



IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
 STATE OF HAWAII

In the Matter of the Incorporation )	1	15091503	368	88/12/22	\$25.00
)	1	50095401	368	88/12/22	\$40.00
of )	1	15091518	368	88/12/22	\$14.50
)	1	50095411	368	88/12/22	\$18.00
ROYAL KUNIA COMMUNITY ASSOCIATION )					

**SPECIAL HANDLING**

ARTICLES OF INCORPORATION

13654D2

The undersigned, desiring to form a non-profit corporation under the laws of the State of Hawaii, hereby certify as follows:

ARTICLE I

NAME

The name of the corporation shall be ROYAL KUNIA COMMUNITY ASSOCIATION.

*st/rom  
w/consent*

ARTICLE II

PRINCIPAL OFFICE

The location of the corporation shall be in the City and County of Honolulu, State of Hawaii, and post office address of its initial office shall be 2024 No. King Street, Honolulu, City and County of Honolulu, State of Hawaii, 96819.

ARTICLE III

GENERAL OBJECTIVE OF ASSOCIATION

This corporation does not contemplate pecuniary gain or profit to the members thereof, and the specific and



exclusive purposes for which it is formed are to provide for the management, maintenance, protection, preservation, design and landscape control, planned development and mutually compatible use of the property upon which ROYAL KUNIA COMMUNITY ASSOCIATION (hereinafter referred as "ROYAL KUNIA") is proposed to be developed, and to promote the health, safety and welfare of its members, all in a manner consistent with these Articles, and the By-Laws of the ROYAL KUNIA COMMUNITY ASSOCIATION and the Declaration of Protective Covenants for ROYAL KUNIA COMMUNITY (hereinafter referred as "Declaration").

ARTICLE IV

DURATION AND SPECIFIC PURPOSES AND POWERS OF THE ASSOCIATION

In furtherance of the foregoing objects and purposes, and in accordance with the laws of the State of Hawaii applicable to non-profit corporations, the corporation shall have a perpetual duration and succession by its corporate name in perpetuity, and shall have the following specific and primary purposes:

- (a) The specific and primary purpose of the corporation is to act as the principal agency in the form of a community association composed of owners of residential units in the ROYAL KUNIA COMMUNITY with powers charged, delegated and assigned by the membership to conduct and

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carry on the duties, functions and responsibilities including but not limited to maintain, preserve, manage and administer the properties placed within its jurisdiction and control and such other facilities, and also to levy, collect, and disburse the assessments and charges, all as herein set forth.

(b) The corporation shall endeavor to preserve, maintain, and protect the natural beauty, distinctive terrain features, and the natural vegetative growth of the ROYAL KUNIA COMMUNITY.

(c) The corporation shall promote the recreation, health, safety, and the pride of ownership of the members of the corporation.

(d) The corporation shall possess and exercise all of the powers to perform all acts necessary or incidental to the administration of the affairs and for carrying out the purposes of the corporation, including any or all of the following acts or things:

(1) Insofar as permitted by law, and in accordance with the Declaration, to do any and all other things, that will promote the common benefit, health, welfare, safety and enjoyment of its membership.

(2) In connection with the exercise of any powers conferred upon the corporation, to levy regular membership

assessments upon its members in accordance with the Declaration which assessments shall constitute liens upon the lands assessed subject to the enforcement provisions provided thereunder.

(3) In order to defray extraordinary expenses incurred by the corporation as a result of the failure or refusal of any members to abide by or otherwise comply with the Declaration, the Design Committee Rules or the Association Rules, to levy special assessments against such members, which assessments shall constitute liens upon the lands assessed, subject to the enforcement provisions provided in said Declaration, and the rights to which such liens may be pledged, hypothecated or transferred as may be required.

(4) To collect and enforce payment by any lawful means of all charges and assessments provided for herein or in the Declaration or the By-Laws, including the right to sell such properties subject to any assessment lien at public or private sale on such reasonable terms and conditions as the directors of this corporation shall determine, the proceeds of any such sale to be applied first to the payment of the corporation's cost of the sale proceedings, including legal expenses, next to the payment

of the delinquent amount secured by the lien and the balance, if any, to the owners of the land as their interest may appear.

(5) To sue and be sued in any court.

(6) To make and use a common seal and to alter the same at its pleasure.

(7) To acquire (by gift, purchase, lease or otherwise), own, hold, improve, build upon, operate, maintain, rent, lease, assign, sell, transfer, convey, donate, dedicate for public use or dispose of such property, real, personal and mixed, as the purposes of the corporation shall require or appear to be served, without limit as to amount, and to borrow money, to mortgage, pledge and hypothecate the same to secure any debt of the corporation, subject to the provisions of Article V of the Declaration.

(8) To draw, make, accept, endorse, assign, discount, execute and issue promissory notes, bills of exchange, bills of lading, drafts, obligations, certificates, dock and other warrants, and other instruments to be assignable, negotiable or transferable by delivery or to order, or otherwise, as the purposes of the corporation shall require.

(9) To enter into and perform contracts, undertakings and obligations of every kind and character

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consonant with the purposes of the corporation and subject to the limitations hereinabove set forth.

(10) To appoint such subordinate officers and agents as the activities of the corporation may require.

(11) To make By-Laws not inconsistent or in conflict with the law, the Declaration or these Articles.

(12) To adopt rules and regulations called "Association Rules" not inconsistent with and subject to the Declaration, governing and regulating certain activities within ROYAL KUNIA, all for the mutual benefit and welfare of the members of the corporation.

(13) And generally to possess and exercise any and all rights, privileges, powers and immunities which are accorded to the corporation under the Declaration or which are now or may hereafter be secured by law to non-profit corporations and which are reasonably incidental to the fulfillment of the objects and purposes hereinabove set forth and to the exercise of any powers possessed by or granted to this corporation.

#### ARTICLE V

#### MEMBERSHIP

(a) Each and every person, corporation, partnership or other legal entity being the owner of any

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residential lot or lots within ROYAL KUNIA (herein referred to as an "Owner") shall be a member of the Association.

(b) For the purposes of determining membership status in the Association, the term "Owner" of a residential lot within ROYAL KUNIA shall be deemed to include:

(1) An owner of any lot within a residential area as the term "residential area" is defined in the Declaration;

(2) The owner of the rental unit area as the term "rental unit area" is defined in the Declaration;

(3) With regard to condominium units within ROYAL KUNIA, an "apartment owner" as that term is defined in the Horizontal Property Regime Law of the State of Hawaii (Chapter 514A, Hawaii Revised Statutes);

(4) An owner of any lot within ROYAL KUNIA which is a private eleemosynary, religious, educational, community or civic organization; and

(5) The Declarant of the Declaration of Protective Covenants for ROYAL KUNIA, so long as the Declarant is the owner of any lot within ROYAL KUNIA;

(c) No membership shall be terminated or forfeited and no member shall be expelled, except upon transfer of his interest in property in ROYAL KUNIA which

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entitles him to membership; provided, however, that upon execution, delivery and recordation or filing of a valid agreement of sale of such interest therein, the vendor's membership, including voting rights incident thereto, shall be considered as having been temporarily transferred in the vendee, such transfer becoming permanent upon subsequent delivery of a deed or assignment of lease in compliance with said agreement of sale or revesting in the vendor in the event of termination of said agreement of sale. No member may withdraw, nor shall any member transfer or otherwise dispose of his membership, except upon lawful conveyance, assignment or transfer (or agreement of sale) of his rights and duties as such Owner, and upon payment of all his indebtedness to the Association on account of unpaid assessments or otherwise, and a transfer charge of not more than TWENTY DOLLARS (\$20.00).

(d) The membership of the Association shall be divided into four (4) classes of membership as follows:

(1) Class A members shall include all owners described in subparagraphs (b)(1) and (b)(3) above;

(2) The Class B member shall be the Declarant of the Declaration; and

(3) Class C members shall include all owners described in subparagraphs (b)(2) above;



(4) Class D members shall include all owners described in paragraph (b) (4) above.

(e) The membership status, rights, duties, privileges and obligations of an Owner as a member of the Association shall be exclusively as set forth in the Declaration, these Articles and the By-Laws of the Association.

(f) The membership rights of any person may be suspended by action of the Board of Directors during the period when the member shall be in default in the payment of any assessment or charge levied by the corporation; but upon payment of such assessments, his rights and privileges shall be automatically restored. If the directors have adopted and published rules and regulations governing the use of the common areas, improvements and facilities, and the personal conduct of any person thereon, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE VI

VOTING RIGHTS

Members of the Association shall be entitled to vote as follows:

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(a) Each Class A member shall be entitled to one (1) vote for each lot owned, as the term "lot" is defined in the Declaration or one (1) vote for each condominium apartment owned as the term apartment is defined under Chapter 514A of the Hawaii Revised Statutes; provided that if more than one person or entity owns a given lot or apartment, any one of said persons or entities shall be entitled to exercise the one vote attributable to said lot or apartment upon the decision of the majority of all co-owners of the lot or apartment;

(b) The Class B member (Declarant) shall be entitled to three (3) votes for each lot owned by it in the Residential Area and three-quarters of one (0.75) vote for each one thousand (1,000) square feet, rounded to the nearest thousand, of property in ROYAL KUNIA owned by it which has not yet been subdivided into lots, or upon which rental units have not yet been built;

The votes appurtenant to the rental unit area shall be exercised by the Owner or its assigns as Class C members in accordance with subsection 6(c) below;

The Class B membership shall cease and be converted to Class A membership on December 31, 2004.

(c) Each Class C member shall be entitled to one-half of one (0.50) vote for each rental unit.

(d) Each Class D member shall be entitled to one-fourth of one (0.25) vote for each one thousand (1,000) square feet of property owned rounded to the nearest thousand.

## ARTICLE VII

### OFFICERS; BOARD OF DIRECTORS

(a) The officers of the corporation shall be a President, one or more Vice Presidents as may be determined in accordance with the By-Laws, a Secretary and a Treasurer. The corporation may have such additional officers as may be determined in accordance with the By-Laws. Any person may hold two offices of said corporation if so provided by the By-Laws.

(b) The Board of Directors of the corporation shall consist of not less than three (3) persons. The directors (and alternate directors and/or substitute directors, if any) shall be elected or appointed in the manner provided in the By-Laws of the corporation and may be removed from office in the manner provided in the By-Laws and all vacancies in the office of director or of any officer shall be filled in the manner provided in the By-Laws; provided, however, that the By-Laws shall specify that the regular election directors and officers and the filling of vacancies in the office of directors or of any officer

shall be accomplished during the annual meeting of the corporation to be held on such day and at such time and place specified pursuant to the By-Laws.

The names and addresses of the initial officers and directors of the corporation are as follows (no less than one-third of the directors are residents of the State of Hawaii):

NAME & OFFICE HELD	RESIDENCE ADDRESS
KENNETH NAKAMURA President & Director	1338 Moelola Place Honolulu, Hawaii 96819
KEITH FUJISHIMA Vice-Pres. & Director	1713 Kaunualii Street Honolulu, Hawaii 96819
GAYLE S. AYAKAWA Secy.-Treas. & Director	98-2026 Hapaki Street Aiea, Oahu, Hawaii 96701

(c) The affairs of the corporation shall be conducted by the Board of Directors and all 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, the By-Laws of the corporation, or the Declaration, to and including full power to adopt, alter and amend the By-Laws of the corporation, to determine from time to time the number of directors within the limitations hereinabove stated, and to make and adopt proper rules and regulations for the conduct of the affairs of the corporation.

ARTICLE VIII

IMMUNITY FROM LIABILITY

No director or officer shall be liable to the corporation for any loss or damage suffered by it on account of any action or omission by him as such director or officer, unless such director or officer shall, with respect to such action or omission, be or have been guilty of wilfull misconduct in the performance of his duties as such director or officer.

Each person who is now or hereafter shall be a director or officer of the corporation, and his personal representatives, shall be indemnified by the corporation against all costs and expenses reasonably incurred by or imposed upon him in connection with any action, suit, proceeding, investigation or inquiry to which he may be made a party by reason of his being or having been a director or officer of the corporation (whether or not he continues to be a director or officer at the time of the incurring or imposition of such costs and expenses) except in relation to matters as to which he shall be finally adjudged in any action, suit or proceeding to be liable for wilful misconduct in the performance of his duties as such director or officer, if in any such action, suit or proceeding there is a final adjudication that such director or officer was,

or that such director or officer was not guilty of such wilful misconduct, the Board of Directors and each director and officer of the corporation may conclusively rely thereon.

ARTICLE IX

NON-PROFIT ORGANIZATION

The corporation is organized for charitable and civil purposes only and is not organized for profit, it will not issue any stock, and no part of its assets, income or earnings shall be distributed to its members, directors or officers, except for services actually rendered to the corporation. Any provision of these Articles to the contrary notwithstanding, the corporation shall not engage in any activities or any powers that are not in furtherance of the purposes of this corporation as set forth in these Articles.

This corporation is organized exclusively for purposes within the meaning of Section 501(c) of the Internal Revenue Code of 1986. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation and the corporation shall not participate or interfere in any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation, exempt from Federal income tax under Section 501(c) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

Declarant shall have the right to make such amendments required by the Internal Revenue Service to recognize the tax exempt status of the corporation.

ARTICLE X

VOLUNTARY DISSOLUTION

No voluntary dissolution of the corporation or liquidation of its assets shall take place without the assent of not less than three-fourths (3/4ths) of the votes in each class of membership of the corporation, obtained by vote of the members present at a meeting of the members of the corporation duly called and held for the purpose of authorizing such dissolution and/or liquidation. Written notice of the meeting setting forth such purpose shall be given to all members not less than thirty (30) days prior to said meeting. Upon dissolution or liquidation, the assets of the corporation, after payment of the corporation's just debts, shall be dedicated to one or more appropriate public agencies or instrumentalities to be devoted to purposes as

nearly as practicable the same as those to which the assets were required to be devoted by the corporation. If such dedication is refused acceptance, such assets shall be granted, conveyed or assigned to any one or more non-profit corporations, associations, trust or other organizations then qualifying as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 to be devoted to charitable purposes and uses to which the assets were required to be devoted by the corporation.

ARTICLE XI

MERGERS AND CONSOLIDATION

To the extent permitted by law, the corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of the members present who are entitled to two-thirds (2/3rds) of the votes in each class of the membership.

ARTICLE XII

LIABILITY

The property of the corporation shall alone be liable in law for the payment of its debts and discharge of its obligations. Neither the members of the corporation nor the members of the Board of Directors nor any of the offices



shall have any personal liability for the payment of such debts or the discharge of such obligations, except that every member of the corporation shall be subject to assessments for and on account of debts, expenses and obligations of the corporation as herein provided.

ARTICLE XIII

AMENDMENTS

These Articles of Incorporation may be amended from time to time by vote of the members entitled to not less than two-thirds (2/3rds) of the votes in each class of the membership present at a meeting duly called and held for the purpose in conformity with the provision of Section 415B-37, Hawaii Revised Statutes, or as amended.

ARTICLE XIV

SUBJECT TO GENERAL LAWS

The corporation shall be subject to all general laws now in force or hereafter enacted with regard to non-profit corporations.

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

IN WITNESS WHEREOF, the parties hereinabove named have hereunto set their hands on this 8th day of December, 1988.

  
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KENNETH NAKAMURA

Keith Fujishima  
KEITH FUJISHIMA

Gayle S. Ayakawa  
GAYLE S. AYAKAWA

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) ss.

On this 8th day of December, 1988,  
before me personally appeared KENNETH NAKAMURA, KEITH  
FUJISHIMA and GAYLE S. AYAKAWA, to me known to be the  
persons described in and who executed the foregoing  
instrument and acknowledged that they executed the same as  
their free act and deed.

Eijabek Umetsu  
Notary Public, First Judicial  
Circuit, State of Hawaii.

My comm. expires: 9/27/89