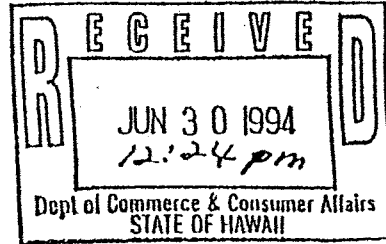


DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation)
of)
PAPOHAKU HOMEOWNERS ASSOCIATION)
_____)



ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION
OF
PAPOHAKU HOMEOWNERS ASSOCIATION

THESE ARTICLES OF INCORPORATION, made and entered into by
and between the undersigned:

W I T N E S S E T H:

HIDEYUKI TAKAHASHI, RONALD T. HEDANI, and D. SCOTT
MackINNON, desiring to form a nonprofit corporation in accordance
with the laws of the State of Hawaii, and to obtain the rights and
benefits conferred by said laws upon nonprofit corporations, do
hereby associate themselves together and unite and form a nonprofit
corporation, and do hereby make and enter into the following
Articles of Incorporation, the terms whereof it is agreed shall be
equally obligatory upon the parties signing this instrument and
upon all parties who from time to time may be directors of the
Corporation:

ARTICLE I

NAME

The name of the Corporation shall be "PAPOHAKU HOMEOWNERS
ASSOCIATION".

ARTICLE II

LOCATION

The principal office of the Corporation shall be in the
State of Hawaii at such specific location therein as may be, from

time to time, designated by the Board of Directors of the corporation ("Board of Directors"), and its initial office shall be at 700 Bishop Street, Suite 225, Honolulu, Hawaii 96813. The Corporation may have such other offices within the State of Hawaii as its business may from time to time require.

ARTICLE III

PURPOSE

The purpose for which the Corporation is organized is to provide for the management, maintenance, protection, preservation, architectural control and development of property (the "Property") on the Island of Molokai, County of Maui, State of Hawaii, within the area known as the "Papohaku Ranchlands Subdivision", and more particularly described in Exhibit "A" attached to the Declaration referred to in Article IV below, together with such other property which may hereafter be annexed thereto as provided in the Declaration, and to promote the health, safety and welfare of its members.

ARTICLE IV

POWERS

In furtherance of the foregoing objectives and purposes and in accordance with the laws of the State of Hawaii applicable to 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 nonprofit corporations organized

under the laws of the State of Hawaii. Without limitation as to other powers stated or referred to in these Articles, 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 Papohaku Homeowners Association as set forth in that certain Papohaku Declaration of Covenants, Conditions and Restrictions filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1096895, as the same may be amended or supplemented from time to time (such Declaration and all amendments and supplemental declarations thereto being hereinafter referred to as the "Declaration"). The term "Association" as used in the Declaration shall be synonymous with the term "Corporation" as used herein.

B. It may, by any lawful means, fix, levy, collect and enforce payment of 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 Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation.

C. It may acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of

real or personal property in connection with the affairs of the Corporation.

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.

E. Insofar as permitted by law, it may do any other things that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of its members.

ARTICLE V

NONPROFIT ORGANIZATION

The corporation is not organized for profit and it will not issue any stock. The members, officers and directors of the corporation shall have no interest, present, prospective or contingent of any kind in and shall not receive distributions from, the property, assets, income or earnings of the corporation, except for services actually rendered to the corporation. No part of the net earnings of the corporation shall inure to the benefit of any member of the corporation or individual.

ARTICLE VI

MEMBERSHIP

The membership of the corporation shall consist of such members as are specified in the Bylaws of the Papohaku Homeowners' Association (the "Bylaws") and the Declaration.

ARTICLE VII

DIRECTORS

There shall be a Board of Directors of the Corporation to consist of not less than three nor more than nine directors (but always of an odd number), and the initial Board of Directors shall consist of five directors. Not less than one member of the Board of Directors shall be a resident of the State of Hawaii, and in the absence of one such member the Board of Directors shall not function. Subject to the foregoing, the number of directors shall be fixed each year by the members of the Corporation at their annual meeting. The members of the Board of Directors shall be elected or appointed at such times, in such manner and for such terms, subject to the provisions set forth in this Article VII, as may be prescribed by the Bylaws. The directors need not be members of the Corporation. The Board of Directors shall have full power to control and direct the business and affairs of the Corporation and to manage its properties, subject, however, to any limitations which may be set forth in statutory provisions, in these Articles, in the Bylaws, or in the Declaration.

The names, residence 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:

<u>NAME</u>	<u>RESIDENCE ADDRESS</u>
Thomas Rice	P.O. Box 97 Maunaloa, Hawaii 96770

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

<u>NAME</u>	<u>RESIDENCE ADDRESS</u>
Ronald T. Hedani	98-1305 Akaaka Street Aiea, Hawaii 96701
D. Scott MacKinnon	1340 Aulepe Street Kailua, Hawaii 96734

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

<u>NAME</u>	<u>RESIDENCE ADDRESS</u>
Hideyuki Takahashi	855 Makahiki Way, #410 Honolulu, Hawaii 96826
Kanji Hirata	12-31 Wakakusadai Midori-ku Yokohama, Kanagawa Pref. 227 Japan

ARTICLE VIII

OFFICERS

The officers of the Corporation shall consist of a President, one or more Vice Presidents as may be prescribed by the Articles of Incorporation, a Secretary, a Treasurer and such other officers and assistant officers and agents as may be prescribed by the Articles of Incorporation. The officers shall be elected or appointed at such times, in such manner and for such terms, subject to the provisions of this Article VIII, as may be prescribed by the Bylaws. No officer need be a director or a member of the

Corporation, and any two or more offices may be held by the same person.

All officers of the Corporation shall have such authority and perform such duties in the management of the Corporation as may be provided in the Bylaws, or as may be determined by resolution of the Board of Directors not inconsistent with the Bylaws.

The names and residence addresses of the persons who are to act as the initial officers of the Corporation until their successors are duly elected pursuant to the Bylaws are as follows:

<u>NAME (OFFICE)</u>	<u>RESIDENCE ADDRESS</u>
(President/Treasurer) Hideyuki Takahashi	855 Makahiki Way, #410 Honolulu, Hawaii 96826
(Vice President/Secretary) Ronald T. Hedani	98-1305 Akaaka Street Aiea, Hawaii 96701

ARTICLE IX

LIMITATION OF 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 the members of the Design Committee provided in the Declaration, nor any of the officers, employees or other agents of the Corporation shall have any personal liability for the payment of such obligations, except that the members of the Corporation shall be subject to assessment for

the best interests of the Corporation, or, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or 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 such person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was unlawful.

Any indemnification under this section (unless ordered by a court) shall be made by the Corporation only if authorized in the specific case upon a determination that indemnification of the director, officer, employee or other agent is proper in the circumstances because such person has met the applicable standard of conduct. Such determination may be made:

(i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings; or

(ii) if such a quorum is not obtainable, or, even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion to the Corporation; or

(iii) if a quorum of disinterested directors so directs, by a majority vote of the members of the Corporation.

Notwithstanding anything contained in the foregoing provisions of this Article X, to the extent that a director, officer, employee or other agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this section, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in a particular case upon receipt of an undertaking by or on behalf of the director, officer, employee or other agent to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation as authorized in this Article x.

The indemnification provided by this Article X shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a director, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who 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 other agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article X.

ARTICLE XI

DISSOLUTION

No voluntary dissolution of the Corporation or liquidation of its assets shall take place without the assent of three-fourths (3/4ths) in voting interest of the members of the Corporation, obtained by vote at a meeting of the members of the Corporation duly called and held for the purpose of authorizing such dissolution or liquidation. Written notice, setting forth the purpose of the meeting, shall be given to all members not less than 30 days in advance of the meeting. Upon any such dissolution or liquidation, the assets of the corporation, whether real, personal or mixed, after payment of all debts of the Corporation, shall be conveyed to a successor organization, which shall be an

unincorporated association, and which shall succeed to all the rights.

ARTICLE XII

RELATED TRANSACTIONS

No contract or other transaction between the Corporation and any other person, firm, corporation, association or other organization, and no act of the Corporation, shall in any way be affected or invalidated by the fact that any of the directors or officers of the Corporation are parties to such contract, transaction or act or are pecuniarily or otherwise interested in the same or are directors or officers or members of any such other firm, corporation, association or other organization, provided that the interest of such director or officer shall be disclosed or shall have been known to the Board of Directors authorizing or approving the same, or to a majority thereof, prior to such authorization or approval. Any director of the Corporation who is a party to such transaction, contract or act or who is pecuniarily or otherwise interested in the same or is a director or officer or member of such other firm, corporation, association or other organization, may be counted in determining a quorum of any meeting of the Board of Directors which shall authorize or approve any such contract, transaction or act and may vote thereon with like force and effect as if he were in no way interested therein. Neither any director nor any officer of the Corporation being so interested in any such contract, transaction or act of the Corporation which