



**REAL ESTATE COMMISSION**

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

**CONDOMINIUM PUBLIC REPORT**

ANAHOLA LOTS CONDOMINIUM

Anahola, Kawaihau,  
Kauai, Hawaii

Registration No. 2070 (Conversion)

Issued: October 15, 1992  
Expires: November 15, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 4, 1992, 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 Type of Report: May 30, 1991, February 7, 1992, June 2, 1992, July 24, 1992 and July 22, 1992.

       **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.

Changes made are as follows:

1. The Declaration of Condominium Property Regime and Bylaws of the Association of Apartment Owners have been recorded.
2. A Declaration of Protective Covenants and House Rules has been adopted and recorded.
3. The undated 1989 Escrow Agreement with Title Guaranty Escrow Services, Inc., previously executed by Jack B. Young as managing cotenant for the Developers has been re-executed on November 19, 1991 under the same terms and conditions by Michael Chandler, cotenant.
4. The Developers have submitted statements from the County of Kauai Planning Department regarding the structures comprising the project. See Exhibits I and J of this public report.
5. The real estate broker handling sales is now Windward Properties, Ltd.

PLEASE SEE PAGE 2a FOR CONTINUATION OF DISCLOSURES

**SPECIAL ATTENTION:**

There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other government agency, nor that all County Codes and Ordinances 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 illustrative purposes only, and merely represent the approximate locations and dimensions of the respective **limited common element land areas** appurtenant to each apartment.
3. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads and driveways.
4. When applying for zoning permits with the Planning Department of the County of Kauai, 75% of the owners of the project must sign the permit application forms. This requirement is binding upon all purchasers, future purchasers and assigns.
5. Read Exhibits I and J (Letters from the Kauai County Planning Department dated May 30, 1991, February 7, 1992, June 2, 1992 July 24, 1992 and July 22, 1992) with care.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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## GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

### Operation of the Condominium Project

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

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

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

## SUMMARY OF THE CONDOMINIUM PROJECT

**Interest to be Conveyed to Buyer:**

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

**Types of Project:**

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

Apt. No.	Quantity	BR/Bath	Net Living Area (sf)*	Storage Shed(s), Lanai/Patio (sf)
A	1	2/1	1295	704 (Lanai)
		1/1 Guest House	500	1104 (Lanai/Garage)
		0/0		638 (Storage)
B	1	3/2	1385	520 (Lanai)
		0/0 (below Unit)		480 (Storage)
C	1	2/1	892	268 (Lanai)
D	1	0/0		160 (Storage)
E	1	4/1	1740	260 (Lanai)
		0/0		400 (Storage/Garage)

Total Apartments: 5

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

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

**6. Parking:**

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>11</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<u><u>11</u></u>

**7. Recreational amenities: None**

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: MICHAEL CHANDLER  
Name  
P.O. Box 355  
Business Address  
Anahola, HI 96703

Phone: (808) 822-4499  
(Business)

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

N/A

Real Estate Broker: WINDWARD PROPERTIES  
Name  
4-484 Kuhio Highway, Suite 2324  
Business Address  
Kapaa, HI 96746

Phone: (808) 822-7700  
(Business)

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

Phone: (808) 245-3381  
(Business)

General Contractor: N/A  
Name  
Business Address

Phone: (Business)

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

Phone: (Business)

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

Phone: (808) 246-1101  
(Business)

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

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

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

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances - Document No. 91-152651  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

First Amendment to Declaration of Condominium Property Regime dated July 7, 1992, recorded in Document No. 92-108644.

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. 1573  
 Filed - Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

July 7, 1992; First Amended Condominium File Plan.

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

The Bylaws for this condominium are:

Proposed  
 Recorded - Bureau of Conveyances - Document No. 91-152652  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

Proposed                       Adopted                      Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>60%</u>

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

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules





4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>5</u>	<u>Yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input checked="" type="checkbox"/> Other: <u>Please see page 18 for further explanation.</u>					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes                       No

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

Permitted with restrictions. Please refer to

Pets: Declaration of Protective Covenants and House Rules.

Number of Occupants: \_\_\_\_\_

Other: Refer to Declaration of Protective Covenants and House Rules.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

<u>Apt. No.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Shed(s), Lanai/Patio (sf)</u>
Elevators <u>0</u> Stairways <u>0</u> Trash Chutes <u>0</u>				
<u>A</u>	<u>1</u>	<u>2/1</u>	<u>1295</u>	<u>704 (Lanai)</u>
		<u>1/1 Guest House</u>	<u>500</u>	<u>1104 (Lanai/Garage)</u>
		<u>0/0</u>		<u>638 (Storage)</u>
<u>B</u>	<u>1</u>	<u>3/2</u>	<u>1385</u>	<u>520 (Lanai)</u>
		<u>0/0 (below Unit)</u>		<u>430 (Storage)</u>
<u>C</u>	<u>1</u>	<u>2/1</u>	<u>892</u>	<u>268 (Lanai)</u>
<u>D</u>	<u>1</u>	<u>0/0</u>		<u>160 (Storage)</u>
<u>E</u>	<u>1</u>	<u>4/1</u>	<u>1740</u>	<u>260 (Lanai)</u>
		<u>0/0</u>		<u>400 (Storage/Garage)</u>

Total Apartments: 5

\*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: The boundaries of each apartment shall be the outer surface of the entire building and the inner surfaces of each building. Wires or conduits, pipes or any utility lines running over, under or through any apartment which are utilized for or serve more than one unit shall not be deemed as part of the apartment, the same being deemed common elements.

**Permitted Alterations to Apartments:**

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

**7. Parking Stalls:**

Total Parking Stalls: 11

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>7</u>	<u>4</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>11</u>
Guest Unassigned	<u>      </u>						
Extra Available for Purchase	<u>      </u>						
Other:	<u>      </u>						
Total Covered & Open	<u>      </u>	<u>11</u>	<u>      </u>				

Each apartment will have the exclusive use of at least two (2) parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

**8. Recreational and Other Common Facilities:**

[ X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[ ] Other: \_\_\_\_\_

\_\_\_\_\_

**9. Present Condition of Improvements**

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

- a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations  
 The systems and components of the improvements on Units A, B, C, D and E, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition.
- b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations  
 The inspection report submitted by the developer's architect indicates that, without conducting invasive examinations of covered plumbing, electrical and structural components, the improvements appear to be constructed in conformity with the County of Kauai Rules and Regulations applicable to construction at the time of construction thereof, including specifically Units A, B, C, D and E. See Exhibit I for details.

Note: There are discrepancies in the above-referenced Kauai County certification letter dated May 30, 1991 (Exhibit I) which are clarified in subsequent letters dated February 7, 1992, June 2, 1992, July 22, 1992 and July 24, 1992, attached as Exhibit J.

**10. Conformance to Present Zoning Code**

- a.  No variances to zoning code have been granted.  
 Variance(s) to zoning code was/were granted as follows:

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

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

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

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit     E     describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit     E    

as follows:

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

NOTE: Land areas referred to herein are not 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 November 20, 1991 and issued by FIRST AMERICAN TITLE INSURANCE CO. Developer represents that since that date there have been no further encumbrances.

**Blanket Liens:**

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

Type of Lien

Effect on Buyer's Interest  
If Developer Defaults

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

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

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other \_\_\_\_\_

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

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

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

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

**H. Utility Charges for Apartments:**

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

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other \_\_\_\_\_

**I. Construction Warranties:**

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

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

J. Status of Construction and Estimated Completion Date:

Construction was complete on the Units according to schedule below:

Unit A:	Main House	1984	Unit C:	Main House	1982
	Guest House	1980	Unit D:	Storage	1980
	Shed	1984	Unit E:	Main House	1981
Unit B:	Main House	1984		Shed	1981

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:

NONE

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated  November 19, 1991

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

Other  Registration Forms

#### IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

This is a condominium project, not a subdivision. Therefore, units purchased are not subdivided lots. If a residence is not already built, 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.

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, agreement 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 the Declaration of Protective Covenants and House Rules. Except as limited specifically by the project documents of record, all uses permitted in the Residential (R-4) Zone are permitted. See Kauai County Comprehensive Zoning Ordinance, Article 8.7. In relation to specifically permitted uses of buildings and other improvements, structures shall only be occupied or used for residential uses, and/or other uses permitted by law and the recorded project documents.

The Declaration of Protective Covenants and House Rules are attached hereto as Exhibit K and should be reviewed carefully.

Please also see the advisory letters from the Kauai County Planning Department attached as Exhibits I and J.

A buyer should understand that 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 the project will not necessarily receive the same County benefits as owners of approved subdivided lots; owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

**SPECIAL DISCLOSURE REGARDING UNIT A:**

Unit A is entitled to the Guest House for this project. The guest house cannot be divided to create another unit, and cannot be sold separately. It must be used in conjunction with one of the Units of the project.

**SPECIAL DISCLOSURE REGARDING UNIT D:**

Currently, Unit D cannot construct a residence because the County of Kauai Department of Water has determined that present water delivery facilities are inadequate to allow further residential construction on Unit D's limited common element. Upon the upgrading of the water delivery system sufficient to permit further residential construction, Unit D shall be entitled to a residence on its limited common element.

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

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

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

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

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

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

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

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

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

**B. Rights Under the Sales Contract:**

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

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

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

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

This Public Report is part of Registration No. 2070 filed with the Real Estate Commission on  
May 12, 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.



MARCUS NISHIKAWA, Chair  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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







**EXHIBIT B**  
**SUMMARY OF SALES CONTRACT**

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

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

2. The closing date for the purchase.

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

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

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

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

(c) After issuance of the Final Public Report and Buyer's waiver of its right to cancel under Hawaii Revised Statutes Section 514A-62, Purchaser shall not have the right to rescind the contract.

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

(e) If Purchaser defaults, Seller may cancel the contract or bring legal action against Purchaser to force sale or obtain money damages.

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

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

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

(i) The purchaser will accept the Unit "AS-IS".

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

(k) Time is of the essence of the obligations of Purchaser under the contract.

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

END OF EXHIBIT B

EXHIBIT C

**SCHEDULE OF APARTMENTS AND COMMON INTERESTS  
FOR ANAHOLA LOTS CONDOMINIUM**

Bldg. No.	Apt. No.	Area of Limited Common Element (Sq. Ft.)	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Storage Shed Area (Sq. Ft.)	% of Common Int.
#1	A	10,510	2 / 1	1295	704 (Lanai)	20
#2			1 / 1	500	1104 (Lanai/Garage)	
#3			- 0 -	- 0 -	688 (Storage)	
#4	B	10,047	3 / 2	1385	520 (Lanai)	20
#5			- 0 -	- 0 -	64 (Storage)	
#6	C	9,646	2 / 1	892	268 (Lanai)	20
#7	D	9,518	- 0 -	- 0 -	160 (Storage)	20
#8	E	9,812	4 / 1	1740	260 (Lanai)	20
#9			- 0 -	- 0 -	400 (Storage/ Garage)	

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use his unit, alter or add to it in any manner he deems desirable, so long as it is permitted by law and the Declaration of Protective Covenants and Building Rules. 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 of Condominium Property Regime together with their respective signatures. See Exhibit I for cautionary comments from the County of Kauai Planning Department.

END OF EXHIBIT C

## EXHIBIT D

### SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and MICHAEL CHANDLER, Developer of Anahola Lots Condominium (the "Developer") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Developer enters into a sales contract for the sale of an apartment, Developer 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 Developer.

3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing, unless: (a) purchaser has elected within seven days of signing the purchase contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Final Public Report on the project or the requirements of the Sales Contract have not been met; or (c) Developer has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.

4. Escrow will return deposited sums to the Buyer without interest if Developer and purchaser give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged purchaser. Thereafter, in the event of a cancellation as a matter of agreement or right, purchaser's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.

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

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

\* \* \* \* \*

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

END OF EXHIBIT D

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

(a) Land in fee simple;

(b) All future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;

(c) Any and all other elements and facilities in common use or necessary to the existence, upkeep and safety of the Project.

Limited Common Elements of Project

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

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

<u>Unit Number</u>	<u>Area of Limited Common Element</u>	
A	10,510 square feet	NOTE: Land areas described herein are not legally subdivided lots.
B	10,047 square feet	
C	9,646 square feet	
D	9,518 square feet	
E	9,812 square feet	

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

END OF EXHIBIT E

**EXHIBIT F**  
**Encumbrances Against Title**

1. For real property taxes as may be due and owing, reference is made to the Director of Finance, County of Kauai. Tax Map Key: (4) 4-8-11:15
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Ditch through land under search per Tax Map, but no recorded easement.

4. RIGHT OF ENTRY

In favor of: Hawaiian Telephone Company, a Hawaii corporation, and Citizen Utilities Company, a Delaware corporation duly authorized to do business in the State of Hawaii

Dated: January 5, 1981

Liber: 15430

Page: 331

Purpose: Granting an easement for utility purposes

5. The terms and provisions of that certain Trust Agreement creating Land Trust No. 89761 dated December 12, 1980, to which reference is hereby made.

6. The effects, if any, of the following:

- a. ASSIGNMENT OF BENEFICIAL INTEREST IN LAND TRUST; AND SATISFACTION OF AGREEMENT OF SALE

Assignor: Vernon K. White and Emmaline L. White, husband and wife

Purchaser: Jack B. Young, husband of Nancy Patsy Young, formerly Nancy Patsy Snelling-20%; Nick Sprinkel, husband of Pauline Lau Sprinkel-20%; Michael Hutman, husband of Evangeline G. Hutman-20%; Michael Chandler, husband of Shelley D. Chandler-20%; Nancy Patsy Young, formerly Nancy Patsy Snelling, wife of Jack B. Young-20%.

Dated: April 22, 1986

Liber: 19567

Page: 295

- b. Terms and provisions of that certain Waiver and Indemnity Agreement made by and between Nick Sprinkel and Pauline Sprinkel, husband and wife, "Owners", and County of Kauai dated November 30, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18436, Page 440, re: indemnifying the County, et al., against any loss, damage, etc., due to flooding.
- c. Terms and provision of that certain Waiver and Indemnity Agreement made by and between Michael Hutman, "Owner" and County of Kauai, dated December 18, 1984, recorded in said Bureau in Liber 18436, Page 444, re: indemnifying the County, et al., against any loss, damage, etc., due to flooding.
- d. Terms and provisions of that certain Waiver and Indemnity Agreement made by and between Jack B. Young and Patsy Young, husband and wife, "Owners", and said County of Kauai, dated November 13, 1984, recorded in said Bureau in Liber 18436, Page 448, re: indemnifying the County, et al., against any loss, damage, etc., due to flooding.
- e. Terms and provisions of that certain Waiver and Indemnity Agreement made by and between N.P. Snelling and Jack B. Young, husband and wife, "Owners", and said County of Kauai, dated November 13, 1984, recorded in said Bureau in Liber 18436, Page 452, re: indemnifying the County, et al., against any loss, damage, etc., due to flooding.
- f. Terms and provisions of that certain Waiver and Indemnity Agreement made by and between Michael Chandler, "Owner", and said County of Kauai, dated November 13, 1984, recorded in said Bureau in Liber 18436, Page 456, re: indemnifying the County, et al., against any loss, damage, etc., due to flooding.
8. Any facts or findings a modern metes and bounds survey may reveal.
9. The fact that the subject premises does not have recorded access rights to and from a public street.

NOTE: By License Easement No. 97 dated April 14, 1978, recorded in said Bureau in Liber 12902 Page 603, by and between the State of Hawaii, Department of Hawaiian Home Lands, as "Licensor" and Vernon K. White and Emmaline L. White, husband and wife, as "Licensee", a non-transferable easement for access and utility purposes was granted to said Licensee over a portion of Tax Map Key (4) 4-8-11:16 and no assignment, with consent, appears of record in favor of the vestees herein named.

10. Condominium Map No. 1573, recorded in said Bureau, and amended by First Amended Condominium File Plan dated July 7, 1992.

11. Restrictions, covenants, agreements, obligations, conditions, easements and other provisions set forth in Declaration of Condominium Property Regime dated October 14, 1991, recorded in said Bureau as Document No. 91-152651, as amended by First Amendment to Declaration of Condominium Property Regime dated July 7, 1992, recorded in Document No. 92-108644.
12. Restrictions, covenants, agreements, obligations, conditions, and other provisions set forth in Bylaws of the Association of Condominium Owners of Anahola Lots Condominium dated October 14, 1991, recorded in said Bureau as Document No. 91-152652.
13. Restrictions, covenants and conditions as contained in:  
  
DECLARATION OF PROTECTIVE COVENANTS AND HOUSE RULES FOR ANAHOLA LOTS CONDOMINIUM  
  
Dated: October 14, 1991  
Document No. 91-152653, to which reference is hereby made, but deleting restrictions, if any, based on race, color, religion or national origin.
14. All exclusive and non-exclusive easements mentioned in said Declaration, and/or as shown on Condominium Map No. 1573.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR  
ANAHOLA LOTS CONDOMINIUM

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

1. The developer of the project is MICHAEL CHANDLER, P.O. Box 355, Anahola, HI 96703; (808) 822-4499.
2. See Exhibit H for the projected annual maintenance fees. The developer hereby certifies that the estimations have been based on generally accepted accounting principles.
3. No warranty will apply to any individual agricultural unit. There are pre-existing structures on the property and no warranty will be made regarding the agricultural buildings.
4. No condominium units will be used for both hotel and residential use; these are condominium units in which residential use is permitted, but hotel use is not.
5. There will be no commercial use except those activities permitted by the Kauai County Comprehensive Zoning Ordinance.

  
MICHAEL CHANDLER

Dated: Nov 19, 1991

---

RECEIPT

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

Purchaser(s)

---

EXHIBIT       H      

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
Unit A	65.33	784.00
Unit B	65.33	784.00
Unit C	65.33	784.00
Unit D	65.33	784.00
Unit E	65.33	784.00

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:

Mo      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

100.00

1200.00

Maintenance, Repairs and Supplies

Road

Building

Grounds

10.00

120.00

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

12.00

300.00

Reserves

Taxes and Government Assessments

191.67

2300.00

Audit Fees

Other

TOTAL

784.00

3920.00

I/We, MICHAEL CHANDLER, 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.



Michael Chandler

Date: Nov 19, 1991

JOANN A. YUKIMURA  
MAYOR



PETER A. NAKAMURA  
PLANNING DIRECTOR

ROLAND D. SAGUM, III  
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

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

May 30, 1991

Mr. Steven R. Lee  
Attorney at Law  
P.O. Box 1166  
Lihue, Hawaii 96766

Subject: Certification of Inspection of Existing Buildings for  
Anahola Lots Condominium at Anahola, Kauai  
TMK: 4-8-11:15

The developer of the above-mentioned condominium project ("project") has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai (Section 514A-39, HRS). Subject to the disclosures and waiver (item "c" below) specified herein, we certify the following:

- a. The developer has contracted an architect certify that the project is in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the condition of waiver herein, the Planning Department adopts that certification as it pertains to our requirements.
- b. We have no record of any zoning variances that have been granted on the subject property.
- c. WAIVER

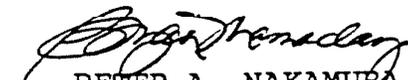
The foregoing certification is not a warranty as to any aforementioned compliance, nor a representation as to the condition of the property in question. No rights against the County of Kauai shall arise as a result of this certification. The sole reason for the execution

Mr. Steven R. Lee  
Page 2  
May 30, 1991

hereof is to comply with statutory requirements relating to the regulation of condominiums under Subsection 514(A), HRS. This certification shall not be construed to guarantee that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply to all applicable County Codes and Ordinances. It should also be noted that the Condominium Property Regime (CPR) does not 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 emergency traffic, drainage facilities, etc., will not be provided. Further, such services as County street maintenance and trash collection will not be available for interior roads and driveways, if any.

Please note that the condominium of the property does not create separate lots with separate interests. Furthermore, the number of limited common elements or CPR units proposed for this parcel should not exceed the number of dwelling units, including Additional Dwelling Units (ADU), permitted by the respective zoning district. It is recommended that the developer resolve the allowable density with the Planning Department prior to the filing of the Notice of Intention for the proposed condominium with the Real Estate Commission.

If you have any questions, please contact Bryan Mamaclay of my staff at 245-3919.

  
PETER A. NAKAMURA  
for Planning Director

Young-Kosa Associates  
An Architectural Corporation

April 15, 1991

Hawaii State Bureau of Conveyances  
P.O. Box 2867  
Honolulu, hi. 96813

Hawaii Real Estate Commission  
Atten: Ms. Kiley Chun-Kawakami  
828 Fort St. Mall, Suite 600  
Honolulu, Hi. 96813

To whom it may concern,

This office has inspected 5 Units and improvements located thereon of the ANAHOLA LOTS T.M.K. 4.8.11.15 in Anahola, Kauai to wit:

Unit A Living area	1295 sf,	Lanai 704sf	Total	1,999.
Unit A Guest, Living	500sf,	Lanai 1104sf,	Total	1,604.
Unit A Storage	688sf		Total	688.
Unit B Living	1385sf,	Lanai 520sf. stor-		
	age 480sf		Total	2,385.
Unit C Living	892 sf,	Lanai 268sf	Total	1,160.
Unit D Storage	160 sf.		Total	160.
Unit E Living	1740 sf,	Lanai 260sf	Total	2,000.
Unit E Garage Storage	400sf		Total	400.

The inspection has included the exterior roof, foundations, visible electrical and plumbing systems, and I find as follows,

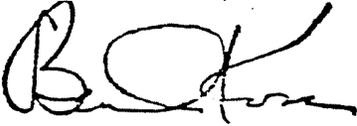
1. Due to the age of the structures, no records of the County of Kauai Planning Dept. or Building Dept. currently exist, which show approved plans or specifications for the improvements on Unit A.
2. The improvements appear to be constructed in the manner described in the drawings constituting the condominium file plan for ANAHOLA LOTS including specifically Unit A.
3. The systems and components of the improvements, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition on Unit A.
4. Without conducting invasive examinations of covered plumbing electrical and structural components, the improvements appear to be constructed in conformity with the County of Kauai Rules and Regulations applicable to construction at the time of construction thereof, including specifically Unit A.

**Young-Kosa Associa.**  
An Architectural Corporation

April 15, 1991

THIS IS NOT A WARRANTY OF COMPLIANCE WITH ALL RULES AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

Very Truly yours,



Ben Kosa

CC Steven Lee, Esq.



**Young-Kosa Associates**  
An Architectural Corporation

April 15, 1991

Hawaii State Bureau of Conveyances  
P.O. Box 2867  
Honolulu, hi. 96813

Hawaii Real Estate Commission  
Atten: Ms. Kiley Chun-Kawakami  
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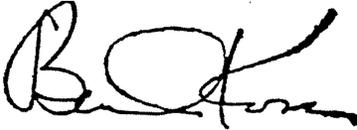
1. Due to the age of the structures, no records of the County of Kauai Planning Dept. or Building Dept. currently exist, which show approved plans or specifications for the improvements on Unit B.
2. The improvements appear to be constructed in the manner described in the drawings constituting the condominium file plan for ANAHOLA LOTS including specifically Unit B.
3. The systems and components of the improvements, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition on Unit B.
4. Without conducting invasive examinations of covered plumbing electrical and structural components, the improvements appear to be constructed in conformity with the County of Kauai Rules and Regulations applicable to construction at the time of construction thereof, including specifically Unit B.

Young-Kosa Associa~~l~~ \_  
An Architectural Corporation

April 15, 1991

THIS IS NOT A WARRANTY OF COMPLIANCE WITH ALL RULES AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

Very Truly yours,



Ben Kosa

CC Steven Lee, Esq.



EXHIBIT I  
Page 6

**Young-Kosa Associates**  
An Architectural Corporation

April 15, 1991

Hawaii State Bureau of Conveyances  
P.O. Box 2867  
Honolulu, hi. 96813

Hawaii Real Estate Commission  
Atten: Ms. Kiley Chun-Kawakami  
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Unit E Garage Storage	400sf		Total	400.

The inspection has included the exterior roof, foundations, visible electrical and plumbing systems, and I find as follows,

1. Due to the age of the structures, no records of the County of Kauai Planning Dept. or Building Dept. currently exist, which show approved plans or specifications for the improvements on Unit C.
2. The improvements appear to be constructed in the manner described in the drawings constituting the condominium file plan for ANAHOLA LOTS including specifically Unit C.
3. The systems and components of the improvements, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition on Unit C.
4. Without conducting invasive examinations of covered plumbing electrical and structural components, the improvements appear to be constructed in conformity with the County of Kauai Rules and Regulations applicable to construction at the time of construction thereof, including specifically Unit C.

Young-Kosa Associa  
An Architectural Corporation

April 15, 1991

THIS IS NOT A WARRANTY OF COMPLIANCE WITH ALL RULES AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

Very Truly yours,



Ben Kosa

CC Steven Lee, Esq.



**Young-Kosa Associates**  
An Architectural Corporation

April 15, 1991

Hawaii State Bureau of Conveyances  
P.O. Box 2867  
Honolulu, hi. 96813

Hawaii Real Estate Commission  
Atten: Ms. Kiley Chun-Kawakami  
828 Fort St. Mall, Suite 600  
Honolulu, Hi. 96813

To whom it may concern,

This office has inspected 5 Units and improvements located thereon of the ANAHOLA LOTS T.M.K. 4.8.11.15 in Anahola, Kauai, to wit:

Unit A Living area 1295 sf, Lanai 704sf	Total	1,999.
Unit A Guest, Living 500sf, Lanai 1104sf,	Total	1,604.
Unit A Storage 688sf	Total	688.
Unit B Living 1385sf, Lanai 520sf. stor- age 480sf	Total	2,385.
Unit C Living 892 sf, Lanai 268sf	Total	1,160.
Unit D Storage 160 sf.	Total	160.
Unit E Living 1740 sf, Lanai 260sf	Total	2,000.
Unit E Garage Storage 400sf	Total	400.

The inspection has included the exterior roof, foundations, visible electrical and plumbing systems, and I find as follows,

1. Due to the age of the structures, no records of the County of Kauai Planning Dept. or Building Dept. currently exist, which show approved plans or specifications for the improvements on Unit D.
2. The improvements appear to be constructed in the manner described in the drawings constituting the condominium file plan for ANAHOLA LOTS including specifically Unit D.
3. The systems and components of the improvements, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in ~~good~~ condition on Unit D. POOR CONDITION
4. Without conducting invasive examinations of covered plumbing electrical and structural components, the improvements appear to be constructed in conformity with the County of Kauai Rules and Regulations applicable to construction at the time of construction thereof, including specifically Unit D.

UNIT D IS IN POOR AND DETERIORATING CONDITION. AS IT IS FOR STORAGE ONLY, IT SEEMS NOT WORTH ADDITIONAL REPAIR AT THIS TIME.

**Young-Kosa Associa.—**  
An Architectural Corporation

April 15, 1991

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Very Truly yours,



Ben Kosa

CC Steven Lee, Esq.



- Young-Kosa Associates  
An Architectural Corpora

April 15, 1991

Hawaii State Bureau of Conveyances  
P.O. Box 2867  
Honolulu, hi. 96813

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To whom it may concern,

This office has inspected 5 Units and improvements located thereon of the ANAHOLA LOTS T.M.K. 4.8.11.15 in Anahola, Kauai, to wit:

Unit A Living area	1295 sf,	Lanai 704sf	Total	1,999.
Unit A Guest, Living	500sf,	Lanai 1104sf,	Total	1,604.
Unit A Storage	688sf		Total	688.
Unit B Living	1385sf,	Lanai 520sf. stor-		
	age 480sf		Total	2,385.
Unit C Living	892 sf,	Lanai 268sf	Total	1,160.
Unit D Storage	160 sf.		Total	160.
Unit E Living	1740 sf,	Lanai 260sf	Total	2,000.
Unit E Garage Storage	400sf		Total	400.

The inspection has included the exterior roof, foundations, visible electrical and plumbing systems, and I find as follows,

1. Due to the age of the structures, no records of the County of Kauai Planning Dept. or Building Dept. currently exist, which show approved plans or specifications for the improvements on Unit E.
2. The improvements appear to be constructed in the manner described in the drawings constituting the condominium file plan for ANAHOLA LOTS including specifically Unit E.
3. The systems and components of the improvements, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition on Unit E.
4. Without conducting invasive examinations of covered plumbing electrical and structural components, the improvements appear to be constructed in conformity with the County of Kauai Rules and Regulations applicable to construction at the time of construction thereof, including specifically Unit E.

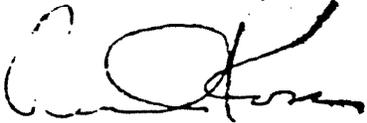
EXHIBIT I  
Page 11

Young-Kosa Associa—  
An Architectural Corporation

April 15, 1991

THIS IS NOT A WARRANTY OF COMPLIANCE WITH ALL RULES AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPAR-  
ENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY  
THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE  
COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

Very Truly yours,



Ben Kosa

CC Steven Lee, Esq.



Page 12  
END OF EXHIBIT I

JOANN A. YUKIMURA  
MAYOR



PETER A. NAKAMURA  
PLANNING DIRECTOR

ROLAND D. SAGUM, III  
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

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

February 7, 1992

Mr. Calvin Kimura, Executive Secretary  
Real Estate Commission  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
828 Fort Street Mall, Suite 600  
Honolulu, Hawaii 96813

Subject: Comments on Anahola Lots Condominium Report  
Tax Map Key:4-8-11:15  
Anahola, Kauai  
LOTR: 12/04/91, 01/31/92

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

The amount of limited common elements proposed corresponds to the allowable unit density permitted by the CZO. The subject property is zoned Residential District (R-4) and qualifies for five (5) units.

In reviewing the draft condominium report and map, we find that there are discrepancies between the information provided in these documents and the initial certification review process as provided in our letter of May 30, 1991. Such discrepancies prompted the department to conduct a more thorough review of the applicable zoning permits issued on this property. The discrepancies are noted as follows:

1. The existing structure identified as a guest house on Unit A was approved as a single family residence in 1980 (Permit # Z-862-80). In order to confirm the function of this structure as a guest house, a Class I Zoning Permit is required to recognize the change in use. Such conversion would be permissible, however, the CPR must disclose that:

Mr. Calvin Kimura, Executive Secretary  
Real Estate Commission  
Page 2  
February 7, 1992

- a. in accordance with the department's guest house requirements, the garage attached to the guest house shall serve the main dwelling on Unit A;
  - b. no other garage, detached or attached to the main dwelling, can be constructed in the future;
2. During the certification review process, the Unit A storage building containing a floor area of 688 square feet was identified solely as a storage building. The condominium map identifies this structure as a "storage-studio". Any residential use of this structure is prohibited. The specific use of this structure must be clarified accordingly.
  3. There is no record of any zoning permit issued for the "shed" on Unit B.
  4. One of the dwelling units in this project is incorrectly identified as a "studio-shed" in Unit B.
  5. Although a zoning permit was issued (Z-644-84) for the construction of the Unit E garage, the existing status of this structure indicate that there were additional improvements to the structure without the proper zoning and building permit applications as evidenced by the plans attached to the condominium map and the plans currently on file with the aforementioned zoning permit.

Based on the foregoing, it is imperative that the developer resolve these discrepancies prior to issuance of the final Condominium Report. The developer is further advised that any further development proposals on this property will not be accepted for review and because the department currently recognizes five(5) single family dwellings on the property, construction of a dwelling unit on Unit D is prohibited at this time.

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 Public Report to be a legal subdivision of land.

Mr. Calvin Kimura, Executive Secretary  
Real Estate Commission  
Page 3  
February 7, 1992

There should be a disclosure provision written into this and all ensuing condominium reports stating that the report should not mean that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply with all applicable County Codes and Ordinances. It should also be made clear that the Condominium Public Report 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 emergency traffic, drainage facilities, etc., may not necessarily be provided for. Further, such services as County street maintenance and trash collection will not be available for interior road/driveways.

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

  
PETER A. NAKAMURA  
Planning Director

xc: Steven R. Lee

ANAHOLOT.CPR

EXHIBIT J  
Page 3

JOANN A. YUKIMURA  
MAYOR



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

PETER A. NAKAMURA  
PLANNING DIRECTOR

Jeffrey R. Lacy  
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

June 2, 1992

Mr. Jack Young  
P.O. Box 125  
Anahola, Hawaii 96703

Subject: Removal of plastic covering over shade arbor ; UNIT A  
TMK 4-8-11: 15  
Anahola, Kauai

A field investigation was conducted on June 2, 1992 at which time it was noted that the plastic covering over the shade arbor has been removed to meet the square footage requirements of a guest cottage.

Please be advised that should the plastic awning be put back on the shade arbor area, or more permanent improvements be constructed on the arbor, said improvements will violate the CZO restrictions relative to guest cottage size.

Should you have any questions, please call me at 245-3919.

A handwritten signature in cursive script, reading "Ross K. Fernandez".

ROSS K. FERNANDEZ  
CZM Inspector-Technician

JOANN A. YUKIMURA  
MAYOR



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

PETER A. NAKAMURA  
PLANNING DIRECTOR

Jeffrey R. Lacy  
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

June 2, 1992

Jack Young  
P.O. Box 125  
Anahola, Hawaii 96703

Subject: Conversion of Single-Family Residence To A Guest Cottage  
TMK: 4-8-11:15  
Anahola, Kauai

As a follow-up to your letter of May 10, 1992 regarding the conversion of a unit back to a guest cottage, the Department conducted a field investigation on February 8, 1991 prior to the approval of your application for another dwelling. At the time of the investigation, it was noted that the structure which was previously considered a single-family residence because of the kitchen facilities has been converted back to a guest cottage and is been utilized as such. The only concern has been the shade arbor over the deck counting towards the 500-square-foot floor area limitation for guest cottages.

In order for the structure to be considered in compliance with the guest cottage requirements, the plastic covering on the shade arbor over the deck must be removed to meet the floor area limitation. Furthermore, the shade arbor area shall not at any time be utilized as habitable space.

Should you have further questions, please call me at 245-3919.

A handwritten signature in cursive script that reads "Ross K. Fernandez".

ROSS K. FERNANDEZ  
CZM Inspector-Technician

JOANN A. YUKIMURA  
MAYOR



7/24/92

JEFFREY LACY  
PLANNING DIRECTOR

DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

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

COPY

July 22, 1992

Mr. Calvin Kimura, Executive Secretary  
Real Estate Commission  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
250 South King Street, Suite 702  
Honolulu, Hawaii 96813

Subject: Comments on Anahola Lots Condominium Report  
Tax Map Key:4-8-11:15  
Anahola, Kauai  
LOTR:4/16/92

As a supplement to our letter of February 7, 1992, this is to acknowledge receipt from the developer's attorney of a copy of revised pages 2 and 18 of the condominium public report for the subject project.

The contents of the revised pages are noted to adequately address the concerns stipulated in our February 7, 1992 letter relating to the restriction of a dwelling unit on Unit D. Therefore, we have no objections to the issuance of the final public report for the project based on the revised disclosure statements on pages 2 and 18.

If you have any questions, feel free to call Bryan Mamaclay of my staff at 245-3919.

  
JEFFREY LACY  
Planning Director

cc: Steven R. Lee

EXHIBIT K

91-152653

STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED

91 NOV 6 AM 8 01

S. FURUKAWA, REGISTRAR *df*

AFTER RECORDATION RETURN BY MAIL [ X ] PICK UP [ ]  
STEVEN R. LEE, Attorney At Law  
2959 Umi Street, Suite 300  
Lihue, Hawaii 96766

TG ACCOM 123321B (3) RS

TITLE OF DOCUMENT: DECLARATION OF PROTECTIVE COVENANTS AND  
HOUSE RULES FOR ANAHOLA LOTS CONDOMINIUM

PROPERTY DESCRIPTION: TMK No.: (4) 4-8-11:15

KNOW ALL MEN BY THESE PRESENTS:

DECLARATION OF PROTECTIVE COVENANTS AND HOUSE RULES  
FOR ANAHOLA LOTS CONDOMINIUM

The undersigned are the owners of the real property affected by this document, and they adopt the following for the ANAHOLA LOTS CONDOMINIUM. The purpose of these Protective Covenants and Building Rules (herein referred to as "Building Rules") is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of the ANAHOLA LOTS CONDOMINIUM, hereinafter referred to as "Project," and to provide for the maximum enjoyment of the premises, with protection of all owners reasonable expectations. All owners and occupants, their agents, employees and invitees shall be bound by these Building Rules and by standards of reasonable conduct, whether covered by these Building Rules or not.

IT IS UNDERSTOOD THAT HAWAIIAN TRUST COMPANY, LIMITED is entering into this document solely in its capacity as Trustee as aforesaid, and is not assuming any personal liability in its corporate capacity.

1. Definitions. As used herein:

a. "Area" refers to the limited common element set aside for the exclusive use of each Unit owner.

b. "Unit" refers to the entire condominium interest held by an owner.

2. Building Permits. Any owner desiring to construct a single family dwelling in a unit will have to comply with the Kauai County building and zoning codes, as the same may be changed from time to time. The President of the Association of Unit Owners will give written authorization to each owner forthwith if planned improvements are not in violation of these Protective Covenants.

3. Water and Utilities. The water, electricity and telephone. Each Unit Owner will be required to connect such utilities to his respective improvements at his own cost and expense. All utilities in the condominium Area shall be placed underground.

4. Cesspools. There are no sewer lines and no sanitary sewer system. Each Unit will be required to have its own cesspool and septic system, to be located within its own limited common element Area.

5. Roadway. Each Unit owner will be responsible for clearing all vegetation and growth from his Area to the extent it enters the roadway element.

6. Storage. An Owner shall use materials and/or equipment that are maintained and kept in good working order and repair and will not allow any unused and/or junk material and/or vehicles to be stored and kept in the Area or in or on common elements.

7. Construction. In the construction of the dwelling and/or any other accessory building, the Unit owner shall not use quonset huts and/or any other materials that would create a nuisance on the Unit owner's property, or be so to the owners of other Units in the condominium project. Similarly, without sixty percent (60%) vote of all unit owners, no unit owner may construct any structures that substantially depart from the type of architecture present on the other units (this shall include the colors of such structures); nothing herein stated shall be deemed to preclude construction of what has become known as "plantation style, "hawaiian style," or "ranch style" residences, as those terms are commonly used in

architectural circles on Kauai. All finishes on the exteriors of structures, other than the initial farm sheds, shall be of natural colors, complimentary to earth tones.

8. Pets and Farm Animals / Noise in General.

Notwithstanding that this is a condominium, the following animals shall be precluded from possession by owners or occupants of the Project: bulls, pit bull or pit bull mixed dog, pigs, roosters, more than one dog of any permitted variety, peafowl, and any animals (including those permitted above) that create such levels of noise or noxious odors that two or more unit owners make written objection to the association of unit owners. In the latter case, offending owner(s) shall have 30 days in which to remedy the problem or to dispose of the offending animals.

9. Common Area Land. The Association shall determine and control the use of the Common Area lands, including but not limited to use for any farming, raising of animals, landscaping, maintenance and/or any other use which may be decided upon by the Association from time to time.

10. Noxious Activities. No unit owner or agent of a unit owner shall have the right or ability to spray noxious chemicals or pesticides within 100 feet of any unit boundary, and no aerial spraying of any kind shall be allowed. For the purposes of this paragraph, "noxious" shall be deemed to mean any chemical that presents a physical danger to humans, domestic pets and farm animals.

11. Common Element Expenses and Enforcement. The Association shall provide for such Common Area expenses necessary or desirable to maintain and keep the Project in acceptable condition. The Association shall have the power to enforce these Rules, including the assessment of the common expenses and the filing of a lien against any Unit owner failing to observe these Building Rules.

12. Repeal or Modification. These may be repealed or modified by Developer at any time prior to issuance of the Final Report by the State of Hawaii, Real Estate Commission. Thereafter they may be modified by an affirmative vote of the holders of sixty percent (60%) of the common interests in the Project.