

MURRAY C. HUDSON
5160 NAPO'OKALA CIRCLE
PRINCEVILLE, HI 96722 -5107

MCH

RECORDATION REQUESTED BY:

It is hereby certified that the foregoing instrument
is a true and correct copy of the original recorded
in the Bureau of Conveyances of the State of Hawaii
in Liber 12921, Page 620
on 5-30-78

LONG & MELONE, LTD.

Paula

AFTER RECORDATION, RETURN TO:

PRINCEVILLE AT HANAIEI
P. O. BOX 121
HANAIEI, KAUAI, HAWAII 96714

RETURN BY: MAIL () PICKUP ()

SPACE ABOVE THIS LINE FOR REGISTRAR'S USE

DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS
OF SUNSET DRIVE SUBDIVISION

This Declaration made this 25 day of May,
1978, by CONSOLIDATED OIL & GAS, INC., a Colorado corporation
authorized to do business in the State of Hawaii, whose
principal place of business and post office address is
1860 Lincoln Street, Denver, Colorado, hereinafter referred
to as the "Declarant".

Declarant is the owner of land situate in Hanalei, County
of Kauai, State of Hawaii, described in Exhibit "A" attached
hereto and made a part hereof, called the Sunset Drive
Subdivision. Declarant intends to develop the land for
residential and recreational uses and the purpose of this
declaration is to provide for the management, maintenance,
protection, preservation and development of property within the
Sunset Drive Subdivision and to promote the health and
general welfare of the owners and residents of Sunset Drive
Subdivision. This includes, but is not limited to, strength-
ening community unity, fostering social understanding and
providing wholesome recreational activities for the owners
and residents within the subdivision.

Declarant hereby declares that all lots described in
Exhibit "A" shall be held, sold, conveyed, encumbered, leased,
occupied and improved, subject to the Sunset Drive Restrictions,

meaning the limitations, restrictions, covenants and conditions set forth in this declaration, all of which are established and declared and agreed to be for the purpose of enhancing and protecting the value, desirability and attractiveness of the residential lots within the Sunset Drive Subdivision. These limitations, restrictions, covenants and conditions shall run with the land and shall be binding upon all persons having or who acquire any right, title or interest in and to the residential lots within the subdivision, and shall inure to the benefit of the Declarant, the Association and each person who becomes an owner of a residential lot within the Sunset Drive Subdivision.

ARTICLE I
DEFINITIONS

Section 1. The following words when used in this declaration or any supplemental declaration (unless the context shall prohibit) shall have the following meanings.

a. "Association" shall mean the Sunset Drive Community Association, a nonprofit corporation, and its successors and assigns.

b. "Board" shall mean the board of directors of the Association.

c. "By-Laws" shall mean the by-laws of the Association.

d. "Charter" shall mean the charter of incorporation of the Association granted or to be granted pursuant to Chapter 416, Hawaii Revised Statutes.

e. "Common Area" shall mean all land and interest therein which has or may be conveyed to the Association.

f. "Declarant" shall mean Consolidated Oil & Gas, Inc., or such other person or corporation whom Consolidated Oil & Gas, Inc. may by a recorded document designate as the Declarant.

g. "Lot" shall mean any lot described in Exhibit "A" and any lot hereafter annexed.

h. "Sunset Drive Subdivision" shall include all lots described in Exhibit "A", the Common Area, and such other lots as may be annexed.

i. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of Sunset Drive Subdivision, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE II

LOTS SUBJECT TO THIS DECLARATION

Section 1. The lots described in Exhibit "A" attached hereto shall be held, sold, conveyed, leased, encumbered, occupied and improved subject to this declaration.

ARTICLE III

LAND CLASSIFICATION AND RESTRICTIVE COVENANTS

Section 1. All lots described in Exhibit "A" are classified single family residential lots. Only one single family residence building, together with one appurtenant outbuilding, may be constructed on a single family residential lot. No outbuilding shall be used as a residence or living quarters. No single family residential lot shall be divided or resubdivided into smaller lots.

Section 2. All such lots shall be subject to the following limitations and restrictions:

a. No building, fence, wall or other structure shall be constructed, erected or maintained on any lot, nor shall

any addition thereto or change or alteration therein be made until the complete plans and specifications therefore, prepared by a registered architect or professional engineer licensed in the State of Hawaii (including, but not limited to, the floor, elevation, plot and grading plans; the specifications of principal exterior materials, color schemes and the location, character and method of utilization of all utilities; landscape plans; automobile parking provisions; and outside lighting plan) have been submitted to the Community Design Committee of Princeville at Hanalei as provided in Article IV of the Declaration of Restrictions, Covenants and Conditions of Princeville at Hanalei, recorded in the Bureau of Conveyances in Liber 7444, Page 93, hereinafter referred to as the Princeville at Hanalei Restrictions.

b. Each building or other structure shall be constructed, erected and maintained in strict accordance with the approved plans and specifications.

c. No residence shall be permitted on any lot at a building cost or value less than Seventy-Five Thousand Dollars (\$75,000.00) based upon cost levels prevailing on the date of this Declaration is recorded. Building cost shall include actual construction cost of dwelling and garage, a reasonable architect's fee and a reasonable profit to the builder, but shall not include the cost of landscaping, fences, other permissible structures or the cost of the lot. It is the intention and purpose of the covenants to assure that all dwellings shall be of a quality of workmanship and materials substantially the same or better than that which can be produced at the date these covenants are recorded at the stated minimum cost.

d. No building shall be located on any lot nearer than 20 feet to the street lot line, nearer than 30 feet to the rear lot line or nearer than 10 feet to side lot lines unless approved by the Community Design Committee of Princeville at Hanalei, hereinafter call the Design Committee

e. Except as otherwise approved by the Design Committee:

(1) All vertical exterior surfaces of structures shall be of natural material.

(2) The roofs of structures constructed on the lots shall be covered with such materials of earth tones as are from time to time established by the design Committee and shall not exceed a maximum pitch of 12:12 or 45 degrees.

(3) Each outbuilding constructed on a lot must conform in architectural style and in the external construction materials employed to the residential structure constructed on such lot.

(4) Each lot, when improved, must be equipped with one or more front lawn or other exterior light or lights, which must be operated by photoelectric cell and be maintained in an operating condition.

(5) Each lot, when improved, must have not less than two automobile parking spaces on a graveled or hard-surfaced driveway.

(6) No exterior antenna or aerial shall be maintained on the lots.

(7) Laundry facilities and any service or utility area, including any area for hanging clothes, must be completely screened from view on all sides.

(8) Each residential structure shall be equipped with an electric garbage disposal unit, which shall be maintained in an operating condition.

(9) Building height restriction of twenty-five (25) feet, measured from the highest natural grade at any point on the perimeter of the foundation of the structure to the highest point of the coping of the top story in the case of a flat roof, or to the deck line of a mansard roof, or to the average height between the plat and ridge of a gable, hip or gambrel roof, is hereby imposed.

The height restriction may, however, be increased or decreased by the Design Committee in the event the Design Committee determines that such restrictions work an undue hardship; or would permit erection of a structure which, in the sole judgment of the Design Committee, is desirable or undesirable; or would unduly impair or not impair sightlines to the ocean.

(10) The Owner of each structure constructed on the lots shall maintain the structure in good repair at all times and shall cause all external surfaces that are stained or painted to be restained or repainted at sufficient intervals as to prevent the structure from detracting from the beauty of the subdivision.

f. Landscape controls:

(1) Commencing with the transfer of any lot in the subdivision from Declarant, the Owner shall cause the lot to be maintained in a neat appearance at all times. Grass shall be cut not less than every two weeks and trees, bushes and hedges shall be trimmed at such intervals as are necessary to maintain the beauty of the subdivision.

(2) Within 90 days following the transfer of any lot in the subdivision from Declarant, the Owner of such lot shall landscape the lot in a fashion approved by the Design Committee, which landscaping shall consist of at least the following:

(a) removal and beautification of any condition existing on the lot which in the judgment of the Design Committee should be corrected; and

(b) the planting of not less than five trees, with not less than two of such trees being of a flowering variety or varieties.

(3) Walls, fences and incidental garden structures shall be designed so as to be attractive from any viewable side. No wall, fence, hedge or other continuous planting may exceed six feet in height, and no wall or fence may be placed within 10 feet of any boundary line. No fence, hedge or other continuous planting may be constructed or maintained within 20 feet of any lot boundary line which abuts the golf course.

(4) No existing tree shall be cut or removed from any lot except with the written approval of the Design Committee.

(5) The aggregate of graveled or paved surfaces on a lot shall not exceed 30 percent of the portion of the lot not covered by building structures.

g. No lot within the subdivision shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. All equipment for the storage or disposal for such material shall be kept in a clean and sanitary condition and container storage facilities not enclosed shall be constructed below ground level so as to allow

for full recession of containers into the ground.

h. Within the easement areas reserved for the installation and maintenance of utilities and drainage facilities no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may obstruct or retard the flow of water through drainage channels in the easement areas.

i. No temporary buildings, structures, outhouses, sheds, tents or trailers of any kind shall be erected, altered, placed or permitted to remain on any lot, except as expressly otherwise provided herein. Temporary structures or trailers may be erected or placed on any lot during a reasonable period of construction for use as a construction office and supply shelter, but in no event as a residence. The temporary construction structures or trailers shall remain upon the land only during the period of construction of permanent improvements thereon and must be removed within 30 days after completion of such construction. Any surplus material from construction must be removed within that 30 days.

j. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

k. No signs, placards, or notices shall be erected, placed, maintained or permitted to remain on any part of any land in the subdivision, except such signs as have been approved by the Design Committee for identification of residences, streets, subdivision or area.

l. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot in the subdivision, except that a reasonable number of dogs, cats, or other

common household pets may be kept; provided, however, that they are not kept, bred, or maintained for any commercial purpose.

m. No automobile, truck, boat, trailer or other vehicle shall be parked on any street or road or any part of the right of way of any street or road in the subdivision at any time. No automobile, truck, boat, trailer or other vehicle which is in an inoperative condition shall be parked on any land within the subdivision for a period longer than 48 hours, nor shall any such equipment be dismantled, repaired or serviced on any land within the subdivision in an area visible from neighboring land or the golf course.

n. Lien. Each owner grants to Declarant, and there is excepted and reserved to Declarant, a lien upon the lot of the Owner to secure the faithful performance by the Owner of the requirements of Section 2e(10) and Sections 2f(1) and 2f(2) of this Article III. If any owner shall fail to comply with Section 2e(10) or Section 2f(1) or 2f(2) within 10 days after Declarant shall have deposited in the United States postal system a notice to the Owner of the failure to comply, Declarant shall have the right to cause the necessary work to be done and to have a lien upon the lot of the uncomplying Owner for the reasonable cost of such work plus an additional amount equal to 10% of the cost of such work. If within 30 days the noncomplying Owner does not pay to Declarant the sum secured by the lien, then Declarant may foreclose the lien in compliance with the mortgage foreclosure laws of the State of Hawaii for the aggregate of (i) the reasonable cost of such work, (ii) a sum equal to 10% of such work, and (iii) all costs incurred by Declarant in foreclosing the lien, including a reasonable attorney's fee.

ARTICLE IV

SUNSET DRIVE COMMUNITY ASSOCIATION

Section 1. The association is a nonprofit corporation charged with the duties and empowered with the right set forth herein and its Charter and By-Laws.

Section 2. Every owner of a lot which is subject to assessment by the Association shall be a member of the Association; provided that any such person or entity who holds such interest merely as a security for performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. Upon the conveyance or transfer by will or by intestate succession of a lot, the membership in the Association shall be automatically transferred to the new owner.

Section 3. The voting rights of the members shall be as set forth in the Charter and By-Laws of the Association.

Section 4. The Association shall have the rights, obligations and duties, subject to the Sunset Drive Restrictions, to do and perform each and every one of the following for the benefit of the Owners and for the maintenance and improvement of Sunset Drive Subdivision.

a. The Association shall accept all Owners as members of the Association.

b. The Association shall accept title to the Common Area and other land from time to time conveyed to it. The Association may also acquire and accept title to any other property, real, personal or mixed. The Association may charge reasonable fees for use of the recreational facilities on the Common Area to help defray the costs of construction, maintenance, repair or operation of such facilities, or of other facilities owned the the Association.

c. The Association shall maintain or provide for the maintenance of the Common Area and improvements located on the Common Area.

d. To the extent not assessed to or paid by the Owners, the Association shall pay all real property taxes and assessments, including Princeville at Hanalei Community Association assessments, levied upon any portion of the Common Area. Each owner shall be responsible for the payment of the Princeville at Hanalei Community Association assessments allocable to his lot.

e. The Association may contract for, employ or otherwise provide police and refuse disposal services.

f. The Association shall obtain and maintain in force such insurance policies as the Board of Directors of the Association may deem appropriate.

g. The Association shall have all the powers set forth in the Sunset Drive Restrictions, including, without limitation, the power to levy assessments, to establish and collect initial membership fees, to make contracts, and to acquire and dispose of property, and shall take such action, whether or not expressly authorized by Sunset Drive Restrictions, as may be reasonably necessary to enforce the restrictions, limitations, covenants and conditions of the Sunset Drive Restrictions and the Rules of the Association.

Section 5. The Association shall have all the powers set forth in the Charter, together with its general powers as a nonprofit corporation, and to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of Sunset Drive Restrictions. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

a. The Association shall have the power and authority at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter upon any lot,

for the purpose of maintaining and repairing any lot, if for any reason the Owner fails to maintain and repair the lot as required under Article III, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such area in violation of Article III. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of Sunset Drive Restrictions, or to enforce by mandatory injunction or otherwise all of the provisions of the Sunset Drive Restrictions.

b. In fulfilling any of its duties under the Sunset Drive Restrictions, including its duties for the maintenance, repair, operation or administration of the Common Area, and to the extent necessary by the failure of the Owners of private areas, or in exercising any of its rights to construct improvements or other work upon any Common Area, the Association shall have the power and authority:

(1) To contract and pay for, or otherwise provide for, construction, maintenance and repair of all improvements on Common Area on such terms and conditions as the Association shall deem appropriate and to pay and discharge all liens arising out of any work;

(2) To obtain, maintain and pay for such insurance policies or bonds as the Board may deem to be appropriate for the protection or benefit of Sunset Drive Subdivision, the Association, the members of the Board, or the Owners;

- (3) To contract and pay for, or otherwise provide for, such utility services including, but without limitation, water, sewer, trash, electrical, telephone and gas services as may from time to time be required;
- (4) To contract and pay for, or otherwise provide for the services of architects, engineers, attorneys and certified public accountants or such other professional or nonprofessional services as the Board may deem necessary;
- (5) To contract and pay for, or otherwise provide for, fire, police and such other protection services as the Board deems necessary for the benefit of Sunset Drive Subdivision or the Owners;
- (6) To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Board Deems necessary, and to pay and discharge any and all liens placed upon any Common Area on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

c. The Board shall be required to grant and convey to any third parties easements or rights-of-way in, on, over or under any Common Area without payment to the Association when requested by Declarant. The Board shall also have the power and authority to grant and convey to any third parties, on such terms as the Board may approve, parcels or strips of land from any Common Area.

d. The Board may from time to time employ the services of a manager to manage the affairs of the Association. The Board may delegate to the manager any of its powers under the Sunset Drive Restrictions, provided, however, the Board cannot

delegate to such manager the power to execute any contract binding on the Association for a sum in excess of \$1,000; nor for the performance of any work or services, which work or services are not to be completed within 60 days; nor the power to sell, convey, mortgage or encumber any property of the Association.

ARTICLE V

MEMBERSHIP FEE AND ASSESSMENTS

Section 1. Each initial Owner of any lot in the Sunset Drive Subdivision purchased from the Declarant by acceptance of a purchase and sale agreement or deed therefor, whether or not it shall be so expressed in any such sale agreement or deed, shall be deemed to covenant and agree to pay to the Association at the time of purchase a membership fee of \$7,800 per lot. Membership shall be appurtenant to and may not be separated from the ownership of such lot. Upon the conveyance or transfer by will or by intestate succession of a lot, the membership in the Association shall be automatically transferred to the new owner.

Section 2. Each Owner of any such lot by acceptance of a purchase and sale agreement or deed therefor, whether or not it shall be so expressed in any such sale agreement or deed, shall be deemed to covenant and agree to pay to the Association his 1/26 share of maintenance assessment and special assessment for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided.

Section 3. At least 30 days prior to the commencement of each fiscal year, the Board shall fix the amount of the maintenance assessment for such fiscal year which shall be payable in the manner set by the Board. Written notice of the assessment shall be sent to every Owner subject thereto.

Section 4. The maintenance assessments levied by the Association shall be used exclusively for the purpose of financing the Association functions and duties, including but not limited to the payment of the assessments of the Princeville at Hanalei Community Association payable by the Association.

Section 5. If at any time and from time to time during any fiscal year, the maintenance assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may levy a further assessment in the amount of such actual or estimated inadequacy.

Section 6. In addition to the maintenance assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto. The special assessment shall be payable in the manner established by the Board.

Section 7. The Board shall also levy an assessment against any Owner, as a direct result of whose acts or failure or refusal to act or otherwise to comply with the Sunset Drive Restrictions or the Sunset Drive Rules, for monies expended by the Association in performing its functions under the Sunset Drive Restrictions. Such assessment shall be in the amount so expended and shall be due and payable

to the Association when levied. Monies so expended shall include, without limitation, reasonable engineers', architects', attorneys', and accountants' fees incurred by the Association.

Section 8. Each assessment under this Article V shall be a separate, distinct and personal debt and obligation of the Owner against whom it is assessed, and each Owner by acceptance of a purchase and sale agreement or deed, whether or not it shall be so expressed in any such purchase and sale agreement or deed shall be deemed to covenant and agree to pay the same to the Association. If the Owner does not pay such assessment or any installment thereof when due, the Owner shall be deemed in default and the amount of the assessment not paid, together with the amount of any subsequent default, plus interest at 12% per annum and costs, including reasonable attorney's fees, shall be and become a lien upon the lot of such Owner upon recordation by the Association of a notice of default. Such lien shall be subject to and subordinate to the lien of any mortgage on the lot of such Owner. A foreclosure of any such paramount lien, whether by judicial proceedings or pursuant to a power of sale contained in such mortgage, shall extinguish the lien as to payments of assessments which became due prior to such sale, transfer or conveyance, but no such sale, transfer, or conveyance shall relieve such lot or the purchaser or transferee thereof with regard to assessments thereafter becoming due. The Association assessment lien may be foreclosed through suit by the Association in like manner as a mortgage of real property, and the Association shall have power to bid on the lot at foreclosure sale and to acquire and hold, lease, mortgage or convey the lot. A suit to recover a money

judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same. The foregoing remedies shall be in addition to any other remedies provided by law for the enforcement of such assessment obligation.

Section 9. The Common Area as defined in Article I and such portions of the Sunset Drive Subdivision as may be conveyed or dedicated to and accepted by a public utility, State of Hawaii, the County of Kauai, Princeville at Hanalei Community Association, or by the Kauai County Public Improvement Corporation shall be exempt from assessments.

Section 10. When requested by an Owner, the Association shall execute a certificate stating the indebtedness secured by the Association lien upon the lot of the Owner, and such certificate shall be conclusive upon the Association and the Owners in favor of all persons who rely thereon in good faith as to the amount of such indebtedness as of the date of the certificate. The Association shall be entitled to a reasonable fee as a condition to issuing the certificate.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. The Sunset Drive Restrictions, may, at any time, be amended or repealed upon the happening of all of the following events:

a. The vote of Owners having not less than three-fourths (3/4) of the total votes approving the proposed amendment or amendments or the repeal of Sunset Drive Restrictions at a meeting of the Association duly held. The notice of the meeting shall state the purpose of the meeting is to consider the amendment or repeal of the

Sunset Drive Restrictions, giving the substance of any proposed amendments or indicating the provisions to be repealed, as the case may be; and

b. The recordation of a certificate of the Secretary or an Assistant Secretary of the Association setting forth in full the amendment or amendments to the Sunset Drive Restrictions so approved, including any portion or portions thereof repealed, and certifying that said amendment or amendments have been approved by vote of the Owners pursuant to Section 1(a) of this Article VII.

Section 2. All the limitations, restrictions, covenants and conditions of Sunset Drive Restrictions are to run with the land and shall be binding on all parties and persons claiming under them for a 55-year period beginning

 May 25 , 1978, and ending May 24 , 2033, at which time the same shall be automatically extended for successive periods of 5 years, unless the record Owners of lots then within the Sunset Drive Subdivision having not less than three-fourths (3/4) of the total votes record an instrument terminating the Sunset Drive Restrictions within one year prior to the commencement of any such period. Any such termination shall take effect upon expiration of the period during which it is given.

Section 3. In addition to the remedy provided in Section 2(n) of Article III, if the Owner of any lot in the Sunset Drive Subdivision or any part thereof or interest therein violates any provisions hereof, Declarant, the Association or the Owner of any lot or part thereof or interest therein may bring an appropriate civil action against the defaulting party to enforce specific compliance with Sunset Drive Restrictions, or to recover damages for such

violation, plus costs and a reasonable attorney's fee as may be incurred by said prosecuting party in such proceedings or action; provided, however, that Declarant or the Association shall have no duty under any circumstances to enforce compliance with Sunset Drive Restrictions. Failure by Declarant, the Association or any property Owner or Owners or their representatives, heirs, successors, or assigns to enforce any of the limitations, covenants, restrictions, reservations, easements, or charges herein contained shall, in no event, be deemed a waiver of the right to do so thereafter; provided, however, any structure which has been completed for a period of 1 year without any suit having been commenced concerning such structure, shall not thereafter be subject to suit for initial noncompliance with the requirements of Sections 2a, b, c and e of Article III.

Section 4. All the limitations, restrictions, covenants and conditions of Sunset Drive Restrictions shall be liberally construed together to promote and effectuate the fundamental concepts of Sunset Drive Subdivision.

Section 5. In the event any limitation, covenant, restriction, or reservation of Sunset Drive Restrictions is held to be invalid or unenforceable in whole or in part, by any order, judgment or decree of any court, then such decision shall in no wise affect the validity of the other limitations, covenants, restrictions or reservations therein contained, and they shall remain in full force and effect.

Section 6. The Association shall accept all land conveyed to it as Common Area by the Declarant.

Section 7. At any time and from time to time following conveyance of Common Area by the Declarant to the Association, the Declarant may construct, reconstruct, refinish or alter

any improvement upon or make or create any excavation on or fill upon or change the natural or existing drainage of or remove or plant any trees, shrubs or ground cover upon such Common Area if the Declarant shall determine that any such work is reasonably necessary for any utility installation serving any property within Sunset Drive Subdivision, is reasonably necessary for the construction of any facility for use by Owners, is desirable in order to provide or improve access to or enhance the use and enjoyment of such Common Area or is desirable to protect, support or preserve any land which constitutes a part of Sunset Drive Subdivision.

Section 8. Any and all of the rights and powers vested in the Declarant pursuant to the Sunset Drive Restrictions may be delegated, transferred, assigned, conveyed or released by the Declarant to the Association and the Association shall accept the same effective upon the recording by the Declarant of a notice of such delegation, transfer, assignment, conveyance or release.

Section 9. If at any time or from time to time all or any portion of the Common Area is taken by the right of eminent domain or by purchase in lieu of eminent domain, the entire award and compensation shall be paid to the Association. No Owner shall be entitled to any portion of such award and no Owner shall be entitled to participate as a party or otherwise in any proceedings relating to such condemnation, such right to participation being herein reserved exclusively to the Association which shall in its name alone represent the interest of all Owners.

Section 10. No Owner through his non-use of any Common Area, or by abandonment of his lot, may avoid the burdens or obligations imposed on him by the Sunset Drive

Restrictions by virtue of his being an Owner.

Section 11. Any notice or other document permitted or required by the Sunset Drive Restrictions to be delivered may be delivered either personally or by mail. If delivery is to be made by mail, it shall be deemed to have been delivered to the Association twenty-four (24) hours after having been deposited in the United States mail, postage prepaid, addressed to the Sunset Drive Community Association at the address designated by the Association from time to time.

Delivery by mail shall be deemed complete to an Owner twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Owner at his address filed with the Association or the Declarant.

Where there is more than one Owner of a lot the delivery personally or by mail to any one Owner of the lot shall be effective delivery to all Owners of such lot.

IN WITNESS WHEREOF, the Declarant has executed this Declaration the day and year first above written.

CONSOLIDATED OIL & GAS, INC.

By *Harry W. Melblood*
Its President

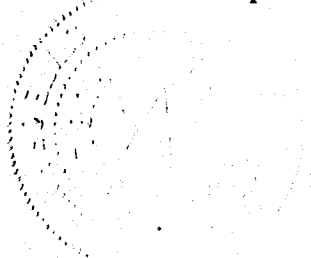
By *Harold F. Zamata*
Its Assistant Secretary

STATE OF HAWAII)
)
COUNTY OF KAUAI) ss.

On this 25th day of May, 1978, before me personally appeared HARRY A. TRUEBLOOD, JR. and

HAROLD T. YAMADA, to me personally known, who being by me duly sworn did say that they are the President and Assistant Secretary, respectively, of CONSOLIDATED OIL & GAS, INC., a Colorado corporation authorized to do business in the State of Hawaii and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said

HARRY A. TRUEBLOOD, JR. and HAROLD T. YAMADA acknowledged said instrument to be the free act and deed of said corporation.



Samuel B. ...
Notary Public, Fifth Judicial
Circuit, State of Hawaii

My commission expires: April 27, 1982

MCH

EXHIBIT "A"

LAND SUBJECT TO DECLARATION

All of those certain parcels of land situate at Hanalei, Halelea, Kauai, Hawaii, described as follows:

Lot 1 to 26, inclusive, of File Plan No. 1557, filed in the Bureau of Conveyances of the State of Hawaii.