



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

4470 IHOPE PLACE

Kilauea, Kauai, Hawaii

Registration No. 2053 (Conversion)

Issued: December 7, 1989
 Expires: January 7, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of November 9, 1989, 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:** 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.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
-
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- 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 Not Required - disclosures covered in this report.

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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:

- 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
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
A	1	2/1	684	n/a
B	1	2/2	860	n/a

Total Apartments: 2

**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:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>3</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>3</u>

7. Recreational amenities:

none

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: BRENT CARTER
Name [REDACTED]
Business Address [REDACTED]

Phone: [REDACTED]
(Business)

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

n/a

Real Estate Sales Agent: CYNTHIA WALRAVEN dba Island Properties
Name Kauai
4270-B Kilauea Lighthouse Road
Business Address
Kilauea, HI 96754

Phone: 828-1234
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
235 Queen Street, 1st Floor
Business Address
Honolulu, HI 96813

Phone: 533-6262
(Business)

Managing Agent: self-management
Name
Business Address

Phone: _____
(Business)

Attorney for Developer: PATRICK J. CHILDS
Name
4365 Kukui Grove Street Suite 104
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
 Recorded - Bureau of Conveyances - Book 22853 Page 373
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

First Amendment to the Declaration of Condominium Property Regime

Dated: October 5, 1989 and filed in the Bureau of Conveyances on
October 6, 1989 in Liber 23739 at Page 513

- 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
 Recorded - Bureau of Conveyance Condo Map No. 1184
 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
 Recorded - Bureau of Conveyances - Book 22853 Page 384
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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
- Developer does not plan to adopt house rules.

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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>100%</u>
Bylaws	65%	<u>100%</u>
House Rules	---	<u> </u>

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:

The Developer reserves the right to amend the Declaration and Condominium Map to reflect any corrections submitted by the architect, to correct any deficiencies in the description of the premises and to describe and redescribe any easements and restrictions appurtenant thereto.

B. Underlying Land:

Address: 4470 Ihope Place Tax Map Key: 4/5-2-016-032
Kilauea, Kauai, Hawaii 96754 (TMK)

Address TMK is expected to change because _____

Land Area: 13,431 square feet acre(s) Zoning: Residential (R-6)

Fee Owner: MICHAEL BRENT CARTER

Name
[REDACTED]

Address
[REDACTED]

Sublessor: n/a

Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

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:

Pets two pets only - see Restrictive Covenants, Exhibit F

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators n/a

Stairways n/a

Trash Chutes n/a

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>2/1</u>	<u>684</u>	<u>n/a</u>
<u>B</u>	<u>1</u>	<u>2/2</u>	<u>860</u>	<u>n/a</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**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:

Spaces within perimeter walls, floors and ceilings of each apartment.

Permitted Alterations to Apartments:

Any alterations permitted by County authority.

7. Parking Stalls:

Total Parking Stalls: 3

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>2</u>	<u>1</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>3</u>
Guest	<u> </u>						
Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total Covered & Open	<u>3</u>	<u> </u>					

Each apartment will have the exclusive use of at least 1 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.

There are no recreational or common facilities.

- Swimming pool
- Recreation Area
- Tennis Court
- Storage Area
- Laundry Area
- 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

Each apartment is structurally sound and in good condition. Mechanical, electrical and plumbing systems have an approximate expected life of 20 years from the date of this report.

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

Each apartment is permitted, inspected and in compliance with all codes.

10. Conformance to Present Zoning Code

a. 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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
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.

Exhibit A 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.

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

described in Exhibit A

as follows:

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.

Exhibit _____ describes the common interests for each apartment.

As follows:

Apartment A	50%
Apartment B	50%
	<u>100%</u>

Common interest is derived by apportioning each apartment an equal interest. As there are two apartments, each has a 50% interest in the common elements.

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

Exhibit B describes the encumbrances against the title contained in the title report dated February 16, 1989 and issued by Title Guaranty Escrow Services.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
1. Mortgage dated May 9, 1986 in favor of Imco Realty Services, Inc.	Buyer shall lose his interest in the property.
2. Mortgage dated May 31, 1988 in favor of Kauai Community Federal Credit Union	Buyer may terminate purchase agreement and thereupon is entitled to the return of his deposit.

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 C 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:

- | | |
|--|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input checked="" type="checkbox"/> 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

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Property is subject to Restrictive Covenants. In summary the Restrictive Covenants are as follows:

1. It shall be the responsibility of each apartment owner to construct a chain link fence along that portion of each apartment's appurtenant limited common element abutting Kuhio Highway. Each buyer shall be responsible for County permits, if applicable, as well as arrange and pay the entire costs of construction for the installed chain link fence section.
2. Each apartment owner shall keep his lawn area free of weeds and keep the grass and hedges trimmed.
3. Each apartment shall be used only for single family residential purposes. No commercial activity or more than one family in an apartment is allowed.
4. No apartment shall have second hand lumber and no apartment owner shall construct a quonset hut.
5. Only two (2) household pets are allowed.

The Restrictive Covenants are set-forth in Exhibit F. Please review them carefully. These restrictive covenants may be enforced by any resident of Kilauea Twin Roads Subdivision. If an apartment owner does not abide by the Restrictive Covenants, the apartment owner may be sued for money damages and/or ordered by the court to comply with the Restrictive Covenants.

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 _____

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. 2053 filed with the Real Estate Commission on
April 8, 1989.

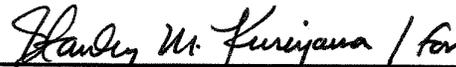
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

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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 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"

COMMON ELEMENTS

1. The underlying land, in fee simple, subject to the delineation of the same as exclusive limited common elements pursuant to the Declaration.
THIS PROJECT IS NOT A SUBDIVISION.
2. All pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures, retaining walls, fences separating the respective limited common elements from each other, all of which are located outside the buildings and which are utilized or serve more than one apartment.

LIMITED COMMON ELEMENTS

That portion of the Land which is designated as Area A, consisting of 10,091 square feet, on the Condominium Map, is reserved for the exclusive use of Apartment A for the support of the building and other improvements comprising Apartment A and for yard and driveway purposes.

That portion of the Land which is designated as Area B, consisting of 3,340 square feet, on the Condominium Map, is reserved for the exclusive use of Apartment B for the support of the building and other improvements comprising Apartment B and for yard and driveway purposes.

Apartment B shall have exclusive use of the cesspool designated as CP "C" on the Condominium File Map as well as any connecting pipes or apparatus thereto. Apartment B is hereby granted the absolute right and responsibility to repair, maintain, and pump said cesspool and to enter Area A, upon reasonable notice, to do so.

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes for the Fiscal Year July 1, 1988 - June 30, 1989. (see tax statement attached)
Tax Key: 5-2-016-032 (4) Area assessed: 13,431 sq. ft.

As the credits in the Office of the Tax Assessor have not been posted to date, it is possible that the first installment has been paid. If so, a receipt for the same should be produced.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Any abutter's rights of access into and from Kauai Belt Road.

4. DESIGNATION OF EASEMENT "D" (20 feet wide)

PURPOSE : drainage
SHOWN : File Plan No. 1588

5. DESIGNATION OF EASEMENT "E" (20 feet wide)

PURPOSE : drainage
SHOWN : File Plan No. 1588

6. GRANT

TO : CITIZENS UTILITIES COMPANY and HAWAIIAN TELEPHONE COMPANY, now known as GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED

DATED : September 4, 1979

RECORDED : Liber 14243 Page 128

GRANTING : Easement "Q" for utility purposes, described as follows:

EXHIBIT "B"

"All of that certain parcel of land situated at Kilauea, Kauai, Hawaii, being a portion of Lot 32 of Kilauea Twin Roads Subdivision (File Plan 1588), and being more fully described as follows:

Beginning at a pipe at the northeast corner of the easement, the same being the northwest corner of Lot 33, the coordinates of said point of beginning referred to Government Survey Triangulation Station 'KILAUEA' being 7,725.03 feet south and 2,489.76 feet west and running by azimuths measured clockwise from true South:

1. 9° 29' 10" 10.00 feet along Lot 33;
2. 99° 29' 19" 8.00 feet within Lot 32;
3. 189° 29' 10" 10.81 feet within Lot 32;
4. Thence along Ihope Place on a curve to the left having a radius of 40.00 feet, the chord azimuth and distance being: 285° 15' 26" 8.04 feet to the point of beginning and containing an area of 82 square feet."
7. Condition set forth in Deed dated February 13, 1979, recorded in Liber 13489 at Page 372, to-wit:

"The grantees of all lots fronting the Kuhio Highway right-of-way shall install and maintain a chain link fence along said right-of-way for the safety of the occupants thereof."
8. Covenants, conditions and restrictions set forth in DEED dated June 26, 1979, recorded in Liber 14272 at Page 231.

EXHIBIT "B"

9. MORTGAGE

MORTGAGOR : MICHAEL BRENT CARTER, unmarried

MORTGAGEE : IMCO REALTY SERVICES, INC., a Delaware corporation, as general partner and as nominee on behalf of IMCO REALTY SERVICES--A CALIFORNIA LIMITED PARTNERSHIP

DATED : May 9, 1986
RECORDED : Liber 19513 Page 254
AMOUNT : \$77,019.00

10. MORTGAGE

MORTGAGOR : MICHAEL BRENT CARTER, unmarried

MORTGAGEE : KAUAI COMMUNITY FEDERAL CREDIT UNION, a corporation or association which was formed and which exists under the laws of the State of Hawaii

DATED : May 31, 1988
RECORDED : Liber 21995 Page 286
AMOUNT : Loanliner Home Equity Plan Credit Agreement not to exceed the sum of \$30,000.00

EXHIBIT "C"

There are expected to be no common area expenses other than insurance requirements. The association of apartment owners shall purchase and at all times maintain insurance which covers the common elements, all exterior and interior walls, floors and ceilings in accordance with the as-built condominium plans and specifications, against losses or damage by fire sufficient to provide for the repair or replacement thereof in the event of such loss or damages. It is expected that the necessary insurance policy shall initially cost a total of \$500.00 per year and that each apartment's share shall be \$250.00 per annum, payable in a single payment.

I, MICHAEL BRENT CARTER, as Managing Agent for the condominium project, hereby certify that the above estimate, initial maintenance fee assessments, and maintenance fee disbursements were prepared in accordance with generally accepted accounting principals.


MICHAEL BRENT CARTER

10/5/89
Dated

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

EXHIBIT "D"

SUMMARY OF SALES CONTACT

A Sales Contract sets forth the terms and price of the purchase of a Condominium Apartment. Among other things the Sales Contract for this project states:

1. The purchase price.
2. That the Seller shall convey a marketable fee simple interest in the property.
3. That the Sale is subject to State laws and a variety of legal documents and property descriptions.
4. That the purchase is for full cash value, with no Seller financing.
5. That the cash shall be placed in escrow, at no interest. The Buyer shall be responsible for one-half of all escrow costs.
6. That prior to the issuance of the public report, the Buyer may rescind his obligation under the contract with no penalty.

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT

An Escrow Agreement allows the Condominium Buyers' money to be held by a neutral party, the Escrow Agent, until the Seller can deliver good and marketable title to the Condominium. The Escrow Agreement for this project, provides for, among other things:

1. That Title Guaranty Escrow Services, Inc. is the Escrow Agent.
2. That upon execution of a Sales Contract, the Developer shall deliver all money received over to the Escrow Agent.
3. That no money shall be released from escrow until the Real Estate Commission shall issue a final report.
4. That the Buyer shall receive all public documents relating to the project.
5. That a Buyer's money shall be returned to him if he exercises certain rights he may have to cancel his Sales Contract as provided by law, if that is his wish, or if the Seller is unable to provide title to the Condominium.
6. That upon the Seller providing good title to the Condominium, the Buyer's money shall be turned over to the Seller.
7. That the Escrow Agent will record with the State of Hawaii all documents requiring such.
8. That if the Buyer is unable to perform and has money on deposit in escrow, these monies will be turned over to the Seller.
9. That if escrow is cancelled for any reason there may be a cancellation fee of not less than \$25.00 payable by the Buyer.

EXHIBIT "F"

RESTRICTIVE COVENANTS

KILAUEA TWIN ROADS SUBDIVISION
Kilauea, Kauai, Hawaii

As used herein "Grantor" means the original subdivider of the property. "Grantee" means the Apartment Owner.

The following restrictive covenants shall run with the land herein described and jurisdiction may be taken in equity at the suit of the Grantor, his successors and assigns, or of any other Grantee of any lot in this subdivision to restrict or prevent by injunction, mandatory or restraining, any violation or threatened violation to be observed and performed, without prejudice to the right of the Grantor, his successors and assigns, or any other said Grantee, to adopt or pursue any other remedy thereafter for the same breach of failure, or for any subsequent breach or failure, or to adopt or pursue suitable process to recover damages for any such breach of failure.

1. Commencing with the date of this transfer and at all times thereafter, the Grantee shall keep all weeds, grass and trees, bushes and hedges properly trimmed, and shall otherwise maintain the premises in a neat and orderly condition.

2. The above described premises, and every portion thereof, shall be used for private residence purposes only, including private garage and/or servants' quarters and other similar purposes reasonably necessary in connection with such private residence, and for no other purpose; no building other than a private dwelling house designed and built for the use and occupancy of a single family together with out-buildings incidental to the residential use of the lot, shall be constructed, placed or maintained upon said lot.

3. No dwelling house shall be erected upon said premises, which shall contain less than seven hundred (700) square feet of ground floor area, exclusive of servants' quarters, garage, storage space, workshop, verandas and open porches.

4. No used or secondhand lumber shall be incorporated in the construction of any improvements erected upon the above described premises; no "quonset" type of building shall be erected, placed or maintained upon said premises; all lumber used shall be sound and free of termites and decay; and the use of metal roofing unless painted and maintained in such manner that no metal shall be exposed shall be prohibited.

Exhibit "F"

5. No deed, mortgage or lease shall be made or delivered by the Grantee conveying, mortgaging or leasing the above described premises, or any part thereof, unless such deed, mortgage or lease shall contain or be subject to the same restrictive terms, covenants, and conditions as in this indenture set forth, including this covenant.

6. No animals, livestock or poultry of any kind shall be raised, bred or kept on the above described premises except that not more two (2) common household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose.

7. The Grantees of all lots fronting the Kuhio Highway right-of-way shall install and maintain a chain link fence along said right-of-way for the safety of the occupants. thereof.