

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer JON F. ANDERTON

Address P.O. BOX 1308, HANAIEI, HI 96714

Project Name(\*): LIGHTHOUSE ROAD ESTATES

Address: KILAUEA LIGHTHOUSE ROAD, LOT 8-2-13 OF KILAUEA AGRICULTURAL SUBDIVISION, KILAUEA, HI 96754

Registration No. 3637

Effective date: December 16, 1996

Expiration date: January 16, 1998

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

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 by the developer when complete information is filed.

X FINAL: The developer has legally created a condominium and has filed complete information with the Commission. [ ] No prior reports have been issued. [ ] This report supersedes all prior public reports. [ ] This report must be read together with

SUPPLEMENTARY: This report updates information contained in the: [ ] Preliminary Public Report dated: [ ] Final Public Report dated: [ ] Supplementary Public Report dated:

And [ ] Supersedes all prior public reports [ ] Must be read together with [ ] This report reactivates the public report(s) which expired on

(\* ) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report      [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.

[X] No prior reports have been issued by the developer.

[ ] 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. The dotted lines on the Condominium Map (Exhibit A) are for illustration purposes only. They merely represent the approximate location of the limited common element assigned to each unit.
3. Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance, enhanced water facilities, fire service, related services and trash collection will not be available for interior roads.

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

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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.

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 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 project's 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.

## 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: JON F. ANDERTON Phone: (808) 826-7223  
Name  
P.O. BOX 1308  
Business Address  
HANAIEI, HI 96714  
(Business)

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker: NA PALI PROPERTIES, INC. Phone: (808) 826-7272  
Name  
P.O. BOX 475  
Business Address  
HANAIEI, HI 96714  
(Business)

Escrow: FIRST HAWAII TITLE CORP. Phone: (808) 826-6812  
Name  
5-5190 KUHIO HWY., STE. B-6  
Business Address  
HANAIEI, HI 96714  
(Business)

General Contractor: N/A Phone: \_\_\_\_\_  
Name  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_  
(Business)

Condominium Managing Agent: SELF-MANAGED BY ASSOCIATION OF APARTMENT OWNERS Phone: \_\_\_\_\_  
Name  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_  
(Business)

Attorney for Developer: KIMO C. LEONG, ESQ. Phone: (808) 528-2222  
Name  
737 BISHOP ST., #2060  
Business Address  
HONOLULU, HI 96813  
(Business)

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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: Document No. 96-048480  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- 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 Conveyances Condo Map No. 2378  
 Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed  
 Recorded - Bureau of Conveyances: Document No. 96-048481  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

- D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

\* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:  
 Canceled       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 canceled or foreclosed.

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

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 at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: KILAUEA LIGHTHOUSE ROAD, LOT 8-W-13 OF Tax Map Key: (4) 5-2-12-13  
KILAUEA AGRICULTURAL SUBDIVISION, KILAUEA, (TMK)  
HI 96754

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 9.552 [ ] square feet [X] acre(s) Zoning: AGRICULTURAL

PETER C. THAYER, husband of Samshun Thayer, MARY C. THAYER, Trustee,  
GRAHAM STEWART BAMBERY and LORILEI BAMBERY, husband and wife,  
MICHAEL SEAY THOMSON, unmarried, JAMES LACHLAN CAMPBELL and PHYLLIS HARRIS

Fee Owner : CAMPBELL, husband and wife, and JON F. ANDERTON, Trustee

Name  
c/o JON F. ANDERTON  
Address  
P. O. BOX 1308, HANAIEI, HI 96714

Sublessor:  
Name  
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 7 Floors Per Building 1

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete     Hollow Tile     Wood

Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input type="checkbox"/> Residential	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Agricultural	<u>4</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes     No

\*SEE PAGE 20 FOR FURTHER EXPLANATION.

5. Special Use Restrictions:

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

[ ] Pets: \_\_\_\_\_

[ ] Number of Occupants: \_\_\_\_\_

[X] Other: residence. 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

[ ] There are no special use restrictions. Commission Rules.

6. Interior (fill in appropriate numbers):

Elevators: 0                      Stairways: 0                      Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	1	3/1	864	*
B	1	1/1	864	**
C	1	0	0	36 (STORAGE SHED)
D	1	0	0	36 (STORAGE SHED)

Total Apartments: 4

\*675(CARPORT), 195(DECK), 288(DECK), 448(STORAGE SHED)  
 \*\*96(LAUNDRY), 288(DECK), 120(LANAI), 864(BARN), 504(BOAT HOUSE).

\*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 (CONDOMINIUM MAP)

Permitted Alterations to Apartments:

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

7. Parking Stalls:

Total Parking Stalls: 2\*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>2(Unit A)</u>	<u>          </u>	<u>2</u>				
*Units B, C and D have ample area within each unit's limited common element for parking purposes.							
Guest	<u>          </u>						
Unassigned	<u>          </u>						
Extra for Purchase	<u>          </u>						
Other:	<u>          </u>						
Total Covered & Open	<u>2</u>	<u>          </u>	<u>0</u>	<u>          </u>	<u>0</u>	<u>          </u>	<u>          </u>

Each/residential apartment will have the exclusive use of at least 2\* 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                       Storage Area                       Recreation Area
- Laundry Area                               Tennis Court                       Trash Chute
- Other: \_\_\_\_\_

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

- There are no violations.     Violations will not be cured.
- Violations and cost to cure are listed below.                       Violations will be cured by \_\_\_\_\_

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations  
(For conversions of residential apartments in existence for at least five years): N/A

11. 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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit B.

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 use them, as described in the Declaration, are:

described in Exhibit C.

as follows: That portion of land set aside for the use of each owner of a Unit as set forth in the Condominium Map attached hereto as Exhibit A and described in Exhibit C.

Note: Land areas referenced herein are not legally subdivided lots.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit D.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated June 4, 1996 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Refund of Buyer's deposit in the event of foreclosure, and cancellation of contract, less escrow cancellation fee. Buyer may thereupon lose all rights to purchase the property.

F. 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: n/a
  
  
  
  
  
  
  
  
  
  
2. Appliances: No appliances are included, therefore, no warranties apply.

G. Status of Construction and Estimated Completion Date:

Construction of apartment units A, B, C and D were completed in December 1995.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. 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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer  the Developer or the Developer's affiliate.
- self-managed by the Association of Apartment Owners  other \_\_\_\_\_

B. 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.

Exhibit F contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. 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:

- None  Electricity  Gas  Water
- Sewer  Television Cable  Other \_\_\_\_\_

## V. MISCELLANEOUS

### A. 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
- Specimen Sales Contract  
Exhibit G contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 8, 1996  
Exhibit H contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

### B. Buyer's Right to Cancel Sales Contract:

#### 1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime.
  - C) Bylaws of the Association of Apartment Owners.
  - D) House Rules. (None)
  - E) Condominium Map.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other Farm Dwelling Agreement
- 

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3637 filed with the Real Estate Commission on 10/15/96.

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

yellow paper stock                       white paper stock                       pink paper stock

C. 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.

You should also conduct your own investigations and ascertain the validity of information provided. Please remember that issuance of this Report does not mean the Hawaii 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 and the processing of a farm dwelling agreement on agriculturally zoned parcels, 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 and the Bylaws.

Except as limited by the Declaration of Condominium Property Regime, the Bylaws and other documents of record, 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 ("CZO"), Article 8.7. In relation to specifically permitted uses of buildings and other improvements, structures shall only be occupied or used for agriculture, associated residential uses, and/or other uses permitted by law and the recorded project documents. 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.

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

A buyer should understand that development and use of the properties shall comply with all County Codes and Ordinances. If County of Kauai facilities are not already in place, the prospective purchaser is advised that owners in this project will not necessarily receive the same County benefits as owners of approved subdivided lots; owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions. At the present time, 3 residential dwellings may be constructed on the property comprising the project pursuant to Section 8-7.5 of the CZO. Apartment Units A and B are residential dwellings which have been constructed on the limited common elements appurtenant to such apartment units. The third residential dwelling will be constructed on the limited common elements appurtenant to Apartment Unit C. The construction of a guest house (see Section 8-1.5 of the CZO) may be permitted on the limited common elements appurtenant to Apartment Unit D. A building permit for the guest house will have to be obtained before it can be constructed.

Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner, Jon F. Anderton, RS-41363, is a current and active Hawaii-licensed real estate salesperson with Na Pali Properties, Inc. Pursuant to section 16-99-11(c), HAR "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

12/3/96

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

JON F. ANDERTON

\_\_\_\_\_  
Name of Developer

By: Jon F. Anderton  
Duly Authorized Signatory

10/16/96  
Date

JON F. ANDERTON, DEVELOPER

\_\_\_\_\_  
print name & title of person signing above

Distribution:

Department of Finance, COUNTY OF KAUAI  
Planning Department, COUNTY OF KAUAI  
Federal Housing Administration

LAND COURT

REGULAR SYSTEM

---

Return by mail ( ) pickup (XX) to:  
AKAMAI FOR:  
Law Offices of Taylor, Leong & Chee  
737 Bishop Street, Suite 2060  
Honolulu, Hawaii 96813  
Telephone No. 528-2222

---

DEVELOPER'S NAME  
AND ADDRESS:

PETER C. THAYER, husband of Samshun  
Thayer, MARY C. THAYER, Trustee,  
GRAHAM STEWART BAMBERY and LORILEI  
BAMBERY, husband and wife, MICHAEL  
SEAY THOMSON, unmarried, JAMES  
LACHLAN CAMPBELL and PHYLLIS HARRIS  
CAMPBELL, husband and wife, and JON  
FRANKLIN ANDERTON, Trustee; c/o Jon  
Franklin Anderton, P. O. Box 1308,  
Hanalei, Hawaii 96714

---

NAME OF DOCUMENT: CONDOMINIUM MAP NO. 2378

ARCHITECT'S STATEMENT; FLOOR PLANS,  
ELEVATIONS AND SITE PLAN OF  
LIGHTHOUSE ROAD ESTATES CONDOMINIUM  
PROJECT

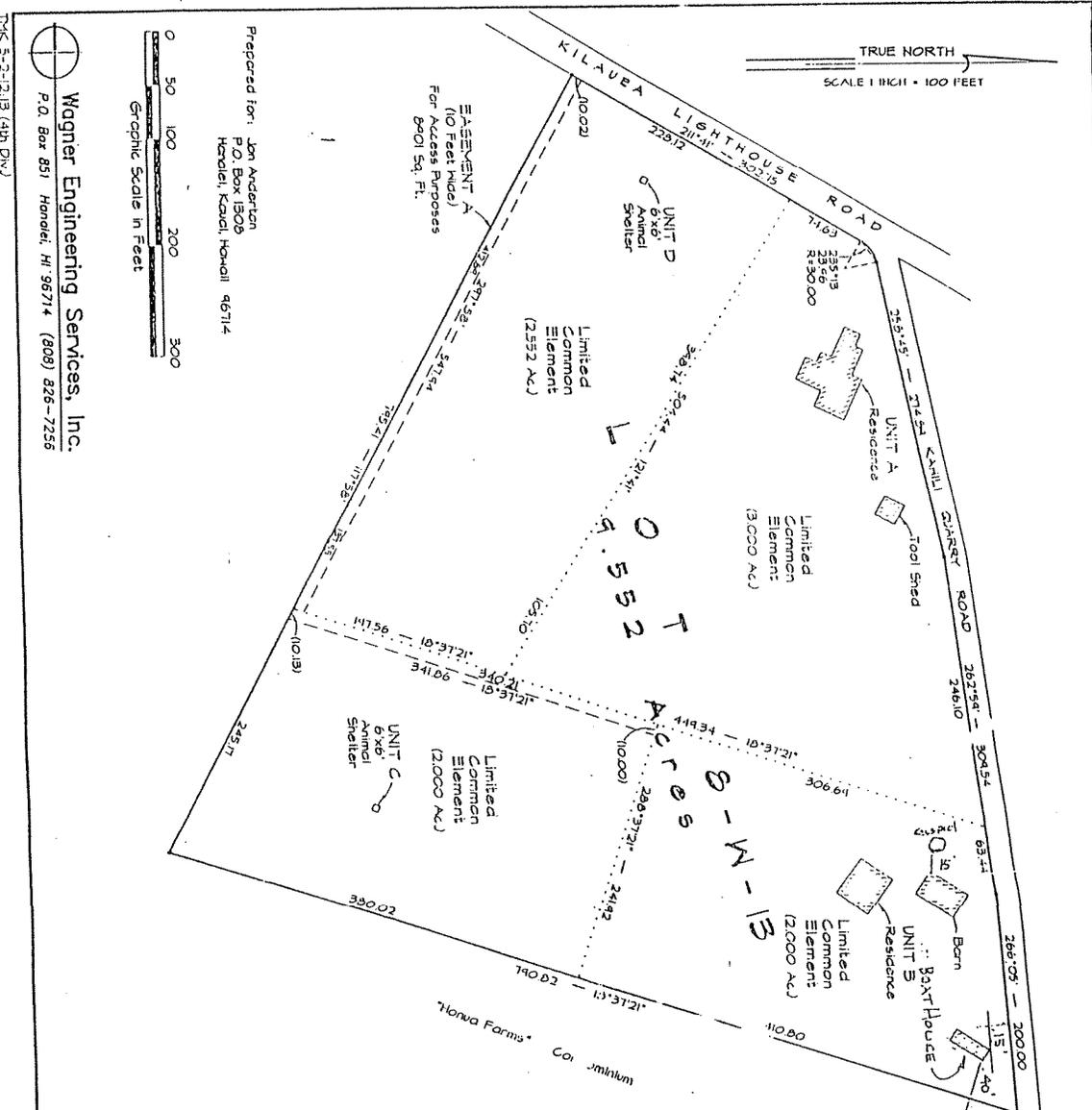
TAX MAP KEY NO.: 5-2-12-13  
Island/Unit No. Kauai/Units A-D

---

96K089

EXHIBIT A





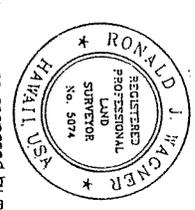
Prepared for: Jon Anderson  
 P.O. Box 1308  
 Hanalei, Kauai, Hawaii 96714

Wagner Engineering Services, Inc.  
 P.O. Box 851 Hanalei, HI 96714 (808) 826-7256

TK-5-3-121B (4th DW.)

Condominium Map  
 of  
 "Lighthouse Road Estates"  
 Being  
 LOT 8-M-13  
 Kiluea Agricultural Subdivision  
 Showing  
 UNITS A through D inclusive  
 and

EASEMENT A  
 (10 Feet Wide)  
 for Access Purposes  
 Being Portions  
 of  
 Grant 2896  
 to Charles Titcomb  
 Situated at  
 Kiluea, Hanalei, Kauai, Hawaii  
 February 26, 1994



This map was prepared by me or  
 under my direct supervision.

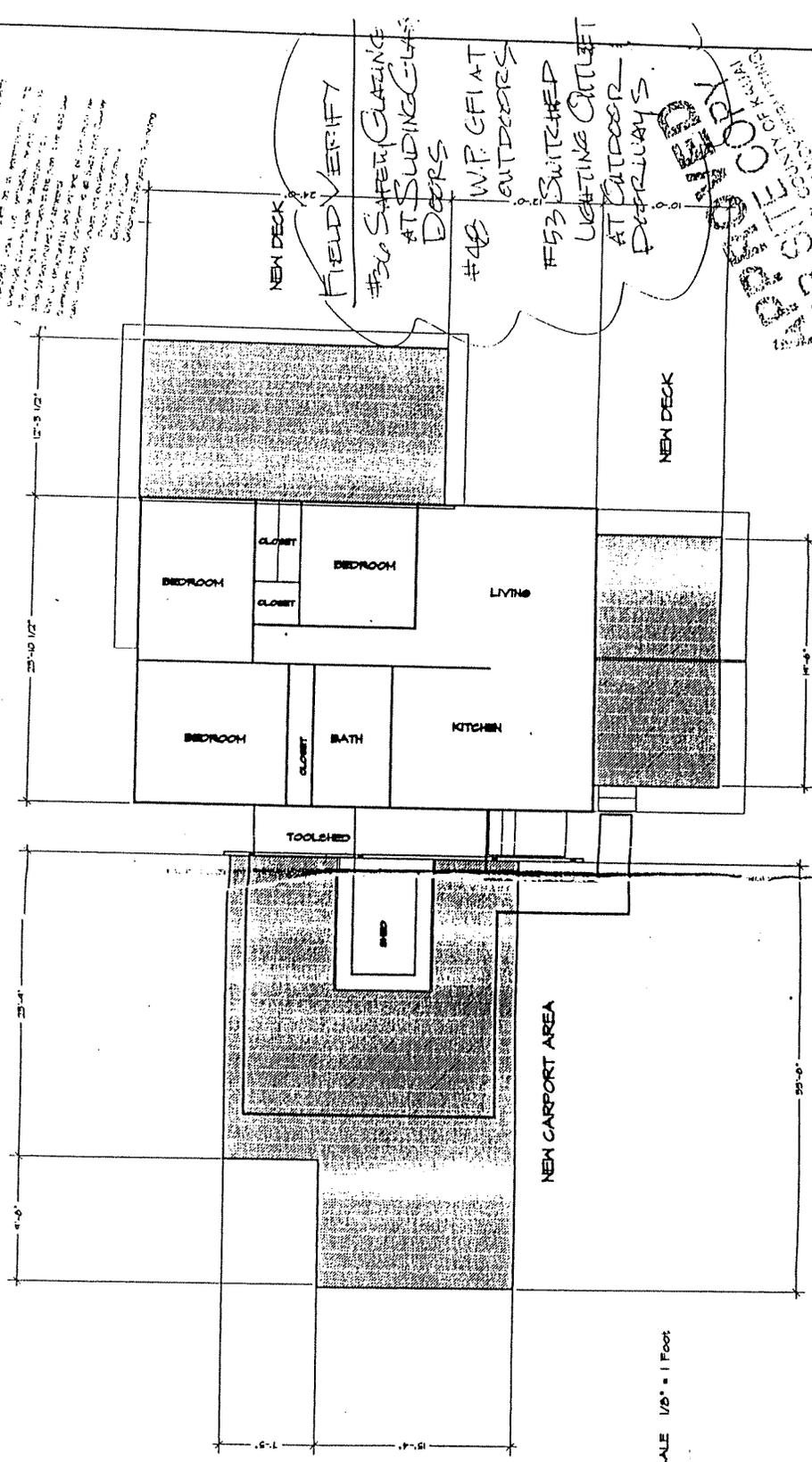
RONALD J. WAGNER  
 Registered Professional Land Surveyor  
 Certificate No. 5074

Project No. 081

6 TREATED WOOD  
24 NAILING PER 250, 251 & 252

NEW DECK  
FIELD VERIFY  
#30 SAFETY GLAZING AT SLIDING GLASS DOORS  
#48 W.P. GIAT OUTDOORS  
F53 SWITCHED LIGHTING OUTLET AT OUTDOOR PERLWAYS

QUALITY CONTROL  
APR 25 11 00 AM '07  
JOB # 07-0000000000



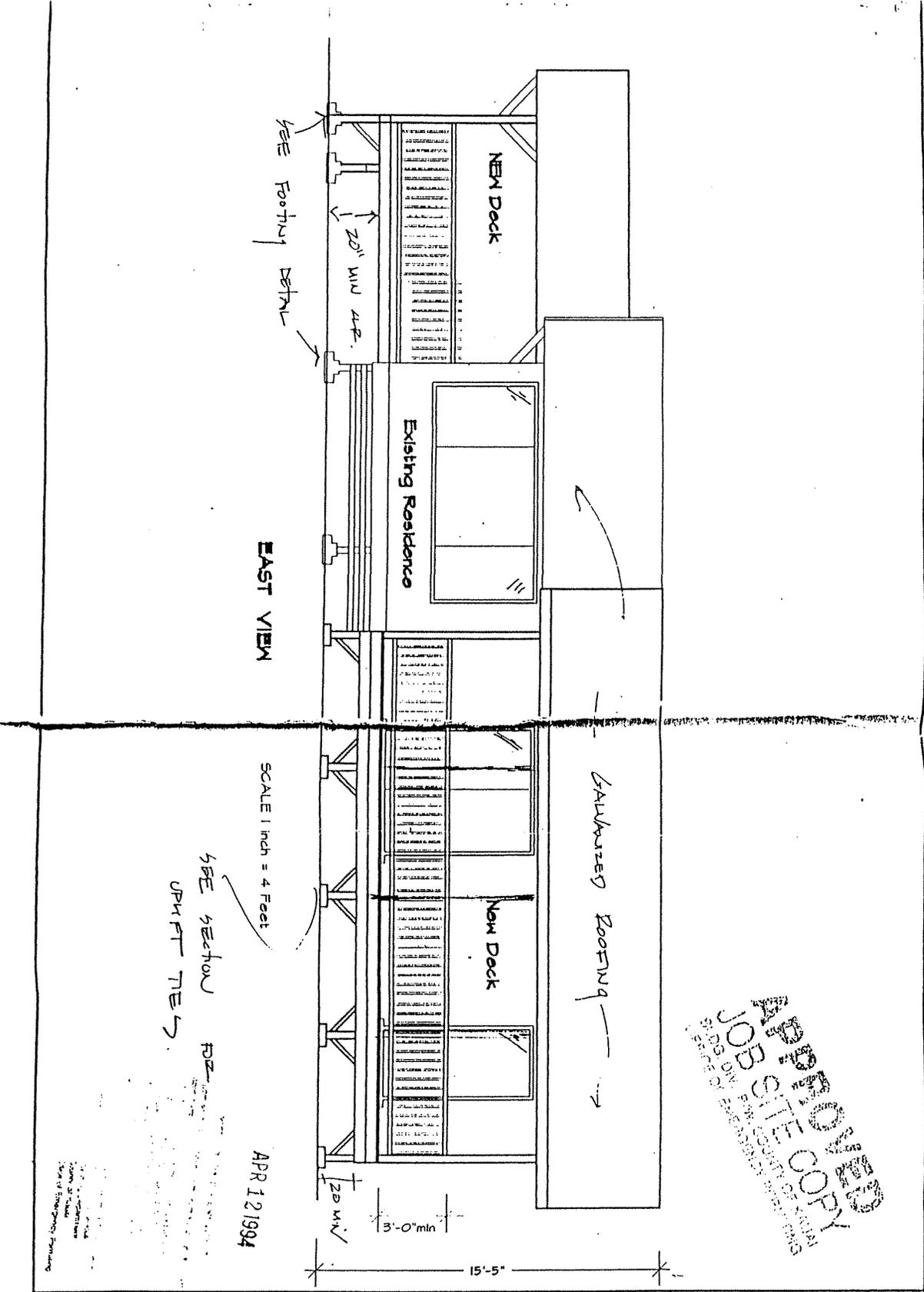
LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT  
APARTMENT UNIT A  
RESIDENCE

FLOOR PLAN  
for  
THAYER RESIDENCE

SOUTH BEARINGS  
Geo Graphics  
BOX 850 KILAUEA, HI. 960-828-2000

PAGE  
2 OF 7





EAST VIEW

SCALE 1 inch = 4 Feet

SEE SECTION UP UNIT 7

APR 12 1994

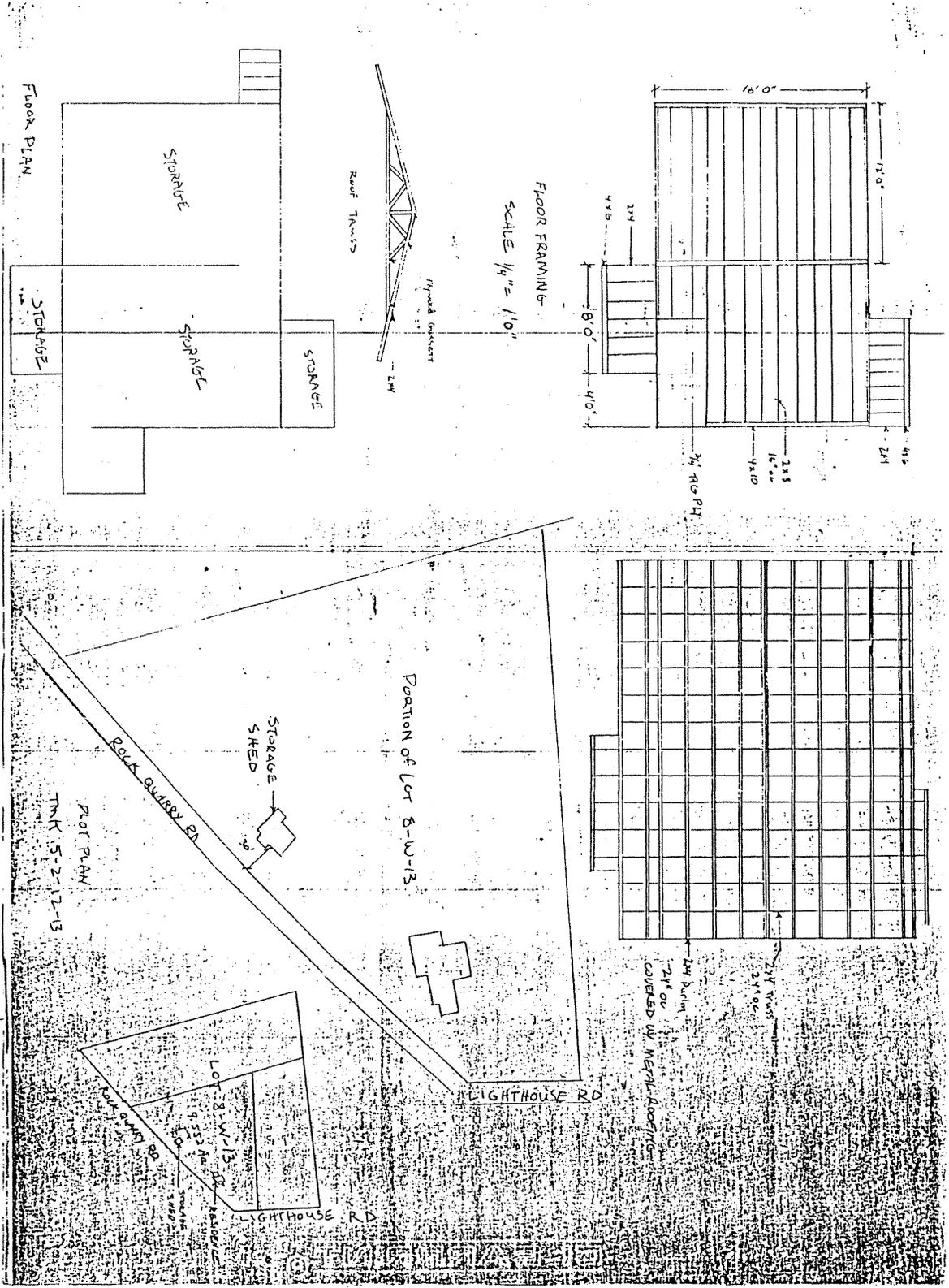
NOT TO SCALE  
 SEE SECTION UP UNIT 7  
 FOR FURTHER DETAILS

APPROVED COPY  
 SOUTH BEARING ARCHITECTURE  
 100 B. ROAD, KILAUEA, HI 96751  
 808-828-2000

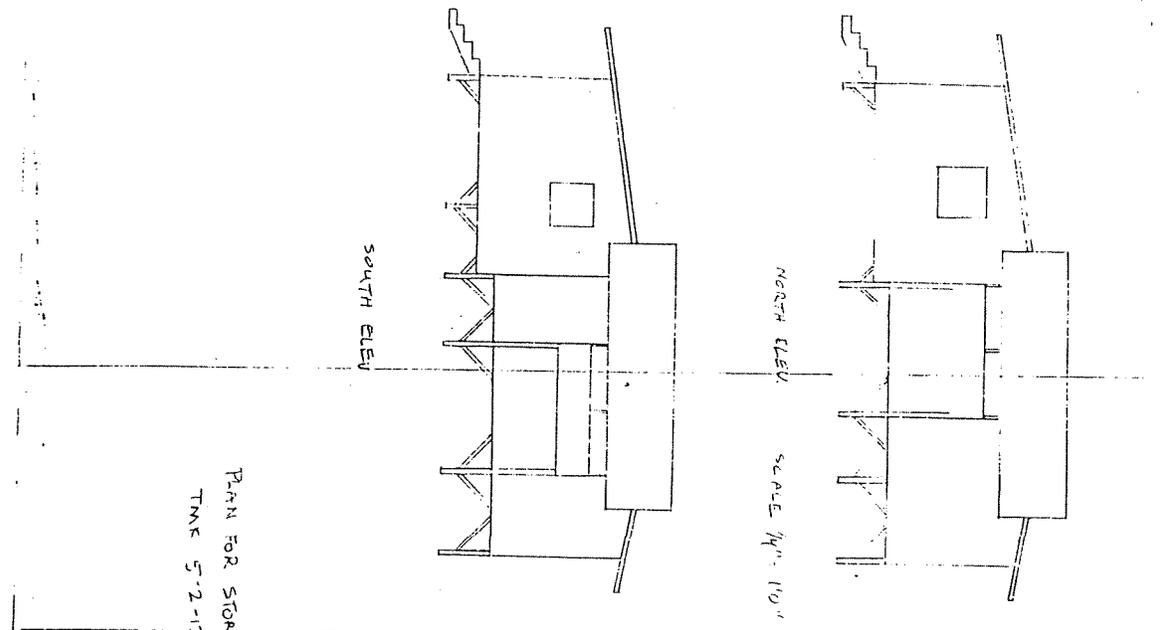
THAYER RESIDENCE  
 ELEVATION

SOUTH BEARING  
 Geo Graphics  
 Land Information Presentations  
 BOX 550 KILAUEA, HI. 808-828-2000

LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT  
 APARTMENT UNIT A  
 RESIDENCE



LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT  
 APARTMENT UNIT A  
 STORAGE SHED

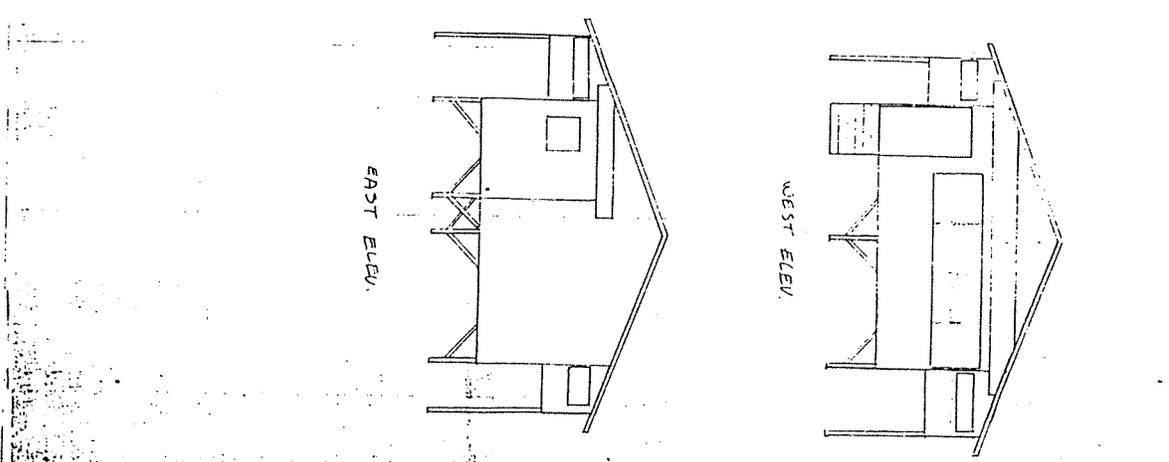


NORTH ELEV.

SOUTH ELEV.

SCALE 1/4" = 1'-0"

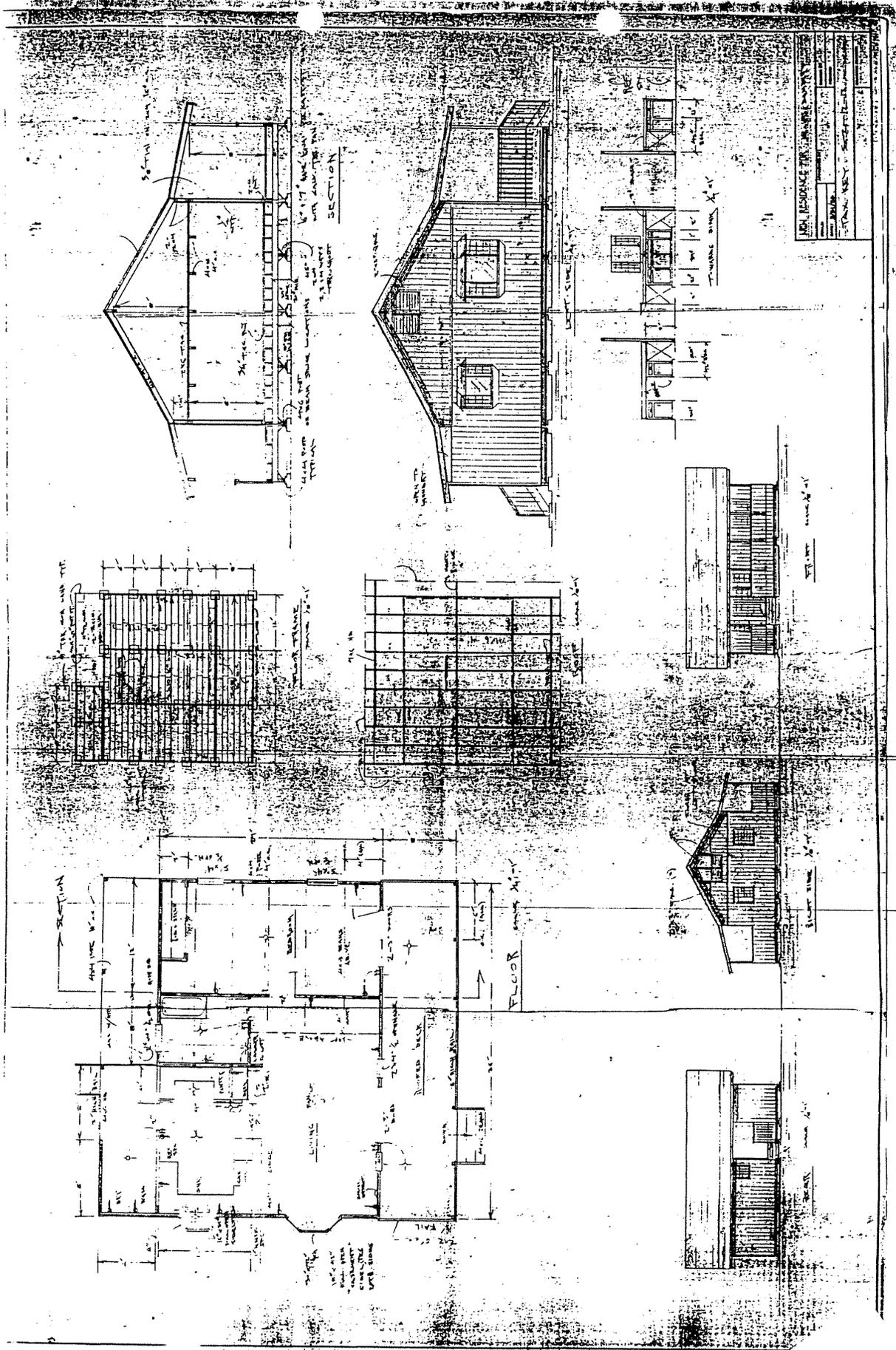
PLAN FOR STORAGE SHED  
TMR 5-2-12-13



WEST ELEV.

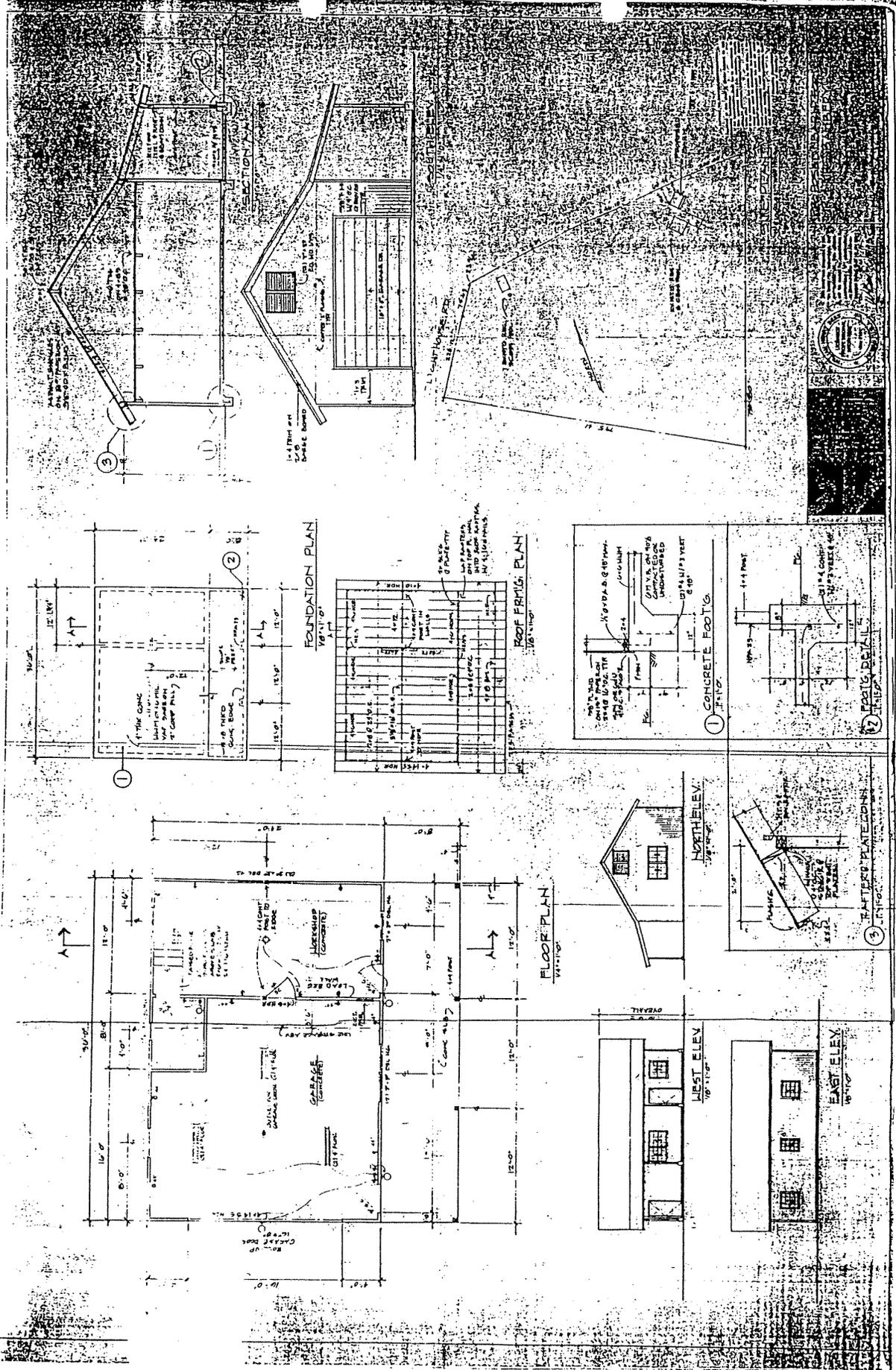
EAST ELEV.

LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT  
APARTMENT UNIT A  
STORAGE SHED

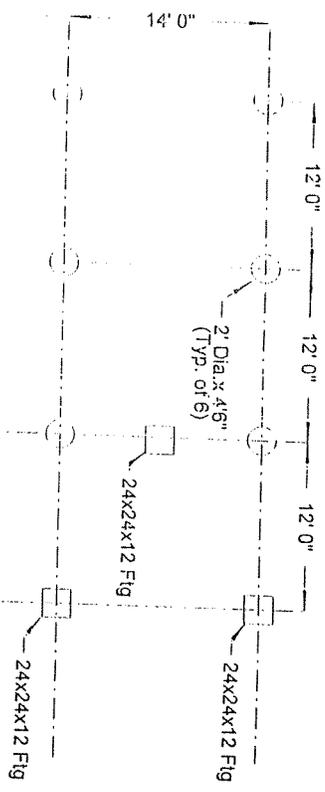


DATE	11/11/11
PROJECT	LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT
UNIT	APARTMENT UNIT B
SCALE	AS SHOWN
DESIGNED BY	ARCHITECT
DRAWN BY	ARCHITECT
CHECKED BY	ARCHITECT
APPROVED BY	ARCHITECT

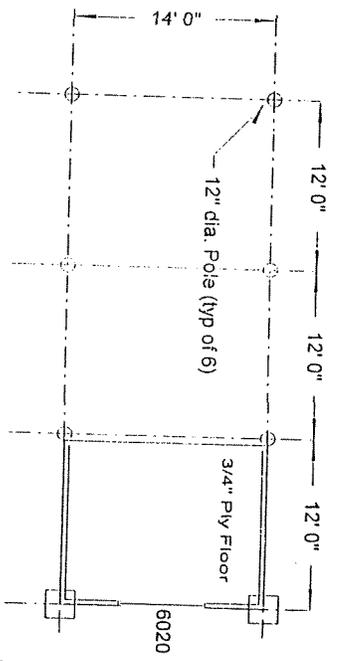
LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT  
 APARTMENT UNIT B  
 RESIDENCE



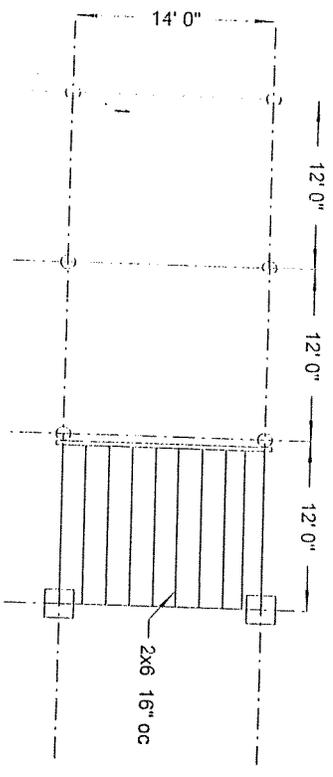
LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT  
 APARTMENT UNIT B  
 BARN



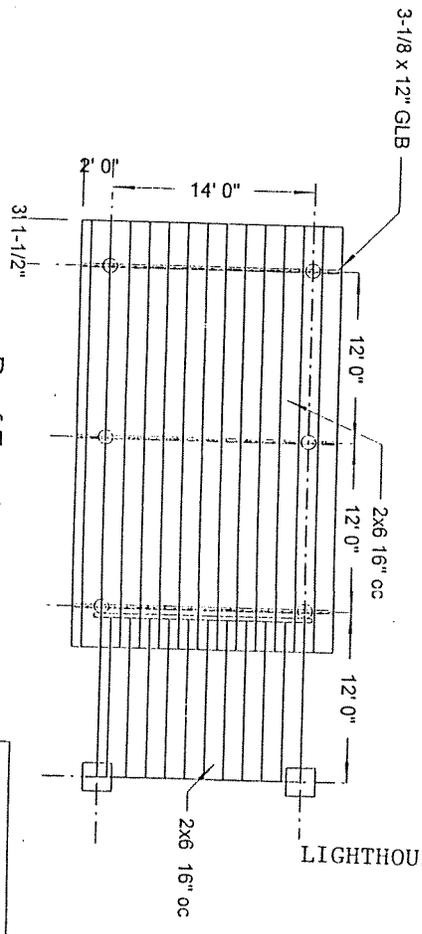
Foundation Plan



Floor Plan



Floor Framing Plan

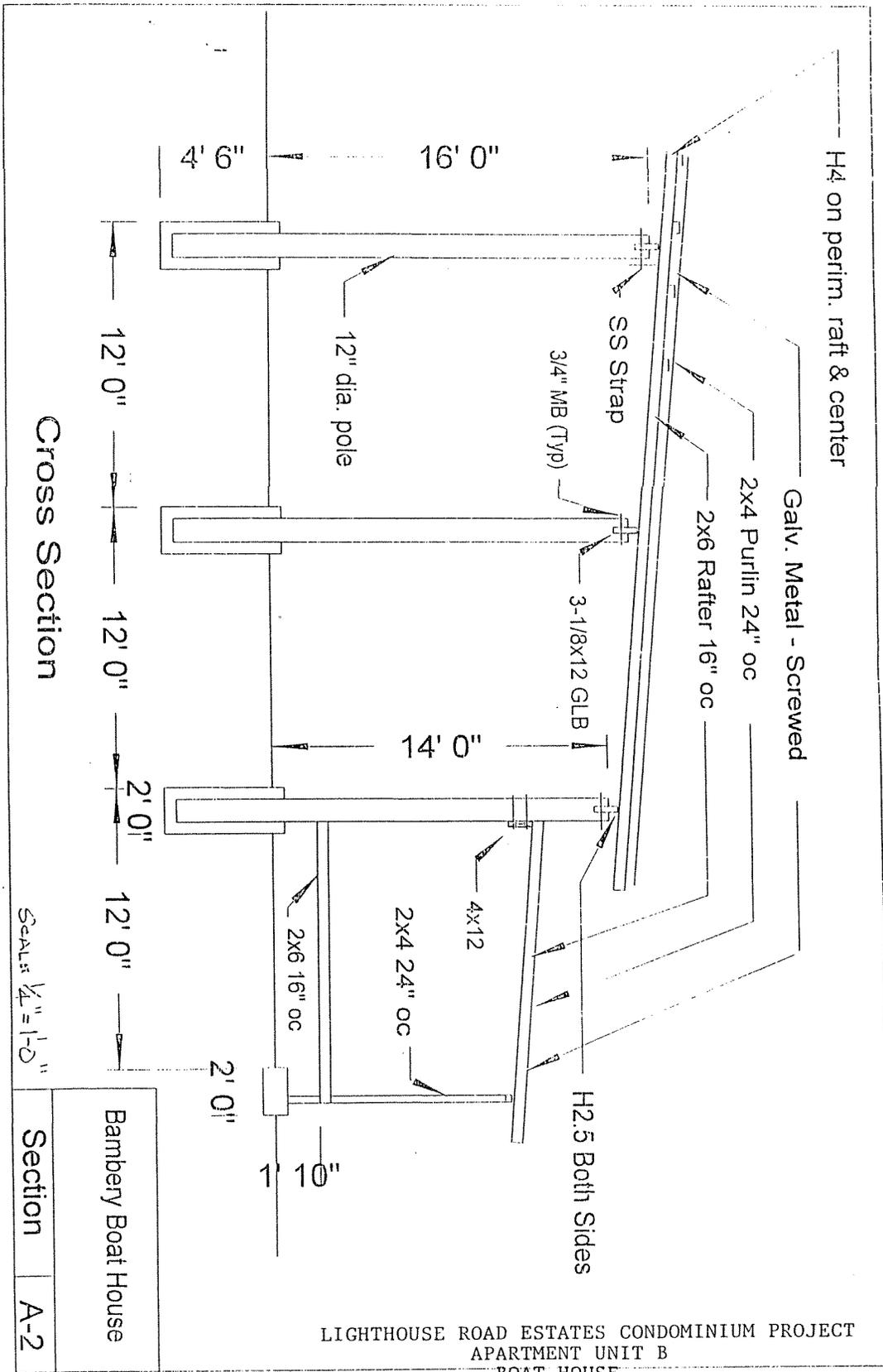


Roof Framing Plan

SCALE 1/8" = 1'-0"

Bamberly Boat House
TMK 5-2-12:13
Lot 8-W-13-B
Plan Views A-1

LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT  
 APARTMENT UNIT B  
 BOAT HOUSE



LIGHTHOUSE ESTATES CONDOMINIUM PROJECT  
 APARTMENT UNIT B  
 BOAT HOUSE



96K341

EXHIBIT B

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (1) The land in fee simple;
- (2) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone; and
- (3) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

## EXHIBIT C

LIMITED COMMON ELEMENTS OF THE 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 apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (1) The immediate land area upon and around which each apartment is located, the boundaries of which are as so shown and designated on the Conominium Map and the table below, are deemed a limited common element appurtenant to and for the exclusive use of each respective apartment.

<u>Apartment No.</u>	<u>Area of Limited Common Element</u>
A	3.000 acres
B	2.000 acres
C	2.000 acres
D	2.552 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 apartment to which said limited common elements are appurtenant.

## EXHIBIT D

SCHEDULE OF APARTMENTS AND COMMON INTERESTS FOR  
THE LIGHTHOUSE ROAD ESTATES CONDOMINIUM PROJECT

QTY.	APT. NO.	AREA OF LIMITED COMMON ELEMENT (SQ. FT.)	NO. OF BR/BATH	APPX NET LIVING AREA (SQ. FT.)	APPROX. FARM STRUCT. AREA (SQ. FT.)	% OF COMMON INT.
1	A	3.000 AC	3/1	864	448	25
1	B	2.000 AC	1/1	864	864/504	25
1	C	2.000 AC	0	0	36	25
1	D	2.552 AC	0	0	36	25

Apartment Unit A's farm structure is a 448 square foot storage shed. Apartment Unit B has a 864 square foot barn and a 504 square foot boat house. Apartment Units C and D's farm structures are 36 square foot animal shelters.

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 it in any manner he deems desirable, so long as it is permitted by law. 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 of Condominium Property Regime, together with their respective signatures.

EXHIBIT E

ENCUMBRANCES

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Division, for detailed information.

Tax Key: 5-2-012-013 (4)      Area Assessed: 9.552 acres

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. The effect, if any, of that certain Letter Agreement dated July 10, 1972, and referred to as Exhibit 2 of Grant Deed dated December 2, 1972, recorded in Liber 8782 at Page 1.

4. GRANT

TO                   : AMERICAN-HAWAIIAN DEVELOPMENT COMPANY, a  
Delaware corporation

DATED               : September 12, 1975

RECORDED           : Liber 10910 Page 326

GRANTING           : an easement for use of improvements, water  
pipes, flumes, etc.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT       : AGREEMENT OF SALE

DATED               : September 16, 1977

RECORDED           : Liber 12440 Page 647

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : FARM DWELLING AGREEMENT  
DATED : May 1, 1981  
RECORDED : Liber 15621 Page 639  
PARTIES : SHOKEN KOBASHIGAWA and SUMIYE KOBASHIGAWA,  
and COUNTY OF KAUAI Planning Department

7. PURCHASE MONEY MORTGAGE

MORTGAGOR : JON FRANKLIN ANDERTON, MICHAEL SEAY THOMSON,  
GRAHAM STEWART BAMBERY, LORILEI BAMBERY,  
PETER C. THAYER, and MARY C. THAYER  
MORTGAGEE : SHOKEN KOBASHIGAWA and SUMIYE KOBASHIGAWA,  
husband and wife, as Tenants by the Entirety  
DATED : December 31, 1987  
RECORDED : Liber 21503 Page 588  
AMOUNT : \$360,000.00

ABOVE MORTGAGE BY MESNE ASSIGNMENTS ASSIGNED

TO : SHOKEN KOBASHIGAWA, husband of Sumiye H.  
Kobashigawa, Trustee of the Shoken  
Kobashigawa Trust dated July 10, 1992  
DATED : --- (acknowledged July 10, 1992)  
RECORDED : Document No. 92-152530

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : March 14, 1988  
RECORDED : Liber 21853 Page 229  
PARTIES : GRAHAM S. BAMBERY and LORILEI BAMBERY, COUNTY OF KAUAI Planning Department

9. GRANT

TO : CITIZENS UTILITIES CO. & GTE HAWAIIAN TELEPHONE CO. INC.

DATED : March 1, 1988  
RECORDED : Liber 22009 Page 629  
GRANTING : a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc. for the transmission and distribution of electricity

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Declaration of Trust Mary C. Thayer dated September 27, 1987.

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Jon F. Anderton Revocable Trust Agreement dated December 10, 1990, of which a Declaration of Trust is recorded as Document No. 90-191990.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME  
FOR THE "LIGHTHOUSE ROAD ESTATES" CONDOMINIUM  
PROJECT

DATED : March 4, 1996  
RECORDED : Document No. 96-048480  
MAPS : 2378 and any amendments thereto

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : March 4, 1996  
RECORDED : Document No. 96-048481

14. Various leases and matters arising from or affecting the same.

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
A, B, C, D	\$0.00

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

ALL ARE OR WILL BE SEPARATELY METERED.

- Air Conditioning
- Electricity
  - common elements only
  - common elements and apartments
- Elevator
- Gas
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(\*)

Taxes and Government Assessments

Audit Fees

Other

TOTAL \$0.00

I, Kimo C. Leong, <sup>attorney</sup> ~~agent~~ and employed by Jon F. Anderton, the condominium managing agent or the developer, for the condominium project Lighthouse Road Estates, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
\_\_\_\_\_

(\*) Mandatory reserves in effect January 1, 1993

Date: 10/14/96

EXHIBIT G  
SUMMARY OF SALES CONTRACT

The LIGHTHOUSE ROAD ESTATES Condominium Project Sales Contract, (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 Condominium Property Regime, Bylaws 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.

(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) 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.

(e) 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.

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

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

(h) 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 "G"

EXHIBIT "H"  
SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between FIRST HAWAII TITLE CORP. ("Escrow") and JON FRANKLIN ANDERTON, et al. ("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. Interest on all funds will be paid to Seller.

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 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 be less than \$100.00 per apartment.

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

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive \$ \_\_\_\_\_ 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 amount not ascertainable at the present time.

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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, ONE 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 "H"