain nor loss will be recognized to HONGAS, PRI, GASCO or the stockholders (other than dissenting stockholders who exercise appraisal rights) of HONGAS by reason of the consummation of such merger; and

(2) as to such further matters relating to the tax consequences of the transactions contemplated herein as the Board of Directors of HONGAS may deem advisable;

(c) All transactions to be consummated on or prior to the Effective Date requiring approval of the Public Utilities Commission of the State of Hawaii shall have been approved and authorized as provided in the Hawaii Revised Statutes; and

(d) HONGAS, PRI and GASCO shall have received an opinion of Messrs. Anthony & Waddoups to the effect that

(1) Each of HONGAS, PRI, and GASCO is a corporation duly organized, validly existing and in good standing under the laws of the State of Hawaii;

(2) This Agreement is a valid and binding agreement on each of HONGAS, PRI and GASCO in accordance with its terms;

(3) The execution and delivery of this Agreement does not, and the consummation of the merger herein provided for or any other transaction herein provided for which is to be consummated on or prior to the Effective Date will not violate any provision of the Articles of Association or By-Laws of any of HONGAS, PRI or GASCO, nor violate any provision of any material agreement, instrument, order, arbitration award, judgment or decree, of which such counsel has knowledge, to which any of HONGAS, PRI and GASCO is a party or to which it is bound, or result in the acceleration of, or give rise to any right to accelerate, any material indebtedness of any of HONGAS, PRI or GASCO of which such counsel has knowledge; and

(4) The shares of PRI Common Stock required to be issued and delivered pursuant to this Agreement (including shares of such stock to be issued upon the exercise of assumed options) will, when issued, be validly issued, full paid and non-assessable.

Such opinion may state that such counsel are relying upon the opinion of Messrs. LeBoeuf, Lamb, Leiby & MacRae, special counsel, in regard to matters other than those governed solely by Hawaii law, and shall also state that such counsel have made an independent examination of applicable law and concur in the conclusions of such special counsel.

(e) There shall have been obtained opinions of Messrs. Anthony & Waddoups and Messrs. LeBoeuf, Lamb, Leiby & MacRae that no approval of the Securities and Exchange Commission is required under the Public Utility Holding Company Act of 1935 for the consummation of the transactions contemplated under this agreement and that PRI and GASCO are exempt pursuant to §3(a)(1) of the Act from certain provisions of the Act and rules thereunder.

ARTICLE 6
TERMINATION

6.1 This Agreement may be terminated and the merger herein provided for abandoned at any time prior to the Effective Date, whether before or after approval of this Agreement by the stockholders of HONGAS and GASCO:

(a) By the mutual consent of the Board of Directors of HONGAS and GASCO; or

(b) By the Board of Directors of HONGAS or GASCO if in the opinion of either such Board the merger is deemed inadvisable or impractical in view of the extent to which rights of statutory appraisal and payment for capital stock of HONGAS would exist pursuant to the Hawaii Revised Statutes; or

(c) By the Board of Directors of HONGAS or GASCO if HONGAS shall not have obtained any order, consent or approval, governmental or otherwise, which in the opinion of either such Board is required by law or advisable to permit or enable the Surviving Corporation to succeed, on the Effective Date, to all or any part of the rights, assets, liabilities and obligations of HONGAS, or to conduct on and after the Effective Date, all or any part of the business or activities theretofore conducted by HONGAS; or

(b) By the Board of Directors of HONGAS or GASCO if either such Board shall have determined in its sole discretion that, because of the institution or threatened institution of any litigation or proceeding, or for any other reason, it is inadvisable to consummate the merger herein provided.

ARTICLE 7
ACCOMPLISHMENT OF MERGER

HONGAS, PRI and GASCO each agrees to take such action on its part as may be necessary or desirable to consummate the merger and any other transaction herein provided for, subject, however, to the rights herein provided of termination of this Agreement.

IN WITNESS WHEREOF, this Agreement has been signed by the President and Secretary of each of HONOLULU GAS COMPANY, LIMITED, PACIFIC RESOURCES, INC., and GASCO, INC., and each of such corporations has caused its corporate seal to be hereunto affixed, all as of the day first above written.

HONOLULU GAS COMPANY, LIMITED

Attest: David C Vaughan
Secretary

By James L. Gary
President

PACIFIC RESOURCES, INC.

Attest: David C Vaughan
Secretary

By James L. Gary
President

GASCO, INC.

Attest: Lorrace E. [illegible]
Secretary

By James L. Gary
President

EXHIBIT A
to
APPENDIX B

ARTICLES OF ASSOCIATION
of
GASCO, INC.

ARTICLES OF ASSOCIATION made and entered into this 1st day of August, 1904, between ALBERT N. CAMPBELL, MRS. EMME A. DIMOND (widow of W. W. Dimond, Deceased), EMIL BERNDT, WILLIAM R. CASTLE, DAVID L. WITHINGTON, JAMES F. MORGAN, and FREDERICK J. LOWREY.

The said parties desiring to avail themselves, as well as their associates, successors and assigns, of the benefits conferred by the laws of the Territory of Hawaii upon joint stock associations becoming incorporated, as well as to acquire the franchises and rights and receive the benefits of a certain Act of the Legislature of the Territory of Hawaii, approved on the 15th day of April, 1903, entitled "An Act to authorize W. W. Dimond, his associates, successors and assigns, to manufacture and supply fuel and illuminating gas and its by-products, in Honolulu," which said Act was modified and as so modified, ratified, approved, confirmed and amended by an Act of the Congress of the United States of America duly approved on the 21st day of April, 1904, have made and entered into the following Articles of Association, the terms whereof it is agreed shall be equally binding upon the parties hereto and upon all others who from time to time hereafter may become members of this Company and may hold shares of the Capital Stock thereof.

ARTICLE I
Name

The name of this corporation shall be "GASCO, INC."

ARTICLE II
Principal Office

The principal office of the corporation shall be at 1060 Bishop Street, Honolulu, Hawaii, and there may be such other offices as deemed necessary or advisable by the board of directors.

ARTICLE III
Purposes

1. The purposes for which this corporation is organized are:

(a) To acquire and take over from the Estate of W. W. Dimond, Deceased, and from his associates, the franchise, rights, and privileges set forth in a certain Act of the Legislature of the Territory of Hawaii, approved on the 15th day of April, 1903, entitled "An Act to authorize W. W. Dimond, his Associates, Successors and Assigns, to Manufacture and Supply Fuel and illuminating Gas and its By-Products, in Honolulu," which said Act was modified, and as so modified, ratified, approved, confirmed and amended by an Act of Congress of the United States of America duly approved on the 21st day of April, 1904, and to do and perform all of the matters and things in said Act and the Act confirmatory thereof set forth.

(b) To manufacture, produce, generate or otherwise obtain fuel and illuminating gas and other substances from coal, crude oil, or any other material or substance whatsoever, and to deal in and with such gas and other

substances, and to buy, sell and deal in and with gas and its by-products of any nature and for any purpose whatsoever.

(c) To acquire, construct, maintain and carry on works or systems of works for the manufacture, storage and supply of gas for any purpose whatsoever, and such works in its discretion to lease or sell or maintain and carry on in connection with others.

(d) To acquire, buy, sell, lease, own, hold, maintain, operate and otherwise to deal in and with all such manufactories or other places as may be convenient, necessary or required for the manufacture and storage or gas and other fuel or illuminating substance, force or power for any purpose whatsoever, and in connection therewith, to own, lease or otherwise acquire and hold all such real and personal property as may be necessary or convenient for the enjoyment of such purposes.

(e) To manufacture and sell, and to buy and sell and otherwise deal in and with all and all sorts or kinds of machinery, material and appliances used in the manufacture of gas and other fuel or illuminating substance, force or power, or in the distribution and use thereof.

(f) To manufacture, acquire, buy sell and otherwise deal in and with all and every class or nature of pipes, fixtures, stoves, lamps and every other implement or appliance necessary or convenient to be used in connection with the manufacture or use of gas or other fuel or illuminating substance, force or power or its by-products for any purpose whatsoever, and generally to buy, sell and deal in and with goods, wares, and merchandise necessary or convenient to the purposes stated herein, and for that purpose to own or lease and to conduct one or more places for the storage and sale of all or any of the articles above named, as well as to deal in and with its own products.

(g) To engage in the manufacture or production, in every other manner than as hereinbefore set forth, of any illuminating, heating or power producing force or substance whatsoever and to distribute, sell or otherwise deal in and with such substance or force in any manner it may deem beneficial to itself and for that purpose to do any or all of the matters and things set forth herein for gas, in such manner as may be requisite to apply to such other substance or force, and to acquire and hold as well as to sell, lease and otherwise dispose of or deal in rights and franchises relative to the manufacture, storage, distribution, sale, or in any other manner deal in and with all or any illuminating fuel and power producing substances or forces.

(h) To deal in and with in every manner, including buying, selling, or otherwise acquiring, holding and dealing in and with the by-products developed in the manufacture or production of any of the fuel, illuminating or power producing substances which may, at any time, be produced by the corporation in carrying on its business and in connection therewith; to carry on fertilizer or any other works or manufactories for the purpose of using such by-products above mentioned, or to become owner in whole or in part of the shares or property of any corporation or association doing such business or using such by-products.

(i) To buy or otherwise acquire, own, hold, use, improve, develop, subdivide, mortgage, lease, or take on lease, sell, convey and in any and every other manner deal in and with and dispose of real estate, buildings, and other improvements, hereditaments, easements and appurtenances of every kind in connection therewith, or any estate or interests therein, of any tenure, or description, to the fullest extent permitted by law, and also any and all kinds of chattels, goods, wares, merchandise, and agricultural, manufacturing and mercantile products and commodities, and patents, licenses, debentures, securities, stocks, bonds, commercial paper, and other forms of assets, rights and interests and evidences of property or indebtedness, tangible or intangible;

(j) To promote, cause to be organized, finance and aid by loan, subsidy, guaranty or otherwise, any corporation, association, partnership, syndicate, entity, person, or governmental, municipal or public authority, domestic or foreign, located in or organized under the laws of any authority in any part of the world, any security of which is held directly or indirectly by or for the corporation, or in the business, financing or welfare of which the corporation shall have any interest; and in connection therewith to guarantee or become surety for the performance of any undertaking or obligation of any of the foregoing, and to guarantee by endorsement or otherwise the payment of the principal of, or interest or dividends on, any such security, and generally to do any act or things designed to protect, preserve, improve, or enhance the value of any such security;

(k) To guarantee the performance, or to undertake and agree to perform any covenant, condition,

undertaking or agreement contained in any mortgage, deed, deed of trust, lease, guaranty, or other obligation to which it may or may not be a party; to guarantee any dividends or bonds, or contracts, or other obligations, and to act as surety on any bond;

(l) To undertake and carry on any business, investment, transaction, venture or enterprise which may be lawfully undertaken or carried on by a corporation and any business whatsoever which may seem to the corporation convenient or suitable to be undertaken whether directly or indirectly to promote any of its general purposes or interests or render more valuable or profitable any of its property, rights, interests, or enterprises; to acquire by purchase, lease or otherwise, the property, rights, franchises, assets, business and goodwill of any person, firm, association, partnership or corporation engaged in or authorized to conduct any business or undertaking which may be carried on by this corporation or possessed of any property suitable or useful for any of its own purposes, and carry on the same, and undertake all or any part of the obligations and liabilities in connection therewith, on such terms and conditions and for such consideration as may be agreed upon, and to pay for the same either all or partly in cash, stocks, bonds, debentures, or other forms of assets and securities, either of this corporation or otherwise; and to effect any such acquisition or carry on any business authorized by these Articles of Association, either by directly engaging therein, or indirectly by acquiring the shares, stocks, or other securities or such other business or entity, and holding and voting the same and otherwise exercising and enjoying the rights and advantages incident thereto.

2. And in furtherance of said purposes, the corporation shall also have the following powers:

(a) To have succession by its corporate name in perpetuity; to sue and be sued in any court; to make and use a common seal and to alter the same at its pleasure; to hold, purchase and convey such property as the purposes of the corporation shall require, without limit as to amount, and to mortgage the same to secure any debt of the corporation; to appoint such subordinate officers or agents as the business of the corporation shall require; to make and adopt from time to time, amend or repeal by-laws not inconsistent with any existing law for the management of its properties, the election and removal of its officers, the regulation of its affairs and the transfer of its stock and for all other purposes permitted by law;

(b) To borrow money or otherwise incur indebtedness with or without security and to secure any indebtedness by deed of trust, mortgage, pledge, hypothecation or other lien upon all or any part of the real or personal property of the corporation and to execute bonds, promissory notes, bills of exchange, debentures or other obligations or evidences of indebtedness of all kinds, whether secured or unsecured, and to owe debts in an amount which may at any time be in excess of its capital stock;

(c) To purchase on commission or otherwise, subscribe for, hold, own, sell on commission or otherwise, or otherwise acquire or dispose of and generally to deal in stocks, scrips, bonds, notes, debentures, commercial papers, obligations and securities, including, so far as permitted by law, its own issued shares of capital stock or other securities, and also any other securities, or evidences of indebtedness whatsoever, or any interest therein, and while the owner of the same to exercise all the rights, powers, and privileges of ownership;

(d) To draw, make, accept, endorse, assign, discount, execute and issue all such bills of exchange, bills of lading, promissory notes, warrants and other instruments to be assignable, negotiable or transferable by delivery or to order, or otherwise, as the business of the corporation shall require;

(e) To lend money or credit to and to aid in any other manner any person, firm, association or corporation of which any obligation or in which any interest is held by this corporation or in the affairs or prosperity of which this corporation has a lawful interest;

(f) To enter into partnership contracts (as a general partner or as a limited partner) with any other person or persons (natural or corporate), to enter into agreements of joint venture with any such natural or corporate person or persons, and to enter into and perform contracts, undertakings and obligations of every kind and character to the same extent as if this corporation were a natural person;

(g) To promote, assist, subscribe or contribute to any association, organization, society, company, institution or object, charitable or otherwise, calculated to benefit the corporation or any persons in its employ or having dealings with the corporation, or deemed to be for the common public welfare;

(h) To become a party to and effect a merger or consolidation with another corporation or other corporations, and to enter into agreements and relationships not in contravention of law with any persons, firms or corporations;

(i) To do all or any of the above things in any part of the world, directly or indirectly, and as principal, agent, factor, contractor or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

3. The enumeration herein of the objects and purposes of this corporation shall be construed as powers as well as objects and purposes and shall be liberally construed both as to purposes and powers and shall not be deemed to exclude by inference any powers, objects or purposes which this corporation is empowered to exercise, whether expressly by force of the laws of the State of Hawaii now or hereafter in effect, or impliedly by the reasonable construction of said laws.

ARTICLE IV

Capital Stock

1. The capital stock of the company shall be thirty-one million, five hundred fifty thousand dollars ($31,550,000) represented by three million (3,000,000) shares of common stock of the par value of six and two-thirds dollars ($6-2/3) per share, or a total authorized par value of common stock of twenty million dollars ($20,000,000), and by thirty-seven thousand, five hundred (37,500) shares of 5-5/8% Cumulative Preferred Stock, series B, of the par value of twenty dollars ($20) per share, forty thousand (40,000) shares of 4.90% Cumulative Preferred Stock, series C, of the par value of twenty dollars ($20) per share, and five hundred thousand (500,000) shares of preferred stock of the par value of twenty dollars ($20) per share, or a total authorized par value of all preferred stock of eleven million, five hundred fifty thousand dollars ($11,550,000). The company may increase its capital stock from time to time to an amount, comprising all classes of capital stock, not exceeding fifty million dollars ($50,000,000).

2. The company shall have power to increase and reduce its capital stock and the par value of shares having a par value, to convert shares having a par value into shares without par value and to convert shares without par value into shares with par value, all according to law. The company shall have power upon compliance with applicable law to create and issue additional classes of capital stock, either with or without par value, with such terms, preferences, restrictions and qualifications, and subject to such provisions for call, redemption and retirement or conversion into common stock or into other classes of then existing or then authorized capital stock, and with such other provisions as shall be fixed in any manner and by any authority permitted by law.

3. In case of any increase in the outstanding common stock of the company by issuance of new shares, except as otherwise provided herein, the new shares shall be offered to the stockholders of the company in proportion to existing shares of common stock respectively held by them. The common stockholders shall have no preemptive rights with respect to

(a) new shares of common stock issued or sold in connection with acquisition of property (other than money, cash or notes) or of substantially the entire assets (including money, cash and notes) of a going business, or in connection with a merger or consolidation; or

(b) new shares of common stock issued or sold upon exercise of options granted or assumed by the company under stock option or purchase plans for employees; or

(c) any securities of the company, other than common stock, which are not convertible into common stock.

4. The board of directors, subject to preemptive rights of common stockholders where applicable, may provide for issuance from time to time of authorized but unissued shares of common stock of the company and determine and approve the consideration and other terms and conditions for which such shares are issued.

5. The board of directors may from time to time provide for the issuance of authorized but unissued shares of preferred stock, divide authorized and unissued shares of preferred stock into series and issue any such series,

and fix the terms, preferences, voting powers, restrictions and qualifications of any such series of the preferred stock; and without limiting the generality of the foregoing, the board of directors shall have power to fix, as to each such series of preferred stock:

(a) the designation of such series, and the number of shares to constitute such series, which number of shares may from time to time be increased (except as otherwise provided by the resolution or resolutions of the board of directors providing for the issue of such series) or decreased (to a number not less than the number of shares then outstanding) by resolution or resolutions of the board of directors;

(b) the dividend rate of each such series, the conditions and dates upon which such dividends are payable, the relation which such dividends shall bear to the dividends payable on any other class or classes or on any other series of any class or classes of stock, whether, and if so the extent which, shares of any such series participate with the common stock or with any other such series in any dividends in excess of the preferential dividend fixed for shares of such series, and whether such dividends shall be cumulative or non-cumulative;

(c) whether the shares of such series shall be subject to redemption by the corporation and, if made subject to such redemption, the times, prices and other terms and conditions of such redemption;

(d) the terms and amount of any sinking fund provided for the purchase or redemption of the shares of such series;

(e) whether or not the shares of each such series shall be convertible into or exchangeable for shares of any other class or classes of stock of the corporation, and, if provision be made for conversion or exchange, the times, prices, rates of exchange, adjustment, and other terms and conditions of such conversion or exchange;

(f) the extent of the voting powers, if any, of the shares of such series;

(g) the rights of the holders of the shares of such series upon the liquidation, dissolution or distribution of the assets of the corporation, and whether, and if so the extent which, shares of such series participate with the common stock or with any other such series in any liquidation, dissolution or distribution of the assets of the corporation, in excess of the preferential amount fixed for shares of such series;

(h) any other preferences and relative, optional or other special rights, and qualifications, limitations or restrictions of such preferences or rights of shares of such series.

6. Different series of preferred stock shall not be considered to constitute different classes of shares for the purpose of voting by classes except as otherwise fixed by the board of directors with respect to any series at the time of the creation thereof.

7. The board of directors is authorized to determine whether any issue of debt securities shall be convertible into or exchangeable for shares of any class or classes of stock of the Company, and if provision is made for conversion or exchange, the times, prices, rates of exchange, adjustments and other terms and conditions of such conversion or exchange.

8. Subject to the provisions of these Articles of Association and except as otherwise provided by law, all of the powers of the company to issue shares of stock of any class shall be vested in and may be exercised from time to time by the board of directors, which board may from time to time issue any or all of such shares to such party or parties, for such consideration, upon and subject to such terms and conditions and for such corporate purposes as the board may from time to time determine, and the board shall also determine what portion, if any, of the consideration received for any stock without par value shall be allocated to the paid-in surplus of the company.

9. The company may not increase its capital stock (other than common stock) at any time if the company is in default with respect to, or after such increase would be in default with respect to, the maintenance of capital ratio requirements of any resolution of stockholders creating a series of preferred stock.

ARTICLE V

Directors and Officers

1. The board of directors shall be of not less than five members, the number to be determined from time to time as provided by the By-Laws, who shall be elected annually by the stockholders. No director need be a stockholder. There may be an executive committee of the board of directors as provided by the By-Laws.

2. The board of directors shall appoint each year a president, one or more vice-presidents, a secretary and a treasurer and, in the discretion of the board of directors, a chairman of the board, and from time to time such other officers of the company as the conduct of its business may require. The chairman of the board, if any, and the president shall be appointed from among the directors. No other officer need be a director. No officer need be a stockholder.

3. The directors and officers shall be elected or appointed and may be removed from office in the manner provided by the By-Laws, and any vacancy in such offices may be filled in the manner provided by the By-Laws.

4. All the powers and authority of the corporation shall be vested in and may be exercised by the Board of directors except as otherwise provided by law, these Articles of Association or the By-Laws of the corporation, and in furtherance and not in limitation of said general powers, the board of directors shall have powers to acquire and dispose of property; appoint a general manager, branch managers and such other managers, officers or agents of the corporation as in its judgment the business thereof may require, and confer upon and delegate to them by power of attorney or otherwise such power and authority as it shall determine; fix the salaries or compensation of any or all of its officers, agents and employees and in its discretion require the security of any of them for the faithful performance of any of their duties; declare dividends in accordance with law when it shall deem it expedient; make rules and regulations not inconsistent with law or these Articles of Association or the By-Laws for the transaction of business; instruct the officers or agents of the corporation with respect to, and to authorize the voting of stock of other corporations owned or held by this corporation; incur indebtedness as may be deemed necessary, which indebtedness may exceed the amount of the corporation's capital stock; create such committees (including an executive committee) and designate as members of such committees such persons as it shall determine, and confer upon such committees such powers and authority as may by resolution be set forth for the purpose of carrying on or exercising any of the powers of the corporation; create and set aside reserve funds for any purpose, and invest any funds of the corporation in such securities or other property as to it may seem proper; remove or suspend any officer; and, generally, to do any and every lawful act necessary or proper to carry into effect the powers, purposes and objects of the corporation.

ARTICLE VI

Auditor

An auditor shall be elected annually by the stockholders. The auditor may be an individual, partnership or corporation but shall not be an officer of the company.

ARTICLE VII

Transactions Involving Directors

No contract or other transaction between the corporation and any other person, firm or corporation, and no act of the corporation, shall in any way be affected or invalidated by the fact that any of the directors of the corporation are parties to such contract or transaction or act, or are pecuniarily or otherwise interested in the same, or are directors or officers or members of any such other firm or corporation, provided that the interest of such directors shall be disclosed or shall have been known to the board of directors authorizing or approving the same, or to a majority thereof. Any director of the corporation who is pecuniarily or otherwise interested in, or is a director or officer or member of such other firm or corporation, may be counted in determining a quorum of any meeting of the board of directors which shall authorize or approve any such contract, transaction or act; and may vote thereon with like force and effect as if he were in no way interested therein, provided his interest has

been disclosed or is known as hereinbefore set forth. No director or officer of the corporation being so interested in any such contract, transaction or act of the corporation which shall be approved by the board of directors, shall be liable or accountable to the corporation or to any stockholder thereof for any loss incurred by the corporation pursuant to or by reason of such contract, transaction or act, or for any gain received by any such other party pursuant thereto or by reason thereof.

ARTICLE VIII

Limitation of Liability

All of the property of the corporation shall be liable for the just debts thereof, but no shareholder shall be liable therefor beyond the amount due the corporation upon the share or shares held by such shareholder.

EXHIBIT B

to

APPENDIX B

GASCO, INC.

BY - LAWS

ARTICLE I

Stockholders

(1) Meetings: The annual meeting of the stockholders shall be held each year in Honolulu not later than March 31st, at such time as the president shall direct, for the purpose of electing directors and an auditor and transacting such other business as may be brought before the meeting. Special meetings shall be called upon the request of the president, or in his absence, a vice-president, or by a vote of a majority of the board of directors or upon the request in writing of stockholders of the company representing not less than one-fifth of the outstanding shares of the capital stock entitled to vote at such meeting. Special meetings of the holders of any class of the company's Preferred Stock, or the holders of all classes of Preferred Stock, shall be called upon the request of the president, or in his absence a vice-president, or by a vote of a majority of the board of directors, or by the secretary of the company upon the request in writing of holders of record of not less than ten per cent (10%) of the outstanding shares of the class or classes of Preferred Stock for whom the meeting is to be called, or by the holders of record of not less than ten per cent (10%) of the outstanding shares of the class or classes of Preferred Stock for whom the meeting is to be called. The stockholders may at any annual meeting transact any and all business of the company in their discretion, and at any special meeting only such business shall be transacted as comes within the general terms of the notice given of such meeting.

(2) Notices. Notices of all meetings, annual or special, shall specify the place, day and hour of the meeting, and shall be published not less than twice on separate days in some newspaper of general circulation in Honolulu; the first publication to be not less than five days previous to the date assigned, or shall be mailed at least five days before such meeting, postage prepaid and addressed to each stockholder at his address as it appears on the books of the company. Notice by either method shall be deemed sufficient notice to stockholders. Notice of every special meeting shall indicate briefly its purposes.

(3) Quorum. At any meeting of the stockholders, the holders of a majority of the shares of the capital stock of the company issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for all purposes unless the representation of a larger number shall be required by law. If the holders of the amount of stock necessary to constitute a quorum shall fail to attend in person or by proxy any meeting, annual or special, duly called and noticed, holders of a majority of the shares present in person or by proxy and entitled to vote thereat may adjourn such meeting from time to time, without other notice than by announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum shall be present any business may be transacted which could have been transacted at the meeting as originally called.

(4) Voting. Except as otherwise provided by law or the Articles of Association or resolutions of stockholders authorizing the issuance of stock, each stockholder of record shall be entitled at every meeting of the stockholders to one vote, in person or by proxy, for each share of stock with voting power registered in his name on the stock books of the company. The authority given by any stockholder to represent such stockholder at meetings shall be in writing signed by such stockholder or his duly authorized attorney and filed with the secretary, and unless limited by its terms such authority shall be deemed good until revoked in writing so signed and filed. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the stockholders the shares of stock held by him in such capacity, whether or not such stock shall have been registered in his name on the stock books of the company; provided that in case the stock shall not have been so registered in his name, he shall first file with or exhibit to the secretary evidence satisfactory to the secretary that he holds such stock in such capacity. Shares of stock held by two or more persons jointly and so registered on the stock books of the company, or by two or more fiduciaries jointly whether or not so registered, may be voted by any one of such stockholders present at any meeting, in the absence of protest by any other holder thereof. Upon

demand of any stockholder the votes upon any question before a meeting shall be by ballot. At all meetings of stockholders, except as at the time otherwise expressly required by statute, by the Articles of Association, by resolutions of stockholders authorizing the issuance of stock or by these By-Laws, all matters shall be decided by the vote of a majority in interest of the stockholders entitled to vote at the meeting and present thereat in person or by proxy.

ARTICLE II

Board of Directors

(1) Directors: The management of all of the affairs, business and property of the company shall be vested in the board of directors, the number to be determined by resolution of the stockholders at each annual meeting, but consisting of not less than five; provided that if and whenever, in accordance with the provisions of the resolution of stockholders creating any class of Preferred Stock, the holders of such Preferred Stock shall be entitled, voting separately as a class, to elect additional directors, the number of directors shall be increased in accordance with the provisions of such resolutions. Directors need not be stockholders. Except as otherwise in these By-Laws provided, each director shall hold office until the annual meeting held next after his election or until his successor shall have been elected and qualified or, in the case of directors elected by the holders of any class of Preferred Stock, until his term of office shall have terminated by the cessation of the special voting rights of such Preferred Stock as provided in the resolution of stockholders creating such Preferred Stock.

(2) Vacancies: In the case of any vacancy which may occur in the board of diretors through death, resignation, disqualification or other cause, the remaining directors, by an affirmative vote of a majority of the whole board may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant and until the election of his successor; provided that any vacancy caused by the death, resignation, inability to serve or removal of any director elected by the holders of any class of Preferred Stock, voting as a class, shall be filled only by the vote of the holders of the class or classes of Preferred Stock which elected such director, voting as a class, at a special meeting of such holders called for the purpose or at the next annual meeting of the stockholders. In case of the illness or temporary absence from Honolulu of any director, the remaining directors, constituting a majority or minority of the whole board, may elect some qualified person as successor in place of such ill or absent director, who shall serve during such illness or absence of such director, and the return to duty of such director temporarily displaced shall forwith reinstate him in office in place of such temporary director.

(3) Removal of Directors: Any director may be removed from office at any time and another person may be elected in his place to serve for the remainder of his term at any special meeting of stockholders, called for the purpose, by the affirmative vote of the holders of a majority of all of the shares of capital stock of the company outstanding and entitled to vote; provided that no director elected by the holders of any class of Preferred Stock, voting as a class, shall during his term of office be removed from such office except upon the vote of the holders of the class or classes of Preferred Stock which elected such director, voting as a class, and provided further that any vacancy created by the removal of a director elected by the holders of such Preferred Stock shall be filled only as provided in Section 2 of Article II hereof. In case any vacancy, so created, other than a vacancy created by the removal of a director elected by the holders of any class of Preferred Stock shall not be filled by the stockholders at such meeting, such vacancy shall be filled by the board of directors.

(4) Meetings. The directors may hold meetings in such place as the board from time to time may determine.

(5) Notice. The secretary shall give notice in writing of each meeting of the board of directors by mailing the same at least three days before the meeting, or by delivering such notice without mailing at least one day before the meeting. The failure to give notice shall not invalidate any action at a meeting of the directors if a quorum is present.

(6) Quorum. A majority of the directors shall constitute a quorum for the transaction of business and, except as in these By-Laws provided, the affirmative vote of a majority of the whole board shall be necessary to the validity of any corporate act.

(7) Interest of Directors. No contract or other transaction between the company and any other corporation shall be affected by the fact that directors of the company are interested in, or are directors or officers of, such other corporation, provided that such interest shall have been disclosed or known to the board of directors authorizing or approving the same.

ARTICLE III

Executive Committee

(1) Members. The board of directors may appoint an executive committee of not less than three members; provided that the personnel of the executive committee shall at all times be subject to change by the directors. Only directors of the company shall be eligible to serve on the executive committee, and if any person serving on the executive committee shall cease to be a director his place on the committee shall automatically become vacant. The committee shall choose its own chairman. The committee shall keep regular minutes of its proceedings.

(2) Powers. The executive committee shall have general jurisdiction and supervision over the business and affairs of the company, subject only to the control of the board of directors and of the stockholders; provided that the power of the executive committee shall not extend to the appointment of any of the principal officers of the company or of any member of the board or of the committee, nor to the declaration of dividends. All action by the executive committee shall be reported by it to the board of directors at its meeting next succeeding such action.

(3) Meetings. A majority of the executive committee shall be necessary to constitute a quorum, and in every case the affirmative vote of a majority of the whole committee shall be necessary to take any action. The committee may fix its own rules for meetings and procedure subject to the approval or change by the board of directors.

(4) Vacancies. Vacancies in the executive committee shall be filled by the board of directors.

ARTICLE IV

Officers

(1) Principal Officers. The principal officers of the company shall be a president, one or more vice-presidents, a secretary and a treasurer and, in the discretion of the board of directors, a chairman of the board, all of whom shall be appointed annually by the board of directors at its first meeting after the annual meeting of stockholders and shall serve until their respective successors have been appointed; provided that the number of vice-presidents may be changed from time to time by the board of directors at any meeting and if increased at any time, the additional vice-president or vice-presidents shall then be appointed by the board of directors; and provided further that the chairman of the board may be appointed at any meeting.

(2) Other Officers. The board of directors may appoint such other officers as it deems necessary, who shall have such authority and perform such duties as may be prescribed from time to time by the board of directors.

(3) Removal and Vacancies. All officers shall be subject to removal at any time by the board of directors. If any office shall become vacant for any reason, the board of directors may appoint a successor to such office.

(4) Qualifications. The chairman of the board, if any, and the president shall be appointed from among the directors. No other officer need be a director. No officer need be a stockholder. Any person may hold two of said offices except those of president and vice-president or president and treasurer.

(5) Chairman of the Board. Whenever there shall be a chairman of the board, he shall preside at all meetings of the board of directors. He shall have such other powers and perform such other duties as may be assigned to him by the board of directors.

(6) President. The president shall preside at all meetings of the stockholders and, in the absence of the chairman of the board, at all meetings of the board of directors. Subject to the board of directors, he shall have

general charge of the business of the company and shall have the general powers and duties usually incident to his office. Unless the board of directors otherwise directs, he shall have full authority to vote the stock of other corporations, which is owned by the company, at all meetings of such other corporations.

(7) Vice-President. The board of directors shall appoint one or more vice-presidents who shall, in the order determined by the board of directors, perform the duties of the president during his absence or disability or whenever the office is vacant. The several vice-presidents shall have such other powers and perform such other duties as may be assigned to them by the board of directors.

(8) Treasurer. The treasurer shall have custody of all the funds and securities of the company and be responsible for the safekeeping of all moneys, notes, bonds, deeds, mortgages, contracts and other valuable documents of the company. He shall be responsible for keeping all the books and accounts and rendering statements thereof as may be required from time to time by the board of directors. He shall have charge of the certificate books, stock transfer books and stock ledger and such other books and papers as the board of directors may designate, all of which shall at all reasonable times be open to the examination of any director upon application at the office of the company during business hours. The treasurer shall have such other powers and perform such other duties as may be assigned to him by the board of directors.

(9) Assistant Treasurers. The board of directors may appoint one or more assistant treasurers who shall, in the order determined by the board of directors, perform the duties of the treasurer during his absence or disability or whenever the office is vacant. Each assistant treasurer shall have such powers and perform such duties as may be assigned to him by the board of directors.

(10) Secretary. The secretary shall keep the minutes of all meetings of the board of directors and the stockholders in books provided for that purpose. He shall attend to the giving and serving of all notices of the company. The secretary shall have such other powers and perform such other duties as may be assigned to him by the board of directors.

(11) Assistant Secretaries. The board of directors may appoint one or more assistant secretaries who shall, in the order determined by the board of directors, perform the duties of the secretary during his absence or disability or whenever the office is vacant. Each assistant secretary shall have such powers and perform such duties as may be assigned to him by the board of directors.

(12) Manager. The board of directors may appoint a manager who shall, under the supervision and control of the board of directors and of the president, have charge of and manage the active business operations of the company. He shall perform such further duties and make such reports as may be required by the board of directors. He shall be ex-officio a member of the board of directors, without vote unless he shall have been elected or appointed a member of such board.

ARTICLE V

Auditor

An auditor shall be elected by the stockholders at the annual meeting to serve until his successor has been elected. The auditor may be an individual, partnership or corporation but shall not be an officer of the company. The auditor may be removed from office at any time and replaced in the manner prescribed in Section (3) of Article II hereof. The auditor shall make such examinations and reports of the accounts, assets, liabilities and finances of the company as the stockholders, board of directors or principal officers may from time to time require.

ARTICLE VI

Execution of Instruments

All checks, drafts, notes, bonds, acceptances, deeds, leases, contracts, certificates of stock, and all other instruments, shall be signed by such person or persons as shall be provided by general or special resolution of the

board of directors, and in the absence of any such general or special resolution applicable to any such instrument then such instrument shall be signed by the president or a vice-president and by the treasurer or the secretary or an assistant treasurer or assistant secretary; the board of directors may by resolution provide for the use of facsimile signatures on dividend warrants or other instruments.

ARTICLE VII

Capital Stock

(1) Certificate of Shares. The certificates for shares of the capital stock of the company shall be in such form and not inconsistent with the Articles of Association as shall be approved by the board of directors. The certificates shall be signed by the president or a vice-president and countersigned by the treasurer or the secretary or an assistant treasurer or an assistant secretary and shall bear the corporate seal; provided that the board of directors may provide that certificates which shall be signed by a transfer agent and by a registrar may be sealed with only the facsimile seal of the company and signed and countersigned on behalf of the company with only the facsimile signatures of such officers. All certificates shall be consecutively numbered. The name of the person owning the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the company's stock books. All certificates surrendered to the company shall be cancelled, and no new certificates shall be issued until certificates for the same number of shares shall have been surrendered and cancelled.

(2) Transfer of Shares. Transfer of shares of stock shall be made on the books of the company by the holder thereof in person or by his duly authorized attorney upon surrender of the certificates for such shares. No transfer shall be valid, except between the parties thereto, until a new certificate shall have been obtained or the transfer shall have been duly recorded so as to show the date of transfer, the parties thereto, their address, and the number and description of the shares transferred.

(3) Regulations. The board of directors shall have power and authority to make all such rules and regulations as they deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the company. The board of directors may appoint a transfer agent and a registrar of transfers and may require all certificates to bear the signature of such transfer agent and of such registrar or as the board of directors may otherwise direct.

(4) Lost Certificates. The directors, subject to such rules and regulations as they may from time to time adopt, may order a new certificate of stock to be issued in the place of any certificate of the company alleged to have been lost or destroyed; provided that in every such case the owner of the lost certificate shall first deposit with the company a bond with security in such amount as the directors may determine, as indemnity against any loss or claim that the company may incur by reason of the issuance of a new certificate; and provided further that the directors may, in their discretion, refuse to replace any lost certificate save upon the order of some court having jurisdiction in such matters.

(5) Seal. The company shall have a corporate seal of such form and device as the directors shall from time to time determine, which seal shall be in charge of the secretary. When directed by the board of directors, a duplicate seal may be kept and used by such other officers or agents as the board may direct.

(6) Closing of Stock Transfer Books and Record Date. The books for the transfer of stock may be closed as the board of directors may from time to time determine for a period not exceeding twenty (20) days before the annual or any special meeting of the stockholders, or before the day appointed for the payment of any dividend, or before the date on which rights of any kind in or in connection with the stock of the company are to be determined or exercised and the books for the transfer of stock may be closed, as the board of directors may from time to time determine, as to stock of the company to be redeemed as of the date any notice of redemption in respect of such stock is mailed; provided, however, that in lieu of closing the books for the transfer of stock the board of directors may fix a date, not exceeding sixty (60) days before any such meeting, as a record date for the determination of stockholders entitled to notice of and to vote at any such meeting, and thirty (30) days before any such payment date, or any such date for the determination or exercise of rights, as a record date

for determination of stockholders entitled to receive any such dividend, or entitled to receive or exercise any such rights, as the case may be.

ARTICLE VIII

Dividends on Assessable Stock

Dividends may be declared by the board of directors on the assessable stock of the company at the same rate as on the fully paid stock, but payable only in proportion to the amount paid in on such stock.

ARTICLE IX

Indemnification

The company shall indemnify every director or officer, his heirs, executors and administrators, against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the company, or at its request of any other corporation of which it is a stockholder or creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled.

ARTICLE X

Amendments

These By-Laws may be amended or repealed by an affirmative vote of the holders of not less than a majority of all shares of the capital stock of the company outstanding or, if two or more classes of stock have been issued, a majority of each class of stock outstanding and entitled to vote, at any annual or special meeting of stockholders the notice of which shall have stated that a purpose of the meeting is to consider the amendment or repeal of the By-Laws; provided that these By-Laws may not be amended, altered or repealed so as adversely to affect any of the preferences, rights, powers or privileges of any class of Preferred Stock, without the consent of the holders of record of at least sixty-six and two-thirds per cent (66-2/3%) of the outstanding shares of the class of Preferred Stock affected (unless the vote or consent of a greater number of shares shall at the time be required by law), expressed by vote in favor of a resolution duly adopted at a meeting of the holders of the class of Preferred Stock affected called for that purpose, at which the holders of shares of the class of Preferred Stock affected shall vote separately as a class, or if permitted by law, given in writing.

EXHIBIT C

to

APPENDIX B

ARTICLES OF INCORPORATION

of

PACIFIC RESOURCES, INC.

The undersigned parties hereto, desiring to organize a corporation under the laws of the State of Hawaii relating to corporations and to obtain the benefits conferred by law upon corporations, do hereby adopt these Articles of Incorporation, the terms whereof it is agreed shall be equally binding upon them and upon all others who from time to time become members of the corporation and hold stock therein.

ARTICLE I

The name of this corporation shall be:
PACIFIC RESOURCES, INC.

ARTICLE II

The principal office and place of business of the corporation shall be at 1060 Bishop Street, Honolulu, Hawaii, 96813.

ARTICLE III

1. The purpose for which this corporation is organized are the following:

(a) To subscribe for, receive, purchase or otherwise acquire, underwrite, obtain an interest in, own, hold, pledge, hypothecate, mortgage, assign, deposit, create trusts with respect to, deal in, exchange, sell and otherwise dispose of, alone or in conjunction with others, and generally deal in and with all kinds of stock, shares, voting trust certificates, bonds, mortgages, debentures, trust receipts, security devices, notes and other securities, obligations, contracts, certificates of interest, choses in action and evidences of indebtedness of any corporation, association, partnership, syndicate, entity, person or governmental or public authority, domestic or foreign, and evidences of any interest therein or in respect thereto; to acquire or become interested in all kinds of securities by subscription, underwriting, participation, syndication or otherwise, and irrespective of whether such securities are fully paid or subject to further payment or assessments; to issue its own securities in exchange therefor; and while the owner or holder of any securities, to exercise all the rights, powers and privileges of ownership or interest in respect thereto;

(b) To engage in the business of buying, selling, exchanging, leasing, holding for investment, financing, managing and dealing in office buildings, apartment houses, hotels, rental units, lands and improvements and subdivisions and any interests or rights therein; to finance the construction of homes, apartment houses, hotels, buildings and other improvements on an interim or permanent basis;

(c) To manufacture, buy or otherwise acquire, and to sell and supply gas and electricity for light, heat and power purposes; and to buy, acquire, lease, construct, work, lay, maintain and operate plants, works, systems, poles, pole lines, conduits, ducts and all necessary or proper equipment, apparatus and appliances for the distribution, storage and sale of gas and electricity for light, heat and power and any other use to which gas and electricity is or hereafter may be applied;

(d) To buy or otherwise acquire, own, use, improve, develop, subdivide, mortgage, lease or take on lease, sell, convey and in any and every other manner deal in and with and dispose of real estate, buildings and other improvements, hereditaments, easements and appurtenances of every kind or any estate or interest therein of any tenure or description, to the fullest extent permitted by law;

(e) To carry on and conduct a general contracting, engineering and subcontracting business including the designing, planning, constructing or otherwise engaging in all trades and kinds of work on buildings and other structures, public improvements, roadways and highways; to engage in building, fabrication and construction work of all kinds, and to manufacture and furnish the building materials and supplies connected therewith;

(f) To buy, sell, lease, assemble, import, export, process and deal in any and all classes of chattels, materials, merchandise, goods, wares, supplies, by-products and commodities of every kind and description;

(g) To promote, cause to be organized, finance and aid by loan, subsidy, guaranty or otherwise, any corporation, association, partnership, syndicate, entity, person, or governmental, municipal or public authority, domestic or foreign, located in or organized under the laws of any authority in any part of the world, any security of which is held directly or indirectly by or for the corporation, or in the business, financing or welfare of which the corporation shall have any interest; and in connection therewith to guarantee or become surety for the performance of any undertaking or obligation of any of the foregoing, and to guarantee by endorsement or otherwise the payment of the principal of, or interest or dividends on, any security, and generally to do any act or things designed to protect, preserve, improve or enhance the value of any such security;

(h) To lend money or credit in connection with its business and to act as a mortgage loan company, industrial loan company, retail installment lender, and investment company to deal in and make loans upon commercial or business paper; to lend money upon security of real and personal property, securities, goods, wares and merchandise of all kinds; and to make loans and discount contracts, promissory notes, commercial paper, debentures and securities of every kind and nature in any manner permitted by law;

(i) To guarantee the performance, or to undertake and agree to perform any covenant, condition, undertaking or agreement contained in any mortgage, deed, deed of trust, lease, guaranty, or other obligation to which it may or may not be a party; to guarantee any dividends or bonds, or contracts, or other obligations, and to act as surety on any bond;

(j) To undertake and carry on any business, investment, transaction, venture or enterprise which may be lawfully undertaken or carried on by a corporation and any business whatsoever which may seem to the corporation convenient or suitable to be undertaken whereby directly or indirectly to promote any of its general purposes or interests or render more valuable or profitable any of its property, rights, interests, or enterprises; to acquire by purchase, lease or otherwise, the property, rights, franchises, assets, business and good will of any person, firm, association, partnership or corporation engaged in or authorized to conduct any business or undertaking which may be carried on by this corporation or possessed of any property suitable or useful for any of its own purposes, and carry on the same, and undertake all or any part of the obligations and liabilities in connection therewith, on such terms and conditions and for such consideration as may be agreed upon, and to pay for the same either all or partly in cash, stocks, bonds, debentures or other forms of assets and securities, either of this corporation or otherwise; and to effect any such acquisition or carry on any business authorized by these Articles of Incorporation, either by directly engaging therein, or indirectly by acquiring the shares, stocks, or other securities of such other business or entity, and holding and voting the same and otherwise exercising and enjoying the rights and advantages incident thereto.

2. And in furtherance of said purposes, the corporation shall also have the following powers:

(a) To have succession by its corporate name in perpetuity; to sue and be sued in any court; to make and use a common seal and to alter the same at its pleasure; to hold, purchase and convey such property as the purposes of the corporation shall require, without limit as to amount, and to mortgage the same to secure any debt of the corporation; to appoint such subordinate officers or agents as the business of the corporation shall require; to make and adopt, from time to time amend or repeal by-laws not inconsistent with any existing law for the management of its properties, the election and removal of its officers, and regulation of its affairs and the transfer of its stock and for all other purposes permitted by law;

(b) To borrow money or otherwise incur indebtedness with or without security and to secure any indebtedness by deed of trust, mortgage, pledge, hypothecation or other lien upon all or any part of the real or personal property of the corporation and to execute bonds, promissory notes, bills of exchange, debentures or

other obligations or evidence of indebtedness of all kinds, whether secured or unsecured, and to owe debts in an amount which may at any time be in excess of its capital stock;

(c) To purchase on commission or otherwise subscribe for, hold, own, sell on commission or otherwise, or otherwise acquire or dispose of and generally to deal in stocks, scrips, bonds, notes, debentures, commercial papers, obligations and securities, including, so far as permitted by law, its own issued shares of capital stock or other securities, and also any other securities, or evidences of indebtedness whatsoever, or any interest therein, and while the owner of the same to exercise all the rights, powers and privileges of ownership;

(d) To draw, make, accept, endorse, assign, discount, execute and issue all such bills of exchange, bills of lading, promissory notes, warrants and other instruments to be assignable, negotiable or transferable by delivery or to order, or otherwise, as the business of the corporation shall require;

(e) To enter into partnership contracts (as a general partner or as a limited partner) with any other person or persons (natural or corporate), to enter into agreements of joint venture with any such natural or corporate person or persons, and to enter into and perform contracts, undertakings and obligations of every kind and character to the same extent as if this corporation were a natural person;

(f) To promote, assist, subscribe or contribute to any association, organization, society, company, institution or object, charitable or otherwise, calculated to benefit the corporation or any persons in its employ or having dealings with the corporation or deemed to be for the common public welfare;

(g) To become a party to and effect a merger or consolidation with another corporation or other corporations and to enter into agreements and relationships not in contravention of law with any persons, firms or corporations;

(h) To do all or any of the above things in any part of the world, directly or indirectly, and as principal, agent, factor, contractor or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

3. The enumeration herein of the objects and purposes of this corporation shall be construed as powers as well as objects and purposes and shall be liberally construed both as to purposes and powers and shall not be deemed to exclude by inference any powers, objects or purposes which this corporation is empowered to exercise, whether expressly by force of the laws of the State of Hawaii now or hereafter is effect, or impliedly by the reasonable construction of said laws.

ARTICLE IV

1. The authorized capital stock of the corporation shall be Two Thousand Dollars ($2,000) consisting of Three Hundred (300) shares of common stock of the par value of Six and Two-Thirds Dollars ($6-2/3) per share. The corporation shall have the privilege of subsequent extension of its capital stock from time to time in the manner provided by law by the issuance of either common stock or preferred stock or both to an aggregate amount not exceeding Fifty Million Dollars ($50,000,000).

2. The company shall have power to increase and reduce its capital stock and the par value of shares having a par value, to convert shares having a par value into shares without par value and to convert shares without par value into shares with par value, all according to law. The company shall have power upon compliance with applicable law to create and issue additional classes of capital stock, either with or without par value, with such terms, preferences, restrictions and qualifications, and subject to such provisions for call, redemption and retirement or conversion into common stock or into other classes of then existing or then authorized capital stock, and with such other provisions as shall be fixed in any manner and by any authority permitted by law.

3. In case of any increase in the outstanding common stock of the company by issuance of new shares, except as otherwise provided herein, the new shares shall be offered to the stockholders of the company in proportion to existing shares of common stock respectively held by them. The common stockholders shall have no preemptive rights with respect to

(a) new shares of common stock issued or sold in connection with acquisition of property (other than

money, cash of notes) or of substantially the entire assets (including money, cash and notes) of a going business, or in connection with a merger or consolidation; or

(b) new shares of common stock issued or sold upon exercise of options granted or assumed by the company under stock option or purchase plans for employees; or

(c) any securities of the company, other than common stock, which are not convertible into common stock.

4. The board of directors, subject to preemptive rights of common stockholders where applicable, may provide for issuance from time to time of authorized but unissued shares of common stock of the company and determine and approve the consideration and other terms and conditions for which such shares are issued.

5. The board of directors may from time to time provide for the issuance of authorized but unissued shares of preferred stock, divide authorized and unissued shares of preferred stock into series and issue any such series, and fix the terms, preferences, voting powers, restrictions and qualifications of any such series of the preferred stock; and without limiting the generality of the foregoing, the board of directors shall have power to fix, as to each such series of preferred stock:

(a) the designation of such series, and the number of shares to constitute such series, which number of shares may from time to time be increased (except as otherwise provided by the resolution or resolutions of the board of directors providing for the issue of such series) or decreased (to a number not less than the number of shares then outstanding) by resolution or resolutions of the board of directors;

(b) the dividend rate of each such series, the conditions and dates upon which such dividends are payable, the relation which such dividends shall bear to the dividends payable on any other class or classes or on any other series of any class or classes of stock, whether, and if so the extent which, shares of any such series participate with the common stock or with any other such series in any dividends in excess of the preferential dividend fixed for shares of such series, and whether such dividends shall be cumulative or non-cumulative;

(c) whether the shares of such series shall be subject to redemption by the corporation and, if made subject to such redemption, the times, prices and other terms and conditions of such redemption;

(d) the terms and amount of any sinking fund provided for the purchase or redemption of the shares of such series;

(e) whether or not the shares of each such series shall be convertible into or exchangeable for shares of any other class or classes of stock of the corporation, and, if provision be made for conversion or exchange, the times, prices, rates of exchange, adjustments, and other terms and conditions of such conversion or exchange;

(f) the extent of the voting powers, if any, of the shares of such series;

(g) the rights of the holders of the shares of such series upon the liquidation, dissolution or distribution of the assets of the corporation, and whether, and if so the extent which, shares of such series participate with the common stock or with any other such series in any liquidation, dissolution or distribution of the assets of the corporation, in excess of the preferential amount fixed for shares of such series;

(h) any other preferences and relative, optional or other special rights, and qualifications, limitations or restrictions of such preferences or rights of shares of such series.

6. Different series of preferred stock shall not be considered to constitute different classes of shares for the purpose of voting by classes except as otherwise fixed by the board of directors with respect to any series at the time of the creation thereof.

7. The board of directors is authorized to determine whether any issue of debt securities shall be convertible into or exchangeable for shares of any class or classes of stock of the Company, and if provision is made for conversion or exchange, the times, prices, rates of exchange, adjustments and other terms and conditions of such conversion or exchange.

8. Subject to the provisions of these Articles of Incorporation and except as otherwise provided by law, all of the powers of the company to issue shares of stock of any class shall be vested in and may be exercised from time to time by the board of directors, which board may from time to time issue any or all of such shares to such

party or parties, for such consideration, upon and subject to such terms and conditions and for such corporate purposes as the board may from time to time determine, and the board shall also determine what portion, if any, of the consideration received for any stock without par value shall be allocated to the paid-in surplus of the company.

ARTICLE V

1. The officers of the corporation shall be a president, one or more vice presidents, a secretary and a treasurer, who shall be elected by the Board of Directors as shall be prescribed by the by-laws. There may also be a chairman of the board and such assistant secretaries and assistant treasurers as may be deemed desirable. The officers need not be stockholders, except as may otherwise be provided in the by-laws of the corporation. There may also be such other subordinate officers and agents as the business of the corporation may require, who shall be elected or appointed as the by-laws may prescribe. The same person may hold at the same time two or more offices and also be a director.

2. The Board of Directors shall be of not less than three members, who need not be stockholders, except as may otherwise be provided by the by-laws. The directors shall be elected or appointed and any vacancies at any time occurring in the Board of Directors shall be filled by the stockholders or the Board of Directors or any thereof in such manner and for such terms as the by-laws may prescribe.

3. The following persons are the first officers and diretors of the corporation:

E. E. BLACK . . . . . Chairman of the Board and Director
(b) (6)

JAMES F. GARY . . . . . President and Director
(b) (6)

JAMES S. FRANDSEN . . . . . Senior Vice President and Director
(b) (6)

PAUL C. JOY . . . . . Vice President
(b) (6)

LOWELL E. MEE . . . . . Treasurer and Director
(b) (6)

DAVID C. VAUGHAN . . . . . Secretary
(b) (6)
(b) (6)

GEORGE R. ARIYOSHI . . . . . Director
(b) (6)
(b) (6)

L. L. GOWANS . . . . . Director
(b) (6)
(b) (6)

HENRY B. CLARK, JR. . . . . Director
(b) (6)
(b) (6)

SHERIDAN C. F. ING . . . . . Director
(b) (6)
(b) (6)

WADE E. SHEEHAN . . . . . Director
(b) (6)

FRED B. SMALES . . . . . Director
(b) (6)
(b) (6)

JAMES C. STOPFORD . . . . . Director
(b) (6)

C. B. WIGHTMAN . . . . . Director
(b) (6)

KEE FOOK ZANE . . . . . Director
(b) (6)

4. All the powers and authority of the corporation shall be vested in and may be exercised by the Board of Directors except as otherwise provided by law, these Articles of Incorporation or the by-laws of the corporation; and in furtherance and not in limitation of said general powers, the Board of Directors shall have powers to acquire and dispose of property; appoint a general manager, branch managers, and such other managers, officers or agents of the corporation as in its judgment the business thereof may require, and confer upon and delegate to them by power of attorney or otherwise such power and authority as it shall determine; fix the salaries or compensation of any or all of its officers, agents and employees and in its discretion require the security of any of them for the faithful performance of any of their duties; declare dividends in accordance with law when it shall deem it expedient; make rules and regulations not inconsistent with law or these Articles of Incorporation or the by-laws for the transaction of business; instruct the officers or agents of the corporation with respect to, and to authorize the voting of stock of other corporations owned or held by this corporation; incur indebtedness as may be deemed necessary, which indebtedness may exceed the amount of the corporation's capital stock; create such committees (including an executive committee) and designate as members of such committees such persons as it shall determine, and confer upon such committees such powers and authority as may by resolution be set forth for the purpose of carrying on or exercising any of the powers of the corporation; create and set aside reserve funds for any purpose, and invest any funds of the corporation in such securities or other property as to it may seem proper; remove or suspend any officer; and, generally, to do any and every lawful act necessary or proper to carry into effect the powers, purposes and objects of the corporation.

ARTICLE VI

Service of process against the corporation may be made upon any of the principal officers of the corporation.

ARTICLE VII

All of the property of the corporation shall be liable for its debts, but no holder of or subscriber for shares of the capital stock of the corporation shall be individually liable beyond the amount, if any, which may be due upon the shares of capital stock held or subscribed for by him.

ARTICLE VIII

No contract or other transaction between the corporation and any other person, firm or corporation, and no act of the corporation, shall in any way be affected or invalidated by the fact that any of the directors of the corporation are parties to such contract or transaction or act, or are pecuniarily or otherwise interested in the same, or are directors or officers or members of any such other firm or corporation, provided that the interest of such directors shall be disclosed or shall have been known to the Board of Directors authorizing or approving the

same, or to a majority thereof. Any director of the corporation who is pecuniarily or otherwise interested in, or is a director or officer or member of such other firm or corporation, may be counted in determining a quorum of any meeting of the Board of Directors which shall authorize or approve any such contract, transaction or act; and may vote thereon with like force and effect as if he were in no way interested therein, provided his interest has been disclosed or is known as hereinbefore set forth. No director or officer of the corporation being so interested in any such contract, transaction or act of the corporation which shall be approved by the Board of Directors, shall be liable or accountable to the corporation or to any stockholder thereof for any loss incurred by the corporation pursuant to or by reason of such contract, transaction or act, or for any gain received by any such other party pursuant thereto or by reason thereof.

MINUTES OF THE MEETING OF STOCKHOLDERS

HONOLULU GAS COMPANY, LIMITED

EXCERPT

Held in the offices of the Company, 1060 Bishop Street, Honolulu, Hawaii on March 31, 1970.

DIRECTORS' PROPOSALS:

The three proposals of the Board of Directors as set forth in the Proxy Statement distributed in connection with this meeting were considered individually. A copy of the Proxy Statement is attached hereto as Exhibit B and made a part of these minutes.

Proposal No. 1 to amend Article IV of the Articles of Association

Upon motion duly made and seconded, the proposal was adopted by a vote of 351,693 shares for the proposal and 1,302 shares against.

Proposal No. 2 to adopt a Plan of Reorganization and Agreement of Merger

Upon motion duly made and seconded, the proposal was adopted by a vote of 350,821 shares for the proposal and 1,589 shares against.

Proposal No. 3 to elect Haskins & Sells as Auditor

Upon motion duly made and seconded, the proposal was adopted by a vote of 357,272 shares for the proposal and 719 shares against.

ADJOURNMENT:

The meeting was adjourned at 8:55 a.m.

David C. Vaughan

David C. Vaughan
Secretary

DCV/plv

EXHIBIT B

HC DLULU GAS COMPANY, LIM ED

Minutes of the Meeting of the
Preferred Stockholders

Held in the offices of the Company,
1060 Bishop Street, Honolulu,
Hawaii on March 31, 1970.

PRESENT: James F. Gary, President
David C. Vaughan, Secretary

The meeting was called to order at 11:10 a.m. by the President.

The Secretary reported that there were represented at the meeting 31,500 shares of the 5-5/8% Cumulative Preferred Stock, Series B, and no shares of the 4.90% Cumulative Preferred Stock, Series C.

Upon motion duly made and seconded, it was resolved to adjourn the meeting until June 24, 1970, at 8:00 a.m. in the offices of the Company.

* * * * * *

Minutes of the Adjourned Meeting of the
Preferred Stockholders of the Company

The President called the adjourned meeting to order at 8:00 a.m. on June 24, 1970.

Present were James F. Gary, President, and David C. Vaughan, Secretary.

The Secretary reported that there were represented at the meeting 30,375 shares of the 5-5/8% Cumulative Preferred Stock, Series B, and 34,000 shares of the 4.90% Cumulative Preferred Stock, Series C, being 100% of the outstanding shares of preferred stock of the Company.

Upon motion duly made and seconded, the Plan of Reorganization and Agreement of Merger, attached to and made a part of these minutes, was unanimously adopted, and the President and Secretary were authorized and directed to execute the Agreement in the name of the Company.

The meeting was adjourned at 8:10 a.m.

David C Vaughan

David C. Vaughan
Secretary

GASCO, INC.

Minutes of the Stockholder
Meeting held March 31, 1970,
in the offices of the Company,
1060 Bishop Street, Honolulu,
Hawaii.

Present were James F. Gary, President, and Lowell E. Mee, Secretary. Mr. Gary, as President of Pacific Resources, Inc. represented the sole stockholder.

The meeting was called to order at 11:00 a.m. by the President.

Upon motion duly made and seconded, the Plan of Reorganization and Agreement of Merger, attached to and made a part of these minutes, was unanimously adopted, and the President and Secretary were authorized and directed to execute the Agreement in the name of the corporation.

The meeting was adjourned at 11:10 a.m.

Lowell E. Mee

Lowell E. Mee
Secretary

LEM/plv

PACIFIC RESOURCES, INC.

Minutes of the Stockholders Meeting held March 31, 1970, in the offices of the Company, 1060 Bishop Street, Honolulu, Hawaii.

Present were Mr. James F. Gary, President and sole Stockholder of the Company, and David C. Vaughan, Secretary.

The meeting was called to order at 10:30 a.m. by the President.

Upon motion duly made and seconded, the Plan of Reorganization and Agreement of Merger, attached to and made a part of these minutes, was unanimously adopted, and the President and Secretary were authorized and directed to execute the Agreement in the name of the Company.

The meeting was adjourned at 10:40 a.m.

David C Vaughan

David C. Vaughan
Secretary

DCV/plv

Depart. er of the Treasury

Internal Revenue Service
Washington, DC 20224

Date: JUN 1 8 1970

In reply refer to: T:I:R:1

Honolulu Gas Company, Limited
1060 Bishop Street
Honolulu, Hawaii 96813

Gentlemen:

This is in reply to a letter dated May 4, 1970, in which a ruling is requested as to the Federal income tax consequences of a proposed transaction. The relevant facts submitted are summarized below.

Honolulu Gas Company, Limited ("Hongas"), employer identification number 99-0041940, is a Hawaii corporation engaged primarily in the business of manufacturing and distributing gas throughout the State of Hawaii. As of December 31, 1969, Hongas had outstanding 427,142 shares of ten dollar par value common stock, 31,500 shares of 5 5/8 percent Series B cumulative preferred stock and 35,200 shares of 4.90 percent Series C cumulative preferred stock. On March 31, 1970, a three for two split of the common stock was authorized, increasing the number of outstanding shares to 640,713.

The board of directors and the management of Hongas believe that the economic strength of the present enterprise can be enhanced through diversification of its business by investments in businesses other than the manufacture and distribution of gas. In order to facilitate such a diversification program, the organization of a holding company has been proposed. Through the use of a holding company, nonutility businesses can be separately conducted from Hongas' utility business which is subject to regulation by the Public Utilities Commission of the State of Hawaii. In addition, the operation of nonutility activities by subsidiaries of a holding company permits opportunities for more flexible financing arrangements.

In order to effect the formation of a holding company, management of Hongas has had a new corporation, Pacific Resources, Inc. ("PRI") organized under Hawaii law. PRI, in turn, has organized two wholly owned subsidiaries, Gasco, Inc. ("Gasco") and Hawaii Energy Resources, Inc. ("Heri"). PRI has issued 300 shares of its common stock to Hongas for $2000 and PRI has paid $1,000 to Gasco and to Heri for all the outstanding stock of each of those corporations. None of these corporations have any other assets.

EXHIBIT C

Pursuant to a Plan of Reorganization and Agreement of Merger it is proposed that Gasco merge into Hongas in accordance with the applicable Hawaii law. Hongas will be the surviving corporation. On the effective date of the proposed transaction each outstanding share of common stock of Gasco will, by operation of law, become an outstanding share of common stock of Hongas and each outstanding share of Hongas common stock, other than shares held by the dissenting shareholders, will similarly be converted and changed into one share of common stock of PRI.

Immediately prior to the proposed transaction, the amount of authorized common stock of PRI and of Gasco, respectively, will be increased, and Gasco will exchange shares of its common stock for shares of PRI common stock. After the proposed transaction, the PRI shares issued to Gasco will be held by Hongas for issue to any former Hongas shareholders desiring PRI certificates. Except for shareholders desiring to exchange their Hongas certificates for PRI certificates, there will be no exchange of Hongas common stock certificates for PRI certificates. The outstanding Hongas common stock certificates will be deemed to represent PRI common stock. Hongas will change its name to Gasco, Inc. and PRI will assume the options granted by Hongas under its qualified stock option plan. The 300 PRI common shares issued on its organization will be redeemed for the $2,000 issue price and those shares will be cancelled. This will result in the former Hongas common shareholders owning all of the outstanding stock of PRI after the merger. The $1,000 received by Gasco for the stock it originally issued to PRI will be used by Gasco to pay legal expenses.

Hongas will continue to conduct its present business without change, except that its common stock will then be wholly owned by PRI. The proposed transaction will have no effect on the outstanding preferred stocks of Hongas.

Any Hongas stockholder who did not approve the proposed transaction may demand payment of the fair market value of his shares by compliance with Hawaiian statutes. Such payment will be made by Hongas. The management of Hongas does not have any knowledge of any intention on the part of Hongas common shareholders to dispose of the PRI shares received in exchange for the Hongas shares. PRI intends to hold the shares of Hongas acquired on the merger.

Based solely on the information submitted, it is held as follows:

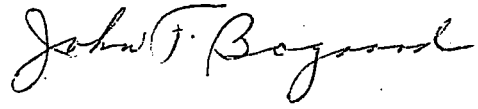
(1) For Federal income tax purposes, the formation of Gasco, the increase in the amount of authorized common stock of PRI and Gasco, the exchange of

No opinion is expressed as to the tax treatment of the transaction under the provisions of any of the other sections of the Code and Regulations which may also be applicable thereto, or to the tax treatment of any conditions existing at the time of, or effects resulting from, the transaction which are not specifically covered by the above rulings.

A copy of this letter should be attached to the Federal income tax returns of Hongas and PRI for the taxable year in which the transaction covered by this ruling is consummated.

Pursuant to a power of attorney on file in this office, a copy of this ruling is being sent to Mr. Harold M. Seidel.

Very truly yours,



Chief, Reorganization Branch

ANTHONY & WADDOUPS

J. Garner Anthony
Thomas M. Waddoups
Howard K. Hoddick
Robert E. Brown
Arthur B. Reinwald
Dennis E. W. O'Connor
Alexander C. Marrack
Peter A. Donahoe
John H. R. Plews

Law Offices
Fourth Floor, 333 Queen Street
P. O. Box 3199
Honolulu, Hawaii 96813
Telephone: 537-1941
Wireless "Hermes" Honolulu

A. G. M. Robertson
1867-1947

Alfred L. Castle
Retired

June 25, 1970

Honolulu Gas Company, Limited
1060 Bishop Street
Honolulu, Hawaii 96813

Gentlemen:

We have examined the plan of reorganization and agreement of merger as set forth in your proxy statement dated February 27, 1970, and are familiar with the proposed plans for organization and operations of the corporate structure following consummation of the plan and merger. The company has no present plans to conduct any material or substantial operations or activities outside of Hawaii.

§3(a)(1) of the Public Utility Holding Company Act of 1935 provides that the SEC may by rules and regulations exempt any holding company and every subsidiary company thereof from the provisions of the Act, if the holding company and every subsidiary thereof which is a public utility company from which the holding company derives a material part of its income, are predominantly intrastate in character and carry on their business substantially in a single state in which the holding company and such subsidiary company are organized.

Reg., §250.2 provides that any holding company and every subsidiary company thereof shall upon the filing of an exemption statement on Form U-3A-2 be exempt from the provisions of the Act (except section 9(a)(2), pertaining to acquisitions of securities of other public utility companies) if the holding company and every public utility subsidiary thereof are predominantly intrastate in character and carry on their business in a single state in which they

EXHIBIT NO. C

are organized.

In our opinion the organization and operations of the company and its public utility subsidiary company following the consummation of the merger will be exempt pursuant to §3(a)(1) of the Act, and no approval of the Securities and Exchange Commission is required for the consummation of the transactions contemplated under the agreement.

Very truly yours,

Arthur B. Reinwald

ABR:rbc

cc: Harold M. Seidel, Esq.

LAW OFFICES OF
LEBOEUF, LAMB, LEIBY & MACRAE
ONE CHASE MANHATTAN PLAZA
NEW YORK, N.Y. 10005

RANDALL J. LEBOEUF, JR.
ADRIAN C. LEIBY
CAMERON F. MACRAE
JAMES O'MALLEY, JR.
JOHN L. GROSE
HALCYON G. SKINNER
JAMES G. MCELROY
H. RICHARD WACHTEL
TAYLOR R. BRIGGS
DOUGLAS W. HAWES
RONALD D. JONES
CARL D. HOBELMAN
HAROLD M. SEIDEL
ERNEST S. BALLARD, JR.
KEITH BROWN
GEORGE B. GODFREY
PAUL G. RUSSELL
DAVID P. BICKS
DONALD J. GREENE
JOSEPH S. STRAUSS
A. READING VAN DOREN, JR.
GERARD P. WATSON
CHARLES P. SIFTON

HORACE R. LAMB,
OF COUNSEL

ARVIN E. UPTON
EUGENE B. THOMAS, JR.
LEONARD M. TROSTEN
1821 JEFFERSON PLACE, N.W.
WASHINGTON, D.C. 20036

CABLE ADDRESS
LEBWIN, NEW YORK

NEW YORK TELEPHONE
212 HA 2-6262

July 10, 1970

Board of Directors
Honolulu Gas Company, Limited
1060 Bishop Street
Honolulu, Hawaii 96813

Dear Sirs:

As special counsel to Honolulu Gas Company, Limited (the "Company") in connection with the plan of reorganization and agreement of merger set forth in the proxy statement of the Company dated February 27, 1970, we have reviewed and are familiar with the proposed corporate structure and the plans for operation following consummation of the reorganization and merger. Among other things, we understand that no material corporate operations will be conducted outside of Hawaii.

Based on the foregoing, we are of the opinion that:

1. The proposed agreement of merger and the transactions contemplated thereby will not require prior approval of the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935 (the "Act"); and

2. Upon filing an exemption statement on Form U-3A-2, the Company and the holding company will be entitled, pursuant to Section 3(a)(1) of the Act and 17 CFR 250.2, to an exemption from the provisions of the Act, subject to filing certain annual reports, except Section 9(a)(2) relating to acquisitions of securities of other public utility companies.

Very truly yours,

LeBoeuf, Lamb, Leiby & MacRae

ANTHONY & WADDOUPS

J. Garner Anthony
Thomas M. Waddoups
Howard K. Hoddick
Robert E. Brown
Arthur B. Reinwald
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Wireless "Hermes" Honolulu

A. G. M. Robertson
1867-1947

Alfred L. Castle
Retired

July 15, 1970

Honolulu Gas Company, Limited
1060 Bishop Street
Honolulu, Hawaii

Gentlemen:

We are general counsel for Honolulu Gas Company, Limited, Pacific Resources, Inc. and Gasco, Inc., and are familiar with the general nature of the legal affairs of these corporations. We have examined such records and documents, and such legal authorities as we deem necessary for the purposes of this opinion; and we hereby advise you that in our opinion:

1. Honolulu Gas Company, Limited, Pacific Resources, Inc. and Gasco, Inc. are each a corporation duly organized, validly existing and in good standing under the laws of the State of Hawaii.

2. The plan of reorganization and agreement of merger set forth as Appendix B to the proxy statement of Honolulu Gas Company, Limited, dated February 27, 1970, has been duly executed by the president of each of the three corporations and is a valid and binding agreement of each of the parties thereto in accordance with its terms.

3. The execution of the agreement of merger does not, and the consummation of the merger therein provided for and every other transaction therein provided for which is to be consummated on or prior to the effective date of the merger will not violate any provision of the articles of association or incorporation or the by-laws of any of Honolulu Gas Company, Limited, Pacific Resources,

EXHIBIT NO. C

Inc., or Gasco, Inc., nor violate any provision of any material agreement, instrument, order, arbitration award, judgment or decree of which we have knowledge, to which any of these corporations may be a party or to which it is bound, nor result in the acceleration of, or give rise to any right to accelerate, any material indebtedness of any of these corporations of which we have knowledge. In stating this opinion, we are relying on the opinion of Messrs. LeBoeuf, Lamb, Leiby & MacRae of New York, special counsel, that the merger agreement and the transactions to be consummated thereunder will not violate the provisions of any purchase agreement or indenture covering the debt securities of Honolulu Gas Company, Limited; and we have made an independent examination of the applicable documents and law and concur in the conclusions of such special counsel.

Very truly yours,

Arthur B. Reinwald

Arthur B. Reinwald

ABR:rbc

cc: Pacific Resources, Inc.
Gasco, Inc.

RESOLVED that on the effective date of the Plan of Reorganization and Agreement of Merger by and among Honolulu Gas Company, Limited, Gasco, Inc. and the Company, dated June 24, 1970, and authorized by the stockholder at the stockholder meeting held March 31, 1970, Paragraph 1. of Article IV of the Articles of Incorporation of Pacific Resources, Inc. be amended to read as follows:

ARTICLE IV

CAPITAL STOCK

1. The capital stock of the company shall be twenty million dollars ($20,000,000) represented by three million (3,000,000) shares of common stock of the par value of six and two-thirds dollars ($6-2/3) per share. The company may increase its capital stock from time to time to an amount, comprising all classes of capital stock, not exceeding fifty million dollars ($50,000,000).

EXHIBIT D

C

RECORDATION REQUESTED BY:

DEPARTMENT OF REGULATORY AGENCIES
BUSINESS REGISTRATION DIVISION
ISSUE RECEIPT TO:

DAVID C. VAUGHAN

AFTER RECORDATION, RETURN TO:

DEPARTMENT OF REGULATORY AGENCIES
BUSINESS REGISTRATION DIVISION

RETURN BY: MESSENGER

71-17047

THE ORIGINAL OF THE DOCUMENT RECORDED AS FOLLOWS:
STATE OF HAWAII
OFFICE OF
BUREAU OF CONVEYANCES

Received for record this APR - 5 1971
day of _____, A.D., 19____
at 3:33 o'clock P. M. and
Recorded at Liber 7476
on Pages 471

STATE OF HAWAII
DEPARTMENT OF REGULATORY AGENCIES
HONOLULU

CERTIFICATE FOR FILING WITH THE REGISTRAR OF THE BUREAU OF CONVEYANCES OF THE STATE OF HAWAII AS REQUIRED BY SECTION 416-23, HAWAII REVISED STATUTES

I, the undersigned Director of Regulatory Agencies of the State of Hawaii, do hereby certify that pursuant to an amendment to the Articles of Association of HONOLULU GAS COMPANY, LIMITED, a Hawaii corporation, the name of the said corporation was changed to GASCO, INC.

Further, I do hereby certify that I have determined that such change in the name of said corporation is not in conflict with the provisions of Section 416-12, Hawaii Revised Statutes.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Regulatory Agencies, at Honolulu, this 5th day of April, 19 71.

Director of Regulatory Agencies

By _____
Corporation & Securities Administrator

D

PRI **Pacific Resources, Inc.**

PRI Tower 733 Bishop Street
P.O. Box 3379 Honolulu, Hawaii 96842
Telephone (808) 547-3111 Telex (ITT) 7430292

January 12, 1989

Dear Shareholders:

We are pleased to inform you that Pacific Resources, Inc. (the "Company") has entered into a merger agreement with The Broken Hill Proprietary Company Limited ("BHP"), pursuant to which an indirect wholly owned subsidiary of BHP has today commenced a tender offer to purchase all of the outstanding shares of the Company's Common Stock for $19.00 net per share in cash, and all of the outstanding shares of the Company's Convertible Exchangeable Depositary Preferred Shares for $28.37 net per share in cash.

The tender offer will be followed by a merger pursuant to which any remaining holders of Common Stock of the Company will receive $19.00 per share, or the highest price paid per share pursuant to the tender offer by BHP. Also following the tender offer, any shares of Convertible Exchangeable Preferred Stock (as represented by remaining Depositary Shares not tendered in the tender offer) will be redeemed at the then prevailing redemption price for such shares (currently $105.00 per Preferred Share, or $21.00 per Depositary Share). As a result of the foregoing, the Company will become an indirect wholly owned subsidiary of BHP.

Enclosed are BHP's Offer to Purchase, dated January 12, 1989, Letters of Transmittal and other related documents. These documents set forth the terms and conditions of the tender offer. Also attached is a copy of the Company's Schedule 14D-9, as filed with the Securities and Exchange Commission. The Schedule 14D-9 describes in more detail the reasons for the Board's decision and contains other important information relating to this decision. We urge you to consider this information carefully.

Prior to approving the agreement with BHP, the Board of Directors considered many factors and received the opinion of Kidder, Peabody & Co. Incorporated, the Company's financial advisor, that the consideration to be received by the Company's shareholders pursuant to the tender offer and the merger contemplated by the merger agreement was fair from a financial point of view.

I, personally, along with the Board of Directors, management and employees, thank you sincerely for your loyal support throughout the years. The Board of Directors believes that the terms of the BHP transaction are fair to and in the best interest of our shareholders and, therefore, recommends that all shareholders tender their shares into the BHP tender offer.

On behalf of the Board of Directors,

Robert G. Reed III

ROBERT G. REED III
Chairman of the Board, President and
Chief Executive Officer

Offer to Purchase for Cash
All of the Outstanding Common Shares
and
All of the Outstanding Convertible Exchangeable Depositary Preferred Shares
of

Pacific Resources, Inc.

at

$19.00 Net Per Common Share
and
$28.37 Net Per Convertible Exchangeable Depositary Preferred Share
by

RTV Corporation
An Indirect Wholly Owned Subsidiary of

The Broken Hill Proprietary Company Limited

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, FEBRUARY 9, 1989, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (i) COMMON SHARES AND DEPOSITARY SHARES REPRESENTING A MINIMUM OF 75% OF THE COMMON SHARES OUTSTANDING ON A FULLY DILUTED BASIS AT THE TIME COMMON SHARES AND/OR DEPOSITARY SHARES ARE TO BE ACCEPTED FOR PAYMENT PURSUANT TO THE OFFER HAVING BEEN PROPERLY AND VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER (TREATING AS PROPERLY AND VALIDLY TENDERED AND NOT WITHDRAWN FOR THIS PURPOSE ALL COMMON SHARES AND DEPOSITARY SHARES NOT SO TENDERED AT SUCH TIME WHICH THE OFFEROR HAS THE RIGHT TO PURCHASE UNDER EITHER OF THE STOCK OPTION AGREEMENTS), (ii) THE HAWAII PUBLIC UTILITIES COMMISSION HAVING GRANTED ALL APPROVALS NECESSARY FOR THE PURCHASE BY THE PURCHASER OF COMMON SHARES AND DEPOSITARY SHARES PURSUANT TO THE OFFER AND (iii) THE OFFICE OF ENVIRONMENTAL QUALITY CONTROL OF THE STATE OF HAWAII HAVING DETERMINED THAT THE FILING MADE BY BHP PURSUANT TO CHAPTER 343D OF HAWAII REVISED STATUTES IS ADEQUATE AND COMPLETE AND HAVING ADVISED BHP TO THAT EFFECT.

THE BOARD OF DIRECTORS OF PACIFIC RESOURCES, INC. HAS APPROVED THE OFFER AND THE MERGER AND RECOMMENDS THAT SHAREHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES.

IMPORTANT

Any shareholder desiring to tender all or any portion of his shares of Common Stock, without par value (the "Common Shares"), or his Convertible Exchangeable Depositary Preferred Shares, without par value (the "Depositary Shares" and, collectively with the Common Shares, the "Shares") of the Company should either (1) complete and sign the appropriate Letter(s) of Transmittal (the Blue Letter of Transmittal for Common Shares and the Yellow Letter of Transmittal for Depositary Shares) or facsimiles thereof in accordance with the instructions contained in the Letter(s) of Transmittal, and mail or deliver the Letter(s) of Transmittal or such facsimiles with his certificate(s) for the tendered Shares, and any other required documents, to the Depositary, or follow the procedure for book-entry tender of Shares set forth in Section 3, or (2) request his broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him.

Shareholders having Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender Shares so registered. A shareholder who desires to tender Shares and whose certificates for such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedures for guaranteed delivery set forth in Section 3.

Questions and requests for assistance may be directed to the Information Agent or to the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase and the Letters of Transmittal may be directed to the Information Agent or to brokers, dealers, commercial banks or trust companies.

The Dealer Manager for the Offer is:

Morgan Guaranty Trust Company
of New York

January 12, 1989

E

STOCK SALE AGREEMENT
RE: GASCO, INC. ("Gasco")
By and Between
Citizens Utilities Company ("Citizens")
and
BHP Hawaii Inc. ("BHP")
dated as of January 9, 1997,
as amended as of
October 31, 1997

CLOSING STATEMENT

1.	Gross Purchase Price:	$100,200,000
2.	Plus or Minus Estimated Adjustments to Gross Purchase Price:	
	a. Plus or minus extent to which Adjusted Working Capital is greater or less than $8,625,152 (see Exhibit A):	$2,282,526
	b. Plus or minus variance between Gasco's eligible capital expenditures for the period from June 1, 1996 through October 31, 1997 and the Current Capital Budget for such period, unless such variance is less than $100,000 (see Exhibit B):	$526,000
	c. Minus amount of Casualty Account, if any:	$0
3.	Total Estimated Adjustments to Gross Purchase Price:	$2,808,526
4.	Initial Purchase Price (1±3):	$103,008,526
5.	Plus one-half of the cost of the title policies and Surveys paid in full by BHP:	$40,235
6.	Total Cash to be Transferred to BHP at Closing:	$103,048,761

BHP HAWAII INC.

By: _____
Henry G. Neal
President

CITIZENS UTILITIES COMPANY

By: _____
J. Michael Love
Vice President
Citizens Public Services

53898

[CONFORMED COPY]

STOCK SALE AGREEMENT

by and between

BHP HAWAII INC.,
a Hawaii corporation,

and

CITIZENS UTILITIES COMPANY,
a Delaware corporation

Dated As Of January 9, 1997

F

STATE OF HAWAII

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Honolulu

CERTIFICATE OF MERGER

I, KATHRYN S. MATAYOSHI, Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that pursuant to the Articles of Merger and Plan of Merger of CITIZENS UTILITIES COMPANY, a Delaware corporation, filed in this Department on October 31, 1997, in accordance with the provision with Section 415-75 of the Hawaii Revised Statutes, GASCO, INC., a Hawaii corporation, was merged with and into CITIZENS UTILITIES COMPANY on November 1, 1997, at 12:01a.m., Hawaiian Standard Time.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce & Consumer Affairs, at Honolulu, State of Hawaii, this 7th day of November, 1997.

Director of Commerce and Consumer Affairs

By Amy Iha
for Commissioner of Securities

I HEREBY CERTIFY that this is a true and correct copy of the original issued by this office.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS STATE OF HAWAII

DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS

By: for COMMISSIONER OF SECURITIES

Date: November 7, 1997

IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Merger of GASCO, INC. a Hawaii corporation into CITIZENS UTILITIES COMPANY, a Delaware corporation	)

ARTICLES OF MERGER
(Subsidiary into Parent)

(Section 415-75, Hawaii Revised Statutes)

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

1. The name and state of incorporation of the parent or surviving corporation is:

Corporate Name	State
CITIZENS UTILITIES COMPANY	Delaware

2. The name and state of incorporation of the merging or subsidiary corporation is:

Corporate Name	State
GASCO, INC.	Hawaii

egs/10023/0014/97.docs/ArtsMerger

3. The surviving corporation owns all of the issued and outstanding shares of the merging corporation.

4. The Plan of Merger is attached as Exhibit A.

5. The mailing of a copy of the Plan of Merger was waived by the surviving corporation being the owner of all of the issued and outstanding shares of the subsidiary corporation.

6.

Number of Outstanding Shares of the Subsidiary Corporation	Class/Series	Number of Outstanding Shares of the Subsidiary, owned by the Parent Corporation
960,000	Common	960,000

7. The merger shall become effective at 12:01 a.m., Hawaiian Standard Time, November 1, 1997.

We certify under the penalties of Section 415-136, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

Witness our hands this 31st day of October, 1997.

PARENT OR SURVIVING CORPORATION: **CITIZENS UTILITIES COMPANY**

Name: L. Russell Mitten
Title: Vice President

Signature of Officer

Name: J. Michael Love
Title: Vice President

Signature of Officer

9

PLAN OF MERGER

OF

GASCO, INC.

INTO

CITIZENS UTILITIES COMPANY

PLAN OF MERGER, dated for identification purposes only as of January 31, 1997, adopted by Citizens Utilities Company ("CUC"), a Delaware corporation, and Gasco, Inc. ("Gasco"), a Hawaii corporation.

WITNESSETH THAT:

WHEREAS, CUC is a corporation duly organized on November 12, 1935, existing and in good standing under the laws of the State of Delaware, and

WHEREAS, Gasco, originally formed under the name Honolulu Gas Company, Limited, on August 2, 1904 is a corporation duly organized and existing and in good standing under the laws of the State of Hawaii, and

WHEREAS, on the date of this Plan of Merger, the total number of shares of capital stock of CUC and Gasco issued and outstanding is set forth below:

CORPORATION	CLASS OF STOCK	PAR VALUE	NUMBER OF SHARES OUTSTANDING
Citizens Utilities Company	Series A Common Series B Common	$ .25	154,583,336 85,004,689
Gasco, Inc.	Common	$6 2/3	960,000

All of the shares of Gasco are issued to, owned and held by CUC.

WHEREAS, the Board of Directors of CUC and Gasco deem it advantageous for their respective customers and for the benefit of the shareholders thereof to merge CUC and Gasco into CUC in accordance with the applicable laws of the States of Delaware and Hawaii,

NOW THEREFORE, CUC and Gasco and the respective Board of Directors thereof do hereby agree upon, approve and adopt the following Plan of Merger and do hereby prescribe and state the terms and conditions of said merger, the mode of carrying

EXHIBIT A

same into effect and such other pertinent matters as are required or permitted by law to be set forth herein as follows:

First: Gasco shall be merged into CUC (hereinafter sometimes referred to as the "Surviving Corporation") and the Surviving Corporation shall be governed by the laws of the State of Delaware and the Certificate of Incorporation of CUC shall be the Certificate of Incorporation for the Surviving Corporation.

Second: The terms and conditions of the merger and the mode of carrying the same into effect are as follows:

If the Board of Directors of CUC shall have approved the proposed merger, the approval of the Hawaiian Public Utilities Commission to consummate the merger having been received, and upon the conditions herein set forth, the Board of Directors of CUC shall not have determined to abandon the merger, then in such event, A Certificate of Merger setting forth this Plan of Merger (and such other documents and certificates as may be required by law) shall be signed, certified, acknowledged, filed and recorded pursuant to the applicable laws of the State of Delaware and Hawaii. When the merger herein provided shall become effective, the separate existence of Gasco shall cease and Gasco shall be merged into the Surviving Corporation in accordance with the provisions of the Plan of Merger.

Third: The Board of Directors of CUC and Gasco, have agreed that as of the effective date of the merger, all of the issued and outstanding shares of Gasco shall cease to exist and be canceled without further action and there shall be no conversion of any shares of Gasco into shares of the Surviving Corporation.

Fourth: By-laws of CUC as presently in effect shall remain and be the By-laws of the Surviving Corporation until altered or amended according to the provisions thereof.

Fifth: The Board of Directors of the Surviving Corporation shall consist of the individuals who are the Directors of CUC at the time the merger becomes effective and the said persons shall be, and continue to be, Directors of the Surviving Corporation until the next ensuing meeting of its stockholders for the election of the Board of Directors and/or until their respective successors are elected and qualified.

Sixth: The officers of the Surviving Corporation shall consist of the individuals who are officers of CUC at the time the merger becomes effective and the said persons shall be, and continue to be, officers of the Surviving Corporation until the next ensuing meeting of its Board of Directors for the election of the officers and/or until their respective successors are elected and qualified.

Seventh: From and after the effective date of the merger, the separate existence of Gasco shall cease and the Surviving Corporation shall continue to conduct the businesses theretofore conducted by Gasco and the Surviving Corporation shall possess all the

11

rights, privileges, immunities and franchises of a public as well as a private nature of Gasco; and all property, real, personal and mixed, and all debts due or whatever account and all other choses in action and every other interest or belonging to or due to Gasco shall be transferred to and vested in the Surviving Corporation without further act or deed; and the title to any real estate or any interest therein vested in Gasco shall not revert or be in any way impaired by reason of the merger provided for hereby. From and after the effective date of the merger, the Surviving Corporation shall be responsible and liable for all the liabilities and obligations of Gasco and any claim existing or action or proceeding pending by or against Gasco may be prosecuted through judgment as if the merger had not taken place or the Surviving Corporation may be substituted in place of Gasco. Neither the rights of creditors nor any liens upon the property of Gasco shall be impaired by the consummation of the merger.

CITIZENS UTILITIES COMPANY

By: J. Michael Love, Vice President

GASCO, INC.

By: J. Michael Love, Vice President

RECEIVED
OCT 31 1997
11:51AM
Dept. of Commerce & Consumer Affairs
STATE OF HAWAII

APPOINTMENT OF AGENT FOR SERVICE OF PROCESS AND AGREEMENT TO PAY DISSENTING SHAREHOLDERS

Pursuant to Section 415-77, Hawaii Revised Statutes, the undersigned, duly authorized officers of the corporation submitting this Appointment of Agent for Service of Process and Agreement to Pay Dissenting Shareholders, certify as follows:

1. This document is submitted in conjunction with certain Articles of Merger duly executed on October 31, 1997, concerning the merger of Gasco, Inc., a Hawaii corporation into CITIZENS UTILITIES COMPANY, a Delaware corporation.

2. Citizens Utilities Company, as survivor of the aforementioned merger, agrees that it may be served with process in the State of Hawaii in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger, and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against Citizens Utilities Company, as survivor, and Citizens Utilities Company, as survivor, irrevocably appoints PHCS Hawaii, Inc., 1001 Bishop Street, Honolulu, Hawaii 96813, as its agent to accept service of process in any such proceeding.

3. Citizens Utilities Company, as survivor of the aforementioned merger, further agrees that it will promptly pay to the dissenting shareholders of any domestic corporation which is party to such merger, the amount, if any, to which they shall be entitled under the provisions of Chapter 415, Hawaii Revised Statutes, with respect to the rights of dissenting shareholders.

We certify under the penalties of Section 415-136, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

Witness our hands this 31st day of October, 1997.

PARENT OR SURVIVING CORPORATION: **CITIZENS UTILITIES COMPANY**

Name: L. Russell Mitten
Title: Vice President

Signature of Officer

Name: J. Michael Love
Title: Vice President

J. Michael Love
Signature of Officer

egs/10023/0014/97.docs/ApptToPay

G

ASSET PURCHASE AGREEMENT

by and between

CITIZENS COMMUNICATIONS COMPANY, as SELLER,

and

K-1 USA VENTURES, INC., as BUYER,

Dated as of December 19, 2002

File # GAs-1.18

H

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

MARK E. RECKTENWALD
DIRECTOR

RYAN S. USHIJIMA
COMMISSIONER OF SECURITIES

STATE OF HAWAII
BUSINESS REGISTRATION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
1010 RICHARDS STREET, P.O. BOX 40
HONOLULU, HAWAII 96810

WWW.BUSINESSREGISTRATIONS.COM

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, hereby certify that the attached is a true and exact copy of:

ARTICLES OF ORGANIZATION
of
HAWAII GAS COMPANY, L.L.C.

filed in this Department on February 24, 2003.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: July 28, 2003

Mark E. Recktenwald

Director of Commerce and Consumer Affairs

Of Counsel:
McCORRISTON MILLER MUKAI MacKINNON LLP
ANDREW W. CHAR, ESQ.
Five Waterfront Plaza, Suite 400
500 Ala Moana Boulevard
Honolulu, Hawaii 96813
Tel. No. 529-7300
Attorneys for Organizer

FILED 02/24/2003 02:04 PM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

23473C5

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Organization	)
of	)
HAWAII GAS COMPANY, L.L.C.	)

02/25/200310030

ARTICLES OF ORGANIZATION

26269

ARTICLES OF ORGANIZATION
OF
HAWAII GAS COMPANY, L.L.C.

The undersigned, for the purpose of forming a limited liability company under the laws of the State of Hawaii, does hereby make and execute these Articles of Organization.

ARTICLE I
NAME

The name of this limited liability company is **HAWAII GAS COMPANY, L.L.C.**, referred to in these Articles of Organization as the "Company."

ARTICLE II

INITIAL PRINCIPAL OFFICE

The mailing address of the initial principal office of the Company is **Five Waterfront Plaza, Suite 400, 500 Ala Moana Boulevard, Honolulu, Hawaii 96813.**

02/25/2003 10:00:30

ARTICLE III

AGENT FOR SERVICE OF PROCESS AND REGISTERED OFFICE

a. The name of the Company's initial agent for service of process is:

117530D1 **HAWAII REGISTERED LEGAL AGENT, INC., a Hawaii corporation**

b. The street address of the initial registered office in this State is:

Five Waterfront Plaza, Suite 400
500 Ala Moana Boulevard
Honolulu, Hawaii 96813

ARTICLE IV
ORGANIZER

The name and address of the organizer of the Company is:

Andrew W. Char
Five Waterfront Plaza, Suite 400
500 Ala Moana Boulevard
Honolulu, Hawaii 96813

ARTICLE V
DURATION

Unless dissolved earlier in accordance with law, the duration of the Company is for a specified term expiring on **January 1, 2099**. Except for prior amendment to this Article V, no act by the Company or its members can avoid that dissolution.

ARTICLE VI
MANAGEMENT BY MEMBERS

The Company will be managed by members as further provided in the Company's Operating Agreement. The initial number of members is one (1). The name and address of the initial member of the Company is:

HGC Holdings, L.L.C., 23472C5
a Hawaii limited liability company
Five Waterfront Plaza, Suite 400
500 Ala Moana Boulevard
Honolulu, Hawaii 96813

ARTICLE VII
LIABILITY OF MEMBERS

The members of the Company shall not be liable for the debts, obligations and liabilities of the Company.

02/25/2003 10:00 30

ARTICLE VIII
RELATIONSHIP OF ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT

If a provision of these Articles of Organization differs from a provision of the Company's Operating Agreement, then, to the extent allowed by law, the Operating Agreement will govern.

* * * * *

I hereby certify, under the penalties set forth in the Hawaii Uniform Limited Liability Company Act, that I have read the above statements and that the same are true and correct.

Signed this 24th day of February, 2003.

Andrew W. Char

Andrew W. Char

"Organizer"

02/25/2 10030

Department of Commerce and Consumer Affairs

I, MARK E. RECKTENWALD, Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that THE GAS COMPANY, LLC, a Hawaii limited liability company, was organized under the laws of the State of Hawaii on February 24, 2003 under the name of HAWAII GAS COMPANY, L.L.C.: that the limited liability company name was changed on June 12, 2003 to THE GAS COMPANY, LLC; and that it is an existing limited liability company in good standing, and duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, this 31st day of July, 2003.

Mark E. Recktenwald

Director of Commerce and Consumer Affairs

FILED 06/12/2003 4:31 PM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

FORM LLC-2
1/2001

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810

ARTICLES OF AMENDMENT TO CHANGE LIMITED LIABILITY COMPANY NAME

(Section 428-304, Hawaii Revised Statutes)

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, for the purpose of amending the Articles of Organization, do hereby certify as follows:

1. The present name of the limited liability company is:

   HAWAII GAS COMPANY, L.L.C.

2. The name of the limited liability company is changed to:

   THE GAS COMPANY, LLC

3. The amendment was adopted with the consent of all, or a lesser number of, the members of the limited liability company as authorized by the operating agreement.

We certify, under the penalties set forth in the Hawaii Uniform Limited Liability Company Act, that we have read the above statements and that the same are true and correct.

Signed this 12th day of June, 2003

Roy A. Pickren, Member of the
Managing Member of the Sole Member
(Type/Print Name & Title)

(Signature)

(Type/Print Name & Title)

(Signature)

06/13/20 0006

Instructions: Articles must be typewritten or printed in *black ink*, and must be *legible*. The articles must be signed and certified by at least one manager of a manager-managed company or by at least one member of a member-managed company. All signatures must be in *black ink*. Submit original articles together with the appropriate fee.

Line 1. State the full name of the limited liability company prior to the change.

Line 2. State the new name of the limited liability company. The company name must contain the words *Limited Liability Company*, or the abbreviation, *L.L.C.* or *LLC*.

Filing Fees: *Filing fee ($50.00) is not refundable.* Make checks payable to DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS. Dishonored Check ($15 fee plus interest charge).

NOTICE: THIS MATERIAL CAN BE MADE AVAILABLE FOR INDIVIDUALS WITH SPECIAL NEEDS. PLEASE CALL THE DIVISION SECRETARY, BUSINESS REGISTRATION DIVISION, DCCA, AT 586-2744, TO SUBMIT YOUR REQUEST.

J

Execution Copy

PURCHASE AGREEMENT

by and between

k1 VENTURES LIMITED,

K-1 HGC INVESTMENT, L.L.C.

and

MACQUARIE INVESTMENT HOLDINGS INC.

Dated as of August 2, 2005