



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

CONDOMINIUM PUBLIC REPORT

on

LOKAHI GARDENS CONDOMINIUM
 Waiakalua Street
 Kilauea, Kauai, Hawaii

Registration No. 2033 (CONVERSION)

Issued: May 18, 1990
 Expires: June 18, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 8, 1990, 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 County of Kauai dated March 17, 198

Type of Report:

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

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

- No prior reports have been issued
- Supersedes all prior public reports
- Must be read together with _____

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

- Prelim. Public Report dated _____
- Final Public Report dated _____
- Supp. Public Report dated _____

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

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: Please see next page.

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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 RESIDEN-
*   TIAL USE.  THE PURCHASER SHOULD CONSULT WITH THE
*   APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE
*   PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT,
*   OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.
*
*   1.  This Public Report does not constitute an
*       approval of the project nor that all County
*       Codes, Ordinances and subdivision requirements
*       have been complied with.
*
*   2.  This project does not involve the sale of
*       individual subdivided lots.
*
*   3.  Facilities and improvements normally associated
*       with County approved subdivisions may not
*       necessarily be provided for and services such as
*       County street maintenance and trash collection
*       will not be available for interior roads.
*
*   4.  Read Exhibit D (Protective Covenants)
*       and Exhibit J (Letter from County of Kauai)
*       with care.
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY
*   REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH
*   REGARD TO THE FOREGOING.
*****
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CHANGES FROM PRELIMINARY TO FINAL PUBLIC REPORT:

<u>Page</u>	<u>Description of Changes</u>
3.....	Exhibit Titles Changed for B
5.....	New description of apartment 3 (living areas and storage areas changed)
6.....	Developer's address has changed. Managing Agent changed to Association of Owners.
7.....	Inserts recording information for condominium documents.
11.....	Paragraph 6: New description of apartment 3 (living areas and storage areas changed); Each apartment has individual listing for interior space; Descriptions clarified in "Boundaries of Each Apartment"; building setbacks are identified and clarified.
13.....	Description of condition expanded, code compliance expanded.

New Exhibits replace old to update map showing actual locations of improvements (Exhibit A), deletes old Exhibit B for unit location; updated descriptions of as-built improvements to the units (Exhibit B), clarified Exhibit C, adding description of permitted uses, ability to alter units and cautionary comments (Exhibit C); Exhibit E changed to reflect language of Declaration of Condominium Property Regime in description of Limited Common Elements and Common Elements of Project. Updated Encumbrances On Title (no substance change) (Exhibit F).

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
 I. PEOPLE CONNECTED WITH THE PROJECT	 6
Developer	
Real Estate Sales Agent	Managing Agent
Escrow Company	Attorney for Developer
 II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
 III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
 IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	 18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
 EXHIBIT A: Condominium Map and Limited Common Element Locations	
EXHIBIT B: Floor Plans and Elevations for Structures	
EXHIBIT C: Schedule of Apartments and Common Interest	
EXHIBIT D: Summary of Protective Covenants and Restrictions	
EXHIBIT E: Common Elements and Limited Common Elements of Project	
EXHIBIT F: Encumbrances Against Title	
EXHIBIT G: Estimate of Initial Maintenance Fees and Disbursements	
EXHIBIT H: Summary of Sales Contract	
EXHIBIT I: Summary of Escrow Agreement	
EXHIBIT J: County of Kauai Planning Department Letter dated March 17, 1989.	
EXHIBIT K: Agreement Relating to Property Held as Tenants In Common	

GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

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SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

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

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Storage Shed/ Lanai/Patio (sf)
<u>1</u>	<u>1</u>	<u>2/2.5</u>	<u>1774</u>	<u>828</u>
<u>2</u>	<u>1</u>	<u>1/1.5</u>	<u>1660</u>	<u>1084</u>
<u>3</u>	<u>1</u>	<u>2/1</u>	<u>1600</u>	<u>144</u>
<u>4</u>	<u>1</u>	<u>2/2</u>	<u>2918</u>	<u>340</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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>Each unit has ample parking area for parking within its limited common element, but shall have at least two parking stall areas</u>	
Total Parking Stalls	_____ at all times.

7. Recreational amenities:

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: LOKAHI GARDENS, INC. by
Name WILLIAM EVANS, President
P.O. Box 561
Business Address
Kilauea, HI 96754

Phone: (808) 828-1045
(Business)

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

Denise Kaufman, 7917 Selma Ave. #223 Los Angeles, CA 90046

Andrew R. Roth, 6034 Melvin Avenue, Tarzana, CA

David W. Breen, P.O. Box 794, Hanalei, HI 96714

THE FOUR PERSONS ABOVE ARE THE OWNERS OF LOKAHI GARDENS.

Real Estate Sales Agent: HANAIEI NORTH SHORE PROPERTIES
Name Attn: Roberta Haas
P.O. Box 607
Business Address
Hanalei, HI 96714

Phone: (808) 826-9622
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
4290 Rice Street
Business Address
Lihue, HI 96766

Phone: (808) 245-3381
(Business)

Managing Agent: Self-Managed*
Name
Business Address

Phone: _____
(Business)

*Subject to compliance with applicable managing agent laws

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

- Proposed
- Recorded - Bureau of Conveyances - Doc. No. 90-7449
- Filed - Land Court - Document Number _____

Amendment date(s) 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 Conveyance Condo Map No. 1277
- 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 - Doc. No. 90-7450
- Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

- Proposed Adopted
 Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>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:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

NONE.

B. Underlying Land:

Address: Waiakalua Street Tax Map Key: (4) 5-1-5:38
Kilauea, Kauai, Hawaii (TMK)

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

Land Area: 11.708 [] square feet [X] acre(s) Zoning: Agricultural

Fee Owner: Lokahi Gardens, William Evans, et al. (See Page 6 for list)
- Name

P.O. Box 561
Address
Kilauea, HI 96754

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 4 Floors Per Building 1

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [] Hollow Tile [X] Wood
[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[] Residential	_____	[X] Agricultural	<u>4</u>
[] Timeshare/Hotel	_____	[] Recreational	_____
[X] Other: <u>See Page 18 for further explanations</u>			<u>4</u>

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 Protective Covenants and Restrictions for Subdivision apply
see Exhibit D.
 Number of Occupants: _____

Other: An owner must engage in agriculture actively to be permitted
to construct a residence.
 There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators 0 Stairways 0 Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1</u>	<u>1</u>	<u>2/2.5</u>	<u>1774</u>	<u>828</u>
<u>2</u>	<u>1</u>	<u>1/1.5</u>	<u>1660</u>	<u>1084</u>
<u>3</u>	<u>1</u>	<u>2/1</u>	<u>1600</u>	<u>144</u>
<u>4</u>	<u>1</u>	<u>2/2</u>	<u>2918</u>	<u>340</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

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

Boundaries of Each Apartment:

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

See explanatory and advisory letter from County of Kauai Planning Department attached as Exhibit J.

Permitted Alterations to Apartments:

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

7. Parking Stalls:

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

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

Each apartment will have the exclusive use of at least two (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
- Recreation Area
- Tennis Court
- Storage Area
- Laundry Area
- Trash Chute

Other: _____

9. Present Condition of Improvements

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

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

Balance of 1-year warranty applies to new construction.

No other warranties apply. Buyer should conduct independent inspection.

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

Project is in compliance with all applicable codes.

10. Conformance to Present Zoning Code

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

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	_____	_____
Structures	<u>X</u>	_____	_____
Lot	<u>X</u>	_____	_____

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.

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 January 22, 1990 and issued by Title Guaranty of Hawaii. 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.

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>
N/A	N/A

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.

self-managed by the Association of Apartment Owners.

other _____

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

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

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

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

H. **Utility Charges for Apartments:**

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

- | | |
|--|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input checked="" type="checkbox"/> Not applicable | |

I. **Construction Warranties:**

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

1. Building and Other Improvements:

On existing dwellings, a professional inspection is suggested.

Balance of 1-year warranty applies to new construction.
No other warranties apply

2. Appliances:

NONE

J. Status of Construction and Estimated Completion Date:

Construction of driveways, easements and storage sheds were completed as of November, 1988.

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:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated January 16, 1989

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

[X] Other Registration Forms

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Prospective Purchaser:

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

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

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

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

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

The owners of all units must engage in substantial

agricultural activity as outlined in The Agreement Relating to Property Held as Tenants In Common dated June 18, 1981. A summary is attached as Exhibit K. This property as been used and continues to be used as a commercial farming operation.

Prospective purchasers should carefully read Exhibit K which summarizes the Agreement Relating to Property Held as Tenants In Common. Except as provided in Exhibit K, Property Purchasers will be required to engage in agricultural activity or be liable for financial payments to other unit owners who continue to engage in commercial agricultural activities.

Lokahi Gardens is an active commercial farming enterprise. Purchasers should anticipate continued commercial farming, with the attendant obligations, risks and benefits. It also means that crop-spraying, irrigation and typical farming activities will continue to occur in the future. The current costs associated with the farming enterprise are stated in Exhibit G attached hereto.

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

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

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

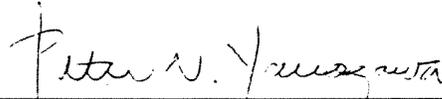
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107)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

This Public Report is a part of Registration No. 2033 filed with the Real Estate Commission on
February 21, 1989.

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.



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

Distribution:

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

EXHIBIT A: DOMINIUM MAP and LIMITED COMMON ELEMENT LOCATIONS

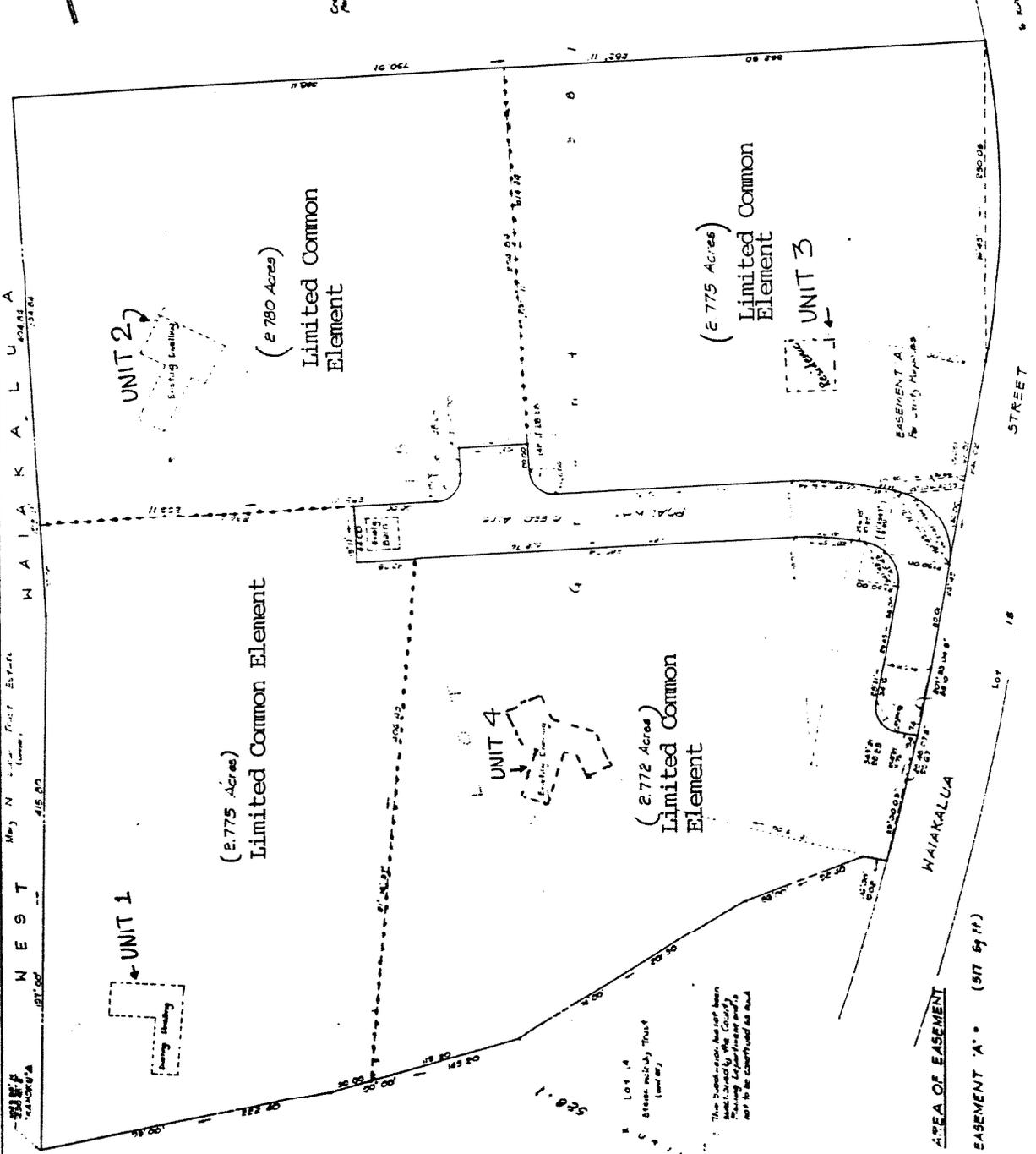
LOKAHI GARDENS
 CONDOMINIUM; LOT 15 OF FILE PLAN 1646
 KILAUEA AGRICULTURAL SUBDIVISION
 PARCELS 6-A AND 6-B

INTO
 UNITS 1 THRU 4, INCLUSIVE, AND ROADWAY
 AND DESIGNATION OF EASEMENTS 'A' AND 'B'
 AT EAST HAIKALUA, HANAIE, MAUI, HAWAII

Lot 15
 Condominium & Regime of Owners
 Residents, Project 1 of Kilauea
 (containing)

Owner: William Evans et al.

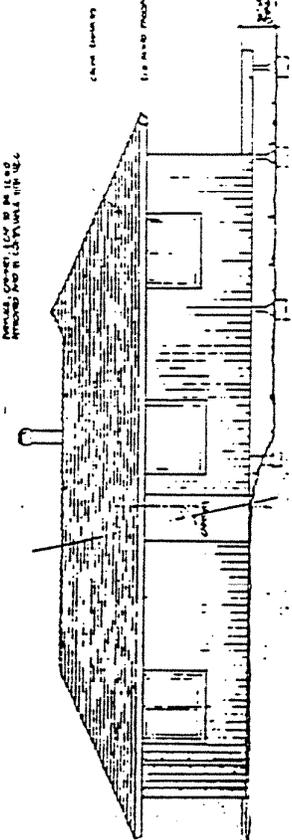
Professional Seal
 KODANI AND ASSOCIATES, INC.
 This map was prepared by me
 as a duly registered Professional Engineer
 License Number 4488
 State of Hawaii, Hawaii
 January 24, 1982



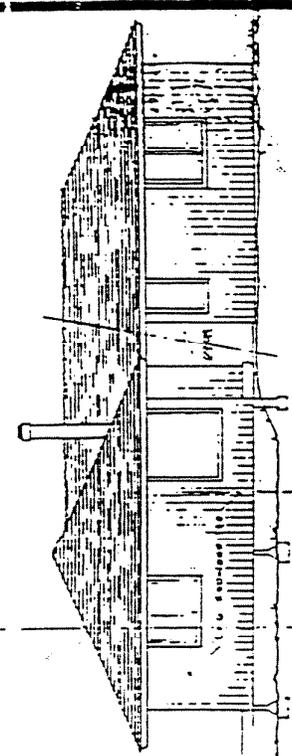
Scale: 1" = 100'

EXHIBIT D FLOOR PLANS + ELEVATIONS

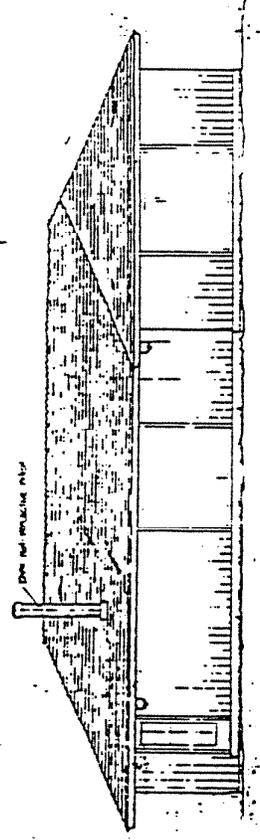
UNIT 1



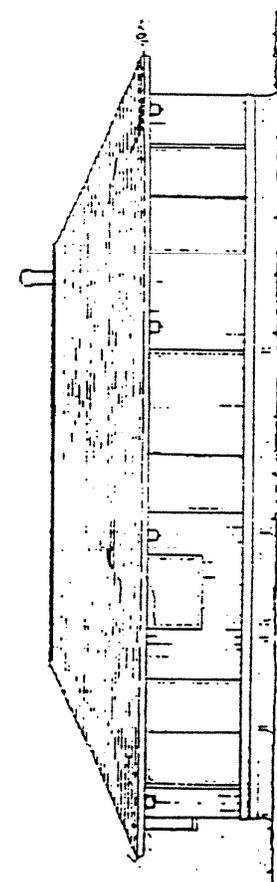
EAST ELEVATION



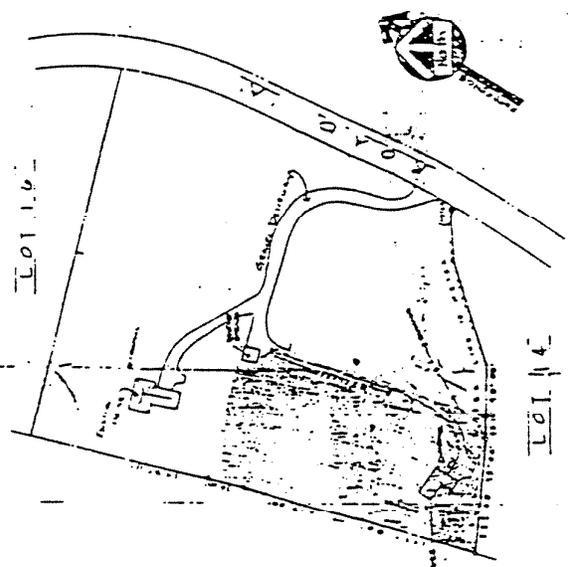
WEST ELEVATION



SOUTH ELEVATION



NORTH ELEVATION

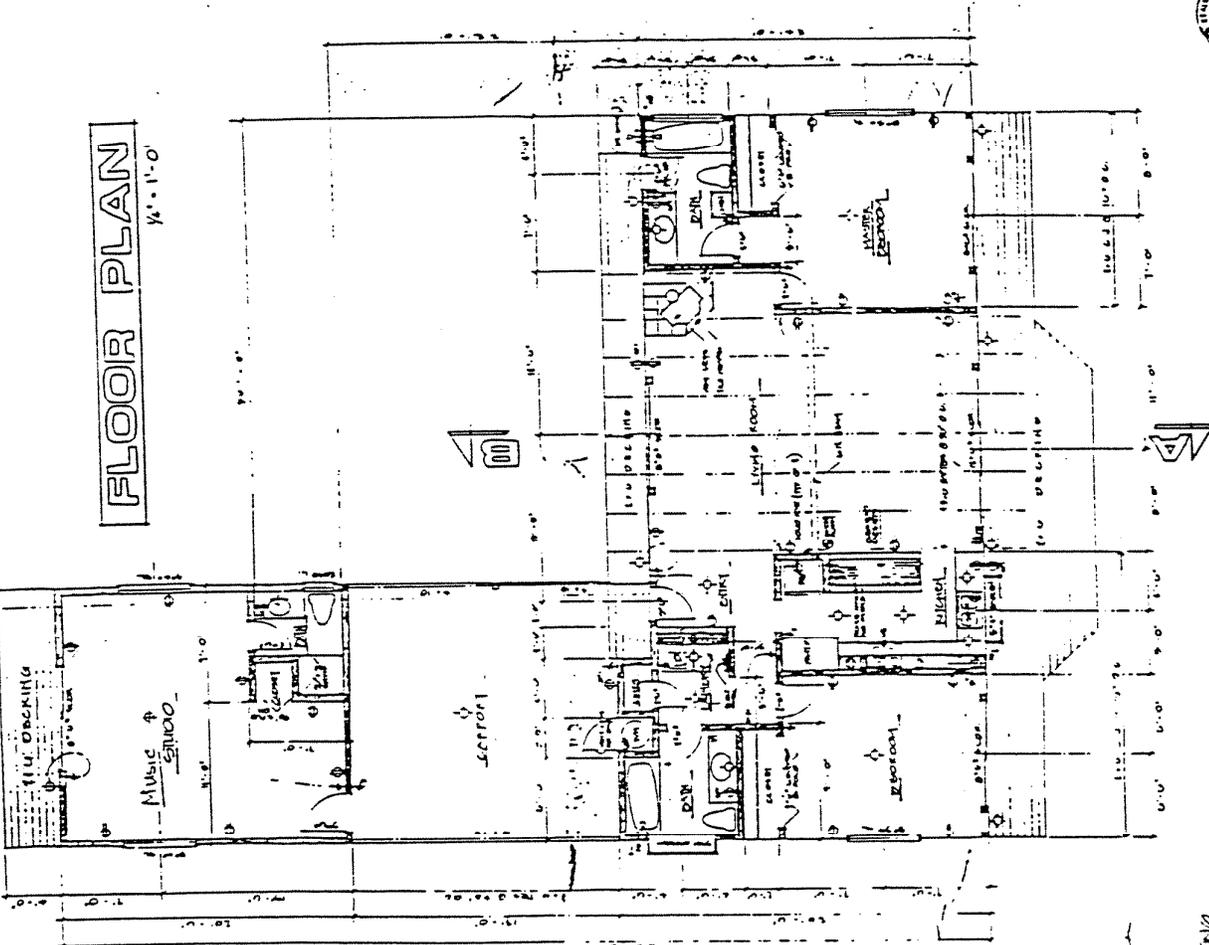


SITE PLAN 1" = 100'

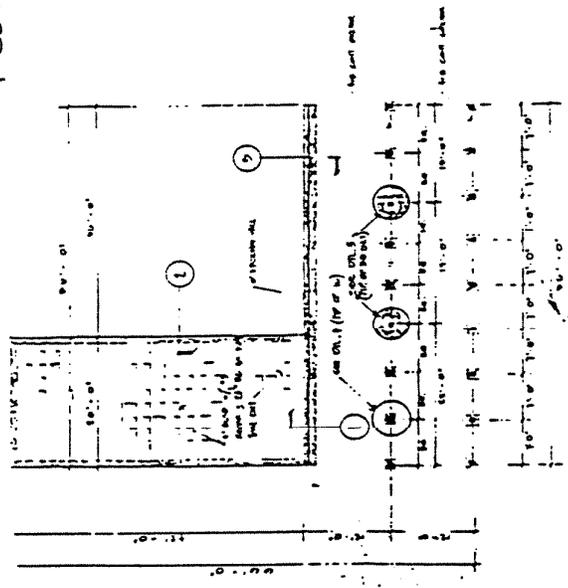


DENISE KATMAN
 REGISTERED PROFESSIONAL ENGINEER
 LICENSE NO. 10000
 STATE OF TEXAS
 10/1/10

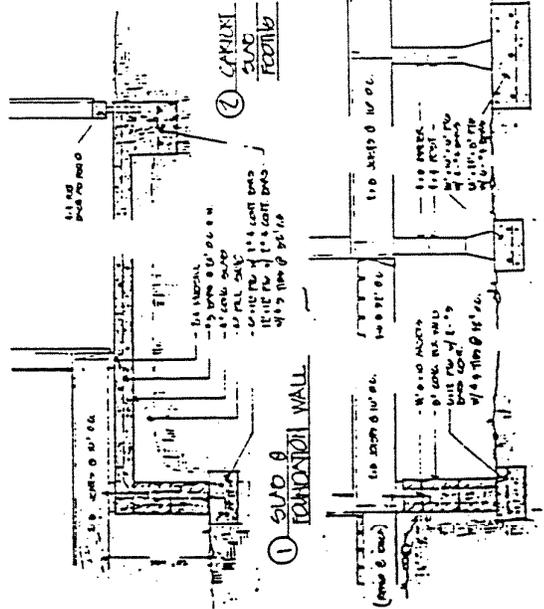
EXHIBIT B
FLOOR PLANS + ELEVATIONS
UNIT 1



FLOOR PLAN
1/4" = 1'-0"



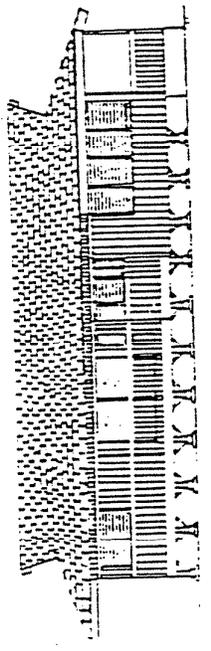
FOUNDATION
1/8" = 1'-0"



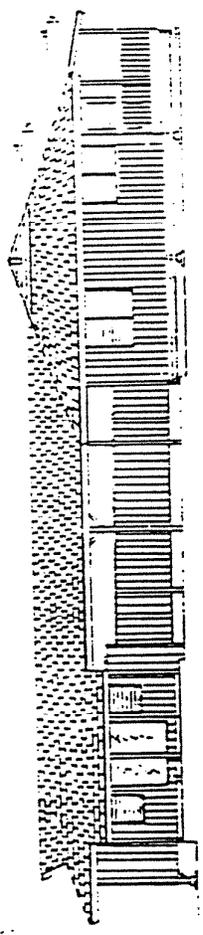
- ① FOUNDATION WALL
- ② GARAGE SLAB FOOTING
- ③ FOOTING DETAIL FRONT DECK
- ④ PIER OVER CENTRAL BEAM DECK
- ⑤ FOOTING DETAIL REAR DECK



EXHIBIT B UNIT 2
FLOOR PLANS + ELEVATIONS

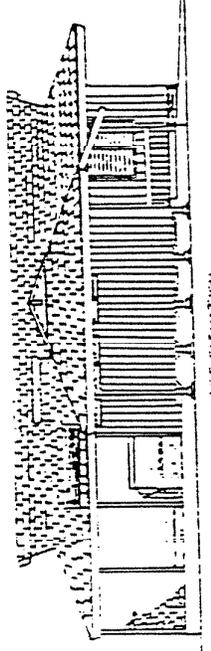


FRONT ELEVATION

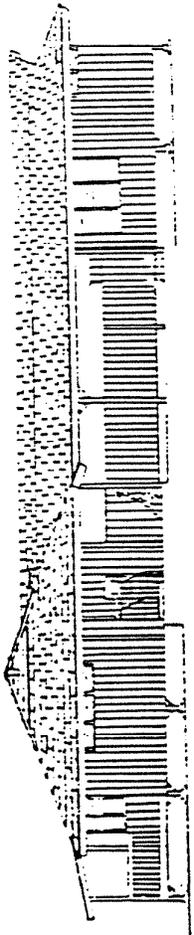


SIDE ELEVATION

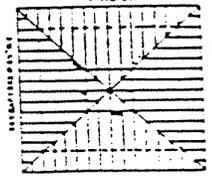
RESIDENCE
SCALE: 1/8" = 1'-0"



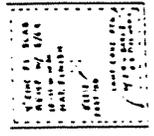
REAR ELEVATION



LEFT ELEVATION



ROOF FRAMING PLAN

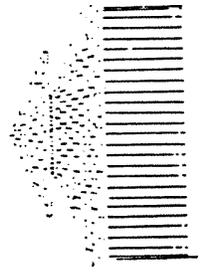


FOUNDATION PLAN
SCALE: 1/8" = 1'-0"

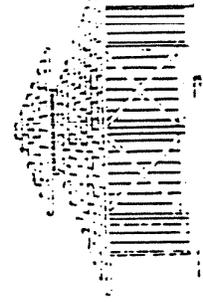


FLOOR PLAN

BASE



FRONT ELEVATION

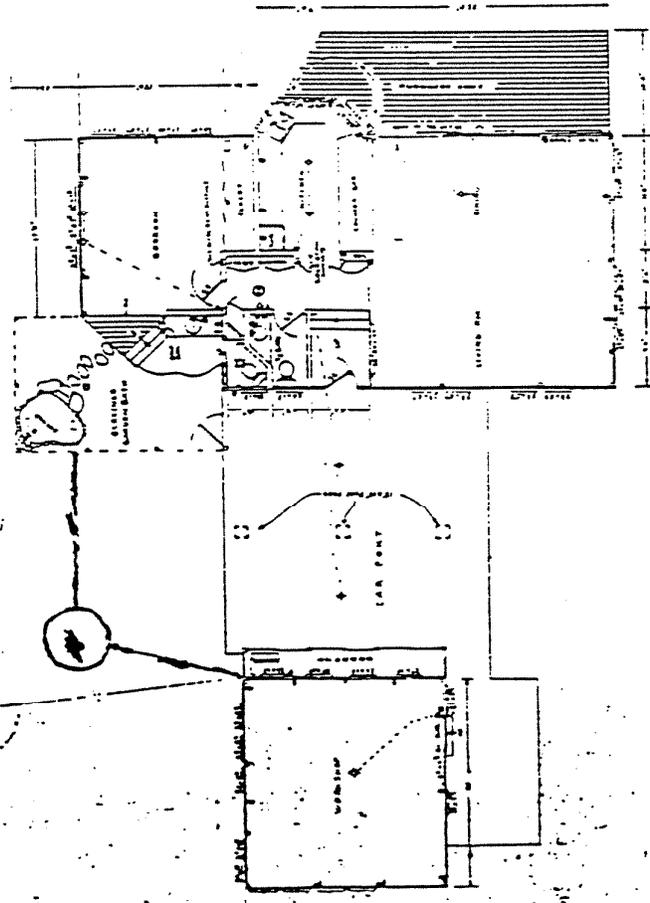


SIDE ELEVATION

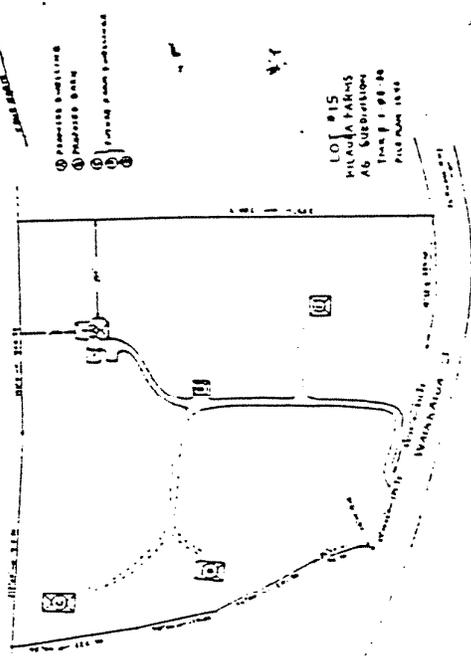
SCALE: 1/8" = 1'-0"

NEW RESIDENCE AND BATH	
DATE: 1915	BY: WILLIAM A. EVANS
101 915 IMP 515 HERRING	

EXHIBIT B: FLOOR PLANS + ELEVATIONS UNIT 2

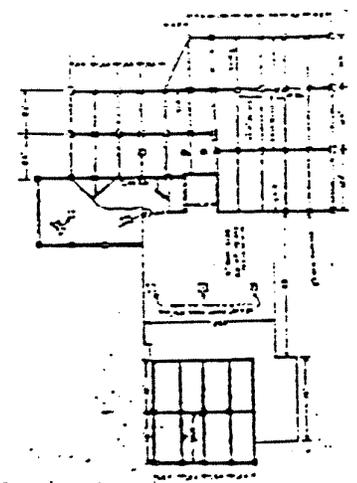


FLOOR PLAN - SCALE: 1/8" = 1'-0"

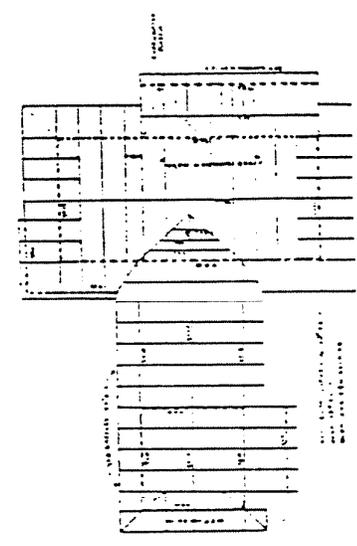


LOT #15
 PISCATAWAY FARMS
 AG. SUBDIVISION
 TRACT # 1 OF 24
 FILE NO. 100-1111

LOT PLAN - SCALE: 1/8" = 1'-0"



ELEVATION - SCALE: 1/8" = 1'-0"

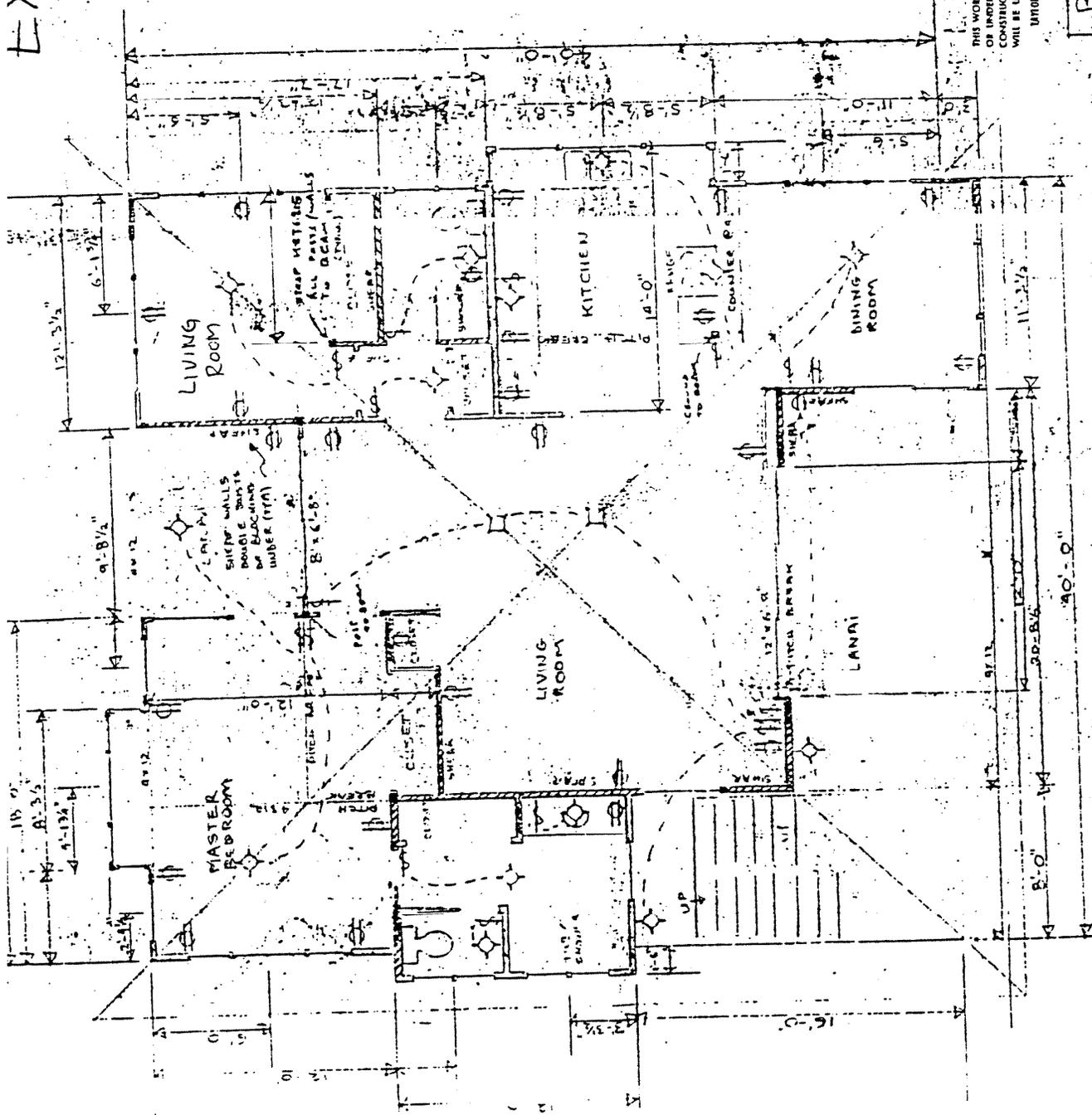


E. W. F. ARCHITECT AND BARR	
ARCHITECT	WILLIAM A. EVANS
DATE	NOV. 15, 1938

EXHIBIT L FLOOR PLANS & ELEVATIONS

BLOOMING URBAN WALK

UNIT 3



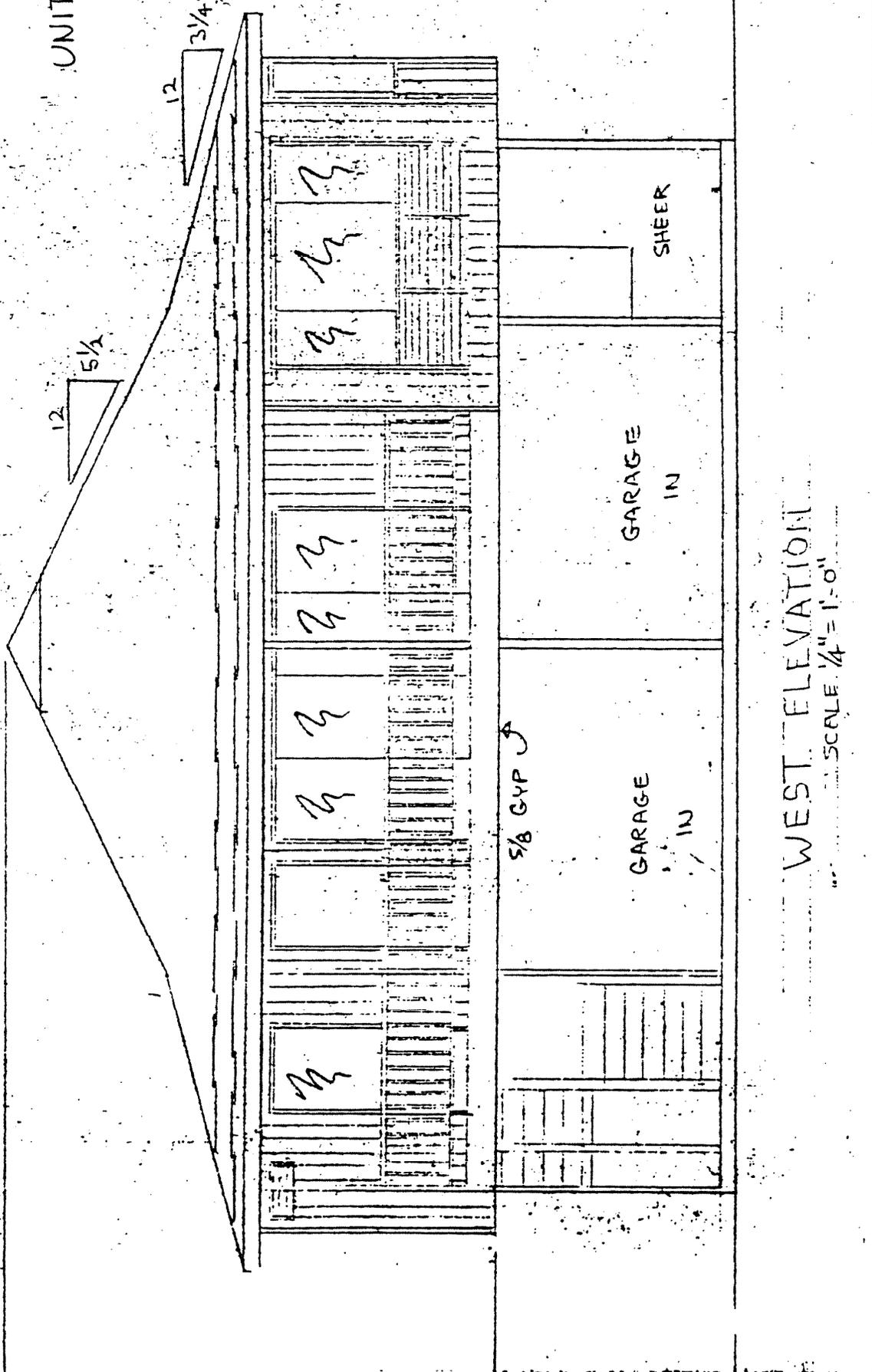
THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION AND
CONSTRUCTION OF THIS PROJECT
WILL BE UNDER MY SUPERVISION.
UNIT 3
P. J. L.

BREEN, RESIDENCE
JAN 25 - 1958
KILAUEA FARMING SUBDIVISION

FLOOR PLAN
SCALE 1/8" = 1'-0"

EXHIBIT B: FLOOR PLANS + ELEVATIONS

UNIT 3



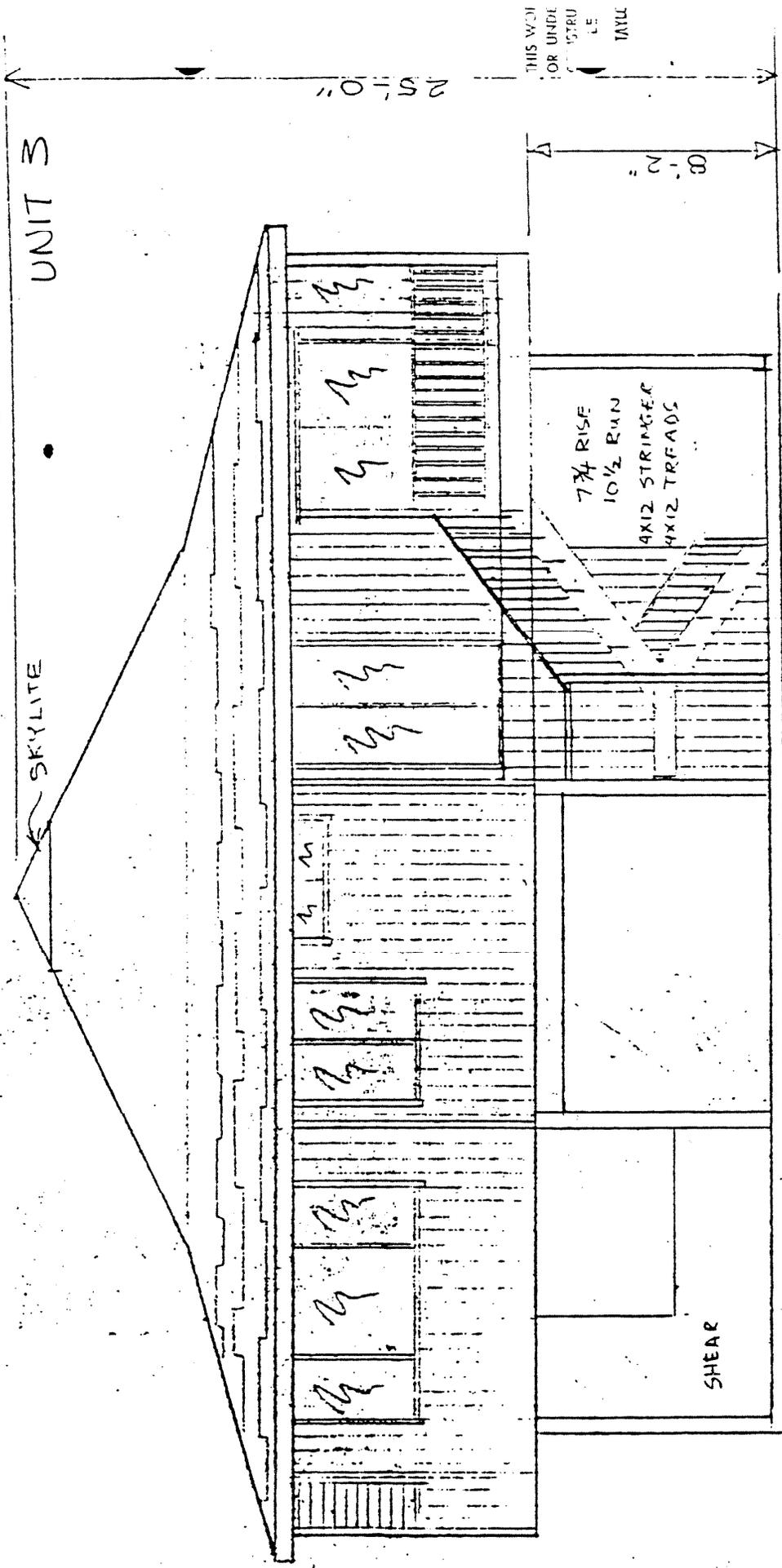
WEST ELEVATION

SCALE 1/4" = 1'-0"

Exhibit B

FLOOR PLANS Elevations

SCALE 1/4" = 1'-0"



SKYLITE

UNIT 3

25'-0"

7 3/4 RISE
10 1/2 RUN
4X12 STRINGER
4X12 TREADS

SHEAR

SUPPER

NORTH ELEVATION

SCALE 1/4" = 1'-0"

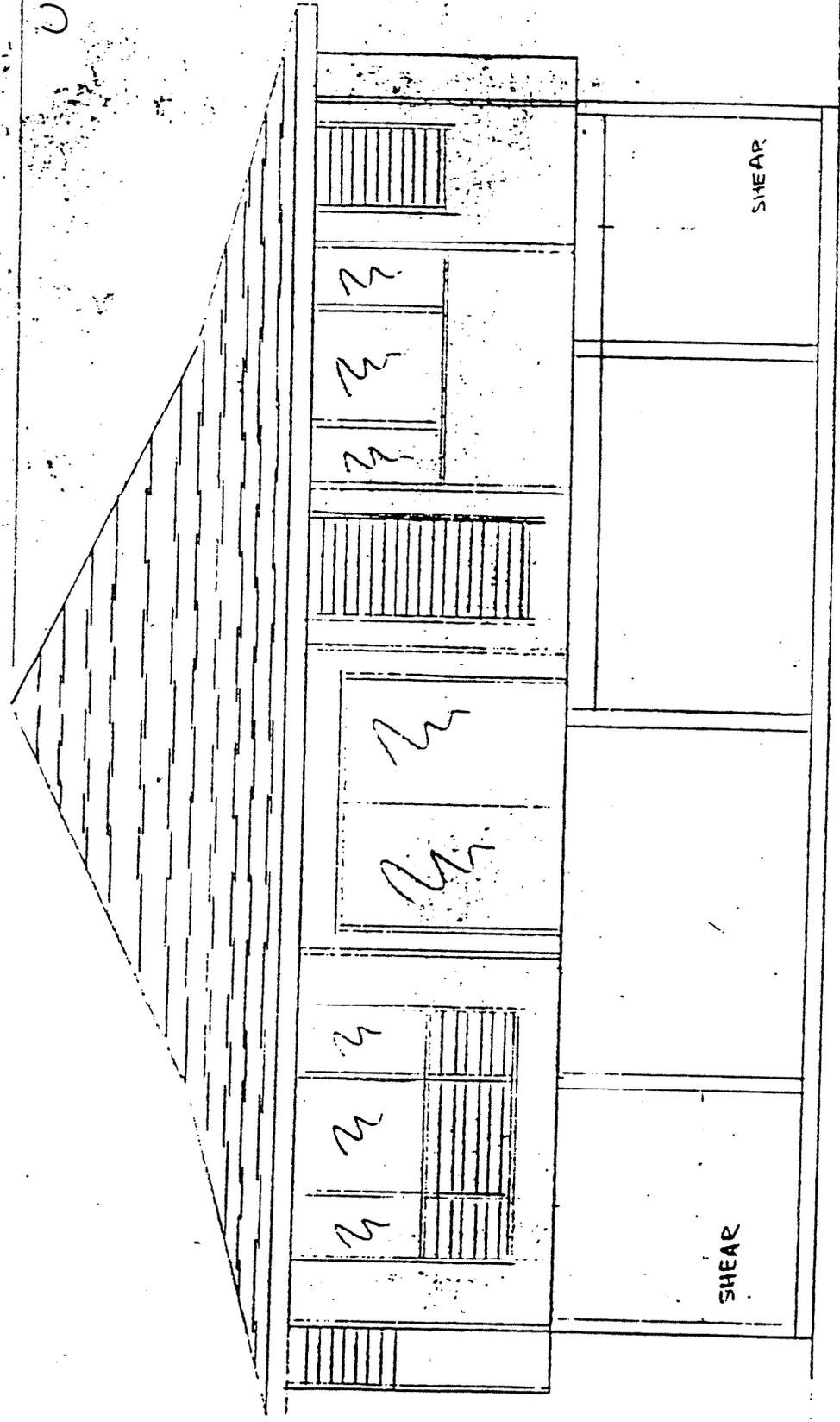
BRE
TMK
KILAU

818-1571

THIS WALL
OR UNDER
STRUCTURE
SHALL

Exhibit B
FLOOR PLANS & ELEVATION

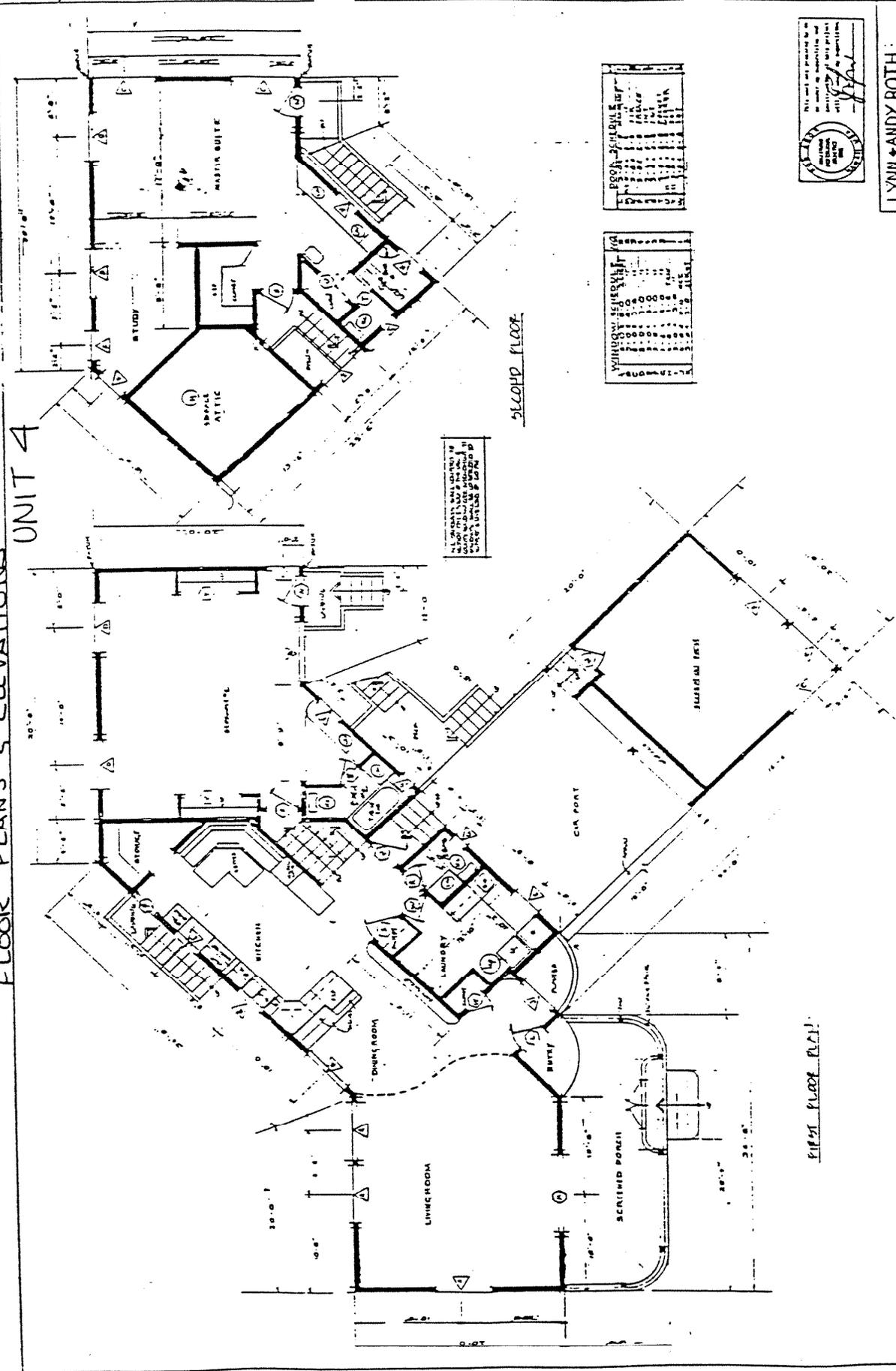
UNIT 3



EAST ELEVATION
SCALE 1/4" = 1'-0"

B
TM
KIL

UNIT 4
 FLOOR PLANS & ELEVATIONS



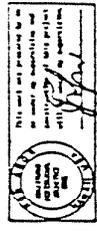
ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE CITY OF LOS ANGELES ORDINANCES AND THE CALIFORNIA BUILDING CODE.

POOL SCHEDULE

1	POOL	12'-0"	12'-0"
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50	POOL	12'-0"	12'-0"

MINIMUM SCHEDULE

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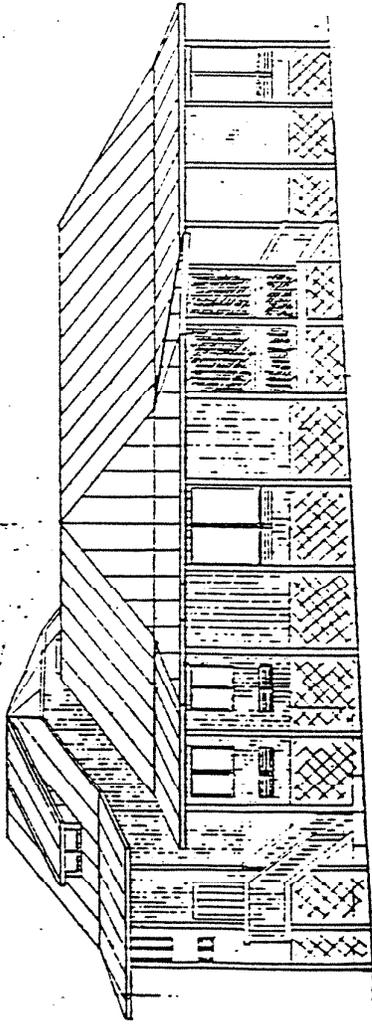


LYNII & ANDY ROTH
 LICENSED PROFESSIONAL ENGINEER
 NO. 12345, STATE OF CALIFORNIA
 LOKAHII GARDENS
 FLOOR PLANS
 1/1/78

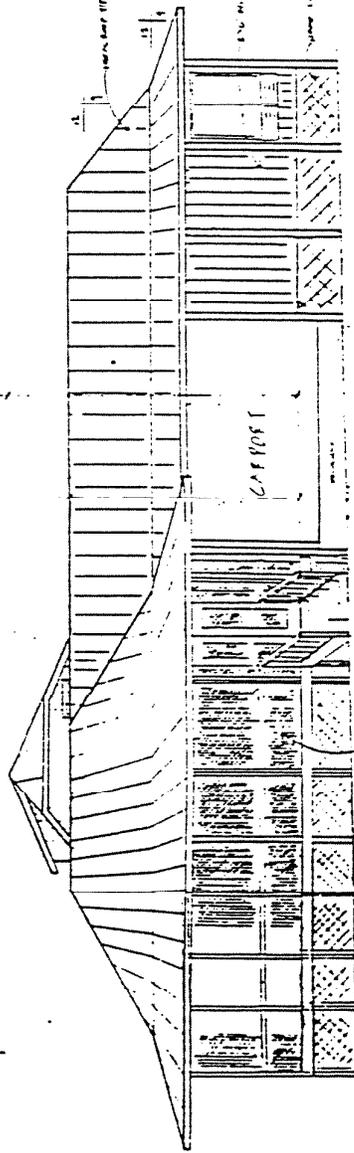
FIRST FLOOR PLAN

SECOND FLOOR

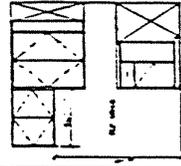
EXHIBIT B FLOOR PLANS & ELEVATIONS UNIT 4



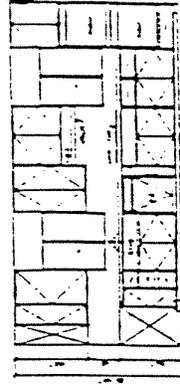
LEFT ELEVATION



RIGHT ELEVATION



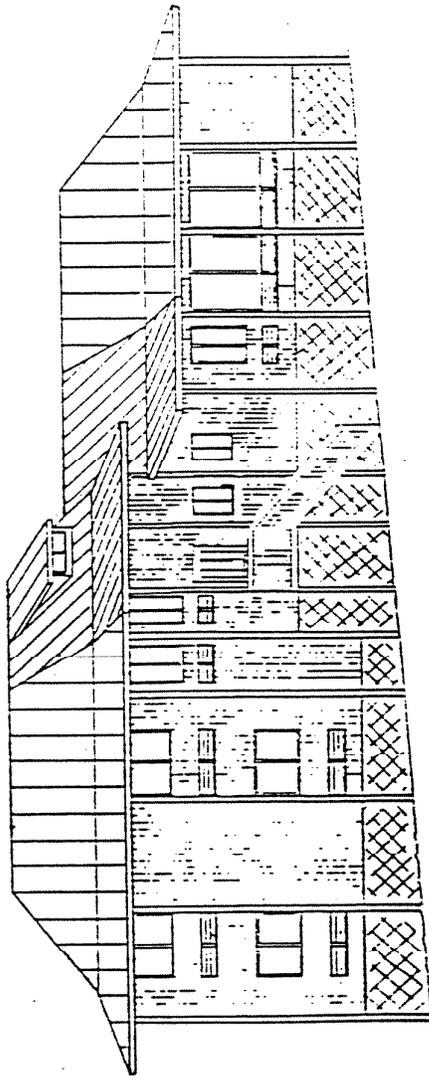
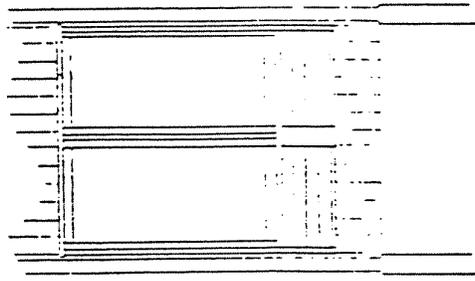
SEE SHEET 8-10



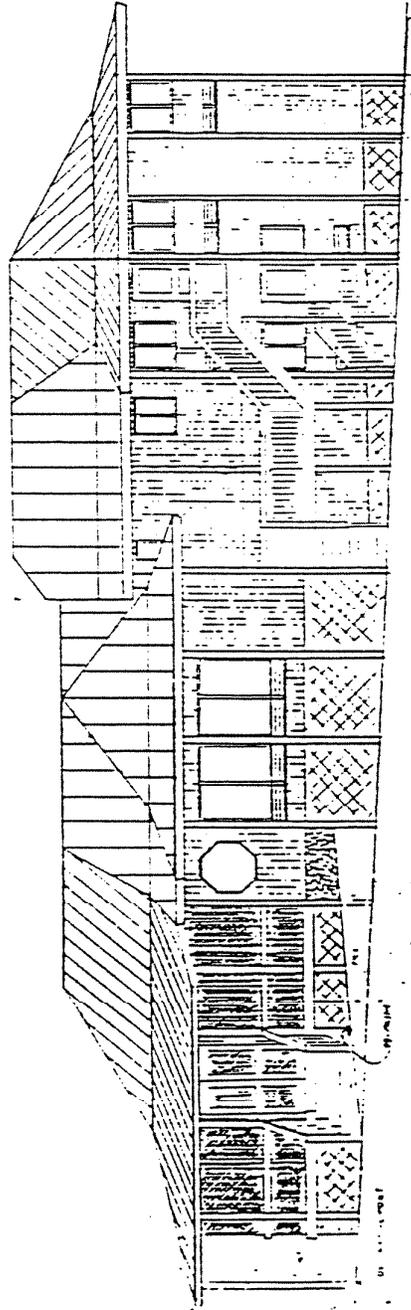
SEE SHEET 8-10

UNIT 4 UNIT FRONT
UNIT 4 UNIT REAR
UNIT 4 UNIT LEFT
UNIT 4 UNIT RIGHT

EXHIBIT B FLOOR PLANS & ELEVATIONS
Unit 4



FACE ELEVATION



RIGHT ELEVATION

LYNN & ALBY ROTH
ARCHITECTS
LOKANI GARRETS
ELEVATIONS & INTERIORS

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR LOKAHI GARDENS CONDOMINIUM

Qty.	Apt. No.	*Area of Limited Common Element	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Farm Shed Area (Sq. Ft.)	% of Common Int.
1	1	2.775 AC	2/2.5	1774	828	25
1	2	2.780 AC	1/1.5	1660	1084	25
1	3	2.775 AC	2/1	1600	144	25
1	4	2.772 AC	2/2	2918	340	25

*Additional land area may be incorporated as easement(s), roadways or common areas.

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

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR LOKAHI GARDENS CONDOMINIUM

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

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

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

The following pages summarize the Protective Covenants and Restrictions.

SUMMARY OF PROTECTIVE COVENANTS AFFECTING ALL LOTS IN KILAUEA FARMS SUBDIVISION

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

4.2 Maintenance of Association Property.

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

4.7, Paragraph 3:

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

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

5.1 Assessments.

Each Lot Owner (in this case, this condominium project) pays amounts based on a "Point" system for points assigned to each Lot, which amounts are called "Assessments". The current assessment is \$150.00/per year for this condominium Lot.

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

5.4 Supplementary Assessments.

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

6.8 No Unsightliness.

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

6.9 Noise.

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

6.10 Light.

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

6.13 Temporary Structures.

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

6.14 Animals.

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

6.15 Signs.

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

6.17 Clearing and Grading.

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

6.18 Cultivation of Crops.

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

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

6.19 Structure Limitations.

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

6.20 Design Criteria.

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

6.21 Construction Period.

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

6.22 Flooding and Erosion.

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

6.24 Owner Caused Damage.

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

7.3 Regulation of Boating.

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

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

2. Vessels powered by combustion engines are prohibited.

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

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

7.4 No Dumping or Littering.

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

7.5 Introduction of Species of Animals.

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

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

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

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

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

7.6 Improvements.

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

7.7 Maintenance.

Lake Lot Owners are responsible for the maintenance of their lot and any area to the water's edge and shall see that all debris is removed promptly, kept free from

weeds, and shall maintain all improvements. If any owner fails to maintain his lot, the Association may maintain it for him and an assessment may be imposed by Association.

7.8 Indemnity.

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

8.1 Easements in Lots for Repair and Maintenance

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

9.1 Creation.

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

9.7 Review of Plans.

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

9.8 Requirements for Plans.

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

charges that may be imposed in connection with such regulation requirements.

9.9 Standards of Review.

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

9.10 Bond Requirements.

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

9.13 Rule-Making Authority.

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

12.1 Reservations of Right to Expand.

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

12.6 Alternative Method of Expansion.

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

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

13.1 Duration of Declaration.

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

13.2 Amendment.

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

13.4 Enforcement and Remedies.

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

END EXHIBIT D

EXHIBIT E

Common Elements of the Project

The common elements of the project are:

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

Limited Common Elements of Project

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

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

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
1	2.775 acres
2	2.780 acres
3	2.775 acres
4	2.772 acres

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

END OF EXHIBIT E

EXHIBIT F

Encumbrances Against Title

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Real property taxes, a lien not yet due and payable. However, please check with the Kauai County Tax Assessor.
- *3. Rights of the State of Hawaii to that part of the premises within the bed of the stream (unnamed), or the water in the stream together with the right of other riparian owners, and subject to any variations in the boundaries along said stream.

4. AGREEMENT

DATED : March 16, 1977
RECORDED : Liber 12110 Page 330
BY : STATE OF HAWAII
WITH : C. BREWER & COMPANY, LIMITED
RE : use of land described herein for agricultural purposes

5. Covenants, conditions and restrictions set forth in DECLARATION dated February 23, 1981, recorded in Liber 15368 at Page 13.

6. Exception and reservation set forth in Deed dated April 27, 1981, recorded in Liber 15520 at Page 280, to-wit:

"EXCEPTING AND RESERVING, HOWEVER, unto Hawaiiana Investment Co., Inc., its successors and assigns all water and water rights within or appurtenant to the granted premises, with the right to assign and transfer said rights to the State of Hawaii, County of Kauai, or other public or private utility or other corporation; provided, however, that in the exercise of said rights, Hawaiiana Investment Co., Inc., its successors and assigns shall not have the right to drill for water or to otherwise disturb the surface of the land or any improvements thereon."

- * Not shown in Title Report but disclosed by the Developer.

7. AGREEMENT

DATED : September 30, 1981
RECORDED : Liber 15966 Page 721
BY : WILLIAM A. EVANS
WITH : COUNTY OF KAUAI Planning Department
RE : Farm Dwelling

8. AGREEMENT

DATED : June 15, 1983
RECORDED : Liber 17130 Page 464
BY : DENISE V. KAUFMAN, by and through her
attorney-in-fact, MICHAEL R. SALLING
WITH : COUNTY OF KAUAI Planning Department
RE : Farm Dwelling

9. AGREEMENT

DATED : September 19, 1988
RECORDED : Liber 22439 Page 417
BY : ANDREW R. ROTH, WILLIAM A. EVANS, DENISE V.
KAUFMAN and DAVID WILLIAM BREEN
WITH : COUNTY OF KAUAI Planning Department
RE : Farm Dwelling

10. AGREEMENT

DATED : October 17, 1986
RECORDED : Liber 20507 Page 91
BY : ANDREW R. ROTH, by and through his agent and
attorney-in-fact PATRA HEBSON
WITH : COUNTY OF KAUAI Planning Department
RE : Farm Dwelling

11. 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 December 22, 1989, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-007449, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1277.)

12. By-Laws of the Association of Apartment Owners of the Condominium Project known as "LOKAHI GARDENS CONDOMINIUM" dated December 22, 1989, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-007450, as the same may hereafter be amended.

END OF EXHIBIT F

EXHIBIT G

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>
All units (per Unit)	315.00	3780.00

[] Revised on _____

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: (All estimates are for COMMON ELEMENTS ONLY)

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

20.00

240.00

common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer (Domestic)

5.00

60.00

Irrigation

50.00

600.00

Maintenance, Repairs and Supplies

Building

Grounds

300.00

3600.00

Payroll/Payroll Taxes

500.00

6000.00

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

10.00

120.00

Insurance

Truck, Barn, Fire,
Liability, Workman's
Compensation

125.00

1500.00

Reserves

105.00

1260.00

Taxes and Government Assessments

70.00

840.00

Audit Fees

30.00

360.00

Other

Association Dues

15.00

180.00

Tax Preparation

30.00

360.00

TOTAL

1260.00

15120.00

I/We, WILLIAM A. EVANS, President of Lokahi Gardens, 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.

William A. Evans

Date: April 11, 1990

EXHIBIT H

SUMMARY OF SALES CONTRACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * * *

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

END OF EXHIBIT H

EXHIBIT I

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and William Evans, as President for Lokahi Gardens (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

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

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

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

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

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

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

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

* * * * *

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

END OF EXHIBIT I

JOANN A. YUKIMURA
MAYOR



TOM H. SHIGEMOTO
PLANNING DIRECTOR

ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

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

March 17, 1989

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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 Lokahi Gardens Condominium Report
Registration No. 2033 at Kilauea, Kauai, Hawaii
Tax Map Key: 5-1-05:38

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

The amount of limited common elements corresponds to the allowable unit density permitted by the CZO. The subject property is zoned Agriculture District (A) and Open District (O) and qualifies for four (4) units.

When applying for Zoning Permits with the Planning Department, the owners must be made aware that 75% of the owners, or their assignee, are required to sign the permit form(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.

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.

EXHIBIT J

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
February 17, 1989

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

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

Because there are more than one farm dwelling proposed, the landowners pursuant to the County Farm Dwelling Agreement, should be made aware that any dwelling(s) constructed after the first one will require an inspection of the property by the Planning Department to verify whether agricultural activities are being conducted on the property. If not, such permits to construct additional farm dwellings could be denied.

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


TOM H. SHIGEMOTO
Planning Director

EXHIBIT K

SUMMARY OF AGREEMENT RELATING TO PROPERTY
HELD AS TENANTS IN COMMON

Denise V. Kaufman, unmarried, William A. Evans, unmarried, Andrew R. Roth, unmarried, David W. Breen, unmarried shall be referred to as "Tenants in common", "Tenants", or the "Owners".

Tenants have contributed to a common fund and acquired the fee title to premises described and each hold an undivided one-fourth (1/4) interest of Lot 15 of the Kilauea Farms Agricultural Subdivision, more particularly described in Exhibit A and referred to hereinafter as the "Property" and

Said property cannot be subdivided at the present time, and

Tenants desire that each of them individually have the exclusive use of certain portions of lot together with the improvements thereon, and

Owners agree that certain portions of lot and improvements shall be used exclusively by each of them.

Tenants have agreed upon limitations upon the right and power to transfer their undivided interests and to provide for future contributions to such fund for improvements, and

1. For the purposes of this Agreement, said Lot 15 shall be divided into five lots identified as Lots 15-A, 15-B, 15-C, 15-D, and 15-E.
2. Denise V. Kaufman shall have the exclusive use and possession of Lot 15-A together with any improvements shown on Exhibit "B";
3. William A. Evans shall have the exclusive use and possession of Lot 15-B together with any improvements shown on Exhibit "C";
4. Andrew R. Roth shall have the exclusive use and possession of Lot 15-C together with any improvements shown on Exhibit "D";
5. David W. Breen shall have the exclusive use and possession of Lot 15-D together with any improvements shown on Exhibit "E";
6. Owners shall share the use of Lot 15-E and shall be equally responsible for maintenance, repair and other costs.
7. Owners agree that they shall be solely responsible and liable for the maintenance, repair, and care of their individual

portions.

8. Owners agree that they will indemnify and hold each other harmless against all claims and demands for loss or damage, property damage, personal injury, wrongful death arising out of exclusive use by them as individuals and will reimburse each other for all costs and expenses including reasonable attorneys fees incurred in connection with the defense of any claims arising in which such individual owner has exclusive use. Owners agree to indemnify the others because of any debts, liens, judgments, or charges of any nature accruing against the property by reason of the act of any such owner, and they agree to indemnify any and/or all of the others for any sums which such other owner may have to advance in excess of his/her proportionate share for the benefit of the indemnifying owner.

9. In the event it becomes possible to subdivide Lot 15 into Lots 15-A, B, C, D and E, the lot shall be so subdivided and the tenants in common shall individually become the sole owner of the premises in which they have the right of exclusive use and possession, provided, however, that said Lot 15-E shall remain in the name of all owners as tenants in common of a one-fourth undivided interest each. All costs shall be borne equally unless otherwise agreed.

10. If it becomes possible to subdivide Lot 15 but not exactly as the division herein proposed, unless all parties agree to a different plan of subdivision, said lot shall not be subdivided and this agreement shall remain in full force and effect and shall be binding on the owners and their respective heirs, successors and assigns.

11. The Tenants each owns an undivided interest in the premises, together with the following:

A non-exclusive easement for roadway and utility purposes over and across Lot 18 as shown on said File Plan 1646; provided, however, that in the event said Lot 18 is conveyed by dedication to the State of Hawaii or County of Kauai or other governmental authority, said easement over said Lot 18 shall immediately and automatically terminate.

TOGETHER, ALSO, WITH the obligations, rights, privileges and benefits as provided for in the Declaration of Protective Covenants, Conditions and Restrictions for Kilauea Farms dated February 23, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15368 at Page 13.

SUBJECT, HOWEVER, to the following:

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

B. Any easements designated on said File Plan No. 1646 or recorded in said Bureau affecting the granted premises.

C. Agreement dated March 16, 1977 between the State of Hawaii and C. Brewer and Company, Limited recorded as aforesaid in Liber 12110 at page 330. Re: Use of land (besides other land) for agriculture purposes.

D. Declaration of Protective Covenants, Conditions and Restrictions for Kilauea Farms dated February 23, 1981, recorded as aforesaid in Liber 15368, at Page 13.

EXCEPTING AND RESERVING, HOWEVER, unto Hawaiiana Investment Co., Inc., its successors and assigns all water and water rights within or appurtenant to the granted premises, with the right to assign and transfer said rights to the State of Hawaii, County of Kauai, or any other public or private utility or other corporation; provided, however, that in the exercise of said rights, Hawaiiana Investment Co., Inc., its successors and assigns shall not have the right to drill for water or to otherwise disturb the surface of the land or any improvements thereon.

12. No representations have been made to any of the tenants in common with respect to physical condition, prospective income, prospective value or selling price, cost of operation, or any other matters relating to or affecting the property.

13. Subsequent contributions incurred in connection with ownership in common of the property shall be paid by each Tenant in proportion to their percentage of undivided ownership. Installments due for utility, insurance and other related costs shall be billed by William A. Evans, Manager for the Lot 15 Tenants in Common, Trustee and shall be payable to William A. Evans, at least thirty days in advance of the payment date as set forth on any statement of payments due.

14. Each Tenant hereby ratifies his own act of any tenant acting on behalf of any or all of said tenants for the period from March 13, 1981 to the date hereof.

15. Control of the property and its affairs shall be the responsibility of the Tenants in Common. Majority vote shall

control. Meetings shall be held once annually upon fourteen days written notice placed by the Manager. Any tenant may call a meeting upon fourteen days written notice to each other tenant. All meetings shall be held in Kauai. All notices shall state purpose of meeting. All matters relating to the property shall be decided by majority vote. No action shall be taken to modify the obligations of tenants rights except upon a unanimous vote of all tenants.

16. A majority vote shall replace the acting Manager. There shall be one Manager at all times. In the event of death or inability of the Manager a meeting shall immediately be called for the purpose of electing a new Manager.

17. Subject to the control of the tenants stated herein, tenants hereby nominate constitute and appoint William A. Evans a true and lawful attorney-in-fact for them and in their place and name and stead to do the following in the name of the Tenants:

(a). To pay any and all taxes, charges, and assessments that may be levied, assessed, or imposed upon any of the property or to authorize another to do the same;

(b). Upon express authorization by the owners owning a majority interest in the property to provide for and maintain fixtures, improvements, and other parts of the property including repair and replacement as may be necessary and the installment of additional improvements authorized by the owners;

(c). With majority approval as aforesaid to arrange for management including action necessary to repair, rebuild, alter, or reconstruct any jointly owned improvement on the property, including facilities for furnishing power, electricity, water, and sewer service to the property as may be necessary;

(d). With majority approval as aforesaid to obtain insurance, and to make, execute, and to file proof or proofs of all loss or losses sustained or claimable thereunder and all other instruments in or about the same and to make, execute, and deliver receipts, releases, or other discharges therefore;

(e). To keep in effect at all times for the common protection of all tenants a satisfactory policy of liability insurance to protect against any and all claims against any of the tenants or all of them for liability resulting from personal injury or property damage connected with or related to the property (it is agreed that a minimum of \$300,000.00 of personal injury coverage and \$100,000.00 of property damage coverage shall be maintained at all times);

(f). In his/her own name, the name of the Tenants in Common, or any nominee or agent, to demand, sue for, collect, recover, and receive all goods, claims, debts, money, interests, and demands whatsoever now due or that may hereafter become due or belong to the Tenants in Common including the right to institute or defend against any action, suit, or other legal proceeding to evict any lessee of any portion of the property on behalf of the lessor or the Tenants in Common, or for the recovery of the property or any part thereof to which the Tenants in Common may be entitled to possession or which is brought against the Tenants in Common or a nominee and to make, execute, and deliver receipts, releases or other discharges therefore under seal or otherwise;

(g). To maintain such bank accounts as may be necessary to comply with the provisions of this Agreement. Said bank account to be maintained in the Princeville Branch of the Bank of Hawaii (Account NO. 74-227813), and the tenants hereby ratify the same. Provided, however, that the arrangements for withdrawals from the bank account shall require the signature by at least the Manager and of any other tenant, person or party as may be required by action of the tenants;

(h). In accordance with the banking procedures set forth in subsection g. to make, execute, endorse, accept, collect, and deliver any and all bills of exchange, checks, drafts, notes, and trade acceptances, in accordance with arrangements approved by a majority of the tenants for the same;

(i). In accordance with the banking arrangements set forth in subsections g. and h. to make arrangements approved by a majority of the tenants for payment of all sums of money at any time or times that may hereafter be owing by the tenants for any note, bill of exchange, check, draft, note, promissory note or trade acceptance made, executed, endorsed, accepted, or delivered by or for them;

(j). To hire or delegate to an agent approved by a majority or the tenants the authority to hire accountants, attorneys, clerks, workmen, caretakers, custodians, contractors, and others and to remove them and appoint others in their place and to pay and allow the persons to be so employed such salaries, wages, fees, or remunerations as may be necessary, provided that priority in hiring shall be given to any tenant who is fully qualified in an of the professions, trades or occupations set forth above.

18. The Manager and owners shall devote their personal services to the tenants as they reasonably deem necessary. The Manager may engage in other businesses including the ownership, operation and

management of real estate and the practice of any profession, trade or craft.

19. Any owner may be called upon to perform such services as owners may require. Any owner who comes into possession of information which might be of interest to the owners in connection with property, shall disseminate to other owners. Any owner shall be paid by Manager for services performed by request of Manager and reimbursed for expenses.

20. No tenant will sell, or otherwise dispose of his/her interest, except as provided herein. Interests may be transferred as provided in this Agreement. Any transfer shall remain subject to all terms and provisions of this Agreement.

21. Any documentation necessary in relation to a minor tenant, shall be executed by either their parent or legal guardian.

22. No tenant will either directly or indirectly make an application for dissolution or take any action to obtain a partition of the property and each tenant hereby waives any right to file a Lis Pendens against the property.

23. The Tenants agree that it is the intent of the original parties hereto to retain in their names their respective interests in the property and no tenant, in any event, shall sell, transfer, assign or otherwise dispose of less than his/her entire interest in the property. No tenant shall sell, transfer, assign, or otherwise dispose of his/her interest in the property without first giving written notice to all other tenants of intention to do so. Following such notice, the remaining tenants shall have a period of thirty (30) days to decide to purchase the said interest.

24. Except for such payments provided in this Agreement, no tenant shall be required to make a capital contribution unless such contribution shall be adopted by unanimous vote of the tenants.

25. All notices required to be given hereunder shall be in writing and shall be sent by registered or certified mail, to each owner at their address as indicated in writing to the Managing Tenant.

26. This Agreement embodies the full understanding of the owners. This Agreement may only be changed in writing, signed by all owners. No verbal modifications of any kind are acceptable.

27. The Manager's books and records of the accounts of the tenants shall be kept at the residence of the Manager or at such

other place as agreed upon by the tenants.

28. If any term of this Agreement shall be invalid or unenforceable, the remainder of such term or provisions shall not be affected, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

29. This Agreement shall be interpreted and subject under the laws of the State of Hawaii.

30. In the event any tenant is declared insolvent such tenant shall notify all other tenants and shall fully cooperate to take any measure which may be necessary for the purpose of removing such tenant's interest in the property from the estate or assets of insolvent tenant. All tenants shall have the right to redeem the interest of any one of them declared insolvent, or who attempts to make an assignment for the benefit of creditors.

31. In the event of a dispute, said dispute shall be settled by arbitration without resort to any court of law, except for enforcement of the judgment of the arbitrators. Any dispute subject to arbitration shall be submitted pursuant to the rules of the American Arbitration Association.

32. Condemnation of any portion of Lot 15 by governmental authority shall entitle the tenant who has possession of the affected portion to receive the total compensation awarded and tenant shall be solely liable for any and all legal or other costs resulting therefrom.

33. Prior to construction, tenant shall obtain any and all approvals required by federal, state or local law. Any increase real property taxes resulting from such improvements shall be borne by the owner thereof.

END OF EXHIBIT K