



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

WAIAKALUA LAKE FARMS
 AGRICULTURAL CONDOMINIUM

Waiakalua Street
 Kilauea, Kauai, Hawaii

Registration No. 2050

Issued: June 30, 1989
 Expires: July 30, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 16, 19 89, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

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

 FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
 (white)
 No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____

 SUPPLEMENTARY: Updates information contained in the
 (pink)
 Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[] Changes made are as follows:

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*****
*   SPECIAL NOTICE:
*
*   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 relating to use of property
*       and Exhibit J (Letter from County of Kauai)
*       with care.
*
*   5.  Units A, B, C, and D will constitute the
*       dwellings at all times. Unit E can only be a
*       "guest house" or a unit without a kitchen.
*       (Refer to Exhibits J and K).
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY
*   REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH
*   REGARD TO THE FOREGOING.
*
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GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

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

Types of Project:

1. New Building(s) Conversion
 Both New Building(s) and Conversion
2. Residential Commercial
 Mixed Residential and Commercial
 Other Agricultural and Residential (see Pages 10 and 11)
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. NO.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Sheds (sf)</u>
<u>A-D</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>At least 48</u>
<u>* E</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>At least 48</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 5

* May be converted to a guest house unit but not a farm dwelling unit (unit with kitchen).

**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 stall areas at all times.</u>	_____
Total Parking Stalls	_____

7. Recreational amenities:

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: A. Bernard Bays and Alfred Joris Watland, Phone: (808) 523-9611
Name Trustee of the Miller Family Trust (Business)
745 Fort Street, 9th Floor
Business Address
Honolulu, HI 96813

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

Real Estate Sales Agent: Bali Hai Realty
Patrick A. Harrington Phone: (808) 826-7244
Name (Business)
5-5016 Kuhio Highway
Business Address
Lihue, HI 96766

Escrow: Bank of Hawaii Phone: (808) 537-8750
Name (Business)
130 Merchant Street, 6th Floor
Business Address
Honolulu, HI 96813

Managing Agent: Patrick A. Harrington* Phone: (808) 826-7244
Name (Business)
5-5016 Kuhio Highway
Business Address
Lihue, HI 96766
*Upon compliance with condominium 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 - Book _____ Page _____
 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. _____
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Book _____ Page _____
 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. However, see Protective Covenants (Exhibit D).

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>NONE</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) 5-1-5-29
Kilauea, Kauai, Hawaii (TMK)

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

Land Area: 11.946 [] square feet [X] acre(s) Zoning: Agricultural

Fee Owner: A. Bernard Bays and Alfred Joris Watland, Trustee

- Name

745 Fort Street, 9th Floor

Address

Honolulu, HI 96813

Sublessor:

Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 5 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>5</u>
[] Timeshare/Hotel	_____	[] Recreational	_____

[X] Other: See Page 18 for further explanations (includes Guest House, Unit E). 5

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 See Exhibit D, Protective Covenants

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 5

Elevators 0

Stairways 0

Trash Chutes 0

<u>Apt. NO.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Sheds (sf)</u>
<u>A-D</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>At least 48</u>
<u>E</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>At least 48</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 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 Exhibits J and K.

Permitted Alterations to Apartments:

As allowed by Kauai County zoning ordinances and Protective Covenants outlined in Exhibit D, upon 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 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
- Other: _____
- _____
- Storage Area
- Laundry Area
- Trash Chute

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u> </u>	<u> </u>
Structures	<u>X</u>	<u> </u>	<u> </u>
Lot	<u>X</u>	<u> </u>	<u> </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. The broken lines shall not be construed as boundaries of legally subdivided lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit C describes the common interests for each apartment.

As follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated April 3, 1989 and issued by T.I. of Hawaii.

Developer represents that since then no further encumbrances have been placed on the property.

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.

[XX] 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.

Type of Lien

**Effect on Buyer's Interest
If Developer Defaults**

Mortgage

If foreclosed, buyer's
deposit will be refunded.

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:

[XX] 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:

NONE

2. Appliances:

NONE

J. Status of Construction and Estimated Completion Date:

Shed construction was completed in April, 1989.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated April 4, 1989 with Bank of Hawaii Escrow
Department.

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

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 recorded Protective Covenants and Restrictions for Kilauea Farms Subdivision. Among other things, the Protective Covenants and 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.

Access is by way of a common access and utility easement in addition to the flag portion of Lot 6.

Please see cautionary and advisory letters from Kauai County Planning Department attached as Exhibit J and K.

Agricultural condominium Unit E is designated the guest house for the project. The construction of a dwelling (other than a guest house) on Unit E is not permitted by the laws, rules and regulations of the County of Kauai. The construction of a guest house on Unit E may be permitted by the County of Kauai provided the guest house is constructed, maintained and used in accordance with the laws, rules and regulations of the County of Kauai for guest houses. No other guest house and no ohana house may be constructed, maintained or used with any of the other agricultural condominium units in the project. The developers plan to retain Unit E and have assumed the risk of these limitations of the use of Unit E and will provide a Right of First Refusal to the Association of Unit Owners of Waiakalua Lake Farms Agricultural Condominium to purchase said Unit E if it is ever offered for sale by developers to any person or entity not a member of their immediate family or owned at least 25% by one or more of the developers.

If Ohana Zoning ever applies to this Condominium project, Unit E will receive the exclusive right to convert the guest house to an Ohana unit.

The Disclosure, Release, Indemnity and Limitation of Remedies Exhibit to the Apartment Deed and Addendum to the Sales Contract discloses certain conditions regarding the unit and the project and releases and indemnifies the Seller, the attorneys, the contractors, brokers and others from any liability in connection with the unit and the project. This addendum waives and releases substantial rights and remedies the Purchaser might otherwise have had and should be read carefully by the Purchaser and reviewed by Purchaser's legal counsel.

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 Restrictions for Kilauea Farms Subdivision.

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

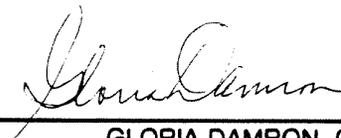
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107)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

This Public Report is a part of Registration No. 2050 filed with the Real Estate Commission on
April 2, 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.

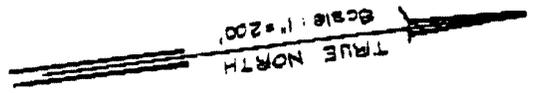


GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

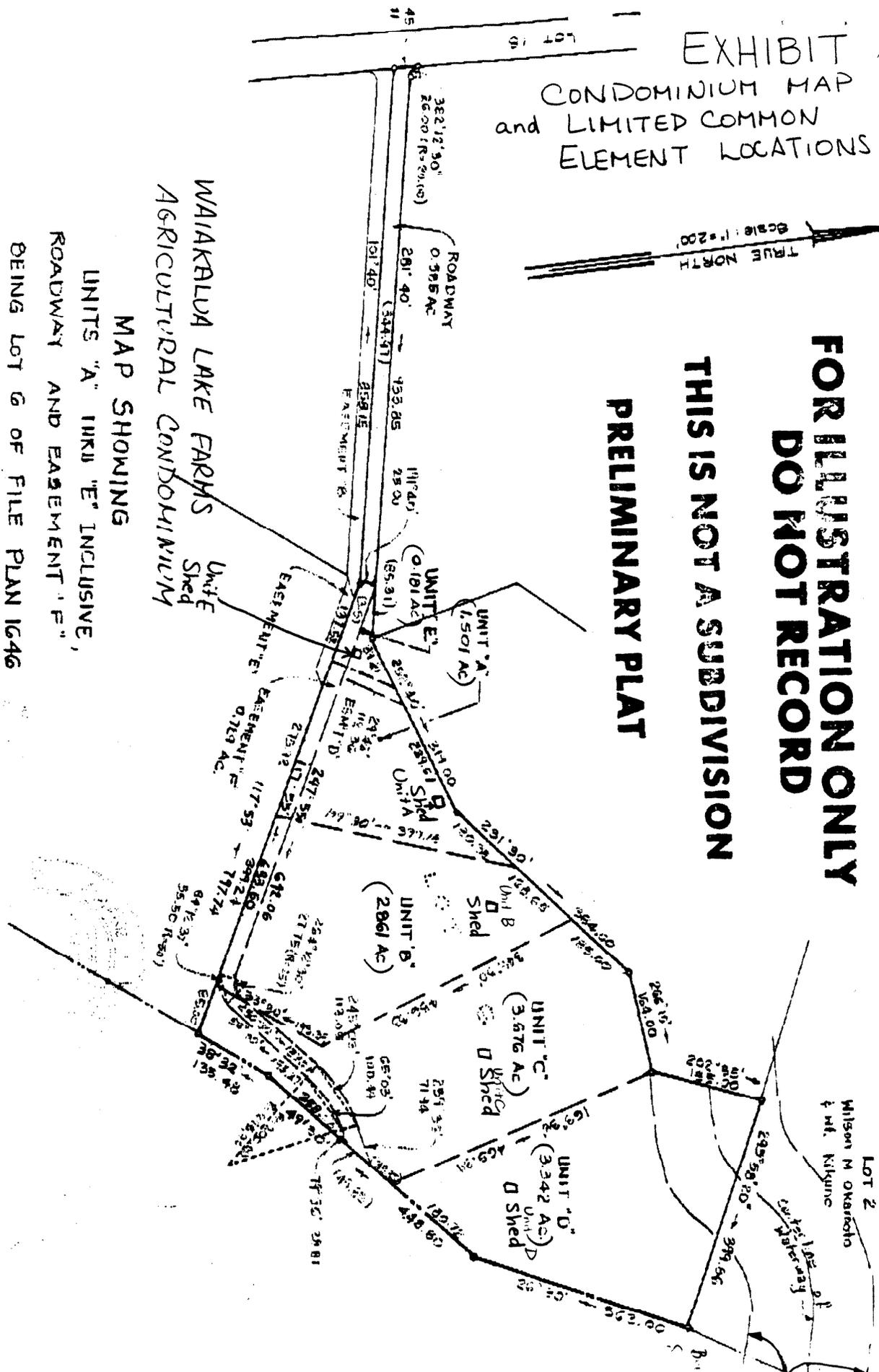
Bureau of Conveyances
Department of Finance, County of Kauai
Planning Department, County of Kauai
Federal Housing Administration
Escrow Agent

EXHIBIT A
 CONDOMINIUM MAP
 and LIMITED COMMON
 ELEMENT LOCATIONS



**FOR ILLUSTRATION ONLY
 DO NOT RECORD**

**THIS IS NOT A SUBDIVISION
 PRELIMINARY PLAT**



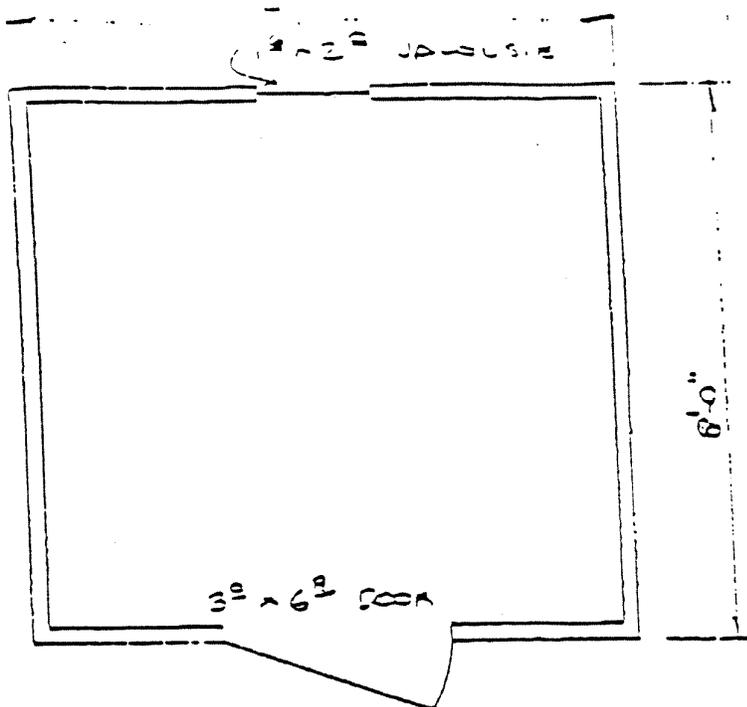
WAIKALUA LAKE FARMS
 AGRICULTURAL CONDOMINIUM

MAP SHOWING
 UNITS "A" THRU "E" INCLUSIVE,
 ROADWAY AND EASEMENT "F"
 BEING LOT 6 OF FILE PLAN 1646
 EAST WAIKALUA, HANALEI, KAUAI, HAWAII

TAX MAP KEY: S-1-05: 29
 MAP PREPARED FOR: BERNARD A BAYS

Exhibit B

FLOOR PLANS & ELEVATIONS (Storage Sheds)



FLOOR PLAN
SCALE 1/2" = 1'-0"

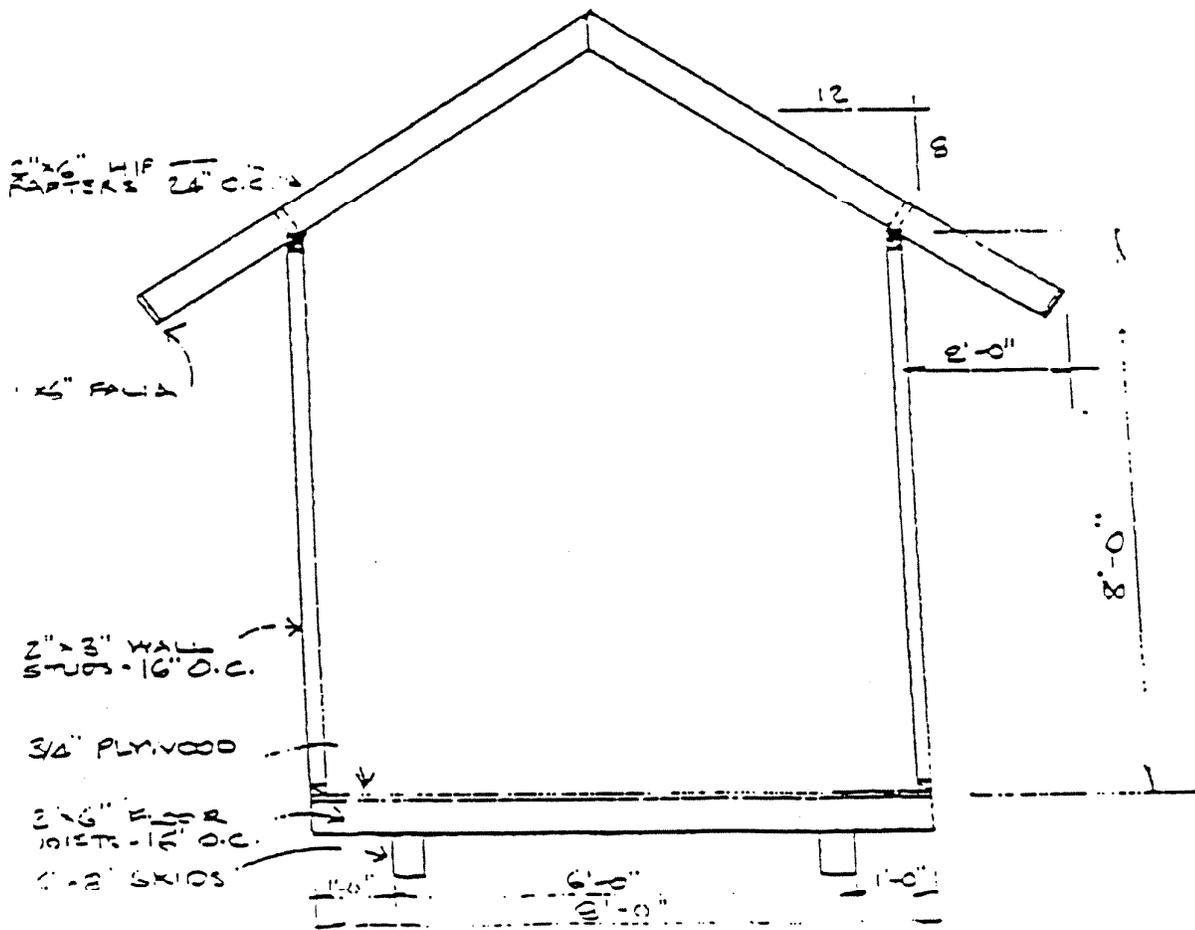
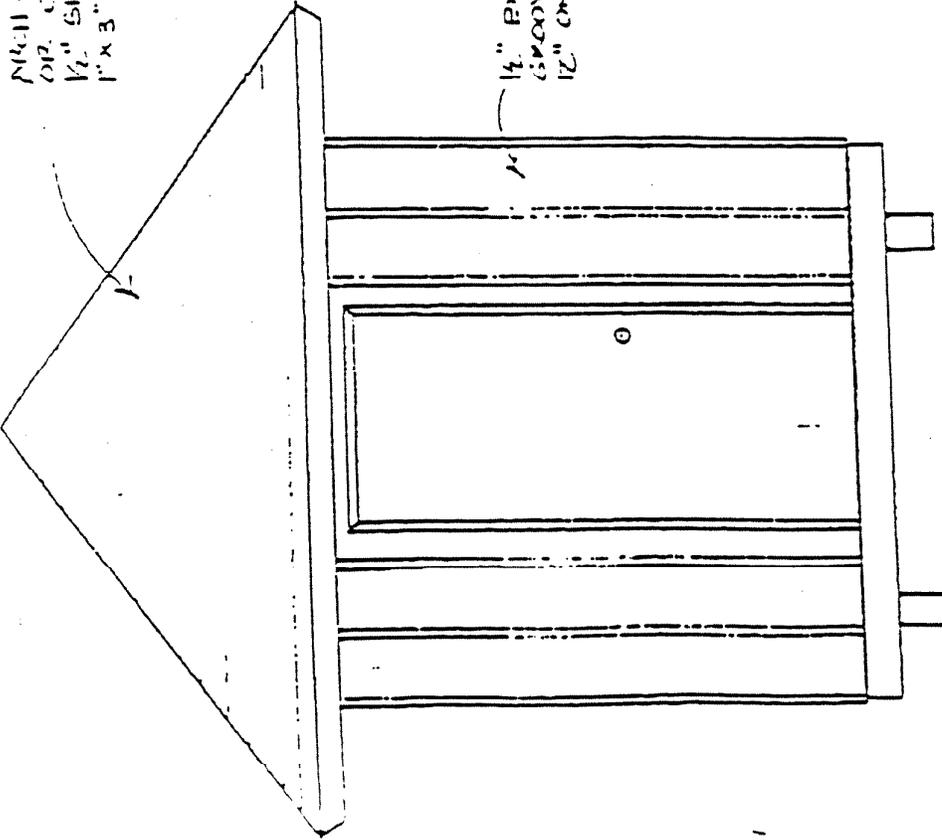


Exhibit B

FLOOR PLANS & ELEVATIONS (Storage Sheds)

NEED END COMP. SHANE
OP. CEMENT SHAKE KEELING
1/2" SHIFTING FLOORWOOD OR
1" X 3" TO BE USED W/ 600P. SHAKES

1/2" ENT. PLYWD - 1/4"
GROOVE - 1 X 2 BATTENS
12" ON CENTER



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

FARM STORAGE BUILDING	
1218 KAISER	2/18/28
A-1	

Exhibit B

FLOOR PLANS
& ELEVATIONS
(Sheds)

EXT ELEVATION

SECTION

PLAN

TYPICAL STORAGE BLDG

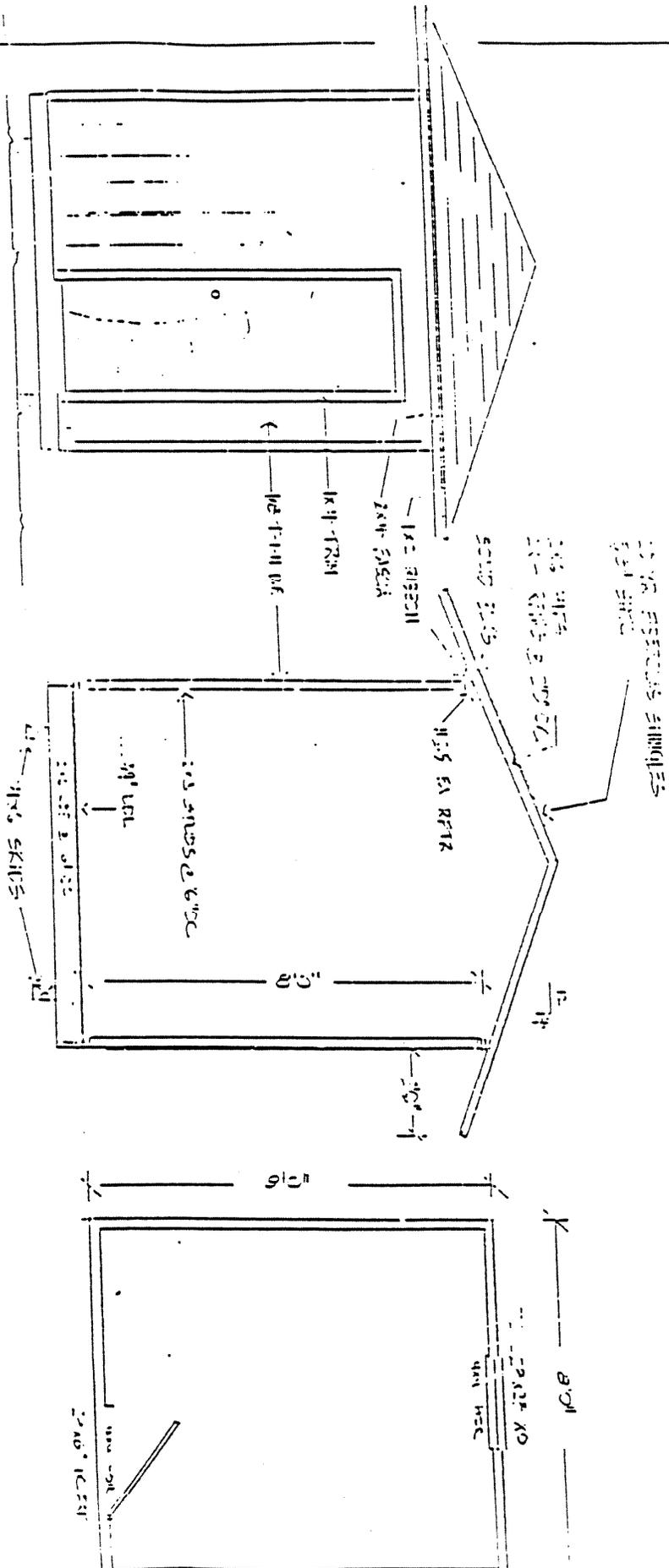


EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR WAIAKALUA LAKE FARMS AGRICULTURAL CONDOMINIUM

Qty.	Apt. No.	Area of Limited Common Element	Farm Shed Area (Sq. Ft.)	% Common Int.
1	A	1.501AC	130	22
1	B	2.861AC	48	22
1	C	3.676AC	48	22
1	D	3.342AC	48	22
1	E	.181AC	48	12

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 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 and acknowledgment by the Association of Unit Owners that such change is being made. See Exhibits J and K for cautionary comments from the County of Kauai Planning Department.

END OF EXHIBIT C

EXHIBIT D

PROTECTIVE COVENANTS FOR WAIAKALUA LAKE FARMS
AGRICULTURAL CONDOMINIUM

The covenants effecting use of this property are those contained in Declaration of Protective Covenants Conditions and Restrictions for Kilauea Farms 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 (the "covenants") constituting use restrictions on all Kilauea Farms lot. 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 compost 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 and Limited Common Elements of Project

The common elements of the project are:

- (a) Said land in fee simple;
- (b) The access and utility easement.
- (c) The flag portion of the Project lot.

All as shown on Condominium Map (Exhibit A).

Certain parts of the common elements, herein called the "limited common elements" are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

- (a) The area of each agricultural unit specified in Exhibit C and as shown on Condominium Map (Exhibit A).

END OF EXHIBIT E

EXHIBIT F

Encumbrances Against Title

1. Real Property Taxes, a lien not yet due and payable. However, check with the Kauai County Tax Assessor.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Grant of Easement dated August 3, 1984, recorded on August 17, 1984 in Book 18090 Page 167, in favor of WAIAKALUA PLANTATION NURSERY, a Hawaii Limited Partnership, granting an easement for vehicular and pedestrian access purposes over and across Easement "A"; as amended by:

First Amendment to Grant of Easement dated December 10, 1985, recorded on December 19, 1985 in Book 19157 Page 112. Cancellation of Easement "A" and designation of Easement "D", 20 feet wide containing an area of 2,456 square feet.
4. Those certain waterways running through said Lot 6 as shown on said File Plan 1646.
5. A 100-foot Building Setback Line from centerline of waterways running through said Lot 6, as delineated on said File Plan No. 1646.
6. The terms and provisions of Agreement dated March 16, 1977, recorded on April 5, 1977 in Book 12110 Page 330, made by and between the STATE OF HAWAII, by George R. Ariyoshi, its Governor, and C. BREWER AND COMPANY, LIMITED, a Hawaii corporation.
7. The terms and provisions of Agreement to Incorporate Agricultural Restrictions into Instruments of Conveyance dated June 30, 1980, recorded on October 16, 1980 in Book 15060 Page 397, made by and between HAWAIIANA INVESTMENT CO., INC., a Hawaii corporation, and the COUNTY OF KAUAI PLANNING DEPARTMENT.

8. Declaration of Protective Covenants, Conditions and Restrictions for Kilauea Farms dated February 23, 1981, recorded on February 24, 1981 in Book 15368 Page 13, made by HAWAIIANA INVESTMENT CO., INC., a Hawaii corporation.
9. The reservation in favor of HAWAIIANA INVESTMENT CO., INC. of all water rights within or appurtenant to said Lot 6, as contained in Deed dated January 29, 1982, recorded on February 22, 1982 in Book 16173 Page 228.
10. The reservation in favor of HAWAIIANA INVESTMENT CO., INC. of easements of waterways running through said Lot 6, as shown on said File Plan 1646, as contained in said Deed recorded in Book 16173 Page 228.
11. The covenants in said Deed recorded in Book 16173 Page 228.
12. Right-of-Entry dated August 25, 1982, recorded on November 30, 1983 in Book 17486 Page 565, in favor of CITIZENS UTILITIES COMPANY, a Delaware corporation, duly authorized to do business in the State of Hawaii, and HAWAIIAN TELEPHONE COMPANY, a Hawaii corporation.
13. The terms and provisions of Agreement for Single-Phase Service dated June 11, 1985, recorded on July 22, 1985 in Book 18796 Page 239, made by and between CITIZENS UTILITIES COMPANY, KAUAI ELECTRIC DIVISION, SHASHIN, LTD., a Hong Kong corporation, JOHN LANSKER, STEPHEN CARL LANSKER, V. STEPHEN HUNT and ALAN FRIEDEINGER.
14. The terms and provisions of Grant of Easement dated December 10, 1985, recorded on December 19, 1985 in Book 19157 Page 102, made by and between JOHN THOMAS LANSKER, unmarried, STEPHEN CARL LANSKER, husband of Susan Lansker, and SHASHIN LIMITED, a Hong Kong corporation, granting vehicular and utility easements over Lot 7 in favor of SHASHIN LIMITED, a Hong Kong corporation.
15. The Terms and Provisions and the Conditions and Restrictions, if any, contained in that certain Miller Family Trust dated April 21, 1988, with A. JORIS WATLAND, as Trustee.

16. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor : A. BERNARD BAYS, unmarried and ALFRED JORIS WATLAND, as Trustee of The Miller Family Trust dated April 21, 1988, made by Allen Roy Miller, as Settlor

Mortgagee : BANK OF HAWAII

Dated : December 20, 1988

Recorded : December 21, 1988 in Book 22684 Page 139

Consideration : \$350,000.00

17. ASSIGNMENT OF SALES CONTRACTS (as security)

Made by and between : A. BERNARD BAYS, unmarried and ALFRED JORIS WATLAND, as Trustee of The Miller Family Trust dated April 21, 1988 made by Allen Roy Miller, as "Settlor, "Assignor" and BANK OF HAWAII, a Hawaii corporation, "Bank"

Dated : December 20, 1988

Recorded : December 21, 1988 in Book 22684 Page 167

18. FINANCING STATEMENT

Debtor : A. BERNARD BAYS and ALFRED JORIS WATLAND, Trustee of The Miller Family Trust dated April 21, 1988 made by Allen Roy Miller, as Settlor

Secured Party : BANK OF HAWAII

Recorded : December 21, 1988 in Book 22684 Page 174

19. The terms and provisions of the Agreement Regarding the Cost to Improve, Maintain and Repair Easements dated January 13, 1989, recorded on January 24, 1989 in Book 22794 Page 84, made by and between JOHN THOMAS LANSKER, unmarried, and STEPHEN CARL LANSKER, husband of Susan Lansker, "Grantors", A. BERNARD BAYS, unmarried, and ALFRED JORIS WATLAND, as Trustee for the Miller Family Trust dated April 21, 1988 made by Allen Roy Miller, as "Settlor", "Grantees", and ROBERT H. JONES and GAYLE JONES, husband and wife, V. STEPHEN HUNT and CYNTHIA LEE HUNT, husband and wife, and WAIKALUA PLANTATION NURSERY, a Hawaii Limited Partnership.

20. Grant dated January 13, 1989, recorded on January 24, 1989 in Book 22794 Page 107, in favor of ROBERT H. JONES and GAYLE JONES, husband and wife, v. STEPHEN HUNT and CYNTHIA LEE HUNT, husband and wife, JOHN THOMAS LANSKER, unmarried, and STEPHEN CARL LANSKER, husband of Susan Lansker, granting an easement for utility purposes in favor of Lots 5 and 7, over and across Easement "F".

21. The terms and provisions of the Agreement Regarding Proportional Sharing of Costs for an Entrance Gate and Landscaping for the Flag Portion of Lots 6 and 7 dated January 13, 1989, recorded on January 24, 1989 in Book 22794 Page 119, made by and among ROBERT H. JONES, GAYLE JONES, V. STEPHEN HUNT, CYNTHIA LEE HUNT, A. BERNARD BAYS, ALFRED JORIS WATLAND, as Trustee for The Miller Family Trust dated April 21, 1988 made by Allen Roy Miller, as "Settlor", JOHN THOMAS LANSKER, STEPHEN CARL LANSKER, and WAIAKALUA PLANATION NURSERY.

22. The terms and provisions of Non-Exclusive Grant of Easement dated March 15, 1989, recorded on March 15, 1989 in Book 22954 Page 245, in favor of A. BERNARD BAYS, unmarried, and ALFRED JORIS WATLAND, as Trustee of The Miller Family Trust dated April 21, 1988 made by Allen Roy Miller, as "Settlor", granting an easement for vehicular and pedestrian access and utility purposes over and across Easement "G".

CHECKED AND CLEARED FOR LIENS (other than those shown herein):

A. JORIS WATLAND, Trustee
A. BERNARD BAYS

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>
A - D	\$121.00 x 12	\$1,452.00
E	\$ 66.00 x 12	\$ 792.00

[] 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:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer (only if common
metering)

100.00

1,200.00

Maintenance, Repairs and Supplies

Building

50.00

600.00

Grounds

Management

Management Fee

100.00

1,200.00

Payroll and Payroll Taxes

125.00

1,500.00

Office Expenses

Insurance

50.00

600.00

Reserves

100.00

1,200.00

Taxes and Government Assessments

Audit Fees

25.00

300.00

Other

TOTAL

550.00

6,600.00

I/We, A. Bernard Bays & Alfred Joris Watland, as Developers
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.

A. Bernard Bays

Alfred Joris Watland

Date: April 6, 1989

EXHIBIT H

SUMMARY OF SALES CONTRACT

The WAIAKALUA LAKE FARMS 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 Disclosure, Release, Indemnity and Limitation of Remedies Addendum to Sales Contract discloses certain conditions regarding the unit and the project and releases and indemnifies the Seller, the contractors, brokers and others from any liability in connection with the unit and the project. This addendum waives and releases substantial rights and remedies the Buyer might otherwise have had and should be read carefully by the Buyer and reviewed by Buyer's legal counsel.

* * * * *

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 Bank of Hawaii Escrow Department (the "Escrow") and A. Bernard Bays, and Alfred Joris Watland, Trustee, (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

May 23, 1989

MAY 23 1989
COUNTY OF KAUAI
PLANNING DEPARTMENT

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 Waiakalua Lake Farms Agricultural Condominium Report
Registration No. 2050 at Kilauea, Kauai, Hawaii
Tax Map Key: 5-1-05:29

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

The amount of limited common elements does not correspond to the allowable unit density permitted by the CZO. The subject property is zoned Agriculture District (A) and qualifies for 4 (4) units. The construction of a dwelling unit on each of the five (5) limited common elements will constitute a violation of the County Comprehensive Zoning Ordinance.

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.

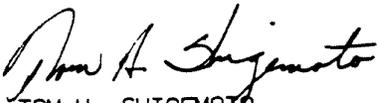
EXH. J

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
May 23, 1989

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/permitted, the land-owners 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

JOANN A. YUKIMURA
MAYOR



TOM H. SHIGEMOTO
PLANNING DIRECTOR

ROLAND D. SAGUM, III
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TELEPHONE (808) 245-3919

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

January 13, 1989

Mr. Avery H. Youn
3016 Umi Street, Suite 211-B
Lihue, Hawaii 96766

Subject: Zoning Refinement for TMK: 5-1-05:29, Lot 6, at Kilauea, Kauai

The subject property is zoned Agriculture District (A) and Open District (O). There are presently 7.86 acres of Agriculture zoning and 4.086 of Open zoning. The Open zoning, according to our constraint maps, is based on slope restrictions. Relative to permitted density, the property, based on current zoning, qualifies for 3 farm dwellings.

After reviewing your contour map, we find that only a very small section of the subject property is in excess of 20% slope. As you are aware through our discussions, our Department has utilized 20% as a cut-off point to delineate the Open zone in cases where the zoning is based on slope constraints.

Consequently, through the refinement process specified under Section 8-2.2(d)(5) of the County Revised Code of Ordinances and based on the more detailed contours provided in your map, we have determined that the entire property is zoned Agriculture District (A) and as a result, the residential density allowed under the entire 11.946 acres is 4 farm dwellings.

We will retain the map provided to our Department for our records. Should you have any questions on this matter, please feel free to contact Keith Nitta at 245-3919.


TOM H. SHIGEMOTO
Planning Director

EXHIBIT K