



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

PARADISE ISLAND RANCH
 AGRICULTURAL CONDOMINIUM

Kilauea, Kauai, Hawaii

Registration No. 2066 (Partial Conversion)

Issued: February 22, 1991
 Expires: March 22, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 8, 1991, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully. This report also includes information submitted by the Kauai County Planning Department dated June 20, 1989.

- 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)
- X **FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
 (white)
- [] No prior reports have been issued
 [X] 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 [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows: See page 2a.

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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. *
*   A FARM DWELLING AGREEMENT MUST BE SIGNED BEFORE   *
*   BUILDING PERMITS ARE ISSUED.                       *
*   *                                                    *
*   1. This Public Report does not constitute an     *
*   approval of the project nor that all County        *
*   Codes, Ordinances and subdivision requirements     *
*   have been complied with.                          *
*   *                                                    *
*   2. This project does not involve the sale of     *
*   individual subdivided lots. The dotted lines      *
*   on the Condominium Map (Exhibit A) are for       *
*   illustration purposes only.                       *
*   *                                                    *
*   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 I (Letter from County of Kauai)  *
*   with care.                                        *
*   *                                                    *
*   5. Portions of Unit 7 of this project are in a   *
*   Special Treatment District, with restrictions     *
*   on development and potential purchasers should   *
*   consult with the appropriate County agency.      *
*   Unit 6 is a guest house and agriculture unit,    *
*   no residential use or lease is permitted.        *
*   *                                                    *
*   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 Exhibits D through I.
5.....	New apartment description and changed parking to 0.
6.....	Developer's name has changed. Managing Agent changed to Self-managed.
10.....	Fee Owner's name and address has changed. Changed number of buildings from 9 to 7. Changed number of apartments from 9 to 7.
11.....	Deleted references Protective Covenants and Building Rules (Exhibit D). Changed Units A through I to Units 1 through 7. Changed storage sheds/lanai/patio square footages.
12.....	Number of parking stalls changed from 2 to 0.
14.....	Changed Exhibit E to Exhibit D.
15.....	Updated information from new title report.
16.....	Changed Exhibit G to Exhibit F
17.....	Construction status changed to show completion of improvements. Changed Developer's Present Plans for Future Development.
18-18a...	Deleted references to Protective Covenants and Building Rules, everything else remains the same.
Exhibit A..	New Illustration Map
Exhibit C..	Changed from 9 units to 7 units; square footages and percent of common interest changed accordingly.
Exhibit D..	Proposed Declaration of Protective Covenants and Building rules are deleted and the following new exhibits titles have changed accordingly.
Exhibit F..	Units A through I changed to Units 1 through 7; updated client signature.

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	
Escrow Company	
Managing Agent	
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: Illustration Map and Limited Common Elements for Units 1 to 6 only.	
EXHIBIT B: Floor Plans and Elevations of Structures for Units 1 to 7.	
EXHIBIT C: Schedule of Apartments and Common Interests	
EXHIBIT D: Common Elements and Limited Common Elements of Project	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F: Estimate of Initial Maintenance Fees and Disbursements	
EXHIBIT G: Summary of Sales Contract	
EXHIBIT H: Summary of Escrow Agreement	
EXHIBIT I: Letter from Kauai County Planning Department	

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 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 Open Zone for Kauai County.
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings

5. Apartment Description

Apt. #	Quantity	BR/Bath	Net Living Area (sf)*	Storage Shed (sf)
1	1	0	0	64 (shed)
2	1	0	0	64 (shed)
3	1	0	0	252 (pumphouse shed)
4	1	0	0	64 (shed)
5	1	0	0	64 (shed)
6	1	0	0	952 (shed)
7	1	0	0	64 (shed)
Total Apartments: <u>7</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.

6. Parking:

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

7. Recreational amenities:

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: IDEAL DEVELOPMENT, INC.,
Name BENJAMIN BOLLAG, PRESIDENT
P.O. Box 111
Business Address
Lihue, HI 96766

Phone: (808) 828-2820
(Business)

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

Real Estate Sales Agent: SLEEPING GIANT REALTY
Name Attn: Debra Blachowiak
4480 Ahukini Road
Business Address
Lihue, HI 96766

Phone: (808) 245-8831
(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)

*Upon compliance with applicable 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 - Document No. 90-082927
- Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

First Amendment to the Declaration recorded on July 3, 1990, as Document No. 90-100388.

Second Amendment to the Declaration recorded on July 23, 1990, as Document No. 90-111091.

Third Amendment to the Declaration recorded on November 20, 1990, as Document No. 90-178625.

- 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. 1333
- Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

Amended condominium map dated December 6, 1990, to be filed on completion of the shed on Unit 7.

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

The Bylaws for this condominium are:

- Proposed
- Recorded - Bureau of Conveyances - Document No. 90-082928
- 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:

Developer reserves the right to subdivide and remove Unit 7 from the project at its expense or to further divide Unit 7 into as many units as it desires.

Developer reserves the right to revise all unit common element boundaries prior to final approval of this Public Report. Thereafter, Developer may change any unit common element boundary which does not change a unit previously conveyed to a third party.

Developer reserves the right to assign a guest house exclusively to the Developer, or his assign or successor.

Developer reserves the right to withdraw areas of unsold units from the Condominium Property Regime in order to create a common area(s) or convey property to the State of Hawaii or County of Kauai for public purposes.

Developer reserves the right to withdraw any Unit located on portions of the project with zoning classification "Open" (whether or not in a Special Treatment Area) from the Condominium by subdivision from the agriculturally-zoned portion of the project.

B. Underlying Land:

Address: Kilauea, Agricultural Subdivision Tax Map Key: (4) 5-2-12: 9
Kilauea, Kauai, Hawaii (TMK)

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

Land Area: 216.02 [] square feet [X] acre(s) Zoning: Agricultural/Open

Fee Owner: IDEAL DEVELOPMENT, INC.,
- Name
P.O.Box 111
Address
Lihue, HI 96766

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: 7 Floors Per Building 1
[X] Exhibit A 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>7</u>
[] Timeshare/Hotel	_____	[] Recreational	_____
[X] Other: <u>See Page 18 for further explanations</u>			<u>7</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 _____

Number of Occupants: _____

Other: An owner must engage in agriculture actively on Units 1-5 to be allowed to construct a residence. Unit 7 must comply with Open Zone County

There are no special use restrictions. Restrictions to be allowed to construct a residence in the Open Zone.

6. Interior (fill in appropriate numbers): "

Total Apartments 7

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 Shed(s) (sf)</u>
<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64 (shed)</u>
<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64 (shed)</u>
<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>252 (pumphouse/shed)</u>
<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64 (shed)</u>
<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64 (shed)</u>
<u>6</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>952 (shed)</u>
<u>7</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64 (shed)</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, 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.

Permitted Alterations to Apartments:

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

7. Parking Stalls:

Total Parking Stalls: 0

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

Each apartment will have the exclusive use of at least 0 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

Units 3 and 6 have sheds in excess of 20 years of age. No warranty is made and prospective purchasers are advised to inspect these unit improvements if they are considering purchase. There have been no residential uses of this project. This information is provided for clarification only.

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

No violations; not applicable.

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 or 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, as well as 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 D 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 D

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 of each respective owner.

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 E describes the encumbrances against the title contained in the title report dated May 16, 1990 and issued by Title Guaranty of Hawaii

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

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate. Upon compliance with legal requirements

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 F 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 of each warranty, are as follows:

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

J. Status of Construction and Estimated Completion Date:

Construction is complete except for the shed on Unit 7 which will be completed by March 14, 1991.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

Developer may elect to subdivide and remove the Open Zone portion of the Project (Unit 7) thus eliminating any Open Zone unit. The remaining units would be agricultural.

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 G contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated July 20, 1990 and amended November 28, 1990.

Exhibit H 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. Therefore, Units purchased are not subdivided lots. You will be required to comply with zoning codes and sign a Farm Dwelling Agreement 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. You should also conduct your own investigations and ascertain the validity of information provided. Please remember that issuance of this Report does not mean the 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 and the Bylaws. The Developer will have a power of attorney to execute all Building Permit applications; after creation of the Unit Owner's Association, the President will have the power and duty to sign such application.

Except as limited specifically by the Declaration of Condominium Property Regime and the Bylaws, 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, 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. 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.

Units 1 through 5 will be allowed to construct a residence and accessory structures only after prior approval of the County of Kauai Planning Department and execution of a Farm Dwelling Agreement. Unit 6 may construct a Guest House only. Unit 7 has no current authority to construct a residence. Unit 7 is located in a Special Treatment Zone under the Kauai County Comprehensive Ordinance. Stringent building controls will be

imposed by Kauai County. It is possible that approximately six acres can be subdivided from the Open Zone in Unit 7, as it is classified Urban by the State of Hawaii. If done, it would be removed from this Condominium Property Regime, with no expense to any purchaser.

All units will assume responsibility for construction and/or maintenance of the roadway and utility easements in common with all other units utilizing such easement(s).

A buyer should understand that all development and use of the properties shall comply with all County Codes and Ordinances. If County of Kauai facilities are not already in place, the prospective purchaser is advised that owners in this 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 land use and zoning changes or insufficient utility capacities may thwart their expectations. Also, zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

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 to the 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 full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

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

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

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

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

This Public Report is a part of Registration No. 2066 filed with the Real Estate Commission on May 10, 1989.

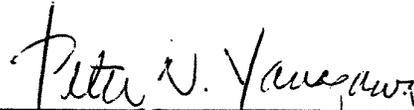
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

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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 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

SHEET 2

PARADISE ISLAND RANCH

CONDOMINIUM MAP

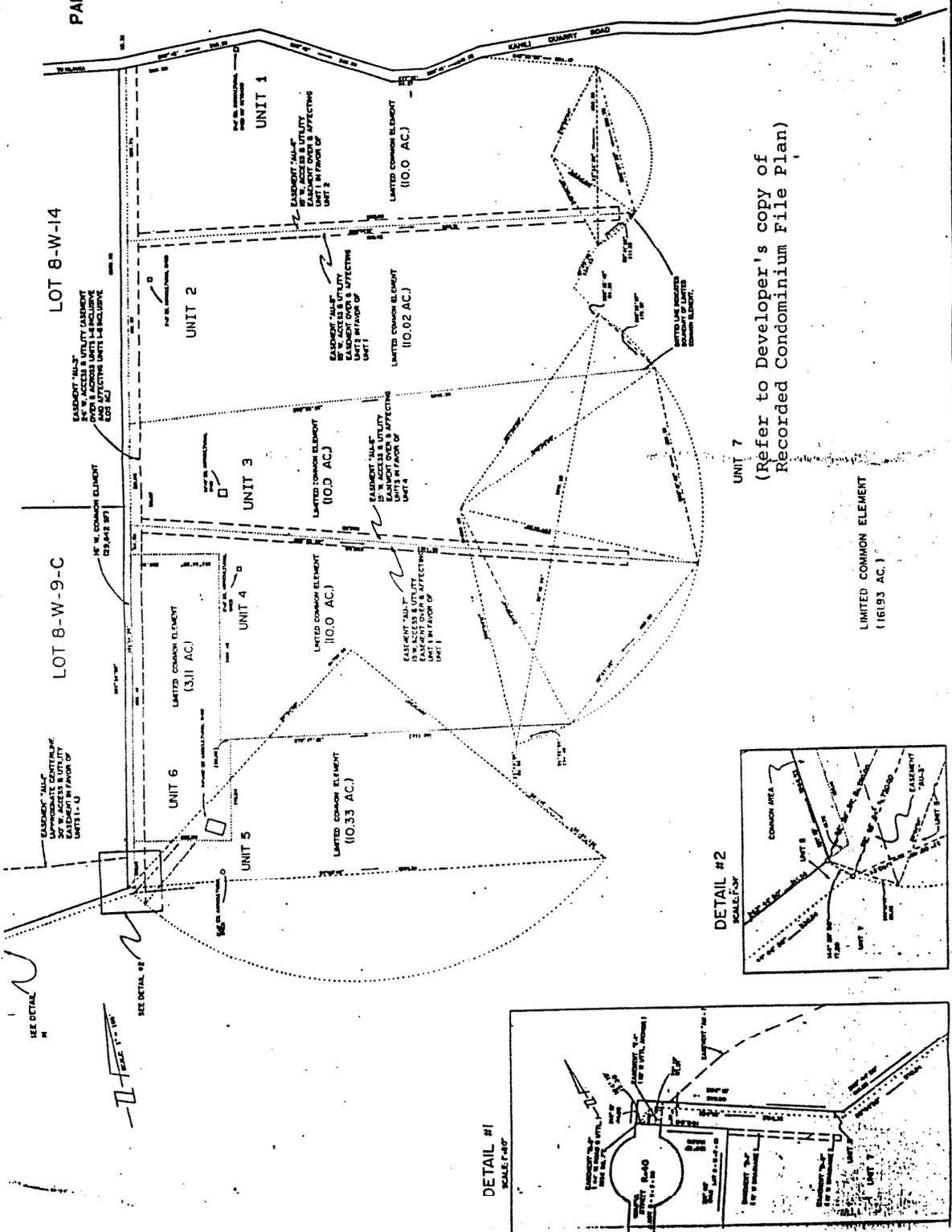
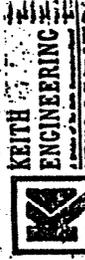
LOT 8-W-9-A-1

Kilauea, Kauai, Hawaii

OWNER: IDEAL DEVELOPMENT INC.
PO BOX 111, LIHOE, HAWAII
DATE: MARCH 16, 1990

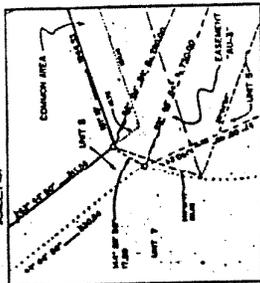
EXHIBIT A

Illustration Map and Limited Common Elements for Units 1 through 6 only



(Refer to Developer's copy of
Recorded Condominium File Plan)

DETAIL #2
SCALE 1/2" = 1'



DETAIL #1
SCALE 1/4" = 1'

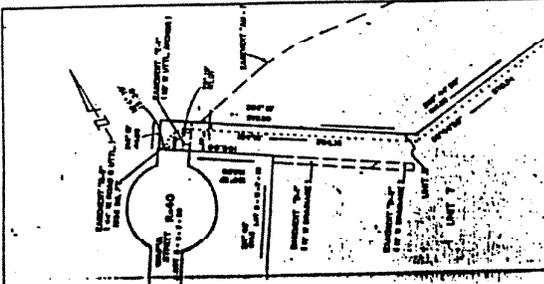
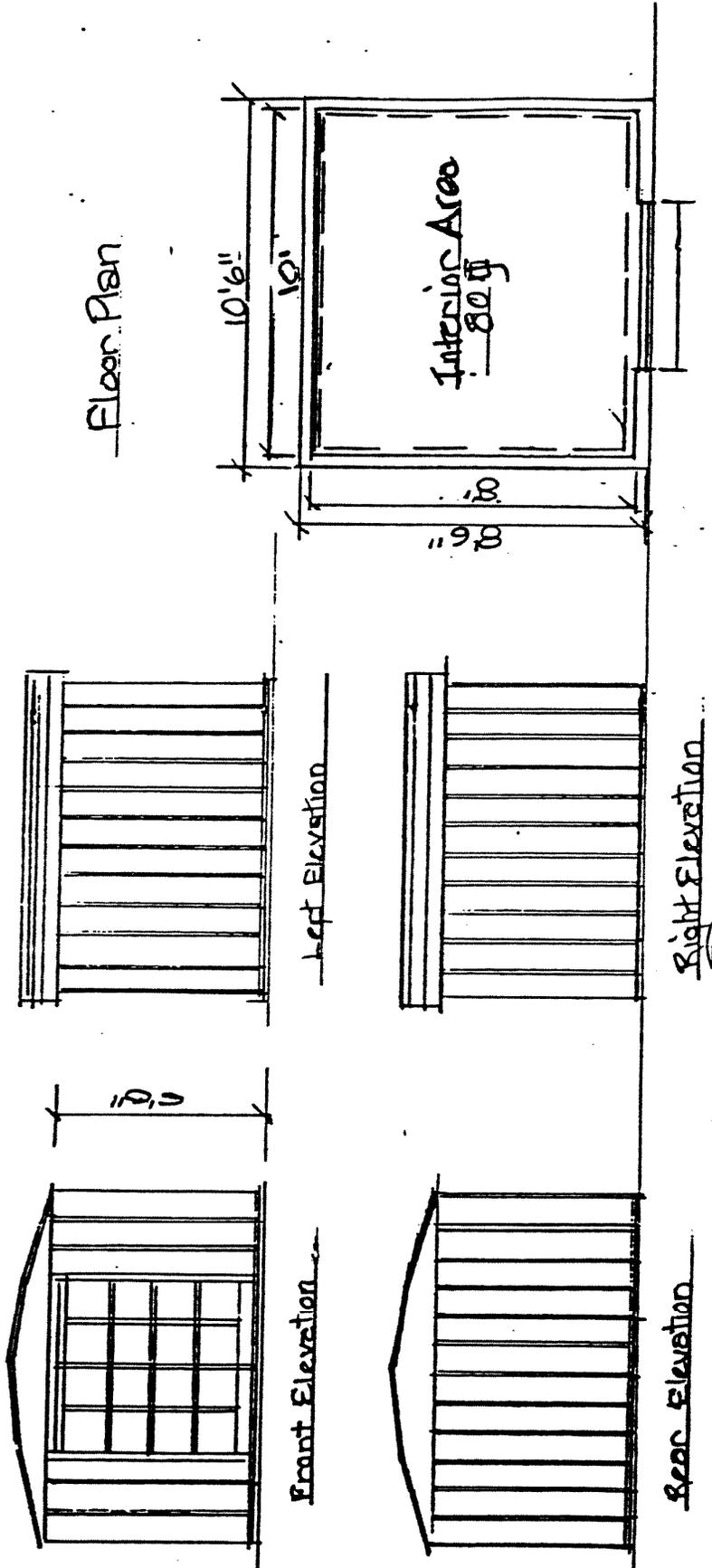
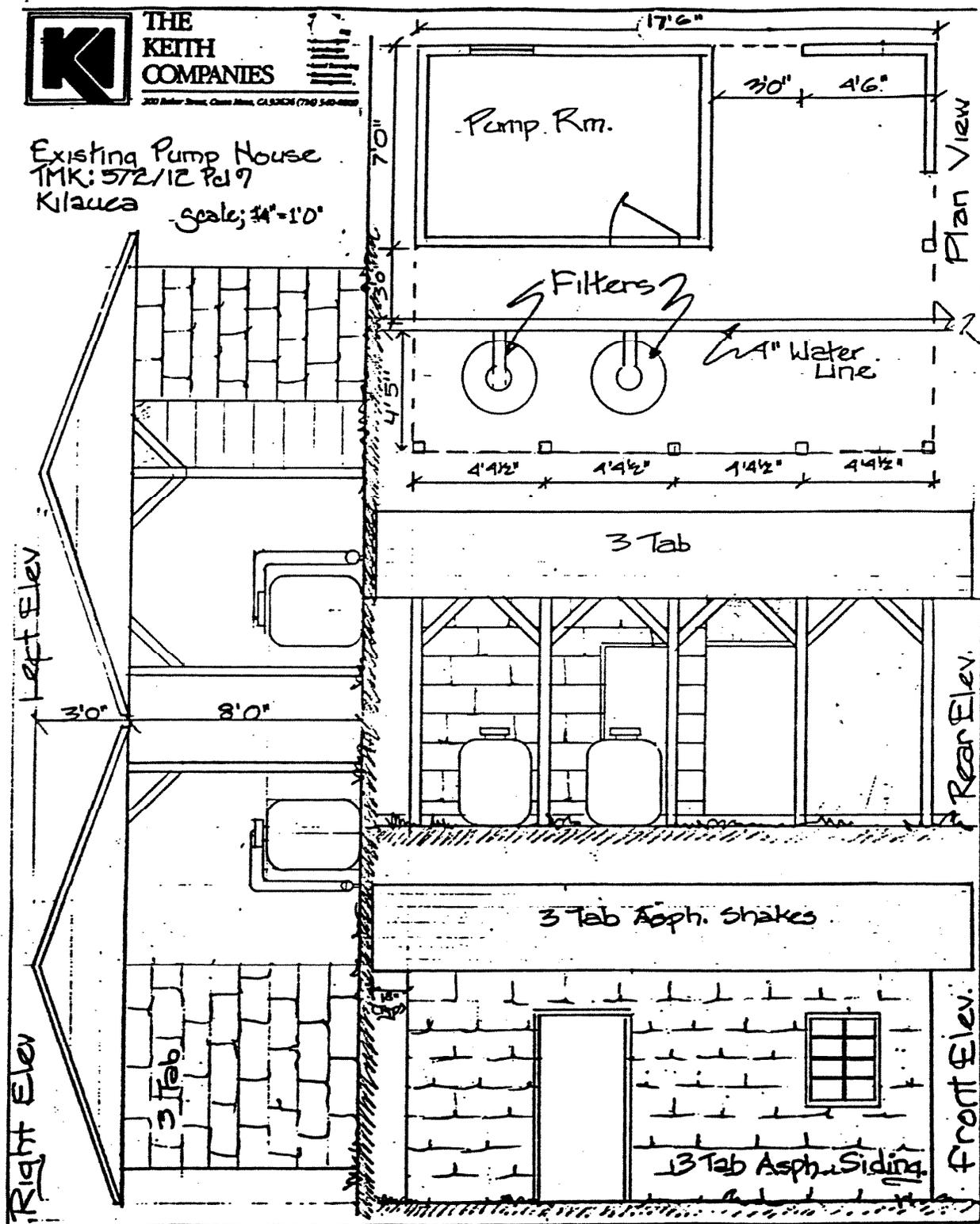


EXHIBIT B
Paradise Island Ranch Condominium
Floor plan and Elevations
Units 1, 2, 4, and 5



Ribbed Metal Storage Building
Not to Scale

Paradise Island Ranch Condominium
Floor plan and Elevations
Units 3 - 252 sq.ft. Pump House/Storage Shed

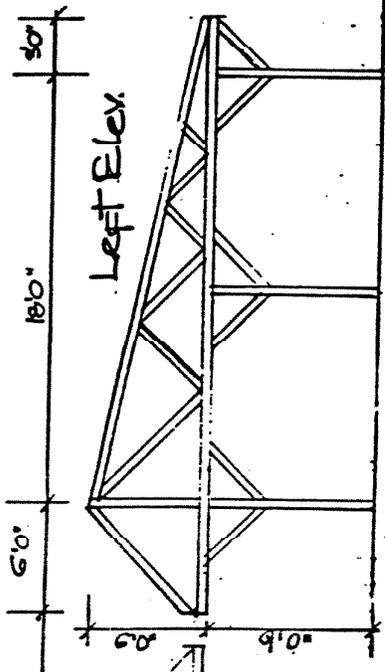


Paradise Island Ranch Condominium
Floor plan and Elevations
Unit 6 - 952 sq.ft. Storage Shed



THE KEITH COMPANIES
200 Ashby Street, Oahu, HI, 96813 (708) 540-1111

Existing Shed
TMK 5/2/12 219
Kilauea scale 1/8"=1'-0"



Right Elev.

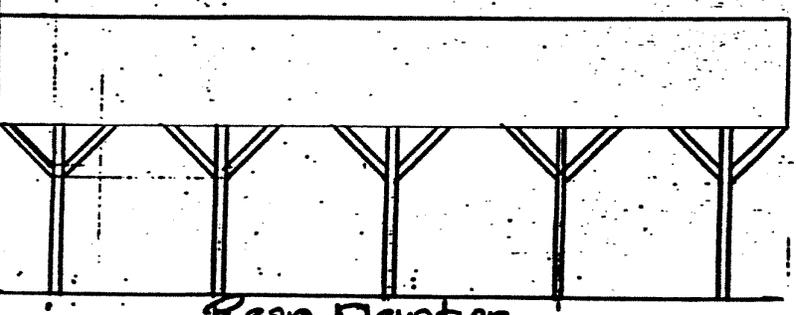
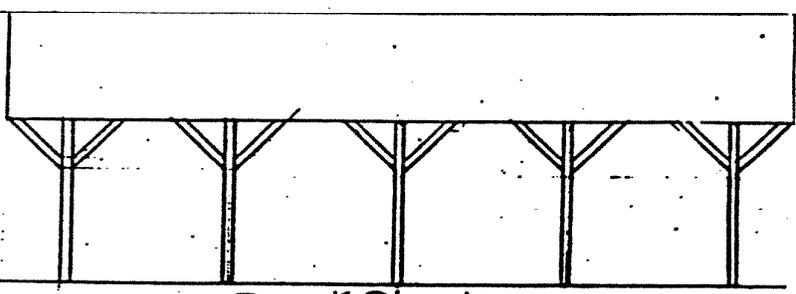
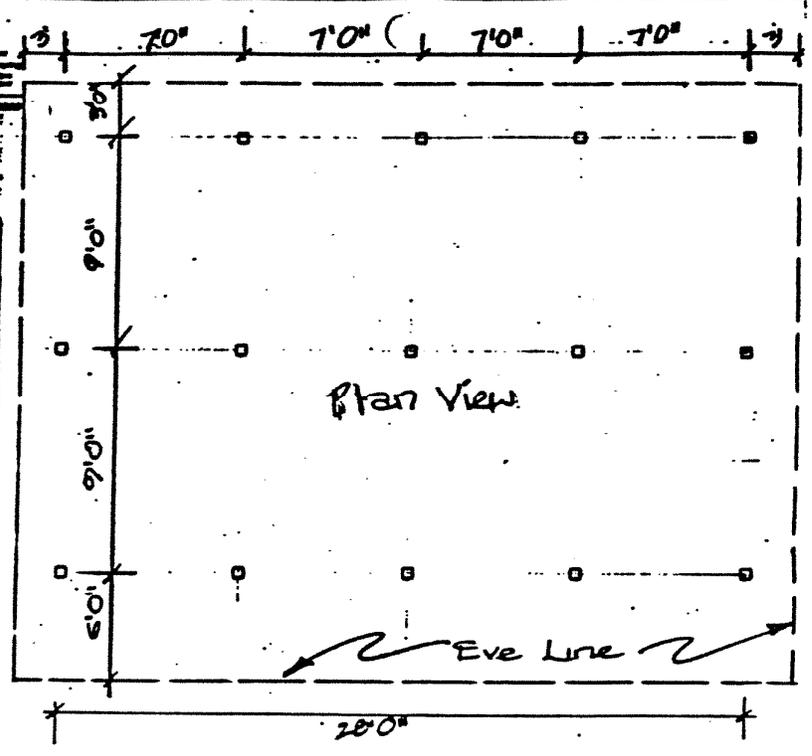
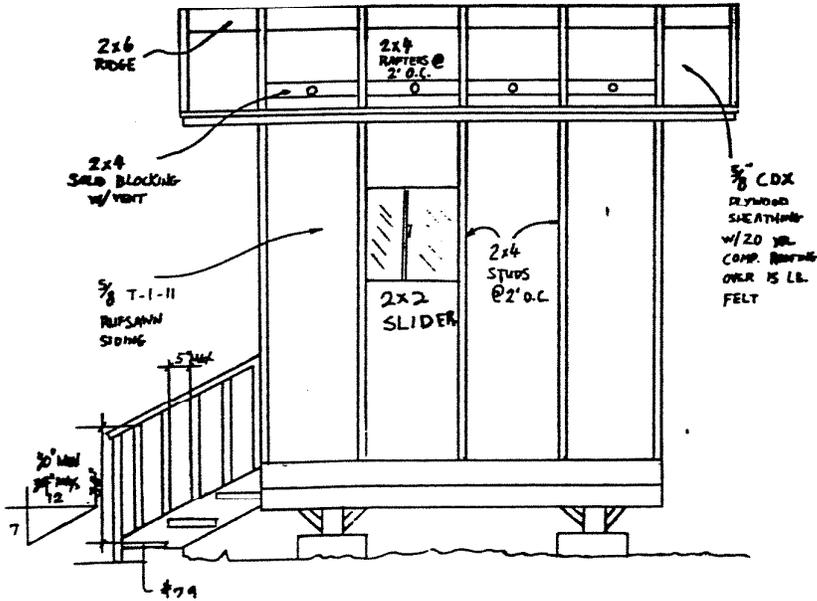
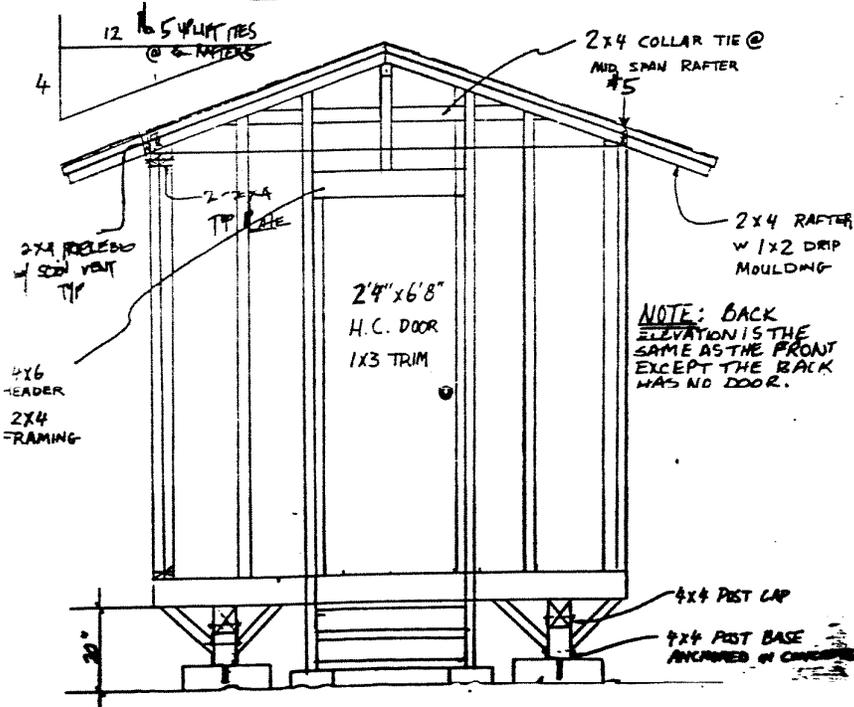


EXHIBIT B
 Pa. Jise Island Ranch Condominium
 Floor Plan and Elevations
 Unit 7 - 64 sq. ft. Storage Shed

SIDE ELEVATION



FRONT ELEVATION



FLOOR PLAN

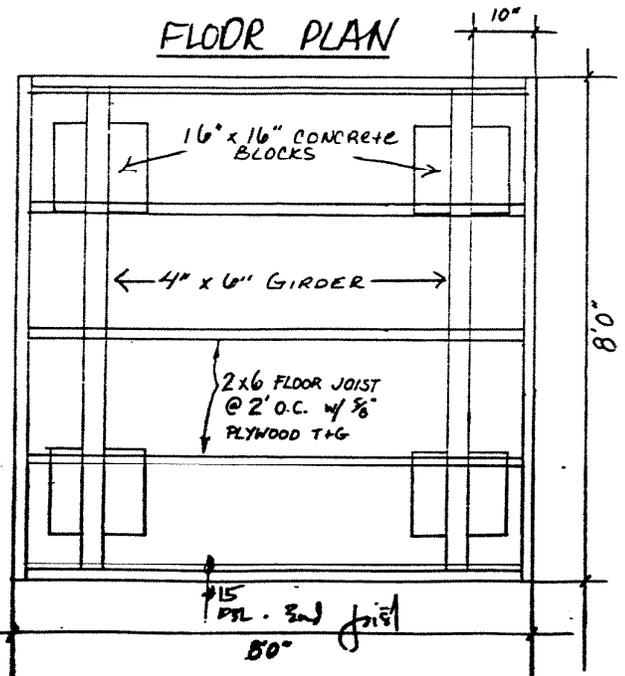


EXHIBIT C

**SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR PARADISE ISLAND RANCH 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	10.0 AC	0	0	64	9
1	2	10.02 AC	0	0	64	9
1	3	10.0 AC	0	0	252	9
1	4	10.0 AC	0	0	64	9
1	5	10.33 AC	0	0	64	9
1	6	3.11 AC	0	0	952	5
1	7	161.93 AC	0	0	64	50

The common interest appurtenant to each unit shall be permanent, subject to the right of the Developer to subdivide Unit 7 from the Project. 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 law and 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

Common Elements of the Project

The common elements of the project are:

- (a) The land in fee simple;
- (b) The access and utility easements;
- (c) All future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (d) 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, 4, 5, 6, and 7 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.

Unit Number	Area of Limited Common Element
1	10.0 AC
2	10.02 AC
3	10.0 AC
4	10.0 AC
5	10.33 AC
6	3.11 AC
7	161.93 AC

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 D

EXHIBIT E

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. Letter Agreement dated July 10, 1972, as set forth in Deed dated December 2, 1972, recorded in Liber 8782 at Page 1.
4. Right-of-Entry dated September 14, 1978, recorded in Liber 13263 at Page 93, in favor of GTE HAWAIIAN TELEPHONE COMPANY and CITIZENS UTILITIES COMPANY, a Delaware corporation; granting a right-of-entry and temporary easement for construction, and maintenance of power and communication lines.
5. One Hundred Year Flood Building Setback Line, as shown on survey map dated September 11, 1978, prepared by Masao Fujishige, Registered Land Surveyor No. 1065.
6. Designation of Easements D-1, D-2, D-3, D-4, D-5 and D-6 for drainage purposes in favor of the County of Kauai, more particularly described as follows:

EASEMENT "D-1"

Easement "D-1" (10 feet wide) for drainage purposes located on the westerly boundary of this lot and more fully described as follows:

Beginning at a pipe at the northwest corner of this easement and at the northeast corner of Lot 8-H-7-19, Puu Lani Subdivision Unit I, the coordinates of which referred to Government Survey Triangulation Station "KILAUEA" being 4448.89 feet south and 2423.11 feet west, thence running by azimuths measured clockwise from true South:

1. 304° 19' 207.00 feet affecting Lot 8-W-9-A;
2. 34° 19' 10.00 feet affecting Lot 8-W-9-A;
3. 124° 19' 206.89 feet affecting Lot 8-W-9-A;
4. 213° 40' 10.00 feet along Lot 8-H-7-19 to the point of beginning and containing an area of 2069 square feet.

EASEMENT "D-2"

Easement "D-2" (10 feet wide) for drainage purposes, located on the westerly boundary of this lot and more fully described as follows:

Beginning at a pipe at the southwest corner of this easement and at the southeast corner of Lot 8-H-7-24, Puu Lani Subdivision Unit I, the coordinates of which referred to Government Survey Triangulation Station "KILAUEA" being 4792.64 feet south and 2652.07 feet west, thence running by azimuths measured clockwise from true South:

1. 213° 40' 10.00 feet along Lot 8-H-7-24;
2. 304° 19' 50.11 feet affecting Lot 8-W-9-A;
3. 34° 19' 10.00 feet affecting Lot 8-W-9-A;
4. 124° 19' 50.00 feet affecting Lot 8-W-9-A to the point of beginning and containing an area of 501.00 square feet.

EASEMENT "D-3"

Easement "D-3" (10 feet wide) for drainage purposes, located on the westerly boundary of this lot and more fully described as follows:

Beginning at a pipe at the southwest corner of this easement and at the southeast corner of Lot 8-H-7-78, Puu Lani Subdivision Unit II, the coordinates of which referred to Government Survey Triangulation Station "KILAUEA" being 4961.71 feet south and 2764.69 feet west, thence running by azimuths measured clockwise from true South:

1. 213° 40' 10.00 feet along Lot 8-H-7-78;
2. 304° 19' 50.11 feet affecting Lot 8-W-9-A;
3. 34° 19' 10.00 feet affecting Lot 8-W-9-A;
4. 124° 19' 50.00 feet affecting Lot 8-W-9-A to the point of beginning and containing an area of 0.012 acre.

EASEMENT "D-4"

Easement "D-4" (10 feet wide) for drainage purposes, located on the westerly boundary of this lot and more fully described as follows:

Beginning at a pipe at the northwest corner of this easement and on the northeast side of Lot 8-H-7-73, Puu Lani Subdivision Unit II, the coordinates of which referred to Government Survey Triangulation Station "KILAUEA" being 5222.82 feet south and 2889.19 feet west, thence running by azimuths measured clockwise from true South:

1. 304° 19' 50.00 feet affecting Lot 8-W-9-A;
2. 34° 19' 10.00 feet affecting Lot 8-W-9-A;
3. 124° 19' 44.98 feet affecting Lot 8-W-9-A;
4. 187° 40' 11.19 feet along Lot 8-H-7-73 to the point of beginning and containing an area of 0.011 acre.

EASEMENT "D-5"

Easement "D-5" (10 feet wide) for drainage purposes located on the westerly boundary of this lot and more fully described as follows:

Beginning at a pipe at the easterly corner of this easement and at the southerly corner of Lot 8-H-7-99, Puu Lani Subdivision Unit III, the coordinates of which referred to Government Survey Triangulation Station "KILAUEA" being 5456.93 feet south and 2920.70 feet west, thence running by azimuths measured clockwise from true South:

1. 187° 40' 5.02 feet along Lot 8-H-7-99;
2. 273° 00' 50.00 feet affecting Lot 8-W-9-A;
3. 3° 00' 10.00 feet affecting same;
4. 93° 00' 47.53 feet affecting same;
5. 153° 05' 5.77 feet along Lot 8-H-7-100 to the point of beginning and containing an area of 0.011 acre.

EASEMENT "D-6"

Easement "D-6" (10 feet wide) for drainage purposes, located on the westerly boundary of this lot and more fully described as follows:

Beginning at a pipe at the southeast corner of this easement, and at the northeast corner of Lot 8-H-7-121, Puu Lani Subdivision Unit III, the coordinates of which referred to Government Survey Triangulation Station "KILAUEA" being 5462.24 feet south and 2912.23 feet west, thence running by azimuths measured clockwise from true South:

1. 122° 05' 10.00 feet along Lot 8-H-7-121 to a pipe;
2. 212° 05' 50.00 feet affecting Lot 8-W-9-A;
3. 302° 05' 10.00 feet affecting Lot 8-W-9-A;
4. 32° 05' 50.00 feet affecting Lot 8-W-9-A to the point of beginning and containing an area of 0.011 acre.

7. Reservations and exceptions set forth in DEED of REX FINANCIAL CORPORATION, a California corporation, dated November 8, 1978, recorded in Liber 13301 at Page 118, to-wit:

"Reserving and excepting therefrom the following:

1. Drainage Easements D-1, D-2, D-3, D-4, D-5 and D-6 and improvements thereon and reserving unto the Grantor and its successors the exclusive right to grant the same for their respective purposes to the appropriate governmental authority or other corporation or person, as may be appropriate or required by law or ordinance, under such terms and conditions as the Grantor or its successors shall deem appropriate and as required by such governmental authority or other corporation or person without the consent or joinder of the Grantee; Provided, that said Grantee hereby agrees for the Grantee, and his successors and assigns, that it or they shall consent to and/or join in any such grant of easement if such consent and/or joinder shall for any reason be required or requested. This reservation shall be enforceable by specific performance in any court of competent jurisdiction.

2. The right unto the Grantor, its successors and assigns, to trim and cut trees and bushes and shrubs along the border of Lot 8-W-9-A; provided that the exercise of such right shall be done in a manner which will not cause erosion of said Lot 8-W-9-A and all trimmings, cuttings and debris shall be disposed of by the person so trimming and cutting said trees, bushes and shrubs.

3. A perpetual right and easement in favor of Grantor, its successors and assigns, to collect and discharge surface runoff water onto Lot 8-W-9-A by methods and systems conforming to the County of Kauai design

standards, including the right to enter upon said Lot 8-W-9-A to construct said systems and the exclusive right to grant easements where such systems are located for such purposes to the appropriate governmental authority or other corporation or person as may be appropriate or required by law or ordinance of such area and under such terms and conditions as the Grantor or its successors and assigns shall deem appropriate and as required by such governmental authority or other corporation or person without the consent or joinder of the Grantee, or its successors or assigns; provided, that the Grantee hereby agrees, for Grantee and its successors and assigns and/or their heirs, personal representative and assigns that it or they shall consent to or join in any such grant of easement if such consent and/or joinder shall for any reason be required or requested. This reservation shall be enforceable by specific performance in any court of competent jurisdiction."

8. Designation of Easement "E-9" (5'x10', area 0.001 acre) for electrical and telephone anchor purposes, as shown on survey map dated September 11, 1978, prepared by Masao Fujishige, Registered Land Surveyor No. 1065.
9. Designation of Easement "P-1" (20 feet wide, area 1.52 acres) in favor of the County of Kauai for pedestrian access purposes, as shown on survey map dated September 11, 1978, prepared by Masao Fujishige, Registered Land Surveyor No. 1065.
10. Grant in favor of the COUNTY OF KAUAI dated September 26, 1978, recorded in Liber 13301 at Page 112; granting an easement for pedestrian purposes over, under and across the following easement area:

PEDESTRIAN EASEMENT "P-1
(20 feet wide)

A 20 feet wide pedestrian easement affecting a portion of Lot 8-W-9-A, Puu Lani Phase II Subdivision, Kilauea, Island and County of Kauai, State of Hawaii, more particularly described as follows:

Beginning at a pipe at the northeast corner of this easement (20 feet wide), and on the south side of Quarry Road, the coordinates of which referred to Government Survey Triangulation Station "KILAUEA" being 1576.52 feet south and 2452.47 feet east and running by azimuths measured clockwise from true South:

1. 1° 42' 10" 170.85 feet along L. C. Aw. 8559-B, Apana 38 to Wm. C. Lunalilo (near the west bank of Kilauea Stream);
 2. 320° 28' 37" 150.00 feet to the west bank of Kilauea Stream;
 3. Thence following upstream along the west and north bank of Kilauea Stream for approximately 3200 feet to a point along course 49;
 4. 82° 17' 50.00 feet along L. C. Aw. 8559-B, Apana 38 to Wm. C. Lunalilo, Lucas Estate;
 5. Thence returning downstream 20 feet away from the north and west bank of Kilauea Stream for approximately 3200 feet;
 6. 140° 28' 37" 150.00 feet;
 7. 181° 42' 10" 161.70 feet to Kahili Quarry Road;
 8. 231° 53' 26.04 feet along the south side of Kahili Quarry Road to the point of beginning and containing an area of 1.153 acres.
11. Designation of Easement "R-2" (44'x44", area 1,936 square feet) for roadway and utility purposes in favor of Lot 8-W-9-C, as shown on survey map dated September 11, 1978, prepared by Masao Fujishige, Registered Land Surveyor No. 1065.
12. Grant in favor of MICHAEL M. DYER and CHARLENE G. DYER, husband and wife, their respective heirs, successors and assigns as titleholders of Lot 8-W-9-D, dated November 8, 1978, recorded in Liber 13301 at Page 98; granting a non-exclusive roadway and utility easement over, under and across the following easement area:

EASEMENT "R-2"

Being a roadway and utility easement for roadway and utility access purposes to Lot 8-W-9-C (Puu Lani Phase II Subdivision), located on the west boundary of Lot 8-W-9-A, (Puu Lani Phase II Subdivision) and the north boundary of Lot 8-H-7-39 (Roadway Lot, Puu Lani Unit I Subdivision) and more fully described as follows:

Beginning at a pipe on the south boundary of Lot 8-W-9-C and also the north corner of Lot 8-H-7-39, the coordinates of this said point of beginning referred to Government Survey Triangulation Station "KILAUEA" being 4355.58 feet south and 2559.80 feet west, thence running by azimuths measured clockwise from true South:

1. 214° 19' 44.00 feet along Lot 8-W-9-C to a pipe;
2. 304° 19' 44.00 feet along same;
3. 34° 19' 44.00 feet over and across Lot 8-W-9-A to a pipe;
4. 124° 19' 44.00 feet along Lot 8-H-7-39 to the point of beginning and containing an area of 1936 square feet.

13. Designation of Easement "V-1" (30 feet wide, area 0.355 acre) for vehicular access purposes in favor of Lot 8-W-11, as shown on survey map dated September 11, 1978, prepared by Masao Fujishige, Registered Land Surveyor No. 1065.

14. Grant in favor of MICHAEL J. NOONAN and ALICE R. NOONAN, husband and wife, their respective heirs, successors and assigns as titleholders of Lot 8-W-11, dated November 8, 1978, recorded in Liber 13301 at Page 107; granting a non-exclusive roadway and utility easement over and across the following easement area:

EASEMENT "V-1"

Being a roadway and utility easement 30 feet wide for access purposes to Lot 8-W-11, (Kilauea Agricultural Subdivision) affecting Lot 8-W-9-A (Puu Lani Phase II Subdivision) Tax Map Key: (4th Division) 5-2-04: portion 8, the centerline of which is described as follows:

Beginning on the west side of Lot 8-W-9-A and on the east side of Lot 8-W-9-B, being the boundary between Lots 8-W-9-A and 8-W-9-B, situated approximately 1000 feet north of Kolo Road (Old Kihio Highway), the coordinates of this said point of beginning referred to Government Survey Triangulation Station "KILAUEA" being 6520.13 feet south and 3329.50 feet west and running by azimuths measured clockwise from true South:

1. 32° 58' 149.90 feet affect ; Lot 8-W-9-A;
2. 35° 27' 96.00 feet affecting same;
3. 323° 00' 269.30 feet affecting same to the boundary line between Lots 8-W-9-A and 8-W-11 and containing an area of 0.355 acre.

15. Designation of Easement "V-2" (20 feet wide, area 0.134 acre) for vehicular access purposes in favor of Exclusion 3, as shown on survey map dated September 11, 1978, prepared by Masao Fujishige, Registered Land Surveyor No. 1065.

16. Grant in favor of MICHAEL M. DYER and CHARLENE G. DYER, husband and wife, their respective heirs, successors and assigns as titleholders of Exclusion 3, L. C. Aw. 10333, 4th Taxation Division TMK: 5-2-004-006, dated November 8, 1978, recorded in Liber 13301 at Page 103; granting an exclusive roadway and utility easement over, under and across the following easement area:

EASEMENT "V-2"

Being a roadway and utility easement 30 feet wide for access to Exclusion 3, L. C. Aw. 10333, affecting Lot 8-W-9-A (Puu Lani Phase II Subdivision) located on the easterly boundary of L. C. Aw. 8559-B, Apana 38 to Wm. C. Lunalilo, Tax Map Key: (4th Division) 5-2-004: portion 8, the centerline of which is described as follows:

Beginning at a point on the east boundary of Lot 8-W-9-A, the coordinates of this point of beginning referred to Government Survey Triangulation Station "KILAUEA" being 5640.88 feet south and 501.84 feet west, thence running by azimuths measured clockwise from true South along the centerline of this Easement "V-2" (30 feet wide):

1. 156° 40' 20.24 feet affecting Lot 8-W-9-A;
2. 156° 18' 164.23 feet affecting same;

Thence affecting same on a curve to the left having a radius of 25.00 feet, the chord azimuth and distance being:

3. 197° 21' 32.84 feet;
4. 238° 24' 29.03 feet affecting same;

5. 258° 17'

41.95 feet affecting same to the southwest boundary of Exclusion 3.

The total area for this Easement "V-2" (30 feet wide) being 0.201 acre.

17. Covenants and restrictions set forth in DEED dated November 8, 1978, recorded in Liber 13301 at Page 118, to-wit:

"Those certain covenants and restrictions relating to the uses of agricultural lands having Class 'A' and 'B' soils as follows:

1. Pursuant to Act 199, Session Laws of Hawaii 1976, the use of the subject parcel shall be primarily in pursuit of agricultural activities and only for those uses permissible in an agricultural district as contained in Chapter 205, Hawaii Revised Statutes, as amended, which provides as follows:

'Section 205 - Permissible uses within the agricultural districts.

(a) Within the agricultural district all lands with soil classified by the Land Study Bureau's Detailed Land Classification as Overall (Master) Productivity Rating Class A or B shall be restricted to the following permitted uses:

(1) Cultivation of crops, including but not limited to flowers, vegetables, foliage, fruits, forage and timber;

(2) Game and fish propagation;

(3) Raising of livestock, including but not limited to poultry, bees, fish or other animal or aquatic life that are propagated for economic or personal use;

(4) Farm dwellings, employee housing, farm buildings, or activity or uses related to farming and animal husbandry;

(5) Public institutions and buildings which are necessary for agricultural practices;

(6) Public and private open area types of recreational uses including day camps, picnic grounds, parks and riding stables, but not including dragstrips, airports, drive-in theaters, golf courses, golf driving ranges, country clubs, and overnight camps;

(7) Public, private and quasi-public utility lines and roadways, transformer stations, solid waste transfer stations, and appurtenant small buildings such as booster pumping stations, but not including offices or yards for equipment, material, vehicle storage, repair or maintenance, treatment plants and major storage tanks not ancillary to agricultural practices, or corporation yards or other like structures;

(8) Retention, restoration, rehabilitation or improvement of buildings or sites of historic or scenic interest;

(9) Roadside stands for the sale of agricultural products grown on the premises;

(10) Buildings and uses, including but not limited to mills, storage and processing facilities, maintenance facilities that are normally considered direct accessory to the above-mentioned uses; or

(11) Agricultural parks.'

2. All of the aforementioned restrictive covenants and conditions shall run with the land until such time as the land is reclassified to a Land Use District other than Agriculture.

3. Any violation of the above restrictive covenants and conditions shall be subject to a citation and a fine of not more than \$5,000 pursuant to Chapter 205, Hawaii Revised Statutes, as amended."

18. **DECLARATION OF CONDOMINIUM PROPERTY REGIME:**

The restrictions on use and all other covenants, agreements, and obligations set forth in the Declaration of Condominium Property Regime dated March 27, 1990, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-082927 as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1333).

19. **BYLAWS:**

Bylaws of the Association of Apartment Owners of the Condominium Project known as "PARADISE ISLAND RANCH CONDOMINIUM" dated March 27, 1990 recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-082928.

20. -AS TO PARCEL S AND ONLY:- APPLIES TO [7 ONLY -

(A) A 100-year flood building setback line as shown on map prepared by Masao Fujishige, Registered Professional Surveyor, dated February 17, 1977.

(B) -AS TO THE UNDIVIDED 1/5 INTEREST OF ROGER TANIGUCHI AND VERALYN K. TANIGUCHI ONLY:-

MORTGAGE

MORTGAGOR : ROGER TANIGUCHI and VERALYN KUULEI TANIGUCHI, husband and wife

MORTGAGEE : SAFETY LOAN COMPANY, LTD., a Hawaii corporation

DATED : October 31, 1983
RECORDED : Liber 17427 Page 781
AMOUNT : \$500,000.00

(C) AGREEMENT

DATED : January 22, 1982
RECORDED : Liber 16185 Page 507
BY : LARRY C. MCKNIGHT and TERRY A. MCKNIGHT, "Applicants"
WITH : COUNTY OF KAUAI PLANNING DEPARTMENT, "Department"
RE : FARM DWELLING

(D) -AS TO THE UNDIVIDED 1/5 INTEREST OF MARTHA B. STANYER ONLY:-

MORTGAGE

MORTGAGOR : MARTHA BECKER STANYER, married

MORTGAGEE : WARREN A. SYMINGTON, unmarried, and JANCIE F. SYMINGTON, unmarried

DATED : May 29, 1986
RECORDED : Liber 19616 Page 172
AMOUNT : \$250,000.00

(E) AGREEMENT

DATED : September 16, 1988
RECORDED : Liber 22512 Page 48
BY : T. JACK BENNINGTON, husband of Rita Bennington, and MARTHA ANN BENNINGTON, unmarried, "Applicants"
WITH : COUNTY OF KAUAI PLANNING DEPARTMENT, "Department"
RE : FARM DWELLING

END OF EXHIBIT E

EXHIBIT F

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>
1	35.00	420.00
2	35.00	420.00
3	35.00	420.00
4	35.00	420.00
5	35.00	420.00
6	20.00	240.00
7	35.00	420.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

33.33 1/3

400.00

Maintenance, Repairs and Supplies

25.00

300.00

Building

Grounds

Management

16.66 2/3

200.00

Accounting

16.00

200.00

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

100.00

1200.00

Reserves

25.00

300.00

Taxes and Government Assessments

Audit Fees

Other

Registration / Bonding

30.00

360.00

TOTAL

230.00

2760.00

We, IDEAL DEVELOPMENT, INC., as
developer for the condominium project, hereby certify that the above estimates of initial
maintenance fee assessments and maintenance fee disbursements were prepared in accordance
with generally accepted accounting principles.

BENJAMIN BOLLAG, President:

Ben Bollag
Date: March 27, 1990

EXHIBIT G
SUMMARY OF SALES CONTRACT

The PARADISE ISLAND RANCH 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, Bylaws of the Association of Apartment Owners, form of Apartment Deed, and Escrow Agreement and acknowledges that he has had adequate opportunity to read those documents and to examine the project plans and accepts them 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, Bylaws, Residential 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 G

EXHIBIT H

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and IDEAL DEVELOPMENT, INC., a Hawaii Corporation, (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

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

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

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

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

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

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

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

7. The Escrow Agreement was amended to not allow the sale of Unit 7 until the Developer has filed the completion notice for the improvements and the 45-day lien period has expired.

* * * * *

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

END OF EXHIBIT H

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 96786

June 20, 1989

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 Paradise Island Ranch Agricultural Condominium Report
Registration No. 2066 at Kilauea, Kauai, Hawaii
Tax Map Key: 5-2-12:09

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 CZ0. The subject property is zoned Open District (O) and qualifies for five (5) 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 I

LETTER FROM KAUAI COUNTY PLANNING DEPARTMENT

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
June 20, 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/driveways.

Because there are more than one farm dwelling proposed/permitted, 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

END OF EXHIBIT I