REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
1010 Richards Street - P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

WAIAKALUA PALMS CONDOMINIUM
Waiakalua St.
Kilauea, Kauai, Hawaii

Registration No. 2029 (Partial Conversion)

Issued: June 15, 1990
Expires: July 15, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of May 8, 19 90, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

_____ **PRELIMINARY:** *(yellow)* The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

__X__ **FINAL:** *(white)* The developer has legally created a condominium and has filed complete information with the Commission.

[ ] No prior reports have been issued
[X] Supersedes all prior public reports
[ ] Must be read together with _____

_____ **SUPPLEMENTARY:** *(pink)* Updates information contained in the

[ ] Prelim. Public Report dated _____
[ ] Final Public Report dated _____
[ ] Supp. Public Report dated _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____

[ ] This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[ ] No prior reports have been issued by the Commission.

[X] Changes made are as follows:

SPECIAL NOTICE:

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This Public Report does not constitute an approval of the project nor that all County Codes, Ordinances and subdivision requirements have been complied with.

2. This project does not involve the sale of individual subdivided lots.

3. Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads.

4. Read Exhibit D (Protective Covenants) and Exhibit J (Letter from County of Kauai) with care.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

CHANGES FROM PRELIMINARY TO FINAL PUBLIC REPORT:

Page	Description of Changes
3	Exhibit Titles Changed for A and B
5	New apartment descriptions for Units 1, 2 and 3.
7	Inserts recording information for condominium documents.
10	Construction material clarified on Units 1, 2 and 3
11	Paragraph 6: Interior Description changes on Units 1, 2 and 3 (storage shed size).
17	Construction status changed to show completion of improvements.

New Exhibits replace old to update map showing actual locations of improvements (Exhibit A), deletes old Exhibit B for unit location; updated descriptions of as-built improvements to the units (Exhibit B), clarified Exhibit C, adding description of permitted uses, ability to alter units and cautionary comments (Exhibit C); Exhibit E changed to reflect language of Declaration of Condominium Property Regime in description of Limited Common Elements and Common Elements of Project. Updated Encumbrances On Title (Exhibit F).

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Escrow Company
Managing Agent
Attorney for Developer

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EXHIBIT A: Condominium Map and Limited Common Element Locations
EXHIBIT B: Floor Plans and Elevations for Structures
EXHIBIT C: Schedule of Apartments and Common Interests
EXHIBIT D: Summary of Protective Covenants and Restrictions
EXHIBIT E: Common Elements and Limited Common Elements of Project
EXHIBIT F: Encumbrances Against Title
EXHIBIT G: Estimate of Initial Maintenance Fees and Disbursements
EXHIBIT H: Summary of Sales Contract
EXHIBIT I: Summary of Escrow Agreement
EXHIBIT J: Letter from Kauai County Planning Department dated 2-27-89.

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's *"Condominium Property Act"* (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

[X] Fee simple interest in an apartment and an undivided feehold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. [ ] New Building(s) [ ] Conversion
   [X] Both New Building(s) and Conversion

2. [ ] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [X] Other Agricultural and Residential

3. [ ] High Rise (5 stories or more) [X] Low Rise

4. [ ] Single or [X] Multiple Buildings

5. Apartment Description

Apt. No.	Quantity	BR/Bath	Net Living Area (sf)*	Storage Sheds/ Util.Bldg. (sf)
1	1	0	0	90
2	1	0	0	90
3	1	0	0	90
4	1	0	0	384

Total Apartments: 4

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: Each unit has ample area for at least two (2) parking stall areas within its limited common element at all times.	
Total Parking Stalls	

7. Recreational amenities:

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: JOHN LANSKER and STEPHEN LANSKER
Name
Phone: (808) 828-1334 (Business)

P.O. Box 501
Business Address
Kilauea, HI 96754

Names of officers or general partners of developers who are corporations or partnerships:

Real Estate Sales Agent: KILAUEA REAL ESTATE COMPANY
Name Attn: Mike Dyer
Phone: (808) 828-1705 (Business)

P.O. Box 68
Business Address
Kilauea, HI 96754

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
Phone: (808) 245-3381 (Business)

4290 Rice Street
Business Address
Lihue, HI 96766

Managing Agent: Self-Managed*
Name
Phone: (Business)

Business Address

*Upon compliance with condominium managing laws.

Attorney for Developer: STEVEN R. LEE
Name

2959 Umi Street, Ste. 300
Business Address
Lihue, HI 96766

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances - Book 23910 Page 507
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

1. Filed Dec. 28, 1989; Book 24061, Page 439 (Amended Declaration)
2. Filed May 1, 1990; Document No. 90 062278 (Amended and Restated Declaration)

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyance Condo Map No. 1264
[ ] Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances - Book 23910 Page 525
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

Filed May 1, 1990; Document No. 90 062279 (Amended and Restated Bylaws

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted

[X] Developer does not plan to adopt house rules. However, see Protective Covenants (Exhibit D).

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	N/A

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

NONE

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Other:

For Subleaseholds:

[ ] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
[ ] Cancelled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. **Underlying Land:**

Address: Waiakalua Street Tax Map Key: (4) 5-1-5:30 (TMK)

Kilauea, Kauai, Hawaii

[X] Address [ ] TMK is expected to change because each unit has not yet been assigned an address.

Land Area: 10.007 [ ] square feet [X] acre(s) Zoning: Agricultural

Fee Owner: JOHN LANSKER and STEPHEN LANSKER
Name

P.O. Box 501
Address

Kilauea, HI 96754

Sublessor: _____
Name

_____
Address

_____

C **Buildings and Other Improvements:**

1. [ ] New Building(s) [ ] Conversion of Existing Building(s)
   [X] Both New Building(s) and Conversion

2. Buildings: 4 Floors Per Building 1

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood (Unit 4 only)

   [X] Other Units 1, 2, & 3 are metal storage buildings.

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[ ] Residential		[X] Agricultural	4
[ ] Timeshare/Hotel		[ ] Recreational	
[X] Other: See page 18 for further explanations.			4

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets Protective Covenants and Restrictions apply. (See Exhibit D).

[ ] Number of Occupants: _____

[X] Other: An owner must engage in agriculture actively to be permitted to construct a residence.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators 0 Stairways 0 Trash Chutes 0

Apt. No.	Quantity	BR/Bath	Net Living Area (sf)*	Storage Sheds/ Util. Bldg.(sf)
1	1	0	0	90
2	1	0	0	90
3	1	0	0	90
4	1	0	0	384

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

See Exhibit A. Within the requirements of the zoning ordinances and Protective Covenants and Restrictions, each unit owner may place improvements where desired, and subsequently relocate improvements, provided such improvements comply with the building and zoning requirements of the County of Kauai.

See Exhibit J, Letter from the County of Kauai Planning Department.

Permitted Alterations to Apartments;

As allowed by the Kauai County zoning ordinances and Protective Covenants. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime and Condominium Map (Exhibit A) by the Association of Unit Owners will be required to disclose actual improvements as a matter of public record.

7. Parking Stalls:

Total Parking Stalls: At least two parking stall areas will be required in each unit's limited common element.

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)							
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open							

Each apartment will have the exclusive use of at least 2 (two) parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[ ] Other: _____

_____

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

10. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. **Common Elements, Limited Common Elements, Common Interest:**

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

[X] Exhibit E describes the common elements.

[ ] As follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

[X] The limited common elements and the apartments which may use them are:

[X] described in Exhibit E

[X] as follows:

The portion of land set aside for the use of each owner of a unit as set forth in Exhibit A, subject to the roadway and utility easement.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

[X] Exhibit C describes the common interests for each apartment.

[ ] As follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit F describes the encumbrances against the title contained in the title report dated December 29, 1988 and issued by Title Guaranty of Hawaii. Developer represents that there have been no further encumbrances since that date.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage	If foreclosed, buyer's deposit will be refunded.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[X] self-managed by the Association of Apartment Owners.

[ ] other _____

G. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit G contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] Electricity

[ ] Gas

[ ] Other _____

[ ] Television Cable

[ ] Water & Sewer

[X] Not applicable

I. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

J. **Status of Construction and Estimated Completion Date:**

All construction is now complete. Apartments 1, 2 & 3 are new storage sheds. Apartment 4 is a previously constructed utility building.

K. **Project Phases:**

The developer [ ] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract

Exhibit H contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated January 5, 1989

Exhibit I contains a summary of the pertinent provisions of the escrow contract.

[X] Other Registration Forms

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Prospective Purchaser:

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. You will be required to comply with zoning codes to be allowed to construct a residence on your limited common element.

To determine whether your expectations can be realized, you should carefully review this Report, especially Exhibit D, a summary of recorded Protective Covenants and Restrictions for Kilauea Farms Subdivision. Among other things, the Protective Covenants and Restrictions state what you may and may not do with the property, what is required of you, and what is and is not available. You should also conduct your own investigations and ascertain the validity of information provided. There is an Architectural Review Committee which must approve of all building plans. Please remember that issuance of this Report does not mean the Real Estate Commission has approved the project.

The County of Kauai Planning Department has advised that, in order to process the necessary permits for the construction of a farm dwelling and the processing of a farm dwelling agreement, authorization from at least 75% of the legal and equitable ownership of the entire project shall be required, consistent with the Declaration of Condominium Property Regime, the Bylaws, and Kilauea Farms Subdivision Protective Covenants and Restrictions.

Except as limited specifically by the Declaration of Condominium Property Regime, the Bylaws and Kilauea Farms Subdivision Protective Covenants and Restrictions, all uses permitted in the agricultural zone are permitted. Such uses include, but are not limited to growing crops, raising animals, residence, diversified agriculture, forestry, orchards and nurseries and wildlife management. See Kauai County Comprehensive Zoning Ordinance, Article 8.7.

With reference to page 10 of this report, specifically the permitted uses of buildings and other improvements, structures shall only be occupied or used for agriculture, associated residential uses, and/or other uses permitted under the Kauai County Zoning Ordinances and the Protective Covenants and Restrictions (Exhibit D), herein referenced. An agricultural residence may not be constructed unless the Unit Owner demonstrates to the County his ability to derive income and/or agricultural products from his property. Agricultural use must be established and verified prior to any building permit approval.

Please see cautionary and advisory letter from Kauai County Planning Department attached as Exhibit J.

A buyer should understand that all development and use of the properties shall comply with all County Codes and Ordinances, that owners in this condominium project will not necessarily receive the same County benefits as owners of approved subdivided lots, and that owners who develop their properties later than others may find that insufficient utility capacities may thwart their expectations.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
   a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
      AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
   a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other Declaration of Protective Covenants and Restrictions for Kilauea Farms Subdivision.

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 2029 filed with the Real Estate Commission on January 30, 1989.

Reproduction of Report. When reproduced, this report must be on:

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Peter N. Yanagawa

PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

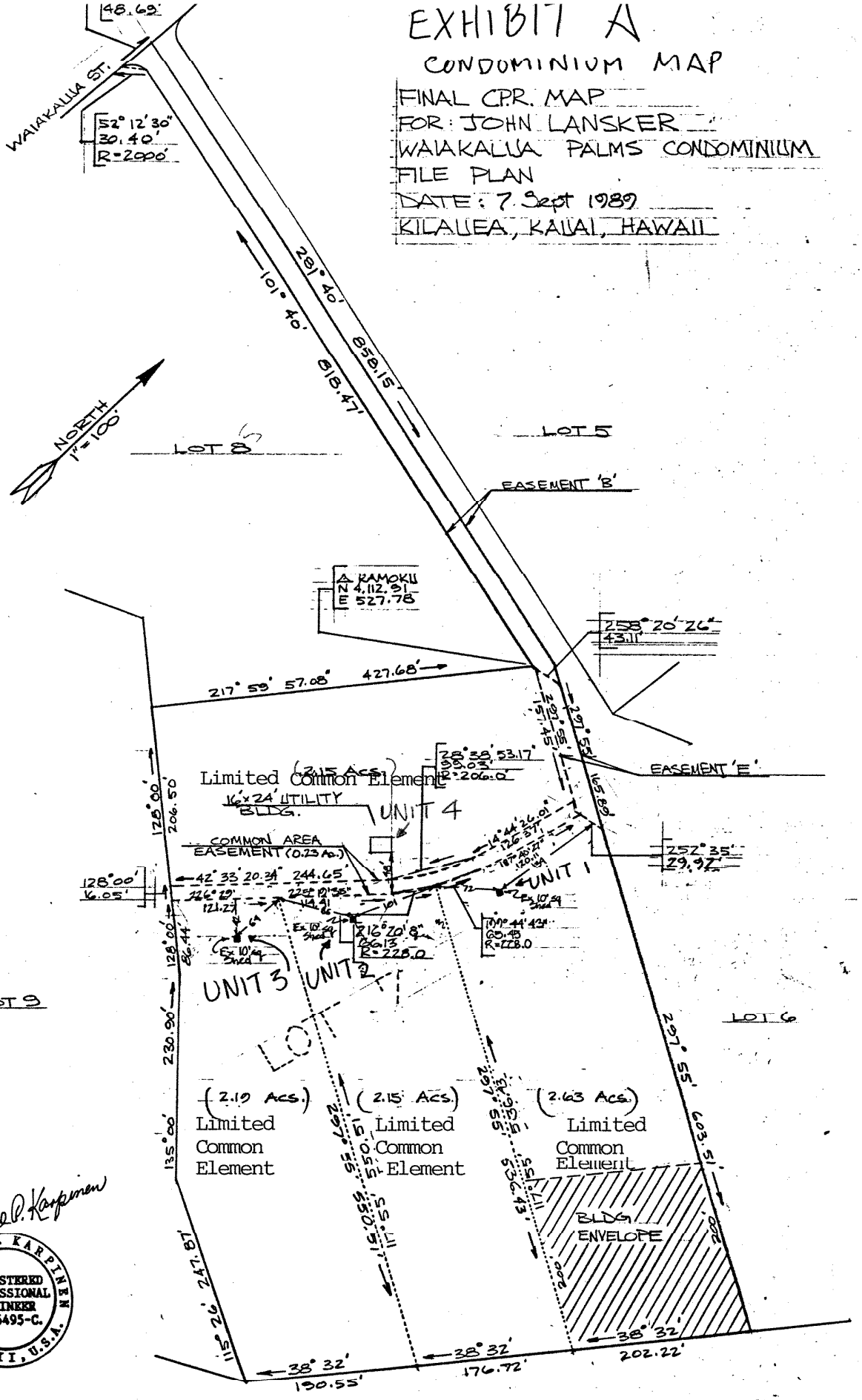
Distribution:

Bureau of Conveyances
Department of Finance, County of Kauai
Planning Department, County of Kauai
Federal Housing Administration
Escrow Agent

EXHIBIT A

CONDOMINIUM MAP

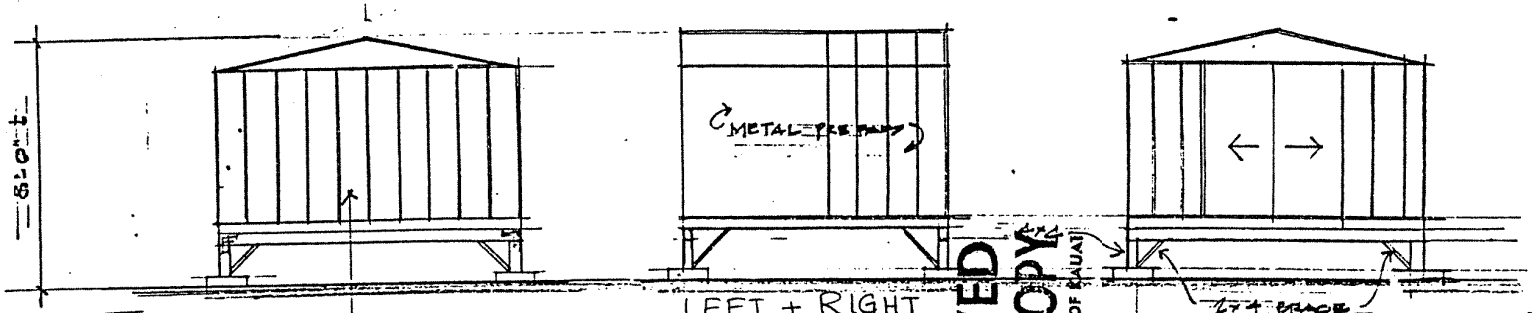
FINAL C.P.R. MAP
FOR: JOHN LANSKER
WAIAKALUA PALMS CONDOMINIUM
FILE PLAN
DATE: 7 Sept 1989
KILAUEA, KAUAI, HAWAII



Donald P. Karpinen

DONALD P. KARPINEN
REGISTERED PROFESSIONAL ENGINEER
No. 6495-C.
HAWAII, U.S.A.

TMK: 5-1-05:30

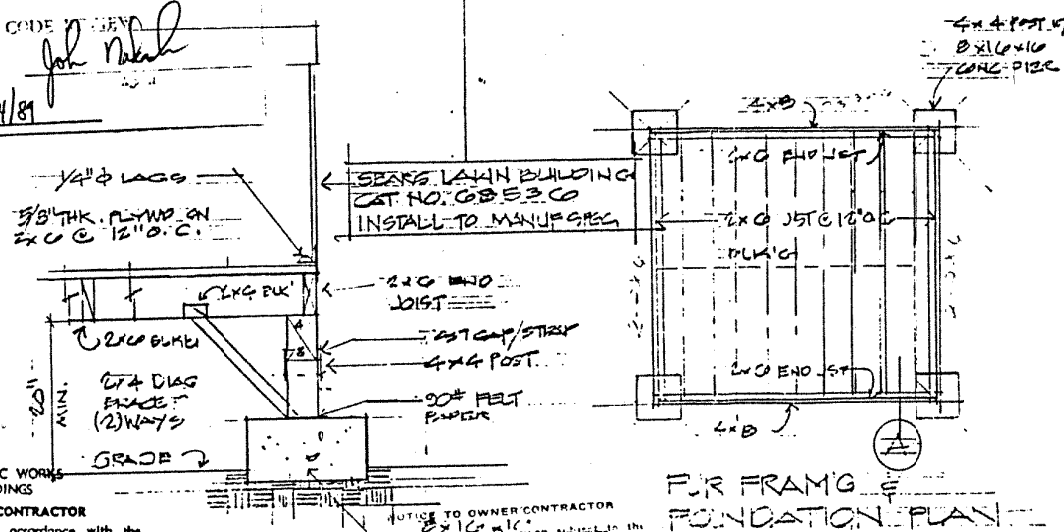


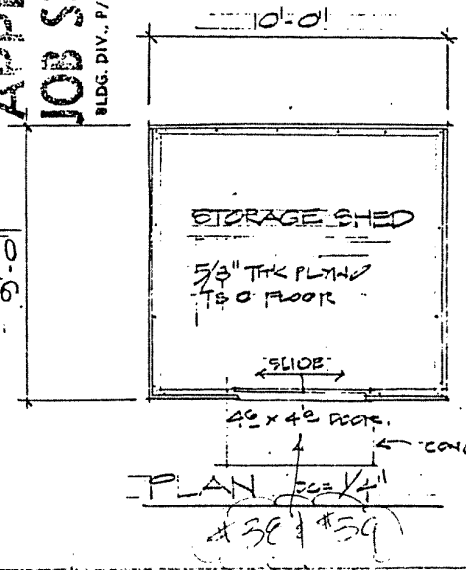
ELEVATIONS

SCALE: 1/4"=1'-0"

STATE OF HAWAII
DEPARTMENT OF HEALTH
SANITATION BRANCH
Lihue, Kauai
HOUSING CODE INSPECTION
John Nakagawa
Date 8/4/89

APPROVED
JOB SITE COPY
BLDG. DIV., DPW, COUNTY OF KAUAI





DEPARTMENT OF PUBLIC WORKS
DIVISION OF BUILDINGS

NOTICE TO OWNER AND CONTRACTOR

Building Construction shall be in accordance with the adopted Uniform Building Code, Uniform Plumbing Code, National Electrical Code and all other County of Kauai Building, Plumbing and Electrical Ordinances.

Approval of plans shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of these codes.
Approved "Job Site Copy" shall not be changed, modified or altered without authorization from the Building Official.

DETAIL "A"
SCALE: 1/4" = 1'-0"

NOTICE TO OWNER/CONTRACTOR
2x16 w/16"
Approval of this plan is given subject to the following conditions:
1. All construction shall be in accordance with this approved plan, i.e. setbacks, height, lot coverage, parking, use of structure, lot, etc.
2. If any changes are made to this approved plan, a copy of such plan shall be submitted to this office for review and approval.
3. Use of structure shall comply with all minimum requirements under County rules, regulations, codes and ordinances.

Planning Department
County of Kauai

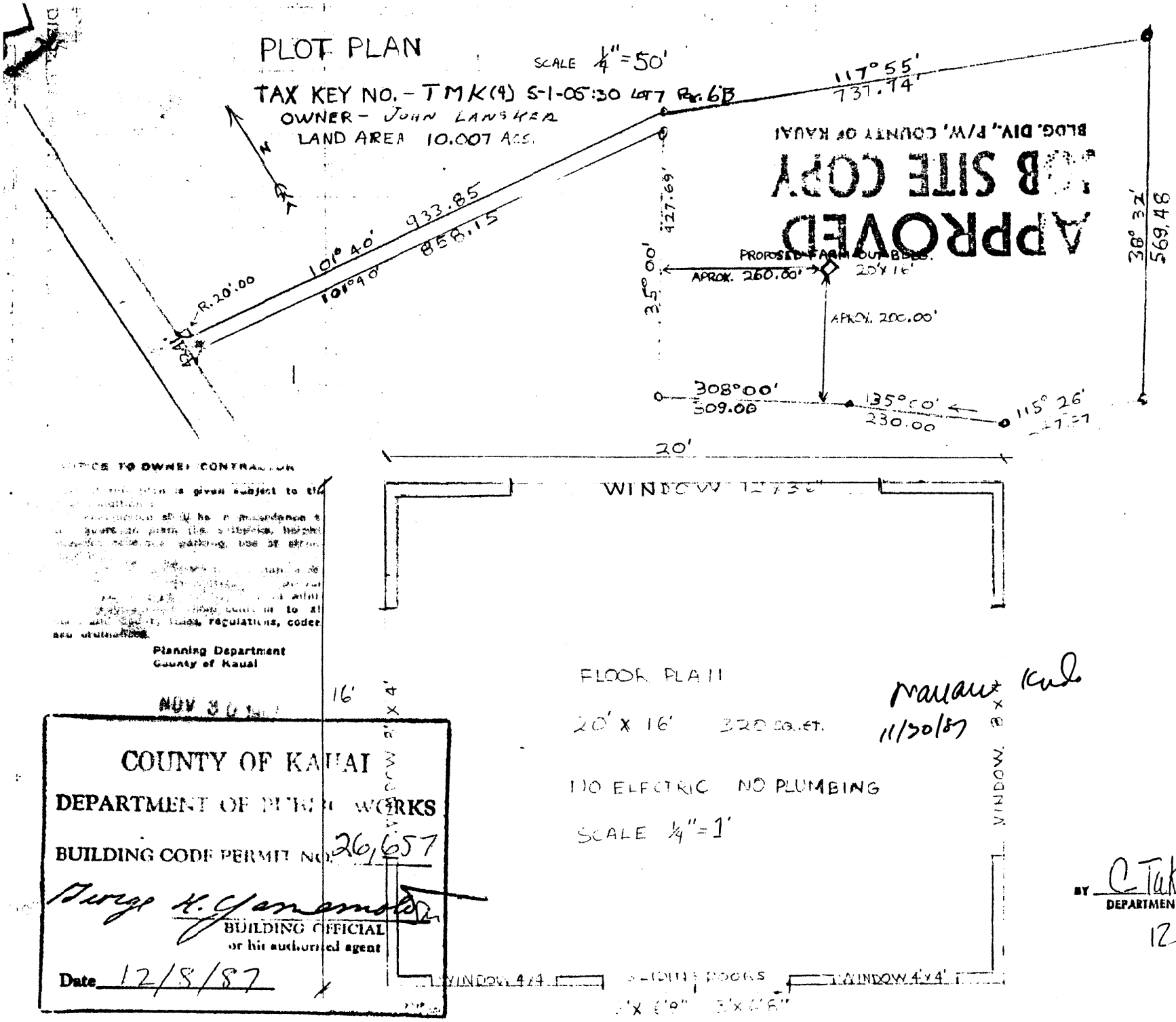
AUG 2 1989

DESIGN ASSOCIATES
PRINCEVILLE CENTER, KAUAI, HI 96722 • 826-7039
DRAWN BY 7/29/89 JR

STORAGE SHED
for Mr. JOHN LANSKER

EXHIBIT B: Floor Plans & Elevations
Units 1, 2, 3

EXHIBIT B
FLOOR PLANS + ELEVATIONS
UNIT 4 only



APPROVED
JOB SITE COPY
BLDG. DIV., P/W, COUNTY OF KAUAI

NOTICE TO OWNER/CONTRACTOR

[illegible] is given subject to the [illegible]

[illegible] shall be in accordance to [illegible] plan, the subjects, height [illegible] parking, use of [illegible]

[illegible] to all [illegible] regulations, codes and ordinances.

Planning Department
County of Kauai

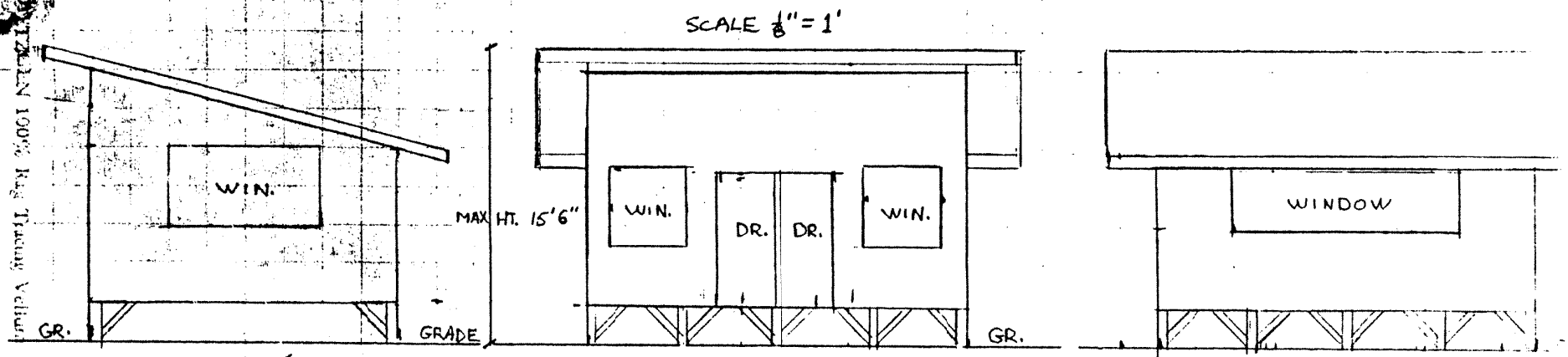
NOV 30 [illegible]

COUNTY OF KAUAI
DEPARTMENT OF PUBLIC WORKS
BUILDING CODE PERMIT NO. 26,657
George H. Yamamoto
BUILDING OFFICIAL
or his authorized agent
Date 12/8/87

Mauna Kuda
11/30/87

BY C. Takekuma
DEPARTMENT OF HEALTH, KAUAI
12/1/87

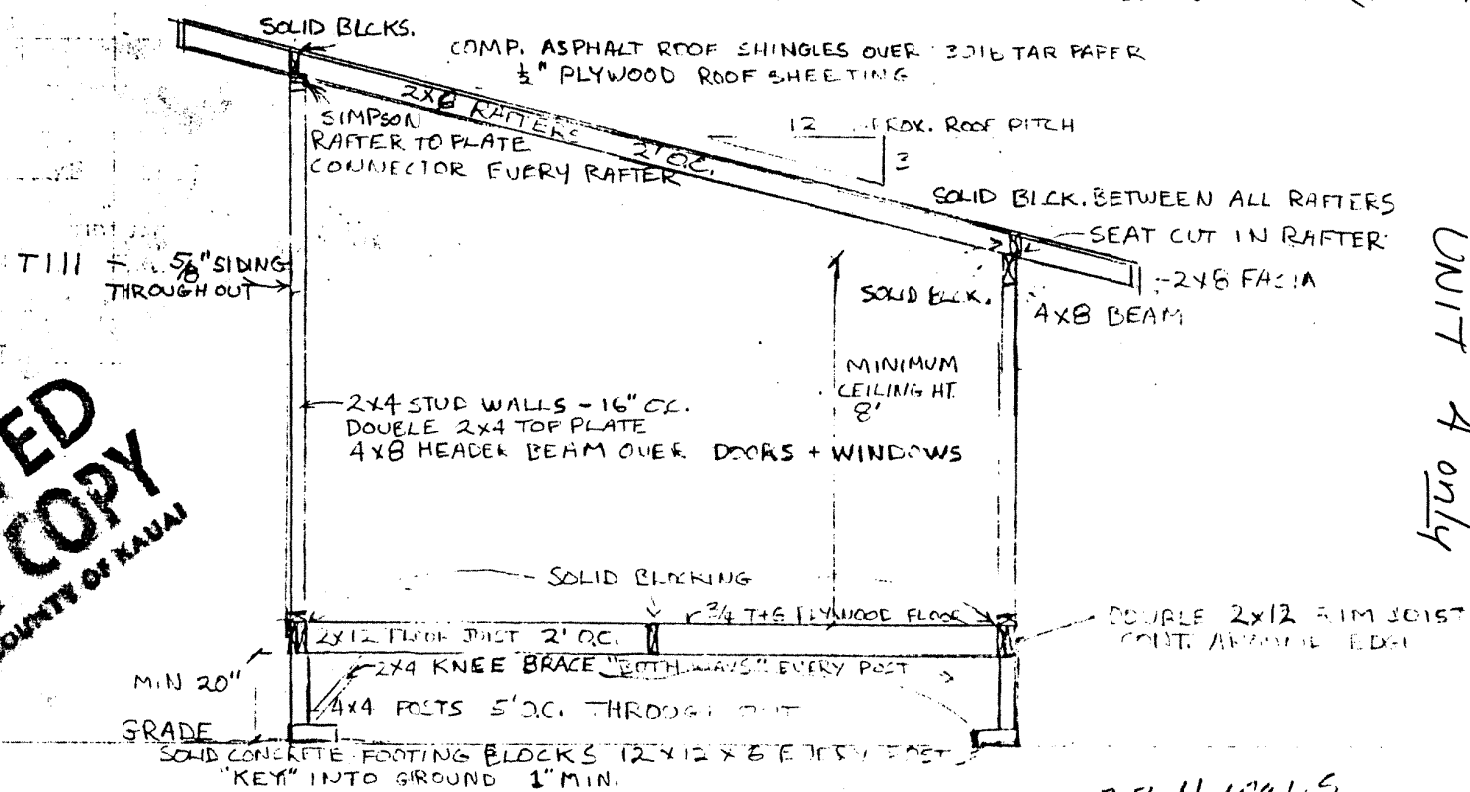
EXHIBIT C B
FLOOR PLANS + ELEVATIONS
UNIT 4 only



TYPICAL SIDE ELEV. (EAST+WEST)

FRONT ELEV. (SOUTH)

BACK ELEV. (NORTH)

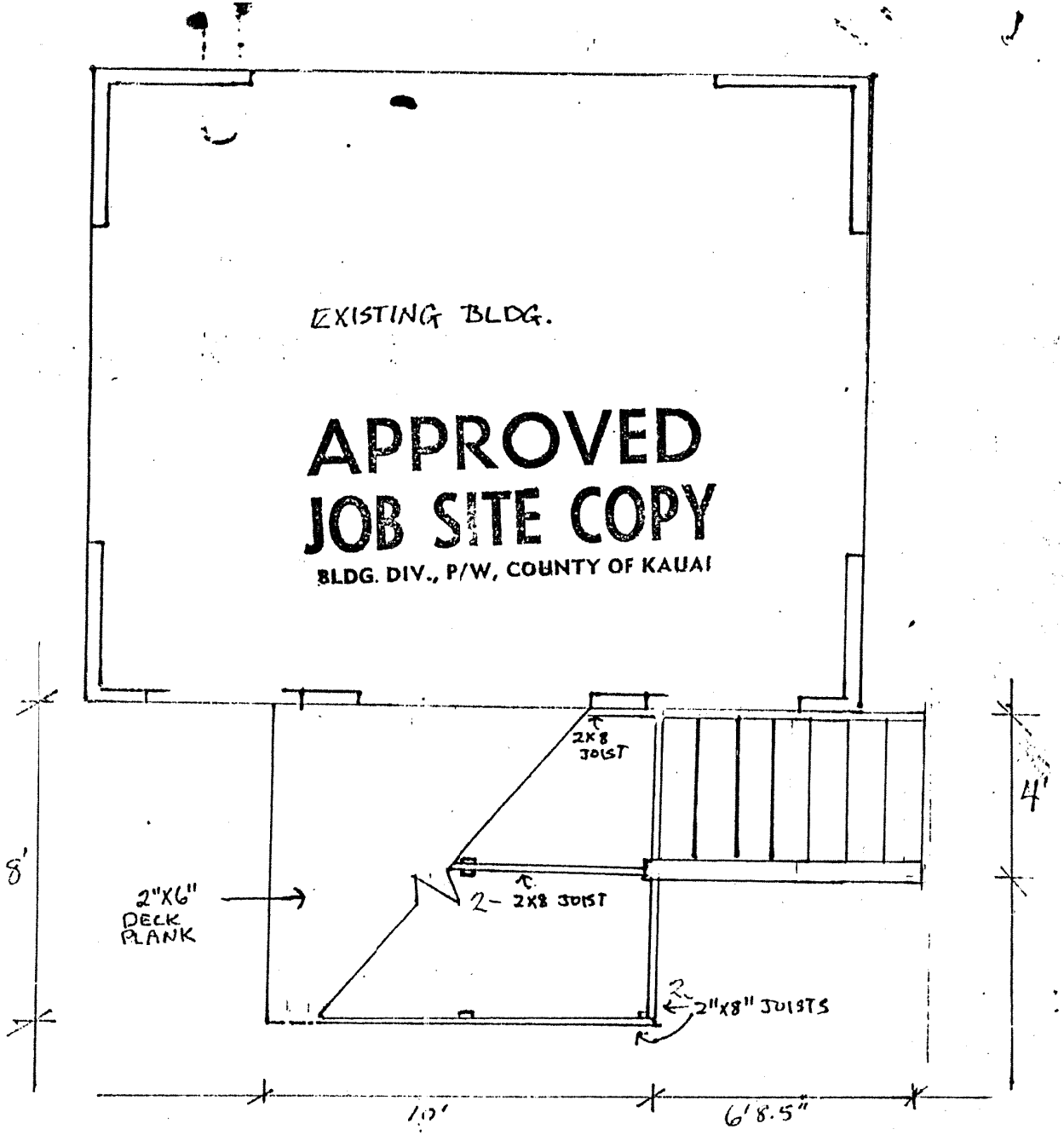


CROSS SECTION VIEW SCALE 1/4" = 1'

2,3,4 ways

APPROVED
JOB SITE COPY
BLDG. DIV. V/W, COUNTY OF KAUAI

TMK 4-5-1-05-30
LOT 7 PAR 6B



LOADING PLATFORM

(ADDITION TO EXISTING STRUCTURE

2"X8" FLOOR JOISTS

4X4 POSTS

SOLID CONCRETE BLOCKS FOOTIN
16X16X6
KEY INTO GROUND. 1" MIN.

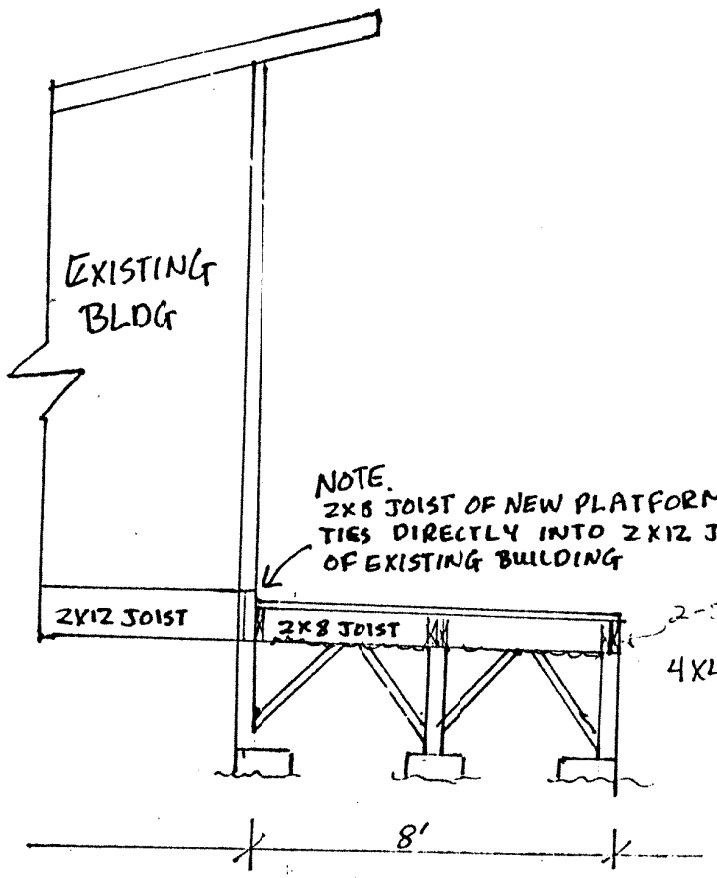
2X4 KNEE BRACE EVERY POST
BOTH WAYS

2"X6" FLOOR DECKING

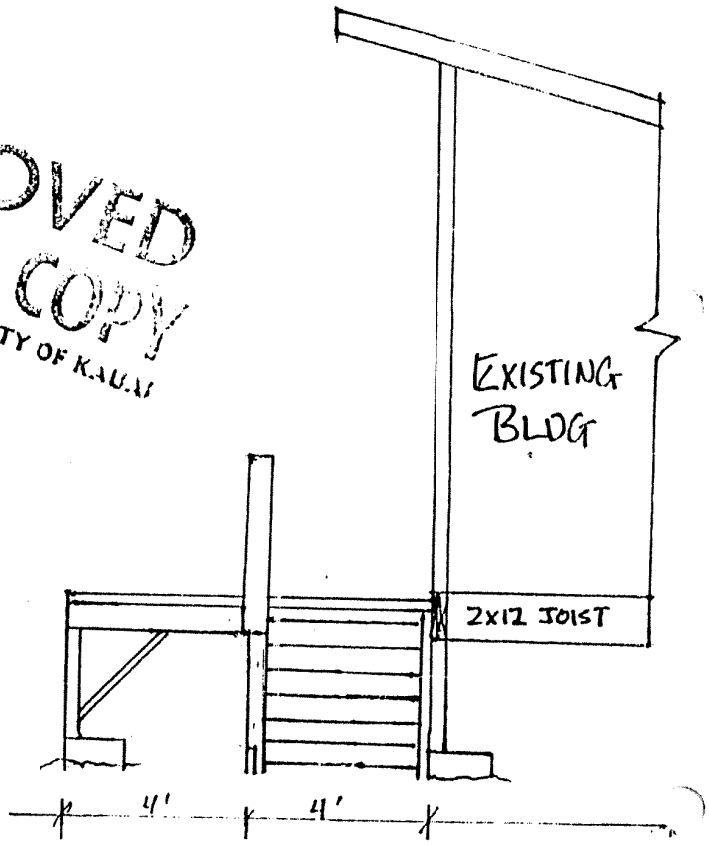
STAIRS
6" RISE / 11.5" TREAD
EACH TREAD IS 2- 2"X6"
4"X4" POST 3' HIGH TOP & BOT
2"X6" RAIL
2"X4" SPACERS UNDER RAIL
½" MAX SPACING

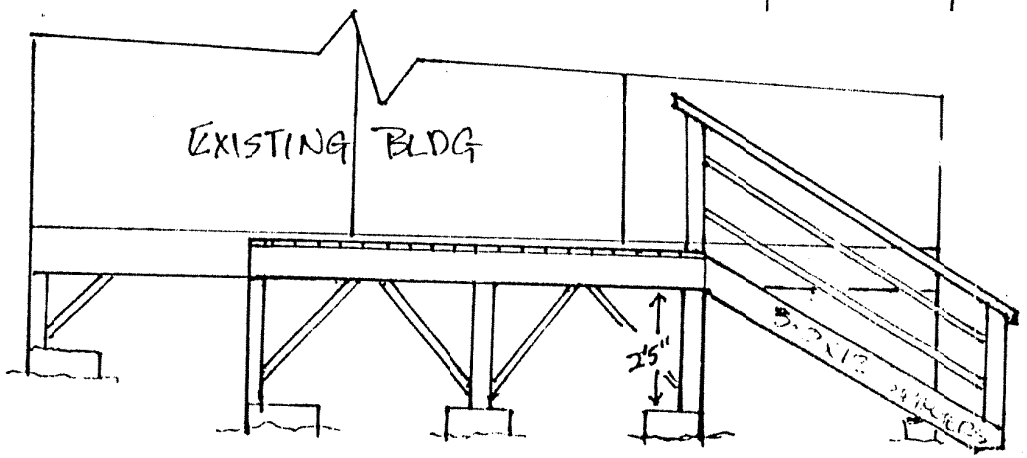
3-2X12 STRINGERS

EXHIBIT D
UNIT 4 only



APPROVED
JOB SITE COPY
BLDG. DIV., P/W, COUNTY OF KAUAI





EXISTING
FLOOR PLANS +
ELEVATIONS
UNIT 4 only

3'8" approx from
top of deck to
ground

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR WAIAKALUA PALMS CONDOMINIUM

Qty.	Apt. No.	*Area of Limited Common Element	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Farm Shed Area (Sq. Ft.)	% of Common Int.
1	1	2.63 AC			90	25
1	2	2.15 AC			90	25
1	3	2.19 AC			90	25
1	4	2.15 AC			384	25

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration, each unit owner may use his unit, alter or add to its farm structure in any manner he deems desirable, so long as it is permitted by law and the Declaration of Protective Covenants and Restrictions. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration together with their respective signatures. See Exhibit J for cautionary comments from the County of Kauai Planning Department.

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PROTECTIVE COVENANTS AND RESTRICTIONS
FOR WAIAKALUA PALMS CONDOMINIUM

The covenants effecting use of this property are those contained in Declaration of Protective Covenants, Conditions and Restrictions for Kilauea Farms Subdivision recorded February 24, 1981 in Book 15368, Page 13.

The covenants in Deed dated November 30, 1981, recorded on December 10, 1981 in Book 16028, Page 574.

Agreement to incorporate Agricultural Restrictions into Instruments of Conveyance dated June 30, 1980, recorded October 16, 1980 in Book 15060 at Page 397, between HAWAIIANA INVESTMENT CO., INC., a Hawaii corporation, and the County of Kauai Planning Department.

The following pages summarize the Protective Covenants and Restrictions.

SUMMARY OF PROTECTIVE COVENANTS AFFECTING ALL
LOTS IN KILAUEA FARMS SUBDIVISION

These are what the Developer deems to be significant parts of the recorded Protective Covenants, Conditions and Restrictions for Kilauea Farms, as amended, (the "covenants") constituting use restrictions on all Kilauea Farms lots. This project is located on one lot of the Kilauea Farms Subdivision, located at Kilauea, Kauai, Hawaii (the "covenants"). All Lot-Owners together form an "Association", which insures that protective covenants may be enforced and honored. Others may be of concern to individual owners. Full copies of the Covenants may be obtained from the developer. The prospective purchaser is urged to read a full copy prior to entering into an agreement to purchase.

4.2 Maintenance of Association Property.

The Association shall be obligated to provide for the care of Association Property. Association obligations shall include keeping property in attractive and sanitary condition as well as making necessary and desirable improvements on Association Property.

4.7, Paragraph 3:

The Association has the right to enforce rules and regulations under the Declaration, Bylaws, or any amendments to said document, by imposing a reasonable

fine or by suspension of voting privileges, for a time not to exceed 30 days.

5.1 Assessments.

Each Lot Owner (in this case, this condominium project) pays amounts based on a "Point" system for points assigned to each Lot, which amounts are called "Assessments". The current assessment is $150.00/per year for each condominium Lot in the Project, and is in addition to the monthly common area maintenance fees.

The Board shall have the power and authority to determine all matters in connection with Assessments, including authority to determine where, when and how assessments should be paid, and each Owner shall comply.

5.4 Supplementary Assessments.

The Association may levy supplementary assessments, payable over such period as the Association may determine for the purpose of defraying any expenses and to cover the deficiency in the event that the amount received by the Association from regular assessments is less than the amount determined and assessed by the Association.

6.8 No Unsightliness.

No unsightliness shall be permitted on any Lot. All unsightly structures, objects, equipment shall be enclosed within an approved structure or screened from view so as not to be visible from neighboring property. All equipment or machinery exceeding one-half ton shall be kept in an enclosed structure or screened from view, except when in use. Service areas, storage and compose piles, solar dryers, shall be screened from view. Pipes drainage ways, wires, antennae visual signals, meters tanks, disposal systems shall be kept and maintained in a structure or below ground. No bulk materials, plant waste, trash, scrap, or refuse shall accumulate on any Lot unless screened from view. Trailers, vehicles or boats not in good operating condition shall be housed or screened from view. No garage or accessory building shall be used for other than parking vehicles, machinery, and tools. No carpenter shops, hobby shops or power equipment shall be shall be utilized therein except as specifically permitted.

6.9 Noise.

No sound devices, except security or civil defense devices shall be used on any lot. Any approved device exceeding normal conditions shall be subject to

limitation.

6.10 Light.

No unreasonably bright light (or one emitting unreasonable glare) shall be permitted. All exterior lighting shall conform to the rules and regulations of the Kilauea Farms Environmental Committee. All light fixtures visible from neighboring lots must be approved by the Kilauea Farms Environmental Committee.

6.13 Temporary Structures.

No temporary buildings shall be permitted to remain on any lot.

6.14 Animals.

All animals kept on a lot whether for economic or personal use shall be kept only in a density compatible with neighboring lots and shall be cared for with practices of good animal husbandry, including prompt removal of waste, control pests, maintaining adequate fencing, and control of noxious odors. Storage of food supplies shall be done as to prevent the scattering of materials by the wind.

6.15 Signs.

No signs shall be erected or maintained except such signs as may be required by legal proceedings; signs necessary to identify the ownership of the lot and its address; signs necessary to give direction, advise of rules or caution or warn of danger; signs necessary for job identification (one per contractor). No sign shall be directly illuminated higher than six feet above the ground elevation.

6.17 Clearing and Grading.

The clearing and grading of any lot shall be performed only in strict accordance with plans and specifications therefore which have been approved by Kilauea Farms Environmental Committee; no wanton cutting or desecration of existing trees will be permitted.

6.18 Cultivation of Crops.

All cultivation of crops shall be conducted only on approved locations as provided by Kilauea Farms Environmental Committee. Proper farming techniques, such as the following, shall be observed: control of dust; use of chemicals (i.e. pesticides, fertilizers); prompt removal or disposal of waste; control of water,

erosion; courteous observance of planting near lot boundaries so as not to disturb neighbors while planting, harvesting, spraying, watering etc.; protection of water sources from contamination and dangerous chemicals is required.

6.19 Structure Limitations.

Structures on all lots shall be located inconspicuously so not to be obtrusive to the landscape. A residence structure must also contain a garage or carport to accommodate at least 2 vehicles. No structure may be permitted whose height exceeds 30 feet. Structures should not obstruct views from other lots (with the exception of chimneys).

6.20 Design Criteria.

The character of Kilauea Farms shall be one of natural materials, colors and forms compatible with the natural landscape of the area.

6.21 Construction Period.

During the course of construction, with the understanding that all construction shall be performed in strict diligence, the provisions and conditions contained in the declaration shall be waived to the extent necessary to permit such construction. All such construction activities shall be conducted within the rules and regulations of the Kilauea Farms Environmental Committee.

6.22 Flooding and Erosion.

No Owner shall permit the construction of any improvement which will interfere with the normal flow of storm waters or cause unnatural runoff damaging his or neighboring lots. This is not to prohibit the construction of storm drains so long as they comply with Committee specifications.

6.24 Owner Caused Damage.

In the event that there is loss, or owner (or owner's guests) cause damage to Association property, such owner shall be responsible, unless fully covered by insurance. Any such funds may be required to be secured by a lien on said owner's lot.

7.3 Regulation of Boating.

The operation of all boats located within a Lake Lot shall be subject to the following restrictions:

1. Vessels in excess of 18 feet in length are prohibited.

2. Vessels powered by combustion engines are prohibited.

3. Vessels shall not exceed speeds of 5 miles per hour.

4. No vessel shall remain on the Lake overnight, unless it remains anchored at a facility specifically engineered for such purpose.

7.4 No Dumping or Littering.

No plant waste or refuse except approved, authorized fill, shall be deposited into any Lake Lot.

7.5 Introduction of Species of Animals.

No fish or game shall be introduced to any Lake Lot without the permission and the recommendation of the Kilauea Farms Environmental Committee. The committee shall consider the following when determining the introduction of any species to any Lake Lot:

1. Whether the species would threaten the existence and stability of other species as predator, compete for food, threaten breeding areas, in relation to its ecological requirements.

2. The availability of acceptable removal of such species should control of its population become necessary.

3. Whether or not species will enhance the use and enjoyment of the Lake Lot.

4. If a foreseeable risk of conflict with land use in the areas is prevalent.

7.6 Improvements.

No improvements may be constructed except in strict accordance and with the approval of specific plans by the Committee. Such improvements, other than mooring facilities, generally shall be permitted only within the boundaries of the lot to which they are appurtenant.

7.7 Maintenance.

Lake Lot Owners are responsible for the maintenance of their lot and any area to the water's edge and shall see

that all debris is removed promptly, kept free from weeds, and shall maintain all improvements. If any owner fails to maintain his lot, the Association may maintain it for him and an assessment may be imposed by Association.

7.8 Indemnity.

Owners use the Lake Lot at their sole risk and will hold the Association harmless from any claims in connection with such owner's use.

8.1 Easements in Lots for Repair and Maintenance

The Association shall have an easement for access through each lot for making (but are not obligated to make) emergency repairs as to prevent damage to Association property.

9.1 Creation.

The Kilauea Farms Environmental Committee has been created and shall consist of three members with an alternate member who shall act only in the absence of a member.

9.7 Review of Plans.

The Committee may specify the procedures for approval of plans, provided that the Committee's approval or disapproval of such plans, shall be given in writing within sixty days after submission and after the Owner's compliance with the requirements. If the Committee disapproves of any such plans, it shall send notice of its disapproval to the persons applying for approval and shall also return the cash bond, or security. If notice of disapproval is not so sent within said sixty days, the plans shall be deemed to have been approved by the Committee.

9.8 Requirements for Plans.

All plans and specifications for any new improvement shall be prepared by an Architect and submitted to the Committee for its approval. The plans and specifications for any alteration to the exterior of any existing building need not be prepared by an Architect. After approval of any plans, the Committee shall provide owner with a statement of approval. Approval by the Committee shall not warrant or imply legality, safety, etc. and each owner shall be responsible for his own compliance with all restrictive covenants rules, regulations and ordinances. Each owner shall also be solely responsible for obtaining any necessary

general plan amendments, and for the satisfaction of any charges that may be imposed in connection with such regulation requirements.

9.9 Standards of Review.

The Committee shall consider the suitability of the proposed building or other improvement for the area in which it will be located. The Committee shall require the overall visual character to be one of natural materials and forms compatible with those occurring in the natural landscape.

9.10 Bond Requirements.

The lot Owner shall provide to the Committee a cash bond in the sum of $5,000.00 guaranteeing completion of all the improvements. Said bond may be retained and used by the Association in the event that the improvements have not been timely completed in accordance with the plans. The Association shall promptly refund said bond upon receipt of written certification from the Committee that the improvements have been timely completed in accordance with the plans. If at the time of submission there is a bond then outstanding, an additional bond need not be provided. As an alternative to the bond, the Lot Owner may provide to the Committee either of the following: An owner's completion bond in the amount of $5,000.00 or a promissory note in favor of the Association, secured by a second mortgage, in the amount of $5,000.00.

9.13 Rule-Making Authority.

The committee shall adopt rules and regulations, without limitation, regulating construction and implementing provisions of this Declaration pertaining to design, building materials, aesthetic requirements, and other improvements.

12.1 Reservations of Right to Expand.

Declarant reserves the right to expand by annexing not more than 7,000 acres of additional land to the Subdivision (but not to this condominium project) in the vicinity of the Real Property. Such expansion shall not require the consent of any Owners.

12.6 Alternative Method of Expansion.

The Association may be expanded upon approval by an affirmative vote of Members. Voting by proxy shall be permitted. Notice of said meeting shall be in writing. Such notice shall be given to all Owners not less than

thirty nor more than fifty days before the date of the meeting.

13.1 Duration of Declaration.

Each of the provisions contained in the Declaration of Protective Covenants runs with the land and will continue and remain in full force and effect for a period of twenty years from adoption.

13.2 Amendment.

Any provision contained in this Declaration may be amended or changed by the Recording of a written instrument specifying the amendment executed by Members who hold not less than 66.6 percent of the voting power of the Association.

13.4 Enforcement and Remedies.

In addition to any other remedies provided, all covenants shall be enforceable by the Association, by the Kilauea Farms Environmental Committee or by the Declarant, or by any Owner, in a proceeding for a prohibitive or mandatory injunction or in a suit or action to recover damages. If court proceedings are instituted, the prevailing party shall be entitled to recover from the losing party all costs and expenses in connection therewith, including reasonable attorney's fees.

END EXHIBIT D

EXHIBIT E

Common Elements of the Project

The common elements of the project are:

(a) Land in fee simple;

(b) All future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;

(c) Any and all other elements and facilities in common use or necessary to the existence, upkeep and safety of the Project.

Limited Common Elements of Project

Certain parts of the common elements, herein referred to as the "limited common elements" are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved as follows:

(a) That certain land area upon and around which Units 1, 2, 3, and 4 are located, shown and designated on the Condominium Map and the table below, are deemed a limited common element appurtenant to and for the exclusive use of each respective unit.

Unit Number	Area of Limited Common Element
1	2.63 acres
2	2.15 acres
3	2.19 acres
4	2.15 acres

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

END OF EXHIBIT E

EXHIBIT F

Encumbrances Against Title

1. Title to all mineral and metallic mines reserved to the State of Hawaii.

2. Real property taxes, a lien not yet due and payable. For further information check with Kauai County Tax Assessor.

3. AGREEMENT

DATED	:	March 16, 1977
RECORDED	:	Liber 12110 Page 330
BY	:	STATE OF HAWAII
WITH	:	C. BREWER AND COMPANY, LIMITED
RE	:	Use of land described herein, besides other land for agriculture purposes

4. AGREEMENT

DATED	:	June 30, 1980
RECORDED	:	Liber 15060 Page 397
BY	:	HAWAIIANA INVESTMENT CO., INC., a Hawaii corporation, "Subdividers"
WITH	:	COUNTY OF KAUAI PLANNING DEPARTMENT
RE	:	Incorporate agricultural restrictions into instruments of conveyance to the land described herein, besides other land

5. MORTGAGE

MORTGAGOR	:	JOHN THOMAS LANSKER, unmarried, and STEPHEN CARL LANSKER, unmarried
MORTGAGEE	:	HAWAIIANA INVESTMENT CO., INC., a Hawaii corporation
DATED	:	September 28, 1983
RECORDED	:	Liber 17352 Page 1
AMOUNT	:	$178,657.50

ABOVE MORTGAGE (BESIDES OTHER MORTGAGES) ASSIGNED

TO	:	C. BREWER SERVICE CORP., a Hawaii corporation
DATED	:	December 20, 1985
RECORDED	:	Liber 19318 Page 580

6. Covenants, conditions and restrictions set forth in DECLARATION dated February 23, 1981, recorded in Liber 15368 at Page 13. Said Declaration was amended by instrument dated June 18, 1986, recorded in Liber 19600 at Page 1.

By NOTICE OF RELEASE OF RIGHTS OF DECLARANT UNDER DECLARTION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR KILAUEA FARMS dated April 26, 1988, recorded in Liber 21865 at Page 763, C. BREWER PROPERTIES, INC., a Hawaii corporation, formerly known as HAWAIIANA INVESTMENT CO., INC., a Hawaii corporation, delegates, transfers, assigns, conveys, and releases its rights and powers to KILAUEA FARMS COMMUNITY ASSOCIATION, a Hawaii nonprofit corporation.

7. "EXCEPTING AND RESERVING HOWEVER, unto Hawaiiana Investment Co., Inc., its successors and assigns, all water and water rights within or appurtenant to the granted premises, with the right to assign and transfer said rights to the State of Hawaii, County of Kauai, or any other public or private utility or other corporation provided, however, that in the exercise of said rights, Hawaiiana Investment Co., Inc., its successors and assigns shall not have the right to drill for water or to otherwise disturb the surface of the land or any improvements thereon."; as excepted and reserved in Deed dated September 28, 1983, recorded in Liber 17351 at Page 773.

8. "EXCEPTING AND RESERVING ALSO, HOWEVER, unto Hawaiiana Investment Co., Inc., its successors and assigns, easements for electrical, gas, communications and other utility purposes and for sewer, drainage, irrigation and water facilities over, under, across, along and through any easements within the granted premises which are designated on said File Plan No. 1646, together with rights of reasonable access thereto for the exercise of said easement rights, with the right to grant to the State of Hawaii, County of Kauai, or other appropriate governmental agency or to any public or private utility or other corporation easements for said purposes within said easements so designated."; as excepted and reserved in Deed dated September 28, 1983, recorded in Liber 17351 at Page 773.

9. GRANT

TO : WAIAKALUA PLANTATION NURSERY, a Hawaii Limited Partnership

DATED : June 28, 1984
RECORDED : Liber 18112 Page 637
GRANTING : a permanent and nonexclusive easement for the purpose of ingress to and from Lot 8 owned by nursery, and for the installation, maintenance and repair of underground utility lines to serve Lot 8, together with easement or easements to make reasonable entry from time to time to maintain, repair, or improve said easement area

10. That certain Agreement dated May 28, 1985, recorded in said Bureau in Liber 18699 at Page 430, and dated June 11, 1985, recorded in Liber 18796 at Page 239, by and between CITIZENS UTILITIES COMPANY, KAUAI ELECTRIC DIVISION, (Citizens) and SHASHIN, LTD. a Hong Kong corporation, ("Sashin"), JOHN LANSKER, STEPHEN CARL LANDSKER (the "Landskers"), V. STEPHEN HUNT (Hunt), and ALAN FRIEDEINGER (Freideinger), re: installation.

11. GRANT

TO : WAIAKALUA PLANTATION NURSERY, a Hawaii Limited Partnership

DATED : November 26, 1985
RECORDED : Liber 19157 Page 87
GRANTING : a permanent, non-exclusive easement for the purposes of vehicular and pedestrian access together with an easement or easements to make reasonable entry to maintain, repair or improve said easement area

12. GRANT

TO : SHASHIN LIMITED, a Hong Kong corporation

DATED : December 10, 1985
RECORDED : Liber 19157 Page 102
GRANTING : permanent nonexclusive easements for vehicular ingress and egress and for the installation and repair of underground utility lines and appurtenant facilities together with an easement or easements to make reasonable entry from time to time upon parcel to maintain, repair or improve said easement area

13. AGREEMENT

DATED	:	February 11, 1987
RECORDED	:	Liber 20375 Page 700
BY	:	KILAUEA IRRIGATION CO., INC., a Hawaii corporation
WITH	:	TRUSTEES UNDER THE WILL AND OF THE ESTATE OF MARY N. LUCAS, DECEASED
RE	:	water rights

14. GRANT

TO	:	CITIZENS UTILITIES COMPANY and HAWAIIAN TELEPHONE COMPANY, now known as GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED
DATED	:	November 23, 1987
RECORDED	:	Liber 21690 Page 261
GRANTING	:	a perpetual right and easement to build, construct, reconstruct, etc., pole and wire lines and/or underground lines for the the transmission and distribution of electricity and/or communication, etc.

The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, set forth in the Declaration of Condominium Property Regime dated September 20, 1989, recorded in the Bureau of Conveyances of the State of Hawaii at Liber 24061, Page 430, and amended by amendment filed December 28, 1989 at Liber 24061, Page 439 and as further amended in an Amended and Restated Declaration of Condominium Property Regime dated April 25, 1990 and recorded as Document No. 90-062278, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1264).

Bylaws of the Association of Apartment Owners of the Condominium Project known as "WAIAKALUA PALMS CONDOMINIUM" dated September 20, 1989, recorded in the Bureau of Conveyances of the State of Hawaii at Liber 23910, Page 525, and amended by Amended and Restated Bylaws dated April 25, 1990 and recorded May 1, 1990 as Document No. 90-062279.

END OF EXHIBIT F

EXHIBIT G

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment		Monthly Fee x 12 months =	Yearly Total
All Units	Unit 1	35.00	420.00
	Unit 2	"	"
	Unit 3	"	"
	Unit 4	"	"

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months =	Yearly Total
Utilities and Services		
Air Conditioning		
Electricity		
[ ] common elements only		
[ ] common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies	50.00	600.00
Building		
Grounds		
Management		
Management Fee	20.00	240.00
Payroll and Payroll Taxes		
Office Expenses		
Insurance		
Liability	40.00	480.00
Reserves	30.00	360.00
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL	140.00	1680.00

John Lansker, as developer for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

John Lansker

Date: June 5, 1990

EXHIBIT H

SUMMARY OF SALES CONTRACT

The Waiakalua Palms Purchase Agreement, (the "contract") contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price to the escrow agent, subject to other terms.

2. The purchase price does not include the closing costs, prorations and additional costs provided in other sections of the contract.

3. If at the time of execution of the contract, a final public report has not been issued, the contract is merely a reservation agreement and it may be cancelled at any time by either the Buyer or Seller.

4. The terms and conditions of the sale which include, among other provisions, the following:

(a) Buyer has received the Declaration of Horizontal Property Regime, By-laws of the Association of Apartment Owners, form of Apartment Deed, and Escrow Agreement and acknowledges that he has had adequate opportunity to read those documents and to examine the project plans and accepts them with such changes and modifications as the project architect may deem necessary.

(b) Buyer agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement.

(c) Risk of loss to the apartment and percentage interest in the common elements will be borne by Seller until the date of closing as defined in the contract. Buyer will not be entitled to possession of the apartment until the date of closing.

(d) Seller has reserved the right to make certain modifications to the Declaration, By-laws, Apartment Deed and other documents as may be required by law, a title insurance company, any institution, mortgagee or governmental agency.

(e) Until the Apartment Deed conveying title is delivered to Buyer, the Seller may exercise all of the powers of the Association and of the Buyer as a member thereof.

(f) After issuance of the Final Public Report and Buyer's waiver of its right to cancel under Hawaii Revised Statutes Section 514A-62, Buyer shall have the right to rescind the contract only if there is a material change in the project which directly, substantially and adversely affects the use or value of Buyer's apartment or appurtenant limited common elements or those amenities of the project available for the Buyer's use subject to waiver by the Buyer pursuant to the terms set forth in the contract and Hawaii Revised Statutes Section 514A-63.

(g) Time is of the essence of the obligations of Buyer under the contract.

(h) Neither Seller nor any of its representatives has made any representations as to the rental income to be derived from the unit.

(i) Developer makes only those warranties regarding construction and appliances which are set forth in the contract.

(j) The contract shall not be construed as a present transfer of any interest in the property but it is an agreement to transfer in the future.

* * * * * * * * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'S CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

END OF EXHIBIT H

EXHIBIT I

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and John T. Lansker and Stephen Lansker (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project.

3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under any sales contract.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned

to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow, but in the aggregate shall not exceed $250.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to an contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive $300.00 for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional $300.00.

* * * * * * * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

END OF EXHIBIT I

JOANN A. YUKIMURA
MAYOR

TOM H. SHIGEMOTO
PLANNING DIRECTOR

ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 RICE STREET
LIHUE, KAUAI, HAWAII 96766

February 27, 1989

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
P. O. Box 3469
Honolulu, Hawaii 96801

Subject: Comments on Waiakalua Palms Condominium Report
Registration No. 2029 at Kilauea, Kauai, Hawaii
TMK: 5-1-05:30

Thank you for allowing this opportunity to comment.

After reviewing the subject document, we have the following comments to offer:

The number of limited common elements corresponds to the allowable unit density. The subject property is zoned Agriculture District (A) and qualifies for four (4) units.

When applying for Zoning Permits with the Planning Department, the owners must be made aware that 75% of the owners, or their assignee, are required to sign the permit form. Should an assignee be designated, such assignee shall present proof of authorization from the 75% of the owners at the time a permit is applied for. This is a requirement because the Planning Department does not recognize the Condominium Report to be a legal subdivision of land.

The uses on the limited common elements shall be limited to those listed as permissible within the "A" Agricultural District in the State Land Use Commission Rules and Regulations. Farm dwellings on the lot shall mean a

EXHIBIT J

single-family dwelling located on and used in connection with a farm or where agricultural activity provides income to the family occupying the dwelling.

The declaration of protective covenants states that certain types of animals are restricted. While this is a private matter, it appears to detract from the stated purpose of agricultural lands.

There should be a disclosure provision written into this and all ensuing condominium reports stating that approval of the report should not be misconstrued to mean that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply with all applicable County Codes and Ordinances. It should also be made clear that the Horizontal Property Regime (HPR) does not necessarily mean that all County requirements pertaining to subdivision of lands have been met. Therefore, such facilities/improvements that are normally associated with County-approved subdivisions such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emerging traffic, drainage facilities, etc., may not necessarily be provided for. Further, such services as County street maintenance and trash collection will not be available for interior road/roadways.

Should you have any questions, please feel free to contact Bryan Mamaclay of my staff at 245-3919.

Tom H. Shigemoto

TOM H. SHIGEMOTO
Planning Director