

CHARTER OF INCORPORATION

Of

LEILANI COMMUNITY ASSOCIATION

EXHIBIT "A"

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I, EDWIN I. HONDA, Director of Department of Regulatory Agencies of the State of Hawaii, send GREETING:

WHEREAS, RICHARD HENDERSON, D.W. ROSE and KENNETH B. GRIFFIN, hereinafter called "petitioners," have made application to me, as Director of Regulatory Agencies of the State of Hawaii, requesting that a perpetual Charter of Incorporation be granted to them and their associates and successors, 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

LEILANI 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, EDWIN I. HONDA, as such Director of Regulatory Agencies 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 corporate shall be LEILANI COMMUNITY ASSOCIATION.

SECOND: The location of the principal office of the corporation shall be c/o The Realty Investment Company, Limited, 1145 Kilauea Avenue, P.O. Box 747, Hilo, County of Hawaii, State of Hawaii, or at such other place as its board of directors may from time to time determine.

THIRD: The corporation shall be organized and operated exclusively for general public social welfare and safety purposes within the meaning of Section 501(c)(3), (4) and (7) of the U.S. Internal Revenue Code of 1954, as the same now is or may from time to time be amended, and the objects and purposes of the corporation, and its powers in connection therewith, are as follows:

(a). To own, hold, repair and maintain all roads and streets not accepted for such repair and maintenance by the County of Hawaii or any other duly authorized body politic and to repair and maintain landscaping adjacent to all roads, and streets adjacent to Lots 31 to 75 inclusive, Block 4; 1 to 20 inclusive and 43 to 58 inclusive, Block 5; 38 to 49 inclusive, Block 6; 1 to 16 inclusive and 31 to 61 inclusive, Block 7; 23 to 45 inclusive, Block 8; 1 to 29 inclusive, Block 9; 1 to 64 inclusive, Block; 10; 1 to 41 inclusive, Block 11; 1 to 64 inclusive, Block 12; 1 to 52 inclusive, Block 13; 1 to 64 inclusive, Block 14; 1 to 64 inclusive, Block 15; 1 to 64 inclusive, Block 16; 1 to 53 inclusive, Block 17; 1 to 76 inclusive, Block 18; 1 to 64 inclusive, Block 19; 1 to 45 inclusive, Block 20; 1 to 88 inclusive, Block 21; 1 to 64 inclusive, Block 22; 1 to 99 inclusive, Block 23; 1 to 64 inclusive, Block 24; 1 to 104 inclusive, Block 25; 1 to 64 inclusive, Block 26; 1 to 97 inclusive, Block 27; 1 to 64 inclusive, Block 28; 1 to 88 inclusive, Block 29; 1 to 62 inclusive, Block 30; 1 to 57 inclusive, Block 31; 1 to 68 inclusive, Block 32; 1 to 78 inclusive, Block 33; 1 to 45 inclusive, Block 34; 1 to 64 inclusive, Block 35; 1 to 35 inclusive, Block 36; 1 to 62 inclusive, Block 37; in the subdivision known as LEILANI ESTATES (hereinafter referred to as "LEILANI 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. 672 , same being a subdivision of portion of land described in Land Patent (Grant) 8088 & 8094: to promote and strive for the improvement, maintenance and management of all common and community facilities within that portion of LEILANI ESTATES hereinafter referred to; to promote and encourage a better community and civic spirit among, and to foster good will and friendship between, all property owners of that portion of LEILANI ESTATES hereinabove referred to ;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 protect and promote civic betterments and social improvements for the common good of the owners of lots in that portion of LEILANI ESTATES hereinabove referred to, including but not limited to, enforcing the provisions of the Declaration of Covenants, Conditions and Restrictions applicable to that portion of LEILANI ESTATES hereinabove referred to.

(c). To receive and administer funds in furtherance of the objectives and purposes mentioned above, and to that end, in addition to and not 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 or the income thereof in such manner as in the judgment of the board of directors will best promote its purposes, without limitations, except such limitations, if any, as may be contained in the instrument under which such property is received, this Charter of Incorporation, the By-Laws, or any laws applicable thereto;

(d). 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;

(e). In accordance with the laws of the State of Hawaii, made 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; and

(f). To exercise and possess 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 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; 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 for general public social welfare and safety under the laws both of the United States and of the State of Hawaii; and

(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 requirements of the laws both of the United States and of 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. The corporation is organized, and shall be conducted exclusively for educational, charitable, scientific, or literary purposes.

SIXTH: There shall be a board of directors of the corporation of not less than three (3) directors nor more than such number as may from time to time be fixed by the By-Laws. The members of the board of directors shall be elected and shall hold office and may be removed as may be prescribed by the By-Laws. Members of the board need not be members of the corporation. All of the powers and authority of the corporation shall be vested in and be exercised by the board of directors except as limited by law, the Charter or the By-Laws, 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 interests 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 By-Laws; 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 shall hold office until their successors shall be duly elected or appointed, and their respective residence addresses are:

John M. La Plante	352 Kauila Street Hilo, Hawaii
Yutake Imata	3362 Woodlawn Drive Honolulu, Hawaii
Peter G. Shayne	182 Halai Street Hilo, Hawaii
Kenneth B. Griffin	31 Kuikahi Street Hilo, Hawaii

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, except no person shall hold the offices of President and Secretary.

The names of the initial officers of the corporation, who shall hold office until their successors shall be duly elected or appointed, and their respective addresses are:

John M. La Plante, President	352 Kauila Street Hilo, Hawaii
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Yutake Imata, Secretary

3362 Woodlawn Drive

Honolulu, Hawaii

Peter G. Shayne, Vice President

182 Halai Street

Hilo, Hawaii

Kenneth B. Griffin, Treasurer

31 Kuikahi Street

Hilo, Hawaii

EIGHTH: The membership of the corporation shall consist of such members as shall be admitted to membership in the manner prescribed in the By-Laws. Every owner of a lot within that portion of LEILANI ESTATES hereinabove referred to shall be a member of the corporation and no such owner shall for any reason be denied membership in the corporation. The term "owner" shall mean either the holder of the legal fee simple title to a lot who also has the right to possession, or his lessee, or the holder of the equitable fee simple title to a lot who also has the right to possession, or his lessee. No membership shall be terminated or forfeited, nor member be expelled, except upon the transfer of legal or equitable fee simple title and right to possession of any lot. No member may withdraw, nor shall any member transfer or otherwise assign or dispose of his membership, except upon the transfer of the legal or equitable fee simple title and right of possession of any lot, subject to such reasonable conditions as may be prescribed by the By-Laws. The owner of a lot within that portion of LEILANI ESTATES, hereinabove referred to, whether one or more individuals, trustees or corporations, shall be entitled to one (1) membership and on (1) vote per each such lot.

During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, such member's voting rights and right to use of the property or facilities for common use of the members of the corporation may be suspended by the board of directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the board of directors governing the use of the property and facilities for the common use of the members.

Each member shall be entitled to the use and enjoyment of the property and facilities for the common use of the members. Any member may delegate his rights of

enjoyment of the property and facilities for common use to the member of his family, his tenants or contract purchasers. Such member shall notify the secretary in writing for the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member. Guests of those who have the right to use the property and facilities for common use may use the same subject to rules and regulations of the Association. No admission or other fees or charges of any kind for the use of any property or facilities for common use shall be charged by the Association.

NINTH: The initial By-Laws of the corporation may be adopted by the petitioners of the corporation within thirty (30) days after the effective date of this Charter, and thereafter may be amended or repealed by the vote of not less than two-thirds (2/3) of the members present, in person or by proxy, at any meeting of the members duly called and held, the notice of which shall have stated that a purpose of the meeting was to consider the 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, directors and officers shall not be subject to the payment of corporate debts to any extend 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 the County of Hawaii, State of Hawaii.

TWELFTH: 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 this corporation to include objects and purposes which would not be exclusively for the general public welfare and safety, 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 the carrying on of propaganda, or otherwise attempting to influence legislation, or which would permit the corporation to participate in, or intervene in (including the punishing and distributing of statements) any political campaign on behalf of any candidate for public office.

THIRTEENTH: This Charter of Incorporation shall be effective from and after the date upon which it is signed and sealed by the undersigned Director of Regulatory Agencies.

Dated: at Honolulu, Hawaii, this 29th day of January 1969.

BY (s) EDWIN I. HONDA
Director of Regulatory Agencies

By (s) JAMES K. WILLIAMS
Corporation and Securities Adm.