

ARTICLES OF INCORPORATION
VOLCANO CYMBIDIUM ACRES
ROAD MAINTENANCE CORPORATION

The undersigned, desiring to form a non-profit corporation under the laws of the State of Hawaii, does hereby execute and adopt the following Articles of Incorporation:

ARTICLE I. CORPORATION NAME

This non-profit corporation is named Volcano Cymbidium Acres Road Maintenance Corporation and in this document is called "the Corporation".

ARTICLE II. DURATION

The duration of the corporation shall be perpetual.

ARTICLE III. OFFICE LOCATION

The principal office of the Corporation shall be located at Post Office Box 574, Volcano, Hawaii 96785, or at such other place on the Island of Hawaii, as determined by the Board of Directors.

ARTICLE IV. GENERAL PURPOSES AND POWERS

The Corporation is composed of all owners who own lots within the Volcano Cymbidium Acres Subdivision. The purpose of the Corporation is to manage and oversee the maintenance, repair, restoration, and improvement of the Volcano Cymbidium Acres road system.

The Corporation shall have the following powers:

1. To receive, hold, manage, control, re-invest, and disburse money and other property from time to time paid or transferred to the Corporation for purposes hereinafter set forth, including without limitation those funds held under that certain Agreement for Establishment of a Road Maintenance Escrow Fund for Non-Dedicable Roadways in the County of Hawaii dated 25 November 1967 by and between Marine Finance Development, Inc., a corporation, and the County of Hawaii by the Planning Director of the County of Hawaii and Bank of Hawaii (hereinafter "Escrow Funds"), and any other funds held pursuant to any agreement between the subdivider and the County concerning the maintenance of the roads in the Volcano Cymbidium Acres Subdivision.
2. To maintain, repair and restore or cause to be maintained, repaired and restored, to the extent and in the manner determined by the Board of Directors, the private roads within the community known as Volcano Cymbidium Acres Subdivision,

including improvements which by their nature tend to reduce expenses of maintenance or promote safety.

3. Protect, preserve and manage the Corporation and the assets of the Corporation.

4. Pay reasonable costs and fees in connection with the management, investment and distribution of the Corporation's principal and income.

5. Maintain road equipment and machinery and hire and employ maintenance workers and award contracts for maintenance and repairs to the roadways. This can include the orchestration of resident volunteer maintenance efforts.

6. To use corporation funds to the extent necessary to purchase road equipment and machinery and make emergency repairs or restoration or resurfacing of roads within and appurtenant to the Subdivision when such repairs are made necessary by extraordinary circumstances.

7. To use principal and income to pay any taxes, penalties or interest as may now or hereafter be determined to be due on account of the operation of the Corporation.

8. To amend, from time to time, the Road Maintenance Escrow Agreements, including provisions changing the depository or responsibility for investment management of funds held by the Depository.

9. To implement and enforce assessments as provided in the By-Laws and to generate income to satisfy the purposes and obligations of the Corporation under these Articles of Incorporation and the By-Laws.

10. To make improvements to promote the safety of the Volcano Cymbidium Acres Subdivision road system, including the installation of traffic signs and other necessary road markings.

11. To levy fines and other sanctions against those who abuse and damage the road system.

12. To the extent necessary, to establish the right of the Corporation to assess owners of lots in the Volcano Cymbidium Acres Subdivision for and to collect funds for the purposes of the Corporation related to maintenance, repair and restoration of road lots in the subdivision.

13. To fix, levy, collect and enforce payment by any lawful means all dues, charges, or assessments or liens established by the Board of Directors against lots within the Volcano Cymbidium Acres Subdivision, and the owners of those lots.

14. To provide for the care, operation, management, maintenance, repair and replacement of its property. Without limiting the generality of the foregoing, said obligations shall include keeping the property, respectively, in good, clean, attractive and sanitary condition, order and repair; repairing wind and other damage caused by the elements.

15. To pay for the services of any person to manage its affairs, or any part thereof, to the extent it deems advisable, as well as the services of such other personnel, including independent contractors, as the Corporation shall determine to be necessary or desirable for the proper operation of its property and performance of its duties, whether such personnel are furnished or employed directly by the Corporation or by any person with whom or which it contracts.

16. To acquire and hold tangible and intangible personal property and to dispose of the same by sale or otherwise.

17. To acquire fee simple title to, or hold a leasehold or subleasehold interest in, or any easement or right of use in, real property from time to time conveyed to it.

18. To have and exercise solely in furtherance of the purposes set forth herein, all powers granted to non-profit corporations by Hawaii Revised Statutes, Chapter 415B as now or hereafter amended.

The Corporation shall be prohibited
from the following activities:

1. No shares of stock shall be issued and no dividends shall be paid and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to any member, director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid to members, officers or directors for services actually rendered to or for the Corporation affecting one or more of its purposes), and no member, director, officer of the Corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

2. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

3. The Corporation shall not make any loans to its officers or directors. Any directors who vote for or assent to the making of a loan to a director or officer of the Corporation, and any officers participating in the making of such a loan, shall be jointly and severally liable to the Corporation for the amount of the loan until repayment.

4. No compensation shall be paid to members of the Board of Directors, for serving as directors, but this provision shall not prevent the Corporation from reimbursing directors for actual expenses incurred while attending meetings and performing duties assigned to individual directors.

ARTICLE V. MEMBERS

All owners of lots within the Subdivision shall be entitled to be members upon payment of such reasonable dues, or none, as are set by the Board of Directors from time to time.

ARTICLE VI. OFFICERS

The officers of the Corporation shall consist of a president, vice-president, secretary, and treasurer, and such assistant officers as shall be appointed in conformance with the By-Laws.

ARTICLE VII. BOARD OF DIRECTORS

There shall be a Board of Directors consisting of not less than five (5) nor more than eleven (11) members as established in accordance with the By-Laws of the Corporation. The following persons shall be the initial officers and directors, and shall hold office for the term specified and until their successors are duly elected pursuant to the By-Laws of the Corporation:

<u>Office Held</u>	<u>Name</u>	<u>Residence Address</u>
President:	Philip Gagorik	Post Office Box 188 Volcano, Hawaii 96785 Telephone: 808-967-8654
Vice President:	George Winiarski	Post Office Box 953 Volcano, Hawaii 96785 Telephone: 808-985-8527
Secretary:	Naomi Rubine	Post Office Box 953 Volcano, Hawaii 96785 Telephone: 808-985-8527
Treasurer:	Frank Hicks	Post Office Box 574 Volcano, Hawaii 96785 Telephone: 808-985-8884
Director:	Mary Lee Knapstad	Post Office Box 1104 Volcano, Hawaii 96785 Telephone: 808-985-8576

ARTICLE VIII. AMENDMENTS

These Articles may be amended by a vote of not less than seventy-five percent (75%) of the members at a meeting duly called and held for that purpose. No amendment shall be effective unless and until Articles of Amendment are filed in the office of the Director of Commerce and Consumer Affairs of the State of Hawaii, if and to the extent such filing is required by law.

ARTICLE IX. DISSOLUTION

Upon the dissolution of the Corporation or the winding up of its affairs, after payment of its just debts, the assets of the Corporation shall be transferred or distributed to an organization or governmental agency which assumes or has assumed responsibility for the maintenance and repair of roads within the Volcano Cymbidium Acres Subdivision. In the event that such transfer or distribution is refused, the assets shall be transferred or distributed to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Corporation.

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

IN WITNESS THEREOF, the undersigned have hereunto set their hand on the 13th day of February, 1996.

Philip Gagorik

Frank Hicks

STATE OF HAWAII)
)
COUNTY OF HAWAII) SS:

On this 13th day of February, 1996 before me personally appeared PHILIP GAGORIK and FRANK HICKS, to me known to be the persons described in and who executed the foregoing instrument and acknowledged to me that they executed the same as their free act and deed.

Notary Public, State of Hawaii

My commission expires: AUG 6,1997

RUSSELL A. APPLE Notary Public State of Hawaii
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