



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

**CONDOMINIUM PUBLIC REPORT**

ALIOMANU KAI CONDOMINIUM

Aliomanu, Kawaihau, Kauai, Hawaii

Registration No. 2464

Issued: July 25, 1991  
 Expires: August 25, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 15, 1991, 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. This report also includes information submitted by the Kauai County Planning Department dated 07/11/91.

Type of Report:

- PRELIMINARY:**  
*(yellow)* The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:**  
*(white)* The developer has legally created a condominium and has filed complete information with the Commission.  
 No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:**  
*(pink)* Updates information contained in the  
 Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated \_\_\_\_\_  
 Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
 public report(s) which expired on \_\_\_\_\_

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required       Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

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*****
*   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 subdivi-
*   sion requirements have been complied with.
*
*   2. This project does not involve the sale of individual sub-
*   divided 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.
*
*   4. Read Exhibit I (Letter from County of Kauai) with care.
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE
*   DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.
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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.

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.

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.

### 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  Ohana  
 Mixed Residential and Commercial  Agricultural  
 Other \_\_\_\_\_
- 3.  High Rise (5 stories or more)  Low Rise
- 4.  Single or  Multiple Buildings

**5. Apartment Description**

<u>Apt. No.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Shed(s), Lanai/Patio (sf)</u>
1 - 4	4	0/0	0	64
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 4

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

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

**6. Parking:**

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>0</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<u>0</u>

**7. Recreational amenities:**

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: GREGOR H. KLOENNE  
Name  
P.O. Box 675  
Business Address  
Kilauea, HI 96754

Phone: (808) 828-1888  
(Business)

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

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

Real Estate Broker: FIRST CHOICE REALTY, INC.  
Name ATTN: Greg Strickland  
4-356A Kuhio Highway  
Business Address  
Kapaa, HI 96746

Phone: (808) 822-5850  
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.  
Name  
4414 Kukui Grove Street, Suite 104  
Business Address  
Lihue, HI 96766

Phone: (808) 245-3381  
(Business)

General Contractor: N/A  
Name  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Phone: \_\_\_\_\_  
(Business)

\*\*Upon compliance with all applicable condominium management laws.

Condominium Managing Agent: \*\*Self-managed by Association of  
Name Apartment Owners  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Phone: \_\_\_\_\_  
(Business)

Attorney for Developer: STEVEN R. LEE  
Name  
2959 Umi Street, Suite 300  
Business Address  
Lihue, HI 96766

Phone: (808) 246-1101  
(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.

- 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. 91-051509  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

First Amendment to the Declaration dated May 13 , 1991 and recorded as Document No. 91- 068756.

- 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. 1489  
 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 - Document No. 91-051510  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

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>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>                    </u>

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

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

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

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

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

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

Exhibit \_\_\_\_\_ contains further explanations 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:

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is  
 Cancelled       Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

**B. Underlying Land:**

Address: Aliomanu, Kawaihau, Kauai, Hawaii Tax Map Key: (4) 4-9-04:24  
(TMK)

Address       TMK      is expected to change because each unit has yet to be assigned an address.

Land Area: 3.19       square feet       acre(s)      Zoning: Residential

Fee Owner: YOUNG, KLOENNE & KLOENNE  
Name

P.O. Box 675  
Address

Kilauea, HI 96754

Sublessor: \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

**C Buildings and Other Improvements:**

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

2. Buildings: 4      Floors Per Building 1

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

3. Principal Construction Material:

Concrete       Hollow Tile       Wood

Other Sears metal storage sheds

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>4</u>	<u>residential</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: <u>Please see page 18 for further explanation.</u>					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?  
 Yes                       No

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: \_\_\_\_\_
- Number of Occupants: \_\_\_\_\_
- Other: Refer to Exhibit J -- Summary of Protective Covenants and Restrictions of Aliomanu Kai Condominium
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0                      Stairways 0                      Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Shed(s), Lanai/Patio (sf)</u>
<u>1 - 4</u>	<u>4</u>	<u>0/0</u>	<u>0</u>	<u>64</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 4

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

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

**Boundaries of Each Apartment:**

See Exhibit A.

**Permitted Alterations to Apartments:**

As allowed by Kauai County zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime and the Condominium Map (Exhibit A) will be required to disclose actual improvements as a matter of public record.

**7. Parking Stalls:**

Total Parking Stalls: 0

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)							0
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>0</u>		<u>0</u>		<u>0</u>		

Each apartment will have the exclusive use of at least two (2) parking stall(s), when residential improvements are constructed. Buyer(s) are encourage 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. Present Condition of Improvements  
 (For conversions of residential apartments in existence for at least five years): N/A

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

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

10. Conformance to Present Zoning Code

a.  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     E     describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit     E    

as follows:

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

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     C     describes the common interests for each apartment.

As follows:

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

Exhibit  F  describes the encumbrances against the title contained in the title report dated  April 30, 1991  and issued by  TITLE GUARANTY OF HAWAII, INC. .  
Developer represents that since that date there have been no further encumbrances.

**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>
Mortgage	If foreclosed, buyer's deposit will be refunded and contract will be cancelled.

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   H   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:

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other \_\_\_\_\_

**I. Construction Warranties:**

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

1. Building and Other Improvements:

NONE

2. Appliances:

NONE



J. Status of Construction and Estimated Completion Date:

Construction of all sheds was completed January 18, 1991.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated     April 22, 1991    

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

Other     Registration Forms

#### IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. If a residence is not already constructed, you will be required to comply with zoning codes to be allowed to construct a residence on your limited common element. To determine whether your expectations can be realized, you should carefully review this Report, and the Protective Covenants and Building Rules, if any. Among other things, such restrictions state what you may and may not do with the property, what is required of you, and what is and is not available. You should also conduct your own investigations and ascertain the validity of information provided. If there is an Architectural Review Committee, it must approve all building plans.

Please remember that issuance of this Report does not mean the Real Estate Commission has approved the project.

The County of Kauai Planning Department has advised that, in order to process the necessary permits for the construction on a Unit, authorization from at least 75% of the legal and equitable ownership of the entire property shall be required, consistent with the Declaration of Condominium Property Regime, the Bylaws and the Protective Covenants and Building Rules, sometimes referred to as the "Project Documents."

Except as limited specifically by the Project Documents all uses permitted in the Residential Zone are permitted. See Kauai County Comprehensive Zoning Ordinance.

With reference to page 10 of this report, specifically the permitted uses of buildings and other improvements, structures shall only be occupied or used for residential and associated uses, and those uses permitted under the Kauai County Zoning Ordinance and the Project Documents herein referenced.

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

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

**Preliminary Report:** Sales made by the Developer are not binding 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, 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.

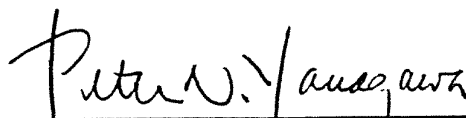
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2464 filed with the Real Estate Commission on  
June 18, 1991.

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

yellow paper stock                       white paper stock                       pink paper stock

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



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

Distribution:

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

"ALIOMANU KAI"  
CONDOMINIUM MAP

UNITS I, II, III, IV AND COMMON ELEMENT  
Being Portions of  
LOT 49-B-1-B1, MOLOAA HUI LANDS  
situated at

ALIOMANU, KAWAIHAU, KAUAI, HAWAII

AREA - 3.19 ACRES

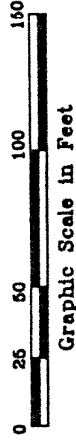
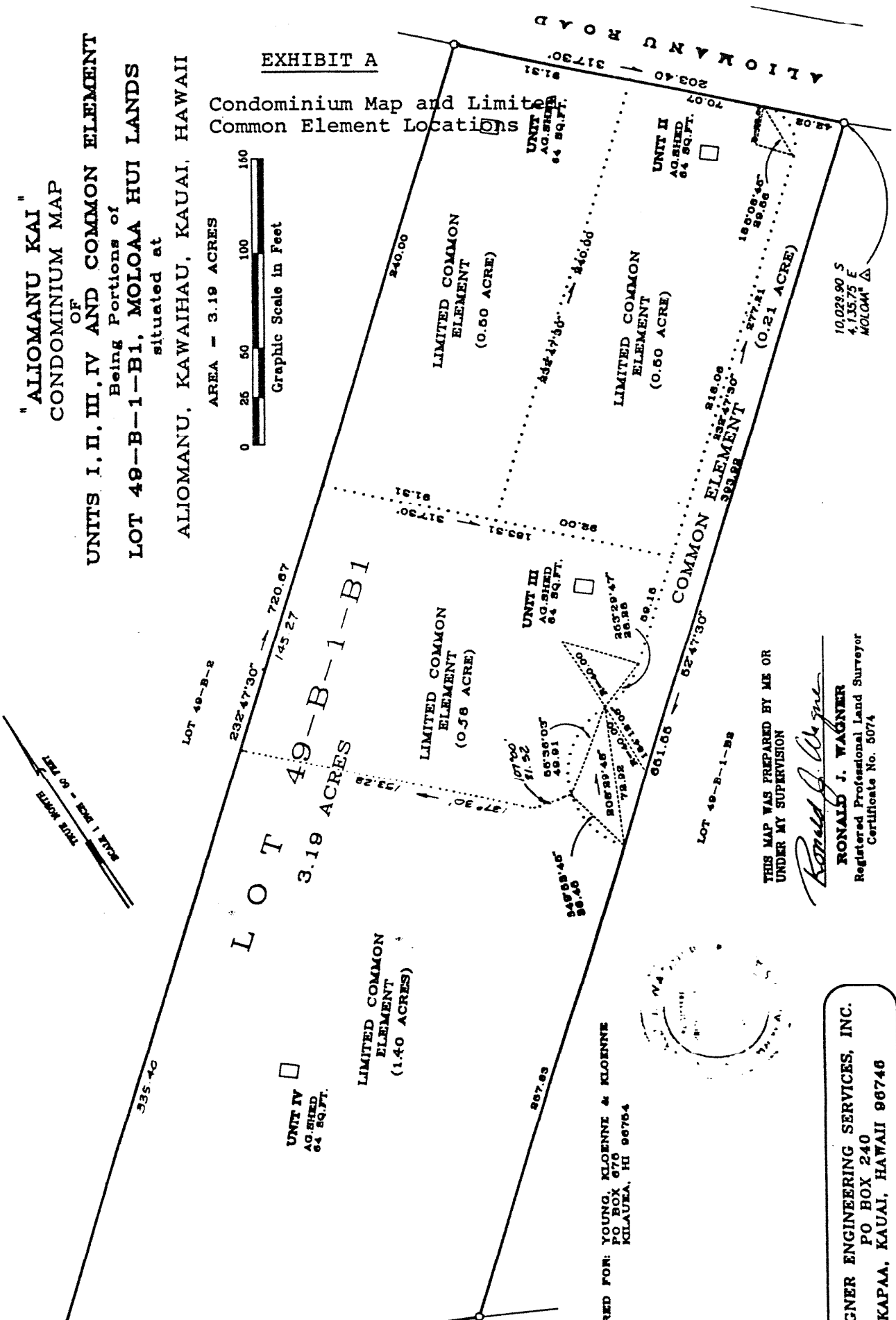


EXHIBIT A

Condominium Map and Limited  
Common Element Locations



LOT 49-B-2  
335.40  
232°47'30" 720.67  
145.27  
LOT 49-B-1-B1  
3.19 ACRES

LIMITED COMMON  
ELEMENT  
(1.40 ACRES)

LIMITED COMMON  
ELEMENT  
(0.58 ACRE)

LIMITED COMMON  
ELEMENT  
(0.60 ACRE)

LIMITED COMMON  
ELEMENT  
(0.60 ACRE)

COMMON  
ELEMENT  
(0.21 ACRE)

10,029.90 S  
4,115.75 E  
MOLOAA Δ

RED FOR: YOUNG, KLOENNE & KLOENNE  
PO BOX 676  
KILAUEA, HI 96764

THIS MAP WAS PREPARED BY ME OR  
UNDER MY SUPERVISION

*Ronald J. Wagner*  
RONALD J. WAGNER  
Registered Professional Land Surveyor  
Certificate No. 5074

DATE OCTOBER 22, 1990

GNER ENGINEERING SERVICES, INC.  
PO BOX 240  
KAPAA, KAUAI, HAWAII 96746

EXHIBIT B

SUMMARY OF SALES CONTRACT

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

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

2. The closing date for the purchase.

3. Whether at the time of execution of the contract, a final public report has been issued.

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

(a) That Buyer will receive a copy of the final public report for the project.

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

(c) 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.

(d) Buyer has received a copy of the Escrow Agreement for the Project.

(e) The unit the buyer is purchasing will be shown on a file plan map prior to closing, and the right to cancel if is is different from that shown on the Exhibit A.

(f) That a deed conveying clear title will be given at closing, subject to certain obligations.

(g) The Purchaser agrees to give future easements if reasonably required for the project.

(h) The purchaser will accept the Unit "AS-IS" unless the contract states to the contrary.

(i) The payment of commissions, if any, is set out in the contract.

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

SPECIAL NOTICE

\* \* \* \* \*

THE FOREGOING 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 B

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS  
FOR ALIOMANU KAI CONDOMINIUM

Qty.	Apt. No.	Area of Limited Common Element	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Shed Area (Sq. Ft.)	% of Common Int.
1	1	0.50 AC	0	0	64	20
1	2	0.50 AC	0	0	64	20
1	3	0.58 AC	0	0	64	20
1	4	1.40 AC	0	0	64	40

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

END OF EXHIBIT C



**EXHIBIT D**  
**SUMMARY OF PORTIONS OF ESCROW AGREEMENT**

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

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

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. 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 sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less

Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow, but in the aggregate shall not be less than \$25.00.

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 \$300.00 for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional \$300.00.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, 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 D

EXHIBIT E

Common Elements of the Project

The common elements of the project are:

- (a) Land in fee simple;
- (b) All driveways, walkways, ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, and telephone;
- (c) Any and all other elements and facilities in common use or necessary to the existence, upkeep and safety of the Project.

Limited Common Elements of Project

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

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

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
1	0.50 AC
2	0.50 AC
3	0.58 AC
4	1.40 AC

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

END OF EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real property taxes. Check with the Kauai County Tax Assessor for further information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. MORTGAGE  
  
MORTGAGOR : YOUNG, KLOENNE & KLOENNE, a California general partnership  
  
MORTGAGEE : FRANKLIN TETSUO HAMAMURA, husband of Elsie Hamamura, and LILY SETSUKO YAMAMOTO  
  
DATED : ---, 1989  
RECORDED : Liber 23100 Page 241  
AMOUNT : \$310,000.00
4. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated April 1, 1991, recorded in the Bureau of Conveyances of the State of Hawaii recorded as Document No. 91-051509, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1489). Further amended by Document No. 91-068756 dated May 13, 1991.
5. By-Laws of the Association of Apartment Owners of the Condominium Project known as "ALIOMANU KAI CONDOMINIUM" dated April 1, 1991, recorded in the Bureau of Conveyances of the State of Hawaii recorded as Document No. 91-051510, as the same may hereafter be amended.
6. Covenants, conditions and restrictions set forth in DECLARATION dated April 1, 1991, recorded as Document No. 91-051511.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR  
ALIOMANU KAI CONDOMINIUM

Pursuant to Hawaii Revised Statutes Section 514(A)-61, the developer of ALIOMANU KAI Condominium makes the following disclosures:

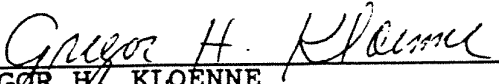
1. The developer of the project is GREGOR H. KLOENNE, P.O. Box 675, Kilauea, HI 96754, (808) 828-1888.

2. See Exhibit H for the projected annual maintenance fees. The developer hereby certifies that the estimations have been based on generally accepted accounting principles.

3. Only the statutory builder's warranty will apply to any individual unit. There are pre-existing structures on the property and no other warranty will be made regarding the buildings.

4. No condominium units will be used for both hotel and residential use; these are residential condominium units in which rental and vacation rental use is permitted, but hotel use is not.

5. There will be no commercial use except those activities permitted by the Kauai County Comprehensive Zoning Ordinance in the residential zone.

  
GREGOR H. KLOENNE

Dated: March 11, 1991

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RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit H this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Purchaser(s)

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EXHIBIT       H      

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
Unit 1	\$ 50.00	\$ 600.00
Unit 2	\$ 50.00	\$ 600.00
Unit 3	\$ 50.00	\$ 600.00
Unit 4	\$100.00	\$1,200.00

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**

Air Conditioning  
Electricity  
    [ ] common elements only  
    [ ] common elements  
        and apartments

Gas  
Refuse Collection  
Telephone  
Water and Sewer

**Maintenance, Repairs and Supplies**

Building  
Grounds

\$ 20.00                      \$ 240.00

**Management**

Management Fee  
Payroll and Payroll Taxes  
Office Expenses

Insurance                                      \$100.00                      \$1,200.00

Reserves                                      \$ 30.00                      \$ 360.00

Taxes and Government Assessments                      \$100.00                      \$1,200.00

Audit Fees

Other

**TOTAL**                                      \$250.00                      \$3,000.00

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

Gregor H. Kloenne  
Date: March 11, 1991

JOANN A. YUKIMURA  
MAYOR

EXHIBIT "I"

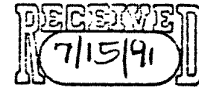


PETER A. NAKAMURA  
PLANNING DIRECTOR

ROLAND D. SAGUM, III  
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

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



July 11, 1991

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

Subject: Comments on Aliomanu Kai Condominium Report  
Tax Map Key: 4-9-04:24  
Anahola, Kauai  
LOTR:4/1/91

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

The amount of limited common elements is within the allowable unit density permitted by the CZO. The subject property is zoned Open District (O) and Residential District (R-2) and qualifies for six (6) units.

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

There should be a disclosure provision written into this and all ensuing condominium reports stating that approval of the report should not be misconstrued to mean that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply with all applicable County Codes and Ordinances. It should also be made clear that the Condominium Property Regime (CPR) does not necessarily mean that all County requirements pertaining to subdivision of lands have been met. Therefore,



Mr. Calvin Kimura, Executive Secretary  
Real Estate Commission  
Page 2  
July 11, 1991

such facilities/improvements that are normally associated with County-approved subdivisions such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for. Further, such services as County street maintenance and trash collection will not be available for interior road/driveways.

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

PETER A. NAKAMURA  
Planning Director

cc: Steven R. Lee

## EXHIBIT J

### SUMMARY OF PROTECTIVE COVENANTS AND RESTRICTIONS OF ALIOMANU KAI CONDOMINIUM

This Project is located on lot 49-B-1-B1 of the Moloaa Hui Lands situated at Aliomanu, Kawaihau, Kauai, Hawaii. The Project is affected by a "Declaration of Protective Covenants and Building Rules" (herein called the "Protective Covenants") dated April 1, 1991, recorded as Document No. 91-051511 of the records of the State of Hawaii Bureau of Conveyances.

This is a summary of some of the restrictions applicable to the Project. This is not meant to completely recite the actual provisions of the Protective Covenants, nor to cover every issue in which a purchaser might have interest. The prospective purchaser is urged to obtain a full copy of the Protective Covenants from the Developer prior to entering into an agreement to purchase a unit in this Project.

CONSTRUCTION/GENERAL RULES. No owner shall construct any structure or improvement of a height which will block or obstruct the views of any other owner, without first securing the approval of the Design Review Committee and all unit owners with views which might be affected. Unit 4 shall have the sole right to construct a guest house.

DWELLING COST AND QUALITY. No residence shall be permitted on any homesite at a building cost or value of less than FIFTY DOLLARS (\$50.00) per square foot. Each home shall have at least 2,000 square feet of livable space, excluding garages, porches, decks, and lanais. Plans for all structures must be submitted to Declarant or their designee, who shall constitute the Design Review Committee for the Project in advance.

BOUNDARIES. No building shall be located outside the designated homesite for each unit. Unit Owners shall not construct or plant or maintain any continuous fence or vegetation or other structure over six feet high (at maturity) without the prior consent of the Design Review Committee and at least a 75% interest majority.

STANDARD EXTERIOR ARCHITECTURAL RESTRICTIONS. All vertical exterior surfaces shall be made of natural material. No metal structures shall be allowed. As to the three Units closest to the seashore, the roofs of structures constructed on any homesite shall be covered with materials of non-reflective earth tones, and limited to wood shake, non-reflective tile. An enclosed garage for each residence is required. Laundry

facilities and any service or utility area, including any area for hanging clothes, must be reasonably inconspicuous and shielded from public view. There is a principal residence building height restriction of twenty-five feet, measured from the natural grade at any point on the foundation of the structure to the highest point of construction, shall apply to all units. Outbuildings may not exceed 16 feet in height. No existing or permitted vegetation shall be allowed to grow above existing viewplanes or 25 feet in height, which ever is less, and none will be allowed which interferes with the ocean view of any approved principal residence improvements, unless the Unit Owner first obtains the Design Review Committee approval plus the approval of every Unit Owner affected by the landscaping or improvements in question.

ARCHITECTURAL CONTROL. In the event any dispute arises as to the conformance of any proposed plans with these Protective Covenants, the question shall be resolved by the Design Review Committee for the Project.

PETS/ANIMALS. The following animals and activities shall not be permitted or allowed: Pigs, hogs, or peafowl; more than two dogs which are owned and kept as pets; any dogs, cats or other animals kept for commercial breeding or kennel purposes; sheep or cattle; roosters or commercial chicken-raising.

UTILITIES. Each Unit Owner shall be responsible for bringing water, power, telephone and television cable service to their individual units from the point of completed construction in the common elements to their individual homesites. All utilities within the Project shall be underground.

DISPUTES. In the event of any dispute or other matter in question concerning this Declaration, its application or interpretation (herein referred to as a "Dispute"), such violation, threatened violation or Dispute shall be decided by arbitration.

These Covenants may be repealed or modified by the affirmative vote of the holders of 75% of the common interests in the Project.

END OF EXHIBIT J