

**PRINCEVILLE AT HANALEI COMMUNITY ASSOCIATION
CHARTER OF INCORPORATION**

To whom all these presents shall come:

I, Edwin H. Honda, Director of Regulatory Agencies of the State of Hawaii, send Greetings:

Whereas, L. Douglas Hoyt, a resident of the State of Colorado, and **Donn A. Carswell** and **Ned W. High**, both of whom are residents of the State of Hawaii, have signed, verified and filed with me as Director of Regulatory Agencies of the State of Hawaii, a petition to grant them a Charter of Incorporation for purposes provided in Section 416-19, Hawaii Revised Statutes, in the form hereof;

Now, therefore, know ye, that I, the said **Edwin H. Honda**, as Director of Regulatory Agencies of the State of Hawaii, and in execution of every power and authority in any wise enabling me in this behalf, hereby, in accordance with the provisions of Sections 416-19 and 416-20, Hawaii Revised Statutes, grant to the said **L. Douglas Hoyt, Donn A. Carswell** and **Ned W. High** a Charter of Incorporation for the purposes and in the form hereafter set forth:

I.

Name

The name of the corporation shall be "**Princeville at Hanalei Community Association.**"

II.

Location

The location of the corporation shall be in Hanalei, County of Kauai, State of Hawaii, and the address of its initial office shall be P.O. Box 121, Hanalei, Kauai, Hawaii.

III.

Purpose

This corporation does not contemplate pecuniary gain or profit to the members thereof, and the purpose for which it is formed is to provide for the management, maintenance, protection, preservation, architectural control and development of property in the District of Hanalei, County of Kauai, State of Hawaii, within the area known as "Princeville at Hanalei" and to promote the health, safety and welfare of its members.

IV.

In furtherance of the foregoing objects and purposes and in accordance with the laws of the State of Hawaii applicable to chartered nonprofit corporations, the corporation shall have succession and existence in perpetuity and shall have and exercise any and all powers, rights, privileges and immunities which are now or may hereafter be secured by law to chartered nonprofit corporations organized under the laws of the State of Hawaii. Without limitations as to other powers stated or referred to in this Charter, the corporation shall have the following powers:

a. It may exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions applicable to the property and recorded or to be recorded in the Bureau of Conveyances of the State of Hawaii, and as the same may be amended from time to time as therein provided, hereinafter called the "Declaration";

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b. It may fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, and pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes of governmental charges levied or imposed against the property of the Association. The term "Association" as used herein shall have the meaning given in the Declaration and shall be synonymous with the term "corporation" as used herein;

- c. It may purchase, hold, improve, build upon, operate, maintain, rent, lease, assign, sell and convey and to receive gifts and otherwise acquire real property in fee simple or by lease as the purpose of the corporation shall require or appear to be served, without limit as to amount;
- d. It may borrow money, and mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- e. Insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of its members.

**V.
Officers**

The officers of the corporation shall be a President, Vice President, Secretary, Treasurer, Assistant Secretary and an Assistant Treasurer, and such other officers as may be provided in the By-Laws. The Treasurer and/or Secretary may be an individual, firm or corporation. The offices of Secretary and Treasurer and the offices of Assistant Secretary and Assistant Treasurer may be held by the same person. No officer need be a member of the corporation. The officers shall be elected or appointed as provided in the By-Laws. The names and addresses of the initial officers are as follows:

Name	Office and Address
L. Douglas Hoyt	President Residence Address: 357 Jersey Street, Denver, Colorado Business Address: 1860 Lincoln Street, Denver, Colorado
Donn A. Carswell	Vice-President Residence Address: Hanalei, Kauai Business Address: P.O. Box 12, Hanalei, Kauai
Ned W. High	Secretary-Treasurer Residence Address: Hanalei, Kauai Business Address: P.O. Box 121, Hanalei, Kauai
Sam I. Kawamura	Assistant Secretary-Treasurer Residence Address: Hanalei, Kauai Business Address: P.O. Box 121, Hanalei, Kauai

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**VI.
Board of Directors**

The affairs of the corporation shall be managed by a Board of Directors consisting of not less than three (3) nor more than five (5) members, and the initial Board of Directors shall consist of three (3) directors. The members of the Board of Directors shall be elected or appointed and shall hold office and may be removed as may be prescribed by the By-Laws. The directors need not be members of the corporation. The names, addresses and initial tenure of office of the persons who are to act as the initial directors of the corporation are as follows:

To hold office until the first annual meeting of the members of the corporation:

Name	Address
Ned W. High	P.O. Box 121, Hanalei, Kauai

To hold office until the second annual meeting of the members of the corporation:

Name _____ Address _____
Donn A. Carswell P.O. Box 121, Hanalei, Kauai

To hold office until the third annual meeting of the members of the corporation:

Name _____ Address _____
L. Douglas Hoyt 1860 Lincoln Street, Denver, Colorado

**VII.
Membership**

Each person, corporation or other legal entity who is, or such persons, corporations or other legal entities who are, the "Owner" of any Lot (within Princeville at Hanalei) as defined in Article I of the Declaration shall be a member of the corporation. The term "Lot" as used herein shall have the meaning given it in Article I of said Declaration. Proof of status as an "Owner" of any such Lot for purposes of establishing membership in the corporation shall be furnished in accordance with the provisions pertaining thereto set forth in the By-Laws. Membership shall be appurtenant to and may not be separated from the ownership of any such Lots, and such ownership shall be the sole qualification for membership in the corporation.

**VIII.
Voting Rights**

The corporation shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to the following number of votes for each Lot owned:

Residential Lot/1 vote
Multiple Unit Dwelling/1 vote per residential unit
Hotel/2 votes per hotel accommodation room

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When more than one person holds an interest in any Lot, all such persons shall be members. Voting for such Lot shall be exercised as they among themselves determine, but in no event shall more than the number of votes said Lot is entitled to be cast.

Class B. The Class B member shall be the Declarant as defined in the Declaration. The Class B member shall be entitled to three votes per Lot owned by it. The Class B membership shall cease and be converted to Class A membership on December 31, 1991.

Additional property may be annexed to the area specified in Article III hereof, and so add to the membership of the corporation under the provisions of Article VII hereof.

**IX.
By-Laws**

The initial By-Laws of the corporation shall be adopted by the person who signed the petition for a charter of incorporation, within thirty (30) days after granting hereof. The By-Laws may be amended or repealed, and new By-Laws may be adopted in the manner provided in the By-Laws.

**X.
Nonprofit Organization**

The corporation is not organized for profit, and it shall 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.

**XI.
Powers Not Expressly Denied**

The corporation shall possess any and all powers not expressly denied by law or this Charter of Incorporation.

XII.

Rights, Powers and Duties Described in the By-Laws

The rights, powers and duties of the members of the corporation, the Board of Directors and the several officers shall be as set forth in the By-Laws.

XIII.

Liability

The property of the corporation shall alone be liable in law for the payment of its debts and the discharge of its obligations. Neither the members of the corporation nor the members of the Board of Directors nor any of the officers 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 assessment for and on account of debts, expenses and obligations of the corporation as in the Declaration provided.

XIV.

Mergers and Consolidation

To the extent permitted by law, and subject to the provisions of said Declaration, the corporation may participate in mergers and consolidation with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of not less than sixty-six and two-thirds percent (66 2/3 %) in voting interest of the members.

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XV

Authority to Mortgage

Any mortgage by the corporation of the common area defined in the Declaration shall have the assent of a majority of the members present at a meeting in person or by proxy.

XVI

Dedication and Disposition of Real Property

The corporation shall have power to dispose of its real property or interest therein or leasehold interest in real property with the assent of not less than sixty-six and two-thirds percent (66 2/3%) in voting interest of the members; subject to the provisions of said Declaration.

XVII.

Dissolution

The corporation may be dissolved with the assent, given in writing and signed, by not less than seventy-five percent (75%) in voting interest of the Class A members and seventy-five percent (75%) in voting interest of the Class B members, if any. Upon dissolution of the corporation, the assets, both real and personal of the corporation, shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the uses to which they were required to be devoted by the corporation.

XVIII.

Meetings for Actions Governed by Articles XIV, XVI and XVII

Except as otherwise provided in the Declaration, in order to take action under Articles XIV, XVI and XVII, there must be a duly held meeting. Written notice, setting forth the purpose of the meeting shall be given to all members not less than 15 days nor more than 30 days in advance of the meeting. The presence of members or of proxies entitled to cast 2/3 of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 30 days following the preceding meeting.

XIX.

Amendments

Amendments of these Articles shall require the assent of not less than seventy-five percent (75%) in voting interest of the Class A members and seventy-five percent (75%) in voting interest of the Class B members, if any.

XX.**Duration**

The corporation shall exist in perpetuity.

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XXI.**Subject to General Laws**

The corporation shall be subject to all general laws now in force or hereafter enacted and applicable to nonprofit corporations in the State of Hawaii.

Given under my hand and seal of the Office of the Director of Regulatory Agencies of the State of Hawaii, this 15th day of March, 1971.

Edwin H. Honda

Director of Regulatory Agencies/State of Hawaii

James K. Williams

Corporation and Securities Administrator