

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:	Developer: Business Address: Project Name(*): Address:	Richard L. Stradley, Trustee of the Green Valley Investments under Trust dated May 10, 1993	
		PO Box 819, Kilauea, HI 96754	
		KAHUNA CONDOMINIUM	
		05-785 Kuhio Highway, Kilauea, HI 96754	
	Registration No.	2100	Effective date: <u>June 9, 2009</u> Expiration date: <u>July 9, 2010</u>

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, in any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY:
(yellow) 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 by the developer when complete information is filed.

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

SUPPLEMENTARY:
(pink) This report updates information contained in the:
[] Preliminary Public Report dated: _____
[X] Final Public Report dated: September 29, 1990
[] Supplementary Public Report dated: _____

And [X] Supersedes all prior public reports
[] Must be read together with _____
[] This report reactivates the _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report As Exhibit "G" [] 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 developer.

[X] Changes made are as follows:

1. New construction has been added to Units 1, 2 and 3. Unit 3 is listed for sale. Units 1 and 2 were sold under the prior report.
2. There are no Maintenance Fees due to no depreciable common elements and no management services.
3. Read Exhibit H (Protective Covenants) and Exhibit I (Letter from County of Kauai) attached. The prior four unit configuration was changed to three units on requirement of the County of Kauai per Exhibit I.
4. Richard Stradley, Trustee of Green Valley Investments is the successor Developer.
5. Address for the attorney for the Developer has been updated.

PURSUANT TO SECTION 514A-36, HRS, THE REAL ESTATE COMMISSION'S (COMMISSION'S) ISSUANCE OF AN EFFECTIVE DATE FOR A DEVELOPER'S PUBLIC REPORT SHALL NOT BE CONSTRUED TO CONSTITUTE THE COMMISSION'S APPROVAL OR DISAPPROVAL OF A CONDOMINIUM PROJECT, OR THE COMMISSION'S REPRESENTATION THAT ALL MATERIAL FACTS CONCERNING THE CONDOMINIUM PROJECT HAVE BEEN FULLY OR ADEQUATELY DISCLOSED. THUS, THE CHANGES NOTED HERE ARE BEING PROVIDED BY THE DEVELOPER FOR INFORMATIONAL PURPOSES ONLY. PURSUANT TO SECTION 514A-41, HRS, THE DEVELOPER HAS THE RESPONSIBILITY TO UPDATE THE INFORMATION CONTAINED IN THE DEVELOPER'S PUBLIC REPORT TO AVOID HAVING THE DEVELOPER'S PUBLIC REPORT MISLEAD PURCHASERS IN ANY MATERIAL RESPECT.

APPROXIMATELY EIGHTEEN YEARS HAVE LAPSED SINCE THE EXPIRATION DATE OF THE DEVELOPER'S FINAL PUBLIC REPORT. PURSUANT TO SECTION 16-107-19, HAWAII ADMINISTRATIVE RULES, SALES CONTRACTS EXECUTED DURING THE PERIOD THAT THE PUBLIC REPORT WAS NOT IN EFFECT MAY BE RESCINDED AT THE OPTION OF THE PURCHASER AND ALL MONIES REFUNDED TO PURCHASER. PURCHASER'S RIGHT TO RESCIND UNDER THIS RULE SHALL BE VOID THIRTY (30) CALENDAR DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION OF THESE RIGHTS FROM THE DEVELOPER OR HIS AGENT.

The public report format currently in use by the Real Estate Commission ("Commission") is different from that on which the Final Public Report for this project was issued. Although this Supplementary Report supersedes the earlier Final Public Report, if a prospective purchaser desires to compare the previous report to the Supplementary, information contained on a specific page of the Supplementary Report may not necessarily coincide to the same page number in the Final Public Report. Therefore, it is suggested that the table of contents be referred to when making comparisons between reports.

SPECIAL NOTICE:

1. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission, or any other governmental agency, nor does it imply 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 land area beneath and immediately adjacent to each unit, as shown on the Amended Condominium Map, is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Amended Condominium Map merely represent the location of the limited common element assigned to each unit.
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.

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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Richard Stradley, Trustee Phone: 307-527-5929
Name*
PO Box 819
Business Address
Kilauea, HI 96754

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker*: KAUAI ISLE REAL ESTATE Phone: (808) 822-9888
Name
441 Papaloa Road
Business Address
Kapaa, HI 96746

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211
Name
235 Queen Street, First Floor
Business Address
Honolulu, HI 96813

General Contractor*: _____ Phone: _____
Name

Business Address

Condominium Managing Agent*: SELF-MANAGED BY THE ASSOCIATION Phone: _____
Name
OF APARTMENT OWNERS
Business Address

Attorney for Developer: STEVEN R. LEE Phone: (808) 246-1101
Name
PO Box127
Business Address
Hanamaulu, Hawaii 96715

*For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded	- Bureau of Conveyances:	Document No.	90-073441
			Book	Page
<input type="checkbox"/>	Filed	- Land Court:	Document No.	

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment dated July 19, 1990, recorded as Document No. 90-110491
Second Amendment dated June 7, 2001, recorded as Document No. 2001106147
Third Amendment dated February 9, 2009, recorded as Document No. 2009-042437
Restated Third Amendment dated April 24, 2009, recorded as Document No. 2009-081241

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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded	- Bureau of Conveyances	Condo Map No.	1327
<input type="checkbox"/>	Filed	- Land Court	Condo Map No.	

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

(There was no first amendment of the condominium map)
Second Amendment dated June 7, 2001, recorded as Document No. 2001106147
Third Amendment dated February 9, 2009, recorded as Document No. 2009-042437
Restated Third Amendment dated April 24, 2009, recorded as Document No. 2009-081241

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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded	- Bureau of Conveyances:	Document No.	90-073442
			Book	Page
<input type="checkbox"/>	Filed	- Land Court:	Document No.	

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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 interests 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%*	75%
Bylaws	65%	65%
House Rules	---	

*The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

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:

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 05-785 Kuhio Highway Tax Map Key: (TMK): (4) 5-1-004-006: 0003
Kilauea, HI 96754 (Unit 3)

[] Address [] TMK is expected to change because n/a

Land Area: 8.27 [] square feet [X] acre(s) Zoning: Agricultural

Fee Owner: Unit 1: Shawn Murphy, Trustee and Doreen D. Murphy, Trustee
 Name
 Unit 2: William E. Chase and Mary E. Chase
 Unit 3: Richard L. Stradley, Trustee

Lessor: N/A
 Name
 Business Address

C. **Buildings and Other Improvements:**

- 1. New Building(s)
- Conversion of Existing Building(s)
- Both New Building(s) and Conversion

2. Number of Buildings: 7 Floors Per Building: Unit 1: 2 floors
 Unit 2: 1 floor
 Unit 3: 3 floors
 Exhibit contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other: _____

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted by Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Residential/Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	<u>3</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

Pets: See Bylaws Section 5.3(9) and Protective Covenants and Building Rules (Exhibit H)

Number of Occupants: _____

Other: An owner must engage in agricultural actively to be permitted to construct a residence.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>Bed/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>Identify</u>
<u>Unit 1</u>	<u>1</u>	<u>2 / 3</u>	<u>3,305</u>	<u>616</u>	<u>Carport</u>
	<u>1</u>	<u>---</u>	<u>---</u>	<u>561</u>	<u>Uncovered Deck</u>
	<u>1</u>			<u>214</u>	<u>Roof Deck</u>
	<u>1</u>			<u>137</u>	<u>Porch</u>
	<u>1</u>	<u>1 3/4</u>		<u>1,700</u>	<u>Barn</u>
<u>Unit 2</u>	<u>1</u>	<u>3 / 2 1/2</u>	<u>2,607</u>	<u>831</u>	<u>Lanai, breezeway</u>
	<u>1</u>			<u>341</u>	<u>Carport</u>
<u>Unit 3</u>	<u>1</u>		<u>3,268</u>	<u>985</u>	<u>Lanai/Deck</u>
	<u>1</u>			<u>400</u>	<u>Carport</u>
	<u>1</u>	<u>1/2</u>		<u>374/134</u>	<u>Shed #1 & Deck</u>
	<u>1</u>			<u>374</u>	<u>Shed #2</u>

Total number of Apartments: 3

***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: Per the Declaration of Condominium Property Regime, the boundaries of each apartment shall be the outer surface of the entire 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 a part of the apartment, the same being deemed common elements.

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai 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 will be required to disclose actual improvements as a matter of public record.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by Section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

11. Conformance to Present Zoning Code:

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

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

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

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

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

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

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

D. Common Elements, Limited Common Elements, Common Interests:

1. Common Elements. Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit E.

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 use them, as described in the Declaration, are:

described in Exhibit E.

as follows:

3. **Common Interests:** Each apartment will have an undivided fractional interests in all of the common elements. This interest is called the "common interests." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit C.

as follows:

E. **Encumbrances Against Title:**

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property on or your purchase and ownership of an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated April 2, 2009 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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F. 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

G. **Status of Construction and Date of Completion or Estimated Completion Date:**

The Unit 1 farm dwelling was constructed in 1994 and renovations were completed in 2004

The Unit 2 farm dwelling was constructed around 1990 and renovations completed in 2004

The Unit 3 farm dwelling was constructed in 1996 and renovations completed in 2006

H. **Project Phases:**

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. **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 condominium-managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliated is the initial condominium 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 condominium-managing agent for this project, named on page five (5) of this report is:

not affiliated with the Developer the Developer or the Developer's affiliate
 self-managed by the Association of Apartment Owners Other: _____

B. **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, a lien may be placed on your apartment and the apartment may be 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.

Exhibit H contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change). There are no maintenance fees for this project.

C. **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:

None Electricity Common Elements only Common Elements & Apartments
 Gas Common Elements only Common Elements & Apartments
 Water Sewer Television Cable
 Other: _____

V. MISCELLANEOUS

A. 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 February 13, 2009
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other: _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) 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.

2. **Rights Under the Sales Contract:** Before signing the sales contract, prospective buyers should ask to see and carefully review all the documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 2100 filed with the Real Estate Commission on July 14, 1989

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above:**

1. It has been discovered by the Project surveyor that the existing physical access to Kuhio Highway for this Project may be in a location which is inconsistent with current applicable State of Hawaii approved access standards for the Project. Should the need arise in the future, the owner of Unit 1 agrees to grant an access easement over a portion of Unit 1 to allow physical access for the Project to enter Kuhio Highway as required by law. If, as and when the State of Hawaii requires relocation of the Project's highway entry, the Association is authorized to create new entry improvements at common expense. The specific design and costs shall be subject to reasonable notice to the owner of Unit 1 with an opportunity to be heard by the State of Hawaii as allowed by law. In the event of relocation the Association shall further be required to insure the restoration of the prior access to a condition similar to the balance of Unit 1's highway frontage and the conversion of any abandoned common element to the limited common element of Unit 1 in exchange for the new area of Unit 1 being dedicated to highway access.

2. There are no maintenance fees for this project. The common entry is unpaved.

- D. The developer declares subject to the penalties set forth in Section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Richard Stradley, Trustee
Printed Name of Developer

By:  Trustee 4/8/09
Duly Authorized Signatory* Date

Richard Stradley, Trustee
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, COUNTY OF KAUAI

Planning Department, COUNTY OF KAUAI

***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner, Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

KAUAI BELT ROAD

288°22'40" — 222.17
196.23

UNIT 1
(3.16 acres)
Limited Common
Element



208.67

ROADWAY
(0.609 acres)
Common Element



2066.73

UNIT 2
(1.000 acres)
Limited Common
Element



281.57

146.17
92°53'05"
171.17



253.02

UNIT 3
(3.437 acres)
Limited Common
Element



990.10

102.34
DAYS SUPPLY
Building



167.40507

17.581
100°50'30"

TRUE NORTH
Scale: 1 in. = 100 ft.

AMENDED MAP NO. 1327
KAHUNA AGRICULTURAL CONDOMINIUM
UNITS 1 THRU 3 INCLUSIVE
AND ROADWAY (COMMON ELEMENT)
PARCEL L-20, PORTION OF BERTELMANN SUBDIVISION
BEING ALSO R.P. 7060, L.C. AN. 8554-B, APANA 40
PILAA, HANAIEI, KAUAI, HAWAII
TAX MAP KEY: 5-1-04: 6
OWNER: ADAM WEAVER



THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION

Wayne T. Wald

ESAKI SURVEYING & MAPPING, INC.
EXPIRES: APRIL 30, 2010

ESAKI SURVEYING & MAPPING, INC.
Civil Engineers - Land Surveyors - Planners

Job Number: 08-24 EG
Drawing File: 08-24(revised).dwg

1610 Halekono Street
Lihue, Kauai, Hawaii 96766

EXHIBIT "B"

Summary of Pertinent Provisions of Sales Contract

The sales contract contains the price, description and location of the unit and other terms and conditions under which a buyer will agree to buy a unit in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.
2. That a buyer's deposits will be held in escrow until the sales contract is closed or cancelled.
3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. That in the event of default:
If the buyer defaults:
 - (a) Seller may bring an action for breach of contract;
 - (b) Seller may retain the deposits as liquidated damages;
 - (c) Buyer is responsible for any costs incurred under the sales contract.
If the seller defaults:
 - (a) Buyer may bring an action for breach of contract;
 - (b) Buyer may bring an action for specific performance;
 - (c) Seller is responsible for any costs incurred under the sales contract.

The prevailing party is entitled to recover all costs incurred including responsible attorney's fees. Escrow fees incurred shall be deducted before disbursement to the prevailing party.

Summary of Pertinent Provisions of Addendum to Sales Contract

This Project utilizes a Condominium Addendum to Sales Contract (the "Addendum") to be used in conjunction with a standard Purchase Contract form contract provided by the Hawaii Association of Realtors. The Addendum protects the rights of the Purchasers and the handling of the funds under the Condominium Property Act (the "Act"), as well as insuring compliance with the Act by all parties. Relevant portions of the Addendum are summarized as follows:

1. The fact that the Act controls over any portion of a contract to sell a condominium unit.

2. That an effective date for a developer's public report or amended/amendment public report must be in place and a receipt for the same signed by the buyer to have a contract.

3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds. The conditions precedent to release of the funds are enumerated, including in part:

- a. That Purchaser will receive a copy of the developer's public report for the project.
- b. That the Purchaser will be deemed to have had an opportunity to read the developer's public report(s) within forty-eight (48) hours after receiving them, unless specifically indicated otherwise. Both Seller and Purchaser have the right to cancel the Contract at any time prior to the date when the Contract becomes effective. Seller and Purchaser also have the right to cancel the Contract at any other time explicitly stated by the Act.
- c. Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.
- d. If there is a dual agency by a single broker, it will be disclosed in the contract.
- e. If the Purchaser shall default:
 - i. The contract may, at the Seller's option, be terminated by written notice to the Purchaser; and
 - ii. Any sums paid by the Purchaser shall belong to the Seller as liquidated damages (up to a maximum of all deposits made, Section C.28 of standard Purchase Contract); and
 - iii. The Seller may pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorney's fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.
- f. If the Seller shall default:

In the event of default by the Developer, the Purchaser may cancel the contract, may bring an action for damages for breach of contract or seek specific performance under the contract and hold the Developer responsible for costs incurred (see paragraph C-29 of the Standard Form Purchase Contract). Further, the Purchaser may resort to mediation and arbitration in the even of a dispute over the contract or a claimed default, as does the Developer.

SPECIAL NOTICE: THE FOREGOING SUMMARIES ARE NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL THE TERMS AND PROVISIONS CONTAINED IN THE CONTRACT AND ADDENDUM. 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 AND NOT THIS SUMMARY.

END OF EXHIBIT "B"

EXHIBIT "C"

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Qty.	Unit No.	Area of Limited Common Element*	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	Percentage of Common Int.
1	1	3.176 acres	2/3	3,305	1,483	33-1/3%
1	2	1.00 acre	3/2.5	2,607	1,231	33-1/3%
1	3	3.492 acres	3/4	3,268	2,267	33-1/3%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Units 1, 2 and 3 will each burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 33-1/3% for each unit.

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 the unit, alter or add to it in any manner deemed desirable, so long as it is permitted by law and the Declaration of Protective Covenants and House Rules, if any. 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 bearing their respective signatures.

*Note: Land areas referenced herein are not legally subdivided lots.

EXHIBIT "D"

SUMMARY OF PORTIONS OF ESCROW AGREEMENT KAHUNA CONDOMINIUM

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC.. (the "Escrow"), and RICHARD L. STRADLEY, TRUSTEE OF THE GREEN VALLEY INVESTMENTS UNDER THAT CERTAIN UNRECORDED TRUST AGREEMENT DATED MAY 10, 1993 (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 contract 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, unless: (a) Buyer has elected to cancel the contract as provided by HRS Section 514-A: 62 or 63 and receive all funds paid, with an Escrow cancellation fee not to exceed \$250.00; or (b) the Real Estate Commission has not issued an effective date for a Final Public Report on the project or the Seller's requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met, in which case there shall be no escrow cancellation fee. Provisions of Hawaii's Owner-Occupant law do not apply to this project.
4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer or if there is a right to cancellation and refund of monies under the sales contract or otherwise. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, which will be not more than \$250.00. If Buyer defaults in performing the purchase contract, Buyer may forfeit all deposits as liquidated damages.
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 70% if its scheduled rate for each fractional interest in an apartment for which a fractional interest 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. The cost of title insurance will be an additional amount, based upon scheduled rate and assessed to the Buyer.

NOTE: Section 514A-63, Hawaii Revised Statutes, provides rescission rights to a purchaser under a binding contract if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project for such purchaser's use.

SPECIAL NOTICE: 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) The land in fee simple.
- (b) Access and utility easements; and all future ducts, electrical equipment, wiring and other services, if any, including power, light, sewage, irrigation and telephone.
- (c) Any and all other elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed or record.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, referred to as the "limited common elements," have been designated and set aside for the exclusive use of one or more units, and such unit(s) have appurtenant exclusive easements for the use of such limited common elements. The limited common elements set aside, reserved and deemed a limited common element appurtenant to and for the exclusive use of each respective unit is that certain land area upon and around which Units 1, 2 and 3 are located, shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
1	3.176 acres
2	1.000 acre
3	3.492 acres

*Land areas as referenced herein are not legally subdivided lots.

EXHIBIT "F"

1. Real Property Taxes, if any, that may be due and owing. Check with the County of Kauai Director of Finance for further information.

-Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Any abutter's rights of vehicle access into and from Kauai Belt Road and the right in favor of the owners, their successors and assigns to relocate and/or widen their vehicle access into and from Kauai Belt Road, provided that such relocation and/or widening shall be subject to the approval of the State of Hawaii, as reserved in DEED dated July 26, 1967, recorded in Liber 5807 at Page 1.
4. WAIVER AND RELEASE dated May 25, 1989, recorded in Liber 23243 at Page 521.
5. WAIVER AND RELEASE dated May 25, 1989, recorded in Liber 23243 at Page 523.
6. WAIVER AND RELEASE dated May 25, 1989, recorded in Liber 23243 at Page 525.
7. WAIVER AND RELEASE dated May 25, 1989, recorded in Liber 23243 at Page 527.
8. The terms and provisions contained in the following:

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : November 21, 1989

RECORDED : Liber 24005 Page 615

PARTIES: ADAM HENRY WEAVER and the COUNTY OF KAUAI
Planning Department

SUBORDINATION AGREEMENT

DATED : April 22, 2008

RECORDED : Document No. 2008-071587

Subordinates said above Farm Dwelling Agreement to the lien of that certain Mortgage dated April 25, 2008, recorded as Document No. 2008-071586.

9. WAIVER AND RELEASE dated December 4, 1989, recorded in Liber 24041 at Page 686.
10. WAIVER AND RELEASE dated September 26, 1990, recorded as Document No. 90-156401.
11. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR "KAHUNA CONDOMINIUM PROJECT"
DATED : April 26, 1990
RECORDED : Document No. 90-073441
MAP : Condominium Map No. 1327

Consent given by CHARLES LEE COWDEN, by instrument dated --- (acknowledged June 19, 1990), recorded as Document No. 90-094534.

First Amendment to Declaration of Condominium Property Regime of Kahuna Condominium dated July 19, 1990, recorded as Document No. 90-110491.

Second Amendment to Declaration of Condominium Property Regime of Kahuna Condominium dated June 7, 2001, recorded as Document No. 2001-106147.

Third Amendment to Declaration of Condominium Property Regime of Kahuna Condominium dated February 9, 2009, recorded as Document No. 2009-42437.

Restated Third Amendment to Declaration of Condominium Property Regime of Kahuna Condominium dated April 29, 2009, recorded as Document No. 2006-081241.

12. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
OWNERS OF KAHUNA CONDOMINIUM
DATED : April 26, 1990
RECORDED : Document No. 90-073442

13. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF PROTECTIVE COVENANTS AND
BUILDING RULES FOR KAHUNA CONDOMINIUM
DATED : June 19, 1990
RECORDED : Document No. 90-094533

Consent given by CHARLES LEE COWDEN, by instrument dated ---
(acknowledged June 19, 1990), recorded as Document No. 90-094534.

14. The terms and provisions contained in the Apartment Deed dated July 24, 1991, recorded
as Document No. 91-105572.

15. NOTICE OF DEDICATION

DATED : effective January 1, 2000
RECORDED : Document No. 2000-090948
BY : Richard L. Stradley, Trustee Green Valley Investments
RE : dedication of land for Agricultural purposes
PERIOD : 20 years

16. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

MORTGAGOR : RICHARD L. STRADLEY, Trustee of Green Valley Investments
under that certain unrecorded Trust Agreement dated May 10,
1993
MORTGAGEE : JEFFREY AILES FLEMING, husband of Lori Krouse Fleming
DATED : September 1, 2007
RECORDED : Document No. 2007-165024

17. The terms and provisions contained in unrecorded Trust Agreement dated May 10, 1993.

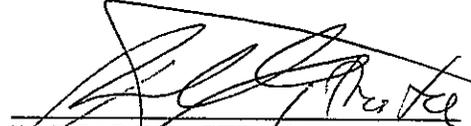
END OF EXHIBIT "F"

EXHIBIT "G"

AMENDED DISCLOSURE ABSTRACT

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

1. The Developer of the project has changed. RICHARD L. STRADLEY, is the Trustee of the Green Valley Investments, PO Box 819, Kilauea, Hawaii 96756, telephone 307-527-5929, and is the successor Developer.
2. There are no maintenance fees for this project. There are no depreciable common elements in the project, and therefore no management services.
3. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition
4. All of the apartments of the project are to be used for permitted agricultural purposes only. No apartments shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by county ordinance.
5. Farm dwellings and other improvements have been constructed on Units 1, 2 and 3 of the project.
6. Unit 3 is currently listed for sale. The Developer has chosen Kauai Isle Real Estate, 441 Papola Road, Kapaa, Hawaii 96746, (808) 822-9888, as the broker for the sale of Unit 3. Units 1 and 2 were previously sold under the prior public report.
7. The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in the Project.
8. The Developer discloses Common Interest has been divided equally as shown: Unit 1 – 33-1/3%, Unit 2 – 33-1/3% and Unit 3 -33-1/3% reflecting the burden on common elements by the three units.


RICHARD L. STRADLEY, Trustee
Developer

4/8/09
Date

RECEIPT

The undersigned has received a copy of the foregoing Amended Disclosure Abstract this
____ day of _____, 20 ____.

Purchaser(s): _____

EXHIBIT "H"

DECLARATION OF PROTECTIVE COVENANTS AND BUILDING RULES FOR KAHUNA CONDOMINIUM

The purpose of these Protective Covenants is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of the KAHUNA 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.

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 farm 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 present requirement is that each owner must demonstrate the ability to obtain sustenance or income from farming on the limited common element before the County will issue a Farm Dwelling Agreement. The County will likely inspect the area before issuing a building permit, to ascertain that farming activities are taking place on the unit seeking to build. Each owner will execute a power of attorney in favor of the developer or, thereafter, the president of the Association, for the purpose of securing building permits for all units, because a 75% ownership interest must approve of all filings for building permits. When an association of unit owners is created, the power of attorney will be replaced with a power of attorney in favor of the president of the association of unit owners.

3. Water and Utilities. The water, electricity and telephone lines do not currently service the project, but are in the public rights-of-way along Kuhio Highway. Each Unit Owner will be required to connect such utilities to his respective improvements at his own cost and expense.

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

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

6. Farming. A Unit owner may farm his own area and/or plant any orchards and/or engage in any other farming activity not prohibited herein. He 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 farm dwelling and/or any other accessory building, the Unit owner shall not use second-hand materials, 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 unanimous consent 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 an agricultural condominium, the following animals shall be precluded from possession by owners or occupants of the Project: bulls, pit bull or pit bull mixed dogs, more than one pig, roosters, more than three dogs 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.

Additionally, with the exception of seasonal harvesting activities and preparation of ground for crops, no unit owner shall create such levels of noise or dust that the peaceable use of other units is materially affected. The

written complaint of two or more unit owners shall be prima facie evidence of material adverse conditions.

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 80% of the common interests in the Project.

END OF EXHIBIT "H"

EXHIBIT "I"

JOANN A. YUKIMURA
MAYOR



TOM H. SHIGEMOTO
PLANNING DIRECTOR

ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

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

August 9, 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 Kahuna Condominium Report
Registration No. 2100 at Kilauea, Kauai, Hawaii
Tax Map Key: 5-1-04:6

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

The amount of limited common elements does not correspond to the allowable unit density permitted by the CZO. The subject property is zoned Agriculture District (A) and qualifies for three (3) units. One of the four proposed limited common elements does not qualify for a dwelling unit.

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.

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
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The declaration of protective covenants states that certain types of animals are restricted. While this is a private matter, it appears to detract from the stated purpose of agricultural lands.

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

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

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


TOM H. SHIGEMOTO
Planning Director

END OF EXHIBIT "I"