

CHARTER OF INCORPORATION
Of
THE HAWAIIAN ACRES COMMUNITY ASSOCIATION
(as amended 2007)

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, CHARLES H. SILVA, Treasurer of the State of Hawaii, send GREETING:
Whereas, SHINPEI ARINA, ARTHUR D. RUPPEL, RAY V. BEACHLER, EMIL BOEHLKE, ROSALIE V. ROSA, S. KATAYAMA, HORACE H. POPE, CECILIA V. ST. CLAIR, SHINCHI NAGIYAMA, ALFRED T. C. WONG, AND GERALD B. BURTNETT, hereinafter called the petitioners, have made application to me as Treasurer of the State of Hawaii as aforesaid, requesting that a perpetual charter of incorporation be granted to them, whereby they and those who may hereafter become associated with them and their successors may be made a body corporate of the State of Hawaii, in perpetuity, under the name of

HAWAIIAN ACRES COMMUNITY ASSOCIATION,

with all the rights, powers, privileges or immunities which are now or may hereafter be conferred by law upon a corporation of such nature;

NOW, THEREFORE, KNOW YE, that I, CHARLES H. SILVA, as such Treasurer as aforesaid in the exercise and execution of every power and authority in anywise enabling me in this behalf, hereby constitute the petitioners and their associates and successors a perpetual body corporate under the laws of the State of Hawaii.

FIRST: The name of the corporation shall be THE HAWAIIAN ACRES COMMUNITY ASSOCIATION.

SECOND: The location of the principal office of the corporation shall be at 1376 Kapiolani Boulevard, Honolulu, County and State of Hawaii, or at such other place as its council may from time to time determine.

THIRD: The objects and purposes of the corporation and its powers in connection therewith are as follows:

(a) To protect and promote the best interests of the property owners and residents of the subdivision known as Hawaiian Acres at Keaau, Puna, County and State of Hawaii, which is more particularly shown on Map 49 filed in the office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No.1053; to promote and strive for the improvement and betterment of utilities within Hawaiian Acres; to promote and encourage a better community and civic spirit among and to foster good will and friendship between all residents of Hawaiian Acres; and to cooperate with civic and public organizations for the general welfare of the people and environment of the Island of Hawaii and of the State of Hawaii;

(b) To take and hold by devise, bequest, gift, purchase, lease or other transfer, either absolutely or in trust, for such objects and purposes or any of them, any property, real, personal or mixed, without limitation as to amount or value; to sell, convey or otherwise dispose of any such property and to invest and reinvest the same or any proceeds thereof or income therefrom in real and personal property of every class type and description, including bonds, stocks, and

securities of every class, type and description; and to expend or distribute the income, principal, or both income and principal, of any such property, for any of the objects and purposes of the corporation in such manner as in the judgment of its members or council will promote such objects or purposes;

(c) To enter into, make, perform and carry out the contracts of every kind for any corporate purpose, without limit as to amount, with any person, firm, association 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 council 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) To engage in such other activities as may be reasonably incidental to the promoting and furthering of its objects and purposes;

(e) In accordance with the laws of the State of Hawaii, made and applicable to corporations formed thereunder, 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 by-laws not in conflict with law or this charter of incorporation;

(f) To exercise and possess any and all of the rights, privileges, powers and immunities which now or hereafter may be secured by law to chartered benevolent and charitable corporations and which are reasonably 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 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; nor shall amounts be accumulated out of income of the corporation in amount or duration, or be used or invested in such manner or for purposes or functions, such that the same would constitute grounds for denial of income tax exemption 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, nor shall the corporation ever be organized or operated, for objects or purposes which are not exclusively religious, charitable, scientific, literary or educational, or for the prevention of cruelty to children or animals, or for the protection and conservation of natural resources (land, water, and plant and animal life) under the laws both of the United States and the State of Hawaii;

(c) no compensation or payment shall ever be paid or made to any member, officer, councilor or donor of or to the corporation except as a reasonable allowance for actual expenditures or for services actually rendered; and 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 such persons, 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 requirements 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, councilors or officers except as expressly permitted in the foregoing subparagraph. The corporation is organized, and shall be conducted exclusively for religious, charitable, scientific, literary and educational purposes, and for the protection and conservation of natural resources (land, water, and plant and animal life).

SIXTH: There shall be a council of the corporation to consist of not less than eight (8) persons, each of whom shall be a member of the corporation and a majority of who shall be residents of the State of Hawaii. There may be, in addition, such ex-officio members of the council, with or without power to vote, who need not be members of the corporation, as may be provided by the by-laws. The council shall be constituted and its members elected and appointed as the by-laws shall prescribe. The direction and management of the affairs of the corporation and the control and distribution of its property shall be vested in the council; SUBJECT, HOWEVER, to any regulations which may be set forth in statutory provisions, in this charter of incorporation, or in the by-laws. There may be an executive committee of the council as provided for in the by-laws, PROVIDED, HOWEVER, that not more than one (1) ex-officio member of the council may serve on the executive committee.

The names of the initial councilors of the corporation, who shall be ten (10) in number and shall hold office until their successors shall be duly elected, are as follows;
(SEE OPENING PARAGRAPH)

SEVENTH: The members of the corporation shall elect every two years from among the members of the corporation a President, one or more Vice Presidents, one or more Secretaries, 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 shall be a resident of the State of Hawaii. One person may hold more than one office but each officer shall be a resident of the State of Hawaii.

EIGHTH: The membership of the corporation shall consist of the petitioners named herein, together with such other members, whether as successors to the original members or as additional members, as shall be admitted to membership in the manner prescribed in the by-laws. A lot owner is entitled to one vote for each of his/her lots. A paid membership is required for each vote. The lot owner may, but is not required to, assign his/her one vote per lot to a non-owner resident of that lot. A maximum of one vote per lot is allowed, irrespective of the number of legal or equitable owners or residents of that lot, except that if more than one owner or resident of any lot is an honorary member, each honorary member is entitled to one vote. A person shall cease to be a member upon his death or upon his withdrawal or expulsion from membership. Any member may be expelled from membership, for any reason, by vote of the majority of the members of the corporation at any annual, regular or special meeting of the membership. A member may also be expelled for non-payment of dues or other particular reason, which may, together with the procedure for expulsion, be specified in the by-laws. No membership shall be assignable inter vivos nor shall any membership pass to any personal representative, heir or devisee of any member. Associate or other non-voting memberships may be provided for by the by-laws.

NINTH: The by-laws of the corporation shall be adopted by the petitioners prior to the effective date of such by-laws and within thirty (30) days after the charter has been granted, and thereafter may be adopted, amended or repealed by vote of two-thirds of the members of the corporation present (in person or by proxy) at any meeting of the membership duly called and held, the notice of which shall have stated that a purpose of the meeting is to consider the adoption or amendment or repeal of the by-laws.

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, councilors and officers shall not be subjected to the payment of corporate debts to any extent whatever.

ELEVENTH: The corporation shall indemnify every councilor or officers, 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 councilor or officer of the corporation, 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 corporation is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall be in addition to any other rights to which he may be entitled as a matter of law.

TWELFTH: In the event of the liquidation or dissolution of the corporation, all of its remaining assets and property of every nature and description whatsoever shall be paid over and transferred at the direction of the council or trustee upon dissolution to the United States, any state, territory or political subdivision thereof for exclusively public purposes, or to any other corporations, trusts, funds or foundations, created in or organized in the United States or under the laws of the United States or of any state or territory of the United States, organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals, or for the protection and conservation of natural resources (land, water, and plant and animal life), no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

THIRTEEN: This charter of incorporation shall be subject to amendment from time to time as provided by law, except that no such amendment shall be made which would change the objects and purposes of the corporation to include objects and purposes which would not be exclusively religious, charitable, scientific, literary or educational, or for the prevention of cruelty to children or animals, or for the protection and conservation of natural resources (land, water, and plant and animal life), or which would 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.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Honolulu, this 16th day of August, 1961.

(Seal, Etc.)