

## **ARTICLES OF INCORPORATION OF HAWAIIAN SHORES COMMUNITY ASSOCIATION**

**FIRST:** The name of the corporation shall be HAWAIIAN SHORES COMMUNITY ASSOCIATION.

**SECOND:** The location of the principal office of the corporation shall be Hawaiian Shores Recreational Estates subdivision, Pahoia, Hawaii and its mailing address shall be 15-2793 South Honu St., Pahoia, Hawaii 96778 or such other place or address as its board of directors may from time to time determine.

**THIRD:** The Corporation shall be organized and operated exclusively for the purpose of managing and maintaining the facilities and grounds owned by the association and to enforce the Declaration of Covenants, Conditions and Restrictions and shall have the following powers:

(a) To protect and promote the best interest of the property owners in the subdivision known as Hawaiian Shores Recreational Estates, in the Puna District, County and State of Hawaii, which property comprising said subdivision is more particularly shown on the map filed in the office of the Registrar of Conveyances in Honolulu, Hawaii as File Plan No. 737; to promote and strive for the improvement, maintenance and management of all common and community facilities within Hawaiian Shores Recreational Estates, to promote and encourage a better community and civic spirit among and to foster good will and friendship between all property owners of Hawaiian Shores Recreational Estates; and to cooperate with civic and public organizations for the general welfare of the people of the Island of Hawaii and of the State of Hawaii.

(b) To receive and administer funds in furtherance of the objectives and purposes mentioned above, and to that end, in addition to and not in limitation of, the general powers conferred by the laws of the State of Hawaii, to take and hold by bequest; devise, gift, grant, purchase, lease or otherwise, either absolutely, in trust, or jointly with any other person, persons or corporation, any property, real, personal, tangible or intangible, or any undivided interest therein, without limitation as to amount or value, required for its purposes; to sell, convey, or otherwise dispose of any such property and to invest, reinvest or deal with the principal of the income thereof in such manner as in the judgment of the board of directors will best promote its purposes without limitations, except such limitation if any, as may be contained in the instrument under which such property is received, this Charter of Incorporation, the bylaws or any laws applicable thereto.

(c) To enter into, make, perform and carry out contracts of every kind for any corporate purpose, without limit as to amount, with any person, firm, associate or corporation or other group or organization, including particularly contracts for the borrowing of money and for the employment of administrators and investment or other counsel as the board of directors may deem necessary; to draw, make, accept, endorse, discount, execute and issue promissory notes, warrants and other negotiable or transferable instruments; to issue bonds, debentures or other obligations for any of the objects or purposes of the corporation and to secure the same by mortgages, pledges, deeds of trust or otherwise.

(d) In accordance with the laws of the State of Hawaii, made applicable to corporations formed there under, the corporation shall be entitled to and shall have power; (i) to have succession by its corporate name in perpetuity (ii) to sue and be sued in any court (iii) to make and use a common seal and alter the same at its pleasure (iv) to hold, purchase and convey such property as the purposes of the corporation shall require without limit as to amount and to mortgage, pledge and hypothecate the same to secure any debt of the corporation (v) to appoint such subordinate officers and agents as the business of the corporation shall require and (vi) to make bylaws not in conflict with the law of this Charter of Incorporation.

(e) To assess, levy and collect such regular and special fees, dues and assessments as shall be necessary or appropriate to accomplish the corporate purposes described herein, specifically including, but not limited to, the improvement, maintenance and management of all common and community facilities within Hawaiian Shores Recreational Estates subdivision as set forth in sub paragraph (a) of this article THIRD above.

(f) To exercise and possess any and all of the rights, privileges, powers and immunities with now or hereafter may be secured by law and incidental to the fulfillment of the objects and purposes above set forth or to the exercise of any powers possessed by or granted to the corporation.

**FOURTH:** In all events and under all circumstances, including but not limited to reorganization, dissolution or amendment of the Charter of Incorporation of the corporation,

(a) No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation; nor shall it participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office; nor shall it engage in any activities which

are unlawful under the laws of the United States or of the State of Hawaii; nor shall it engage in any transaction defined at the time as "prohibited" under the Internal Revenue Laws of the United States;

(b) The corporation shall never be operated for the primary purpose of carrying on any trade or business for profit and neither the whole nor any part or portion of the assets, income or earnings of the corporation shall be used except for the purpose set forth in paragraph THIRD above;

(c) Neither the whole nor any part or portion of the assets, income or earnings, current or accumulated of the corporation shall ever be used for dividends or be otherwise withdrawn or distributed to or divided among any members, trustees or officers of the corporation or any donor, whether upon liquidation or dissolution of the corporation or otherwise; provided further, that neither the whole nor any part or portion of such assets, income or earnings shall ever be used for, accrue to or inure to the benefit of any private individual within the meaning of the tax exemption requirement of the laws both of the United States and the State of Hawaii.

FIFTH: The Corporation shall be a membership corporation. The corporation is not organized for profit and will not issue any stock and no part of its assets, income or earnings shall be used for dividends or otherwise withdrawn or distributed to any of its members, trustees or officers.

SIXTH: There shall be a board of directors of the corporation of not less than five (5) directors nor more than such number as may from time to time be fixed by the bylaws. The members of the board of directors shall be elected and shall hold office and may be removed as may be prescribed by the bylaws. Other than the initial directors, each member of the board of directors must be a member in good standing of the corporation. All of the powers and authority of the corporation shall be vested in and be exercised by the board of directors of the corporation except as limited by law, the Charter or the bylaws and in furtherance and not in limitation of said general powers, the board of directors shall have power to acquire and dispose of property, to appoint officers, agents or employees of the corporation as in its judgment the best interest of the corporation may require and to confer upon and to delegate to them by power of attorney or otherwise such power and authority as it shall determine; to fix the salaries or compensation of any and all of the agents and employees of the corporation and in its discretion, require security of any of them for the faithful performance of any of their duties; to make rules and regulations not inconsistent with law or the charter or bylaws; to create such committees of the board of directors and to designate as members of such committees such persons as it shall determine and to confer upon such committees such powers and authority as may by resolution be set forth for the carrying on or exercising of the powers of the corporation; to 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.

The names of the initial directors of the corporation, which directors were to hold office until their successors were duly elected or appointed and their respective residence addresses were:

Gilbert F. Carr  
322 Aoloa St. #1701  
Kailua, HI 96734

Marshall G. Watson  
PO Box 1495  
Pahoa, HI 96778

Wallace Patch  
PO Box 1495  
Pahoa, HI 96778

Rick Fetsis  
1550 Wilder Ave. #1310  
Honolulu, HI 96822

Morgan Lewis  
7033 Village Parkway, Ste. 210  
Dublin, CA 94566

SEVENTH: The board of directors annually shall appoint a president, one or more vice presidents, a secretary and a treasurer, and, from time to time, such other officers as the conduct of the affairs of the corporation may require. One person may hold more than one office but each officer, except the initial officers and the treasurer, must be a

member in good standing of the corporation. The names of the initial officers of the corporation who were to hold office until their successors were duly elected or appointed and their respective addresses were:

Name and Office	Residence Address
Gilbert F. Carr (President)	322 Aoloa St. #1701 Kailua, HI 96734
Wallace Patch (Vice President)	PO Box 1495 Pahoa, HI 96778
Morgan Lewis (Secretary)	7033 Village Parkway #210 Dublin, CA 94566
Marshall G. Watson (Treasurer)	PO Box 1495 Pahoa, HI 96778

EIGHTH: The membership of the corporation shall consist of such members as shall be admitted to membership in the manner prescribed in the bylaws. Every owner of a lot or lots within said Hawaiian Shores Recreational Estates subdivision shall be a member of the corporation and no such owner shall for any reason be denied membership in the corporation. No membership shall be terminated or forfeited nor member be expelled, except upon sale of any lot in said subdivision; provided, however, that upon execution and delivery of a valid contract of sale of any lot, the vendors membership, including voting rights adhering thereto, shall be considered as having been temporarily transferred to the vendee, such transfer becoming permanent upon subsequent delivery of a deed in compliance with said contract of sale or revesting in the event of termination of said contract of sale. No member may withdraw, nor shall any member transfer or otherwise assign or dispose of his membership except upon lawful conveyance (including contract of sale as aforesaid) of his lot(s) and subject to such reasonable conditions as may be prescribed by the bylaws. The term "owner" as used in this charter shall include a vendee and shall mean the singular or plural number, individuals, trustees or corporations and each of their respective successors, executors, administrators and permitted assigns. The owner of a lot or lots within the subdivision, whether one or more individuals, trustees or corporations, shall be entitled to one (1) membership and one (1) vote.

NINTH: The initial bylaws of the corporation may be adopted by the petitioner within thirty (30) days after the effective date of this Charter. The Bylaws and the Declaration of Covenants, Conditions and Restrictions of the corporation may be amended or repealed by the vote of not less than two thirds (2/3rds) of the members present, in person or by absentee ballot, at the next annual membership meeting duly called and held, the notice of which shall have stated that a purpose of the meeting was to consider such an amendment or repeal.

TENTH: The property of the corporation shall alone be liable for the payment of its debts and liabilities and the private property of the members, directors and officers shall not be subject to the payment of corporate debts to any extent whatever.

ELEVENTH: In The event of liquidation or dissolution of the corporation, whether voluntarily or involuntarily or by operation of law, the remaining assets of the corporation shall be distributed to such organization or organizations as may then be exempt from income tax under Section 501 (c) (4) of the US Internal Revenue Code of 1954 as amended.

TWELFTH: This Charter of Incorporation shall be subject to amendment from time to time as provided by law except that no such amendments shall permit the net earnings of the corporation to inure to the benefit of any member, donor or private individual or which would permit any substantial part of the activities of the corporation to be carrying on of propaganda, or otherwise attempting to influence legislation, or which would permit the corporation to participate in or intervene in (including the publishing and distributing of statements) any political campaign on behalf of any candidate for public office.