

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
Honolulu

In the Matter of the Incorporation)
of)
THE ASSOCIATION OF APARTMENT)
OWNERS OF WAILEA EKAHI)
2769R/3206-1)



ARTICLES OF INCORPORATION
(Section 415B-34, Hawaii Revised Statutes)

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In the Matter of the Incorporation)
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THE ASSOCIATION OF APARTMENT)
OWNERS OF WAILEA EKAHI)
)
)

ARTICLES OF INCORPORATION

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, do hereby certify as follows:

ARTICLE I

DEFINITIONS

The following terms as used in these Articles of Incorporation shall have the following meanings:

(a) "Act" means the Horizontal Property Act, Chapter 514A (formerly Chapter 514), Hawaii Revised Statutes, as amended to the date of the filing of these Articles of Incorporation with the Department of Commerce and Consumer Affairs of the State of Hawaii, and all amendments enacted subsequent to such filing.

(b) "Apartment(s)" means those separate spaces within the Project created and described in the Declaration for use by their owners for residential or commercial purposes.

(c) "By-laws" means those certain by-laws to be adopted by the Board of Directors. The by-laws shall be in substantially the same form as those by-laws adopted for the Project on January 17, 1975, December 18, 1975, and April 26, 1976, and attached to the Declaration, as the same have been or are hereafter amended to the date of the filing of these Articles of Incorporation with the Department of Commerce and

Consumer Affairs of the State of Hawaii, and all amendments enacted subsequent to such filing.

(d) "Declaration" means those certain Declarations of Horizontal Property Regime dated January 17, 1975, December 18, 1975, and April 26, 1976, and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, respectively, as Document Nos.

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713125, 750105, and 783805, as the same have been amended to the date of the filing of these Articles of Incorporation with the Department of Commerce and Consumer Affairs of the State of Hawaii, and all amendments enacted subsequent to such filing.

(e) "person" means an individual, corporation, partnership, association, trust, or other legal entity.

(f) "Project" means all of the real and personal property constituting those certain condominium projects known as WAILEA EKAHI I, WAILEA EKAHI II, and WAILEA EKAHI III formed and created under the Act and the Declaration.

(g) "Unincorporated Association" shall mean the unincorporated association of apartment owners of Wailea Ekahi I, Wailea Ekahi II, and Wailea Ekahi III formed pursuant to the Declaration.

ARTICLE II

NAME

The name of the corporation shall be: THE ASSOCIATION OF APARTMENT OWNERS OF WAILEA EKAHI.

ARTICLE III

LOCATION

The address of the corporation's initial office is: 3300 Wailea Alanui, Kihei, Maui, Hawaii 96753.

ARTICLE IV

DURATION

The period of the corporation's duration is perpetual.

ARTICLE V

PURPOSES AND POWERS OF THE CORPORATION

Section 1. The purposes of the corporation are:

(a) To maintain, operate, administer and manage the Project in the same manner, and in lieu of the Unincorporated Association, as required of the Unincorporated Association under the terms and provisions of the Act, the Declaration and the By-laws.

(b) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Unincorporated Association with respect to the Project as described in and arising under the Act, the Declaration and the By-laws.

Section 2. In furtherance of said purposes, but only to the extent consistent and not in conflict with the terms and provisions of

the Act, the Declaration or the By-laws, the corporation shall have all powers, rights, privileges and immunities, and shall be subject to all of the liabilities conferred or imposed by law upon non-profit corporations of this nature, and shall be subject to and have all the benefits of all general laws applicable to corporations.

ARTICLE VI
INDEMNIFICATION

As a means of accomplishing the corporation's purposes, but only to the extent consistent and not in conflict with the terms and provisions of the Act, the Declaration or the By-laws, the corporation shall have, in addition to the general powers conferred upon it under the statutes of the State of Hawaii, but subject to the limitations described in Article VII, the following powers:

(a) To indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation) if that person is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of the predecessor corporation, against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. The termination of any proceeding by judgment, order, settlement,

conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, or that the person had reasonable cause to believe that the person's conduct was unlawful;

(b) To indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation to procure a judgment in its favor because that person is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the

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corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of the predecessor corporation, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue, or matter as to which the person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the corporation unless and only to the extent that the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

ARTICLE VII

NO SHARES OF STOCK OR DIVIDENDS

The corporation is nonprofit in nature, and shall not authorize or issue shares of stock. No dividends shall be paid and no part of the income or profit of the corporation shall be distributed to its members, directors or officers, except for services actually rendered to the corporation.

ARTICLE VIII

MEMBERS

The corporation shall have members who are all owners of Apartments. Any person acquiring title to any Apartment shall automatically become a member of the corporation and shall remain a member until such time as such person's

ownership of such Apartment ceases for any reason, at which time such person's membership in the corporation shall automatically terminate.

ARTICLE IX

BOARD OF DIRECTORS

The management of the business and affairs of the corporation

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and the control and distribution of its property shall be vested in a Board of Directors, which shall consist of such number of directors as shall be fixed by the By-laws. Further, at least one director shall be a resident of the State of Hawaii. The directors shall be qualified, nominated, elected and appointed as provided in the By-laws. The Board of Directors shall have full power to control and direct the business affairs of the corporation, subject, however, to any limitations contained herein or in the Act, the Declaration, the By-laws or by law. Each initial director of the corporation shall serve until his successor is duly chosen. The initial directors of the corporation and their residence addresses, are as follows:

	<u>Name Residence Address</u>
Harry Hoth	1 Gentry Lane Colorado Springs, CO 80906
Art McCoy	5040 Lyda Lane Colorado Springs, CO 80904
Momo Monahan	3300 Wailea Alanui #37A Kihei, Maul, HI 96753
Roy Merriman	2712 Puu Hoolai Street Kihei, Maul, HI 96753
Harlan Dupuis	30 Tappan Lane Orinda, CA 94563
Joe Fanjul	1750 Turn Point Road Friday Harbor, WA 98250
Harriet Cost 3300	Wailea Alanui #43E Kihei, Maui, HI 96753
Jerry Schumb	25 Moreno Drive Santa Cruz, CA 95060
Frank Robertson	#33-2236 Folkstone Way W. Vancouver, B. C. Canada V7S 2X7

ARTICLE X

OFFICERS

The officers of the corporation shall consist of a president, vice-president, secretary, treasurer and such other assistant officers as the board of directors deems necessary, with such qualifications, duties and powers as are provided for in the By-laws. The officers shall

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be elected or appointed at such time and in such manner and for such terms as prescribed in the By-laws. The initial officers and their residence addresses are as follows:

<u>Office</u>	<u>Name</u>	<u>Residence Address</u>
President	Harry Hoth	1 Gentry Lane Colorado Springs, CO 80906
Vice-President	Art McCoy	5040 Lyda Lane Colorado Springs, CO 80904
Secretary	Momo Monahan	3300 Wailea Alanui #37A Kihei, Maul, HI 96753
Treasurer	Roy Merriman	2712 Puu Hoolai Street Kihei, Maui, HI 96753

ARTICLE XI
BY-LAWS

The by-laws of the corporation shall be the "By-laws" as defined in Article I(c). The by-laws of the corporation may be altered, amended or repealed as provided in the By-laws.

ARTICLE XII
DISSOLUTION

Upon the dissolution of the corporation or the winding up of its affairs, the Unincorporated Association shall be simultaneously and automatically reactivated and reinstated; the assets of the corporation shall be distributed exclusively to the Unincorporated Association; and thereafter the Unincorporated Association shall operate, administer, maintain and manage the Project pursuant to the Act, the Declaration and the By-laws as if the corporation had never existed.

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ARTICLE XIII

AMENDMENT

Except for the provisions of Articles I, V and XI which shall not be altered, amended or repealed, these Articles of Incorporation shall be subject to amendment from time to time as provided by law; provided, however, that no amendment shall be effective which is inconsistent or in conflict with the Act, the Declaration or the By-laws.

ARTICLE XIV

SUBORDINATION

These Articles of Incorporation are subordinate and subject to all provisions of the Act, the Declaration, and the By-laws which shall control in case of any conflict. In the event of a conflict between applicable provisions of the Hawaii Nonprofit Corporation Act, (Chapter 415B Hawaii Revised Statutes), and the Act, the terms and provisions of the Act shall control.

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

WITNESS OUR HANDS this 29th day of May, 1992.

ROY MERRIMAN

(Type Name of Incorporator)

Roy Merriman

(Signature of Incorporator)

FRANCIS H. HOKOQAN

MOMO MONAHAN

(Type Name of Incorporator)

Momo Monahan

(Signature of Incorporator)

Secretary of AHO State