



REAL ESTATE COMMISSION

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

CONDOMINIUM PUBLIC REPORT

MAKAPILI ESTATES CONDOMINIUM
Makana Ano Street
Kilauea, Kauai, Hawaii

Registration No. 2249

Issued: January 28, 1993
Expires: February 28, 1994

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 12, 1993, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully. This report also includes information submitted by the Kauai County Planning Department dated June 15, 1990.

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 July 13, 1990
 - 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.

[X] Changes made are as follows: (Please see page 2-a)

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 RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other government agency, nor that all County Codes, Ordinances and subdivision requirements have been complied with.
2. This project does not involve the sale of individual subdivided lots. The dotted lines on the Condominium Map (Exhibit A) are for illustration purposes only.
3. Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance, enhanced water facilities, fire service, related services and trash collection will not be available for interior roads.
4. Read Exhibit "J" (Letter from County of Kauai) with care.

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

CHANGES FROM FINAL TO SUPPLEMENTARY PUBLIC REPORT:

<u>Page</u>	<u>Description of Changes</u>
1.....	Change of Report from Final to Supplementary.
2.....	Special Notice Box changed to include more information
2a.....	Page added to clarify changes.
3.....	Exhibit Titles Changed for A through J.
6.....	Change of Real Estate Broker Connected with Project
7.....	Recording information for amended condominium documents added.
11.....	No Protective Covenants as Exhibit D.
12.....	Descriptions clarified in "Boundaries of Each Apartment".
15.....	Title Report updated.
16.....	Exhibit H now contains schedule of maintenance fees.
17.....	Exhibit B is now Sales Contract summary; Exhibit D is now Escrow Agreement summary.
18.....	New page replaces old page 18; the substance of old page 18 is kept in the first four paragraphs of new page 18; a paragraph is added at the bottom of 18 explaining how a unit owner must engage in agriculture before being allowed to build a residence. Page 18 advises review of subdivision Covenants, Conditions and Restrictions, and also advises review of the Kauai County Planning Department letter, Ex. J, and that land use rules may change over time, possibly thwarting expectations.
	Exhibit B - changed to Summary of Sales Contract
	Exhibit C - updated information used
	Exhibit D - changed to Summary of Escrow Agreement
	Exhibit E - no change
	Exhibit F - updated information used
	Exhibit G - changed to the Disclosure Abstract
	Exhibit H - changed to the Maintenance Fees
	Exhibit I - changed to the summary of Covenants, Conditions and Restrictions for subdivision
	Exhibit J - Letter from the County of Kauai

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GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

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

Types of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other Residential and Agricultural

- 3. High Rise (5 stories or more) Low Rise

- 4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. No.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Shed(s), Lanai/Patio (sf)</u>
A	1	0/0	0	60
B	1	0/0	0	60
C	1	0/0	0	60

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)	<u>0</u>
Guest Stalls	<u> </u>
Unassigned Stalls	<u> </u>
Extra Stalls Available for Purchase	<u> </u>
Other: <u> </u>	<u> </u>
Total Parking Stalls	<u>0</u>

7. Recreational amenities:

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: DANIEL J. VAHALLA and STEPHEN J. HETRICK Phone: (619) 453-8420
Name (Business)
962 Oceanview Avenue
Business Address
Leucadia, CA 92024

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

Real Estate Broker: THE O'CONNOR CORP. Phone: (808) 828-1464
JAMES R. O'CONNOR (Business)
Name
P. O. BOX 751
Business Address
Kilauea, HI 96754

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

General Contractor: N/A Phone: (Business)
Name
Business Address

Condominium Managing Agent: **Self-managed by Association of Name Apartment Owners Phone: (Business)
Business Address

**Upon compliance with all applicable condominium management laws.

Attorney for Developer: STEVEN R. LEE Phone: (808) 246-1101
Name (Business)
4473 Pahe'e Street, Suite L
Business Address
Lihue, HI 96766

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances - Document No. 90-054632
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First Amendment: April 15, 1991, Document No. 91-071355 on June 3, 1991.
Second Amendment: Recorded August 24, 1992 in Document No. 92-137821.

- 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. 1314
 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. 90-054632
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

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

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

2. **Developer:**

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

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

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
[] Commercial	_____	_____	[] Industrial	_____	_____
[] Residential	_____	_____	[X] Agricultural	3	Yes
[] Timeshare/Hotel	_____	_____	[] Recreational	_____	_____
[X] Other: <u>Please see page 18 for further explanation.</u>					

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

[X] Yes [] No

5. Special Use Restrictions:

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

[] Pets: _____

[] Number of Occupants: _____

[X] Other: Refer to Amended Declaration of Covenants, Conditions and Restrictions of Seacliff Plantation at Kilauea Bay Community,
 [] a summary of which is attached as Exhibit I herein.

6. Interior (fill in appropriate numbers):

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>Storage Shed(s), Lanal/Patio (sf)</u>
A	1	0/0	0	60
B	1	0/0	0	60
C	1	0/0	0	60
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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.

Boundaries of Each Apartment: 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 common elements.

Permitted Alterations to Apartments:

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

7. Parking Stalls:

Total Parking Stalls: 0

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

Each apartment will have the exclusive use of at least 0 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Present Condition of Improvements NOT APPLICABLE
 (For conversions of residential apartments in existence for at least five years):

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

Exhibit E describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit E

as follows:

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

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

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

Exhibit C describes the common interests for each apartment.

As follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated October 30, 1992 and issued by T.I. OF HAWAII, INC. .

Developer represents that since that date there have been no further encumbrances.

Blanket Liens:

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

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

[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

MORTGAGES

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

If foreclosed, Buyer's deposit will be refunded and contract will be cancelled.

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

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

The initial managing agent for this condominium is:

[] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[X] self-managed by the Association of Apartment Owners.

[] other _____

G. Estimate of Initial Maintenance Fees:

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

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

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

H. Utility Charges for Apartments:

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

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other _____

I. Construction Warranties:

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

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

J. Status of Construction and Estimated Completion Date:

Storage sheds were constructed in March, 1990.

K. Project Phases:

The developer [] has [X] 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

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated August 21, 1989

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

[X] Other Registration Forms

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Prospective Purchaser:

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. You will be required to comply with zoning codes to be allowed to construct a residence on your limited common element.

To determine whether your expectations can be realized, you should carefully review this Report, and the summary of the Declaration of Covenants, Conditions and Restrictions for Seacliff Plantation at Kilauea Bay Community Subdivision (attached as Exhibit I to this Report). Among other things, the Covenants, Conditions and Restrictions state what you may and may not do with the property, what is required of you, and what is and is not available. You should also conduct your own investigations and ascertain the validity of information provided. Please remember that issuance of this Report does not mean the Real Estate Commission has approved the project.

The County of Kauai Planning Department has advised that, in order to process the necessary permits for the construction of a farm dwelling and the processing of a farm dwelling agreement, authorization from at least 75% of the legal and equitable ownership of the entire project shall be required, consistent with the Declaration of Condominium Property Regime, the Bylaws, and Covenants, Conditions and Restrictions.

Except as limited specifically by the Declaration of Condominium Property Regime, the Bylaws and the Covenants, Conditions and Restrictions, all uses permitted in the agricultural zone are permitted. Such uses include, but are not limited to growing crops, raising animals, residence, diversified agriculture, forestry, orchards and nurseries and wildlife management. See Kauai County Comprehensive Zoning Ordinance, Article 8.7.

With reference to page 10 of this report specifically, the permitted uses of buildings and other improvements, structures shall only be occupied or used for agriculture, associated residential uses, and/or other uses permitted under the Kauai County Zoning Ordinances and the Covenants, Conditions and Restrictions herein referenced. An agricultural residence may not be constructed unless the Unit Owner demonstrates to the County his ability to derive income from his property. Agricultural use must be established and verified prior to any building permit approval.

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

A buyer should understand that all development and use of the properties shall comply with all County Codes and Ordinances, that owners in this condominium project will not necessarily receive the same County benefits as owners of approved subdivided lots, and that owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Also, zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. ~~HOUSING RULES~~
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other Declaration of Covenants, Conditions and Restrictions of the Seacliff Plantation at Kilauea Bay Community.

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

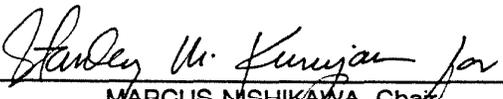
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107)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

This Public Report is part of Registration No. 2249 filed with the Real Estate Commission on
May 17, 1990.

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

yellow paper stock white paper stock pink paper stock

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



MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

EXHIBIT B
SUMMARY OF SALES CONTRACT

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

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

2. The closing date for the purchase.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

END OF EXHIBIT B

EXHIBIT C

**SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR MAKAPILI ESTATES CONDOMINIUM**

Qty.	Apt. No.	Area of Limited Common Element (Acres)*	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Storage Shed Area (Sq. Ft.)	% of Common Int.
1	A	2.334	0/0	0	60	33 1/3
1	B	3.000	0/0	0	60	33 1/3
1	C	3.000	0/0	0	60	33 1/3

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

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

END OF EXHIBIT C

EXHIBIT D
SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and DANIEL J. VAHALLA, MARY G. VAHALLA AND STEPHEN R. HETRICK (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

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

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

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

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

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

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

* * * * *

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

END OF EXHIBIT D

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

(a) Land in fee simple;

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

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

Limited Common Elements of Project

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

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

<u>Unit Number</u>	<u>Area of Limited Common Element</u>	
A	2.334	Note: Land areas described herein are <u>not</u> legally subdivided lots.
B	3.000	
C	3.000	

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

END OF EXHIBIT E

EXHIBIT F

Encumbrances Against Title

1. Real Property Taxes, a lien not yet due and payable. However, check with the Kauai County Tax Assessor.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Declaration of Covenants, Conditions and Restrictions of the Seacliff Plantation at Kilauea Bay Community dated August 31, 1983, recorded in Liber 17405 at Page 411. Said Declaration was amended by instruments (acknowledged March 1, 1988, March 2, 1988, March 3, 1988 and March 7, 1988) recorded in Liber 21704 at Page 1, further amended by instrument dated September 9, 1988, recorded in Liber 22367 at Page 21, and further amended by instrument dated December 28, 1988, recorded in Liber 22766 at Page 559.
4. Reserving and excepting unto the Grantor, its successors and assigns, the right to grant to any public utility or governmental authority, State of Hawaii, County of Kauai or any agencies thereof, or other corporation, partnership, association or individual, any and all utilities serving the Seacliff Plantation at Kilauea Bay Community Subdivision, together with the right to grant or lease such rights of way over, across and under said easements for lines and other transmission facilities and appurtenances for electricity gas, telephone, water, sewer, drainage and other public services and utilities and the right to enter for such purposes and to repair such facilities, under the usual terms and conditions required by the Grantee of such easement rights; and the Grantee hereby irrevocably appoints the Grantor as the Grantee's attorney-in-fact to grant such easements and to do all other things necessary to effectuate such grants; provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of said lot by the Grantee, its heirs, successors and assigns, and in connection with the installation, maintenance or repair of any facilities pursuant to any of such easements, said lot shall be promptly restored by and at the expense of the

person owning and exercising such easement rights to the condition of the lot immediately prior to the exercise thereof.; as reserved in instrument recorded in Liber 17405 at Page 411.

5. Agreement dated April 30, 1962, between Kilauea Sugar Company, Limited, and the United States of America, acting through the Fourteenth Coast Guard District allowing the Coast Guard to maintain existing two inch water pipeline and take surplus water from the end of the eight inch water main at Kilauea Sugar Company, Limited's mill.
6. Requirements for driveways bridging drainage culverts, as set forth in Section 3.03(c) of Declaration of Covenants, Conditions and Restrictions recorded in Liber 17405 at Page 411.
7. Restriction of access into and from Kilauea Lighthouse Road, as shown on surveyor's map, revised July, 1983, prepared by Cesar C. Portugal, Surveyor.
8. Easement "D-2" (15 feet wide) for irrigation and drainage purposes, more particularly described in Exhibit "A" attached hereto.
9. Covenants, conditions and restriction set forth in Declaration re Electrical Use dated July 25, 1988, recorded in Liber 22226 at Page 340.
10. Right-of-Entry in favor of Citizens Utilities Company, a Delaware corporation, dated October 12, 1988, recorded in Liber 22768 at Page 454; granting a right-of-entry for pole and wire lines.

11. Reservation regarding Roadway Lots as set forth in Deed dated April 3, 1989, recorded on April 10, 1989 in Book 23047 Page 102.
12. Condominium Map No. 1314 filed on April 18, 1990.
13. The covenants, agreements, obligations, conditions and other provisions set forth in Declaration of Condominium Property Regime entitled "MAKAPILI ESTATES CONDOMINIUM" dated January 18, 1990, recorded on April 18, 1990 as Document No. 90-054633, and the By-Laws dated January 18, 1990, recorded on April 18, 1990 as Document No. 90-054634, to which reference is hereby made; as amended. First Amendment to Declaration dated April 15, 1991 and recorded in Document No. 91-071355 on June 3, 1991 and Second Amendment to Declaration recorded on August 24, 1992 in Document No. 92-137821.
14. Any and all easements encumbering the apartment herein identified and described, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration; as amended, and/or as delineated on said Condominium Map No. 1314; Said Condominium Map amended on August 24, 1992 in the State of Hawaii Bureau of Conveyances.

15. MORTGAGE

Mortgagor : STEPHEN R. HETRICK and CHERYL A. HETRICK,
 husband and wife, and DANIEL J. VAHALLA and
 MARY G. VAHALLA, husband and wife

Mortgagee : FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION
 OF AMERICA

Dated : March 29, 1989
 Recorded : April 10, 1989 in Book 23047 Page 113
 Consideration : \$520,000.00

ASSIGNMENT OF MORTGAGE (through mesne assignments)

Assignee : LOS PADRES SAVINGS BANK

Dated :
 Recorded : December 10, 1991 as Document No. 91-168804

16. SECOND MORTGAGE

Mortgagor : STEPHEN R. HETRICK and CHERYL A. HETRICK,
 husband and wife, and DANIEL J. VAHALLA and
 MARY G. VAHALLA, husband and wife

Mortgagee : PALI MOANA COMPANY

Dated : March 29, 1989
 Recorded : April 10, 1989 in Book 23047 Page 161
 Consideration : \$130,000.00

ASSIGNMENT OF MORTGAGE (through mesne assignments)

Assignee : BANK OF HAWAII

Dated : May 15, 1990
 Recorded : May 30, 1990 as Document. No. 90-080169

END OF EXHIBIT F

EXHIBIT G

**DISCLOSURE ABSTRACT FOR
MAKAPILI ESTATES CONDOMINIUM**

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

1. The developers are Stephen E. Hetrick and Daniel Vahalla, 962 Oceanview Avenue, Leucadia, CA, 92024, Telephone: 619-453-8420.

2. The projected annual maintenance fees are attached hereto as Schedule I. Developer hereby certifies that the estimations have been based on generally accepted accounting principles.

3. No warranty will apply to any individual unit. Although the buildings will be of new construction, no warranty will be made regarding the agricultural buildings.

4. No condominium units will be used for both hotel and residential use; these are condominium units in which residential use is permitted, but hotel use is not.

5. There will be no commercial use except those agricultural activities permitted by the Kauai County Comprehensive Zoning Ordinance.



DANIEL VAHALLA



STEPHEN HETRICK

 Dated: April 20, 1990

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Schedule I this _____ day of _____, 19__.

Purchaser(s)

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
Unit A	249.98	2999.76
Unit B_	250.04	3000.48
Unit C	249.98	2999.76

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning
Electricity
 [] common elements only
 [] common elements
 and apartments
Gas
Refuse Collection
Telephone
Water and Sewer

Maintenance, Repairs and Supplies

Building		
Grounds	300.00	3600.00

Management

Management Fee	100.00	1200.00
Payroll and Payroll Taxes		
Office Expenses		

Insurance	50.00	600.00
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Reserves

Taxes and Government Assessments	200.00	2400.00
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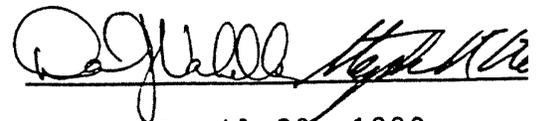
Audit Fees

Other Seacliff Association Fees	100.00	1200.00
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TOTAL	750.00	9000.00
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WE, DANIEL VAHALLA and STEPHEN HETRICK

Developers for the condominium project, hereby certify that the above estimates of maintenance fee assessments and maintenance fee disbursements were prepared in accord with generally accepted accounting principles.



Date: April 20, 1990

EXHIBIT I

SUMMARY OF AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SEACLIFF PLANTATION AT KILAUEA BAY COMMUNITY

The covenants effecting use of this property are those contained in the Amended Declaration of Covenants, Conditions and Restrictions of the Seacliff Plantation at Kilauea Bay Community dated December 28, 1988, and recorded in Liber 22766 at Page 559.

The covenants in Declaration dated July 25, 1988 recorded in Liber 22226 at Page 340.

A summary of the Covenants, Conditions and Restrictions follows:

SUMMARY OF AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE SEACLIFF PLANTATION AT KILAUEA BAY COMMUNITY

This project is located on one of the lots of the Seacliff Plantation Subdivision. This subdivision is affected by an "Amended Declaration of Covenants, Conditions and Restrictions of the Seacliff Plantation at Kilauea Bay Community" (herein called the "Protective Covenants"), filed with the records of the State of Hawaii Bureau of Conveyances.

This is a summary of the types of restrictions applicable to the subdivision as a whole, and to the Lot upon which this Project is located. This is not meant to completely recite the actual provisions of the Protective Covenants, nor to cover every issue in which a purchaser might have interest. The prospective purchaser is urged to obtain a full copy of the Protective Covenants from the Developer prior to entering into an agreement to purchase a unit in this Project.

ARTICLE I DEFINITIONS

This Article defines the various terms used in the Protective Covenants.

ARTICLE II COMMUNITY RESTRICTIONS

Article II defines the "development" as all of the property of the subdivision, and is subject to the covenants, also called "Seacliff Plantation Community Restrictions". The Declarant reserves the right, prior to December 31, 2002, to expand by annexing the roadway lots within the Seacliff Plantation Community and/or additional nearby lands. Such expansion shall not require the consent of any owners.

ARTICLE III
RESTRICTIVE COVENANTS

USE RESTRICTION - This Section describes the limitations and restrictions imposed upon the owner. Certain lots are subject to: (1) building setbacks, (2) Kauai County approval of locations; (3) elevation agreements with the water company. A building height limit of twenty-five (25) feet, 2000 square feet minimum livable floor area, two car garage, landscape design, material requirements, earthen tone exterior, structures maintained in good repair as not to create a safety and fire hazard and other limited uses are discussed. The Design Committee shall have authority to: (1) approve a

guest house, (2) restrict improvements under certain conditions. This Section also provides for the limited use of temporary structures, signs, trucks, including repair/reconstruction/storage of vehicles, trailers and boats. Also included are the uses and restrictions of garages, outdoor drying, disposal of trash and waste material, use and control of animals. No noxious/offensive activity or extraneous noise is permitted. Access from any lot in the community to Kilauea Lighthouse Road and Kahili Quarry Road is restricted.

EASEMENTS AFFECTING LOTS - There is a 20-foot wide equestrian trail, a 20-foot wide pedestrian trail and a picnic area easement included as part of ownership in the Community. Certain lots are subject to a nonexclusive irrigation easement and water may be brought to the lot within certain conditions. Certain lots are affected by drainage and utility easements. All lots are subject to sheetflow of roadway surface water.

RESTRICTIONS ON DRAINAGE DITCHES AND CULVERTS - To handle surface runoff and storm waters the following restrictions are imposed. Each owner will maintain and accept full responsibility and liability for the drainage ditch and culvert system on his property. Certain lots must construct driveways that bridge the drainage ditch.

USE OF LOTS ZONED "AGRICULTURE" - This Section defines the restricted permitted uses as given by the State Land Use Commission.

FARM DWELLING SITES, PRIVACY AND PRIVATE AREAS - In the event an owner fails to comply with the landscaping requirements, the Association may perform such landscaping and be reimbursed by the Owner such cost, including interest. Approval is required from the Design Committee prior to commencing of certain activities on the land. The Owner shall submit to the Design Committee preliminary plans prepared by an architect. After approval by the Design Committee (up

to 60 days) the Owner shall submit 6 sets of final plans and specifications, proposed construction schedule and fees to the Design Committee. The Design Committee shall inspect the completed work.

COMMON AREA USES AND RESTRICTIONS - The Declarant may set aside certain areas as common areas for recreational use by the Owners. There shall be no camping nor fires and only certain animals shall be permitted in the Common Area.

COMMON AREA CONSTRUCTION AND ALTERATION OF IMPROVEMENTS - This Section restricts the alterations of any Common Area to the Association and states under what conditions prior approval of the Design Committee is required.

PRESUMPTION OF COMPLIANCE - This Section defines those conditions under which improvements, excavation, fills and other such work are presumed to be in compliance with Article III.

ARTICLE IV DESIGN COMMITTEE

This Article discussed the creation and maintenance of the Design Committee including the initial members and subsequent members. It outlines the committee function, including rules and extent of liability. For a period of up to 10 years the Declarant has the right to appoint and remove all member of the Design Committee.

ARTICLE V SEACLIFF PLANTATION AT KILAUEA BAY COMMUNITY ASSOCIATION

This Article discusses the Owners Community Association, membership, voting rights, duties, obligations, powers, authority and establishment of Community Association Rules.

ARTICLE VI FUNDS AND ASSESSMENTS

This Article discusses the Association operating fund, maintenance assessment to each Owner as estimated by the Board of Directors, special assessments, notice of assessment and procedure for collection of default assessments.

EXHIBIT J

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

June 15, 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 Makapili Estate Condominium Report
Registration No. 2249 at Kilauea, Kauai, Hawaii
Tax Map Key: 5-2-04:78

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 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.

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
June 15, 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.


PETER A. NAKAMURA
Planning Director

END OF EXHIBIT J