



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

CONDOMINIUM PUBLIC REPORT

on
 11 EAST WAIAKALUA
 East Waiakalua Street
 Hanalei, County of Kauai
 State of Hawaii

Registration No. 2227

Issued: July 18, 1990
 Expires: August 18, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of April 4, 1990, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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 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
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

* * * * *

SPECIAL NOTICE:

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE COUNTY PLANNING DEPARTMENT TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This Public Report does not constitute an approval of the project nor that all County Codes and Ordinances and subdivision requirements have been complied with.
2. This project does not involve the sale of individual subdivided lots. The dotted lines on the Condominium Map are for illustration purposes only. They represent the approximate location of the limited common element designated to each unit.
3. Facilities and improvements normally associated with County approved subdivisions such as fire protection devices, street lighting, electricity, upgrade water facilities, improved access for owner and emerging traffic, drainage facilities and so forth, may not necessarily be provided for and services, such as County street maintenance and trash collection, will not be available for interior roads.
4. Read Exhibit "G" relating to building rules and Exhibits "H" and "I" relating to County of Kauai's Planning Department's letter. Exhibit "I" specifies among other things, that the uses of the limited common elements shall be limited to those allowed in the "A" Agriculture District in the State Land Use Commission rules for a period of 20 years from March 16, 1977. Exhibit "H" specifies that agricultural use of the property must be established prior to any approval for dwelling units #2 and #3 and the plans should be reviewed and approved by the Kilauea Farms Environmental Committee prior to submittal of any plans for permits.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

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

Types of Project:

1. New Building(s) Conversion
 Both New Building(s) and Conversion
2. Residential Commercial
 Mixed Residential and Commercial
- Other Agricultural/Residential The uses of the limited common element are limited to those permitted in "A" agricultural laws under the Land Use Commission's rules for a period of 20 years from March 16, 1977. See Exhibit "G".
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
Storage Building	3	-0-	84 sq. ft.	-0-
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total 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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>Each unit will have open parking within the limited common element</u>	<u>Not specified</u>
Total Parking Stalls	_____

7. Recreational amenities: None.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: (1) Dale Altman (2) Mary Lou Norris, Trustee (3) Edward Altman and Iris Altman Phone: (808) 966-6095 (Business)

Name (1) P. O. Box 868, Pahoa, Hawaii 96778

Business Address (2) P. O. Box 305, Kilauea, Hawaii 96754 (3) 212 Ramona St., Sierra Madre, California 91024

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

N/A

Real Estate Sales Agent: At such time that the units are offered for sale, the Developer will comply with Chapter 514A, H.R.S. Phone: (Business)

Name Business Address

Escrow: Security Title Corporation Phone: (808) 245-6975 (Business)

Name 4370 Kukui Grove Street, Suite 203 Business Address Lihue, Hawaii 96766

Managing Agent: Developer until Association is formed. Association to self manage. Phone: (808) 966-6095 (Business)

Name Business Address

Attorney for Developer: Hiroshi Sakai, Attorney at Law, A Law Corporation Name City Financial Tower 201 Merchant Street, Suite 902 Business Address Honolulu, Hawaii 96813

**CREATION OF THE CONDOMINIUM
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 90-041856
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyance Condo Map No. 1308
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 90-041857
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

- Proposed Adopted (See Exhibit "G" attached)
- 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>See Article V, Section 4, Bylaws</u>

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

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

The Developer reserves the right in their sole discretion to maintain advertising signs they deem necessary to conduct the sales of the Project, to manage, control, set allocations and charges for any Project, to manage, control, set allocations and charges for any utilities under a common meter or meters until such time as they have sold or otherwise disposed of all of the units.

There are Declaration of Covenants relating to the (i) approval of plans and specifications by the Kilauea Farms Environmental Committee, (ii) the observance of use restrictions and (iii) membership in the Kilauea Farms Community Association. The State and County have restricted the further subdivision of the land underlying the Project and required the land to be used for "agricultural uses" as set forth in the agreements of March 16, 1977 and June 30, 1980, recorded in the Bureau of Conveyances, State of Hawaii, in Book 12110, Page 330, and Book 15060, Page 397.

B. Underlying Land:

Address: Off East Waiakalua Road, Tax Map Key: 4th Division
Hanalei, Kauai, Hawaii (TMK) 5-1-05: 34

Address TMK is expected to change because _____

Land Area: 10.205 square feet acre(s) Zoning: Agriculture

Fee Owner: (1) Dale Altman
(2) Mary Lou Norris, Trustee

Name (3) Edward Altman and Iris Altman

(1) P. O. Box 868, Paho, Hawaii 96778

Address (2) P. O. Box 305, Kilauea, Hawaii 96754

(3) 212 Ramona Street, Sierra Madre, California 91024

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: Three Storage Sheds Floors Per Building One

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Galvanized Metal

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input type="checkbox"/> Residential	_____	<input checked="" type="checkbox"/> Agricultural	<u>3</u>
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input checked="" type="checkbox"/> Other: <u>Such other uses as may be permitted by law.</u>			_____

5. Special Use Restrictions:

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

- [] Pets _____
- [] Number of Occupants: _____
- [X] Other: See Building Rules attached as Exhibit "G" for restrictions.
- [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 3

Elevators -0-

Stairways -0-

Trash Chutes -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
Storage Building	3	-0-	84 sq. ft.	-0-
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**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:

Each unit will consist of the above apartment and its appurtenant listed common element which is the entire area set aside for the unit as set forth in the Condominium Map. The building can be relocated on any part of the area appurtenant to the unit. Also, other buildings, such as a home, may be built by each owner under certain conditions, in which event such owner will be required to amend the Declaration of Condominium Property Regime by filing an "as built" verification.

Permitted Alterations to Apartments:

The common interest appurtenant to each unit shall have a permanent character and can be altered where necessary to conform with any subdivision and/or zoning ordinance. Each unit owner may alter its storage shed within its unit in any manner as he deems desirable (subject to restrictions, including the building and zoning requirements of the County of Kauai, approval of plans and specifications by the Kilauea Farms Environmental Committee, the observance of use, restrictions, membership in the Kilauea Farms Community Association, and use of the land for agricultural uses). There are provisions in the Declaration relating to the acquisition of building permits which a buyer should be aware of. A summary of additional requirements are set forth on the last Paragraph E, 2 on Page 8 of this report; Page 18, Exhibits "G," "H," and "I."

7. Parking Stalls:

Total Parking Stalls: There are no designated locations for parking stalls but owners may park as they please within their limited common areas.

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	_____	_____	_____	_____	_____	_____	_____
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra Available for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	<u>3</u>	_____	_____	_____	_____	<u>3</u>
Total	_____	_____	_____	_____	_____	_____	_____
Covered & Open	<u>3</u>	_____	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least 1 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool

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): N/A

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	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 A 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 _____

as follows:

The land area set aside for the use of each owner of a unit, as described in Exhibit "B".

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 B 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 C describes the encumbrances against the title contained in the title report dated March 23, 1990 and issued by Security Title Corporation .

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.

[X] 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

Mortgage dated May 22, 1986 in favor of Kauai Community Federal Credit Union, a federal chartered credit union

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

Partial Release or Release of Mortgage or Buyer will obtain refund. If the mortgage is foreclosed, the buyer's contract may be cancelled. The buyer may lose all rights to acquire the apartment.

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.

[X] other Developer - self manage

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 D contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

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

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

I. **Construction Warranties:**

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

1. Building and Other Improvements:
The manufacturer's warranty on the storage shed.

2. Appliances:
None.

J. **Status of Construction and Estimated Completion Date:**

The Project is completed.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed With the Real Estate Commission:**

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated March 14, 1990 with Security Title Corporation

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Purchasers should examine Exhibit "G" carefully. Each purchaser must obtain a building permit should he desire to construct a dwelling on the premises, pull purchaser's own utility lines and install purchaser's own cesspool. The moving on to the project of used homes and quonset huts is prohibited.
2. PURCHASERS SHOULD BE AWARE OF BUILDING PERMIT REQUIREMENTS BY BOTH THE COUNTY OF KAUAI AS WELL AS THE DECLARATION OF CONDOMINIUM REGIME, BY-LAWS AND BUILDING RULES (EXHIBITS "G," "H," and "I"), THE AVAILABILITY OF UTILITIES AND THE SIZE AND LOCATION OF CONNECTIONS (EXHIBITS "G," "H," and "I"), APPROVAL BY THE KILAUEA FARMS ENVIRONMENTAL COMMITTEE AS TO PLANS AND SPECIFICATIONS (EXHIBIT "G") AND BUILDING PERMITS AND CONSTRUCTION OF IMPROVEMENTS (EXHIBITS "G," "H," and "I") AND ALL OTHER MATTERS RELATING TO THE COST, USE AND ENJOYMENT OF THE CONDOMINIUM UNITS PRIOR TO THEIR ENTERING INTO A PURCHASE CONTRACT AS SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF FEBRUARY 23, 1981 RECORDED IN THE BUREAU OF CONVEYANCES, STATE OF HAWAII, IN BOOK 15368, PAGE 13. THE COMMISSION, BY ISSUING THIS REPORT, IS NOT APPROVING OR DISAPPROVING THE PROJECT, NOR IS IT WARRANTING THE CORRECTNESS OR COMPLETENESS OF INFORMATION SUPPLIED TO IT BY ANY PARTY OR PARTIES.
3. To process the application for zoning permits with the County of Kauai, 75% of the owners or their assignees must sign the permits. An application to allow the construction of a farm dwelling after the first farm dwelling will require an inspector by the County of Kauai to verify whether agricultural activities are being conducted on the property. The permit to construct additional farm dwellings may be denied if agricultural activities are not being conducted.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

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

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

This Public Report is a part of Registration No. 2227 filed with the Real Estate Commission on
_____.

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

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

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

Distribution:

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

EXHIBIT "A"

Common Elements

- a. The land in fee simple.
- b. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, drainage, hot and cold water and like utilities.
- c. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

EXHIBIT "B"

Description of Condominium Units and Common Interest:

<u>Unit No.</u>	<u>Area No.</u>	<u>Area in Acre</u>	<u>Percentage Common Interest</u>
1	1	3.40 Acres	33.33%
2	2	3.35 Acres	32.85%
3	3	3.45 Acres	<u>33.82%</u>
			100.00%

The percentage common interest for each apartment is determined by dividing the square footage of the area designated as a limited common element for each unit by the total square footage of the land described in Exhibit "A" of the Declaration.

The metes and Bounds description of each Area that is appurtenant to each unit is shown in the Condominium Map.

EXHIBIT "C"

ENCUMBRANCES

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

2. A 100-foot setback line along as shown on File Plan No. 1646.

3. Easement 8, for waterline purposes, as shown on File Plan No. 1646.

4. The terms and provisions of that certain Agreement dated March 16, 1977, made by and between The State of Hawaii and C. Brewer and Company, Limited, a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii in Book 12110, Page 330, to which reference is hereby made.

5. The terms and provisions of that certain Agreement dated June 30, 1980, made by and between Hawaiiana Investment Co., Inc., a Hawaii corporation, and the County of Kauai Planning Department, recorded in said Bureau of Conveyances, in Book 15060, Page 397, to which reference is hereby made.

6. Restrictions, covenants and conditions as contained in the Declaration of Protective Covenants, Conditions and Restrictions dated February 23, 1981, recorded in said Bureau, in Book 15368, Page 13, to which reference is hereby made.

7. Reservations as contained in Deed dated March 23, 1981, recorded in said Bureau, in Book 15434, Page 757, to which reference is hereby made.

8. Restrictions, covenants and conditions as contained in Annexing Declaration Kilauea Farms dated March 12, 1985, recorded in said Bureau, in Book 18684, Page 779, to which reference is hereby made.

EXHIBIT "D"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENT

NONE AT THE PRESENT TIME.

I, DALE ALTMAN, Agent for Owners, as self-managed,
hereby certify that there are no maintenance fees and
disbursements.


DALE ALTMAN

Date: 3/16, 1990

EXHIBIT "E"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) What a purchaser must do to qualify for a loan if the purchaser wants a mortgage loan to cover part of the purchase price.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That interest on deposits shall belong to the seller.

(d) That the unit will be subject to various other legal documents which the purchaser should examine.

(e) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(f) The availability of utilities and easements are set forth in Paragraph I, TERMS AND CONDITIONS OF THE CONTRACT.

(g) There are restrictions on the purchaser's Assignment of its interest under the Sales Contract as set forth in Paragraph H, 1.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "F"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "G"

BUILDING (HOUSE) RULES

11 EAST WAIAKALUA

The purpose of these Building Rules is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of the 11 EAST WAIAKALUA Condominium, hereinafter referred to as "Project", and to provide for the maximum enjoyment of the premises. All owners and occupants, their agents, employees and invitees shall be bound by these Building Rules and standards of reasonable conduct whether covered by these Building Rules or not.

1. Definitions. As used herein:

a. The "Area" refers to the land set aside for the use of each owner of an "apartment" as a limited common element.

b. The "Apartment" or "Unit" refers to the storage shed and the land designated as limited common element for the owner and any subsequent improvements built within the Area.

2. Private Building Approvals. Any owner desiring to construct or install any building or improvements in a Unit is required to submit the plans and specifications to the Kilauea Farms Environmental Committee for approval of such plans and specifications to be in conformance with the Declaration of Protective Covenants, Conditions and Restrictions for Kilauea Farms dated February 23, 1981, recorded in the Bureau of Conveyances, State of Hawaii, in Book 15368, Page 13, and the Environmental Design Rules promulgated pursuant thereto ("Declaration of Protective Covenants").

3. Building Permit. Any owner desiring to construct a single family dwelling in a Unit will have to comply with the building and zoning ordinances as the same may be changed from time to time. The requirements of the Comprehensive Zoning Ordinance, Kauai County Code 1987 and in particular the requirements of Article 1, Section 8-1.5 Definitions, Subparagraph (10) as to Applicant and Subparagraph (99) as to Owner having a controlling interest of 75% or more of the equitable and legal title of the lot have to be observed in order to obtain a building permit. The present requirement of the County of Kauai is that each owner must sign an affidavit that he can obtain income or sustenance from farming on the Unit.

4. Use Restrictions. The agricultural restrictions for the use of the Unit for agricultural purposes for 20 years

from March 16, 1977 are set forth in the Agreement dated March 16, 1977, recorded in Book 12110, Page 330, from such date for Lot 6A of which this Condominium is located. There are further use restrictions set forth in the Declaration of Covenants, as supplemented on June 1, 1981 as recorded in said Bureau in Book 15586, Page 649. Other use restrictions which affect the Condominium are set forth in that certain Agreement dated June 30, 1980 made between Hawaiian Investment Co., Inc., a Hawaii corporation, and the County of Kauai's Planning Department recorded in said Bureau in Book 15060, Page 397, to which reference is hereby made.

5. Kilauea Farms Community Association. The Condominium Association will be a part of the Kilauea Farms Community Association, a non-profit association, and shall be subject to its Charter, By-laws and Rules and Regulations and any assessments promulgated and levied pursuant to the Declaration of Protective Covenants.

6. Water and Utilities. The water, electricity and telephone will be drawn from East Waiakalua Street to each Unit's boundary abutting said street at each Unit Owner's cost and expense to the dwelling and/or building.

7. Cesspools/Septic Tanks. There are no sewer lines and a sanitary sewer system. Each Unit Owner will have his own cesspool or septic tank located within his own area no closer than 5 feet to any area boundary and in compliance with the State of Hawaii Department of Health laws, rules and regulations.

8. Enforcement. The Association shall have the power to enforce these Building Rules and to prorate the assessments that are levied by the Kilauea Farms Community Association from time to time. For the failure of any Unit Owner to observe these Building Rules the Association after giving ten (10) days written notice to the offending party and the failure to correct the default by such offending party will permit the Association to obtain an injunction, mandatory or prohibitory, without the necessity of any bond and/or recover damages resulting from the default. If the damages are liquidated such as the Community Association's assessments, the Association may file a lien against the Unit. If the damages are unliquidated, then a court order or judgment will be necessary to file a lien against the Unit.

9. Costs and Expenses. The Association or the alleged defaulting Unit Owner whoever prevails is entitled to costs and expenses including statutory interest and reasonable attorney's fees in the event of any dispute under these Building Rules.

10. Counterparts. These Rules are executed in counterparts and the execution by each of the owners shall constitute the adoption of these Rules to bind each of the owners of the condominium.

Adopted effective this 5th day of March, 1990.

ASSOCIATION OF APARTMENT
OWNERS OF 11 EAST WAIAKALUA

By Mary Lou Norris, Trustee
MARY LOU NORRIS, Trustee
under that certain unrecorded
Trust Agreement dated
October 3, 1983

BUILDING (HOUSE) RULES

11 EAST WAIAKALUA

ASSOCIATION OF APARTMENT
OWNERS OF 11 EAST WAIAKALUA

By 
DALE ALTMAN

BUILDING (HOUSE) RULES

11 EAST WAIAKALUA

ASSOCIATION OF APARTMENT
OWNERS OF 11 EAST WAIAKALUA

By Edward Altman
EDWARD ALTMAN

By Iris Altman
IRIS ALTMAN

11E
B R

TONY T. KUNIMURA
MAYOR



TOM H. SHIGEMOTO
Planning Director

ROLAND D. SACUM, III
Deputy Planning Director

Telephone (808)245-3919

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

January 18, 1988

Ms. Mary Norris
P. O. Box 305
Kilauea, Kauai, HI 96754

Subject: TMK: 5-1-05:34 Kilauea, Kauai

In regards to the above property, the following information is provided:

1. The property is zoned Agriculture and Open, and qualifies for 3 farm dwellings and a guest house.
2. Farm dwelling agreements are necessary for each farm dwelling at such time a building permit is sought. However, agricultural use of the property must be established prior to any approval for dwelling units #2 and #3.
3. Environmental Impact Assessment Fees and Park Fees will be assessed for dwelling units #2 and #3 at such time the building permits are sought. The EIA fee will be \$250 per unit, and the Park Fee \$150 per unit.
4. Please have your plans reviewed and approved by the Kilauea Farms Environmental Committee prior to submittal of any plans for permits.

Should you have any questions relative to the above, please contact Michael Laureta of my staff at 245-3919.


TOM H. SHIGEMOTO
Planning Director

RECEIVED

FEB 16 1988

LAW OFFICE OF SAKAI

EXHIBIT "H"

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 16, 1990



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 11 East Waiakalua Condominium Report
Registration No. 2227 at Waiakalua, Kauai, Hawaii
Tax Map Key: 5-1-05:34

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

The amount of limited common elements corresponds to the allowable unit density permitted by the CZO. The subject property is zoned Agriculture District (A) and Open District (O) and qualifies for three (3) units.

When applying for Zoning Permits with the Planning Department, the owners must be made aware that 75% of the owners, or their assignee, are required to sign the permit form(s). Should an assignee be designated, such assignee shall present proof of authorization from the 75% of the owners at the time a permit is applied for. This is a requirement because the Planning Department does not recognize the Condominium Report to be a legal subdivision of land.

The uses on the limited common elements shall be limited to those listed as permissible within the "A" Agricultural District in the State Land Use Commission Rules and Regulations. Farm dwellings on the lot shall mean a single-family dwelling located on and used in connection with a farm or where agricultural activity provides income to the family occupying the dwelling.

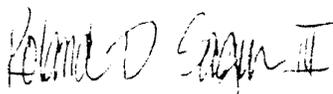
EXHIBIT "I"

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
May 16, 1990

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.


ROLAND D. SAGUM, III
Deputy Planning Director