

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer JILL D. PERRIN

Address [REDACTED]

Project Name(*): 2321 LILIUOKALANI STREET CONDOMINIUM

Address: 2321 Liliuokalani Street, Kilauea, Hawaii 96754

Registration No. 2285

(Partial Conversion)

Effective date: April 30, 1993

Expiration date: May 30, 1994

Preparation of this Report:

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

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

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

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

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

Type of Report:

 PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(yellow)

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

 X SUPPLEMENTARY: This report updates information contained in the:
(pink)
 [] Preliminary Public Report dated: _____
 [X] Final Public Report dated: August 9, 1990
 [] Supplementary Public Report dated: _____

And [X] Supersedes all prior public reports
 [] Must be read together with _____
 [] This report reactivates the _____
 public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report as Exhibit G [] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

The public report format currently in use by the Real Estate Commission ("Commission") is different from that upon which the final public report for this project was issued. When comparing the new format to the old, information contained on a specific page of the supplementary report will not coincide to the same page number in the old report. Therefore, it is suggested that a buyer refer to the table of contents of each report when making comparisons between the same. Following is a general description of the changes made:

1. The "Special Notices" contained in the star block have been changed to show the most current applicable information.
2. The order in which Exhibits appear has been changed. The content of Exhibit I has not changed. Exhibits A through H and J have been revised to include the most current applicable information.
3. The Sections "General Information on Condominiums" and "Operation of the Condominium Project" have been changed to reflect the most current information provided by the Commission.
4. There have been changes to the information concerning the persons connected with the project, i.e., the Developer's address and telephone number have changed and the address for the Attorney for Developer has changed.
5. There have been amendments to the condominium documents since the issuance of the final report and they have been listed in the supplementary report with the appropriate recordation data.
6. The information contained in the section entitled "Buildings and Other Improvements" has changed.
7. The information contained in the Exhibits concerning the project's common elements, limited common elements, common interest, and encumbrances against title has been updated.
8. The supplementary report contains a new section entitled "Condominium Management" which expands upon the information provided in the final report. There is, however, no change to the fact that this project will be self-managed by its Association of Apartment Owners. An updated estimate of maintenance fees is contained in the aforesaid Exhibits.

9. The supplementary report also contains a new section entitled "Miscellaneous". This section enlarges upon the information provided by the Commission in the final report concerning the sales documents, a buyer's right to cancel the sales contract and a buyer's rights under the sales contract. This section also contains updated disclosures by the developer not contained elsewhere in the report. The supplementary report is signed by the Developer instead of by Commission Chairman, another new requirement implemented by the Commission.

* * * * *

* **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 land area beneath and immediately adjacent to each *
 * unit as shown on the Condominium Map is designated as a limited *
 * common element for that unit and does not represent a legally *
 * subdivided lot. The dotted lines on the Condominium Map merely *
 * represent the approximate location of the limited common element *
 * assigned to each unit. *

* 3. Facilities and improvements normally associated with County *
 * approved subdivisions, such as fire protection devices, County *
 * street lighting, electricity, upgraded water facilities, *
 * improved access for owner and emergency traffic, drainage *
 * facilities, etc., may not necessarily be provided for and *
 * services such as County street maintenance and trash collection *
 * will not be available for interior roads and driveways. *

* 4. Read Exhibit "I" (Letter dated August 27, 1990, from County of *
 * Kauai Planning Department) with care. A purchaser should note *
 * that the second dwelling "ADU" mentioned therein (Unit 2) has *
 * now been constructed. It has a non-conforming stairway to the *
 * loft. This is one of the reasons for the issuance of this *
 * supplementary report. *

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

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer:

JILL D. PERRIN

Phone: [REDACTED]

Name

(Business)

[REDACTED]
Business Address

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

N/A

Real Estate
Broker:

HANAIEI
NORTHSHORE PROPERTIES, LTD.

Phone: (808) 826-9622

Name

(Business)

P. O. Box 607

Business Address

Hanalei, Hawaii 96714

Escrow:

TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211

Name

(Business)

235 Queen Street

Business Address

Honolulu, Hawaii 96813

General
Contractor:

Owner-Builder

Phone: _____

Name

(Business)

Business Address

Condominium
Managing
Agent:

Self-Managed by the
Association of Apartment Owners

Phone: _____

Name

(Business)

Business Address

Attorney for
Developer:

STEVEN R. LEE

Phone: (808) 246-1101

Name

(Business)

4473 Pahe'e Street

Business Address

Suite L

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 90-092881
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

See page 6a for information concerning amendments to the Declaration.

- 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 Conveyances Condo Map No. 1338
 Filed - Land Court Condo Map No. _____

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

See page 6a for information concerning amendments to the Condominium Map.

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 90-092882
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

See page 6a for information concerning amendments to the Bylaws.

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A. The Declaration of Condominium Property Regime for 2321 Liliuokalani Street Condominium has been amended by:

First Amendment to Declaration dated August 7, 1990, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-12386.

Second Amendment to Declaration dated August 24, 1990, recorded in said Bureau as Document No. 90-132703.

Amended and Restated Declaration dated October 16, 1990, recorded in said Bureau as Document No. 90-164825.

Second Amended and Restated Declaration dated February 17, 1993, recorded in said Bureau as Document No. 93-048540.

B. Condominium Map (File Plan) No. 1338 for 2321 Liliuokalani Street Condominium has been amended and filed in the Bureau of Conveyances of the State of Hawaii on:

August 28, 1990; only Page 1 of the File Plan was affected.

October 23, 1990; only Page 1 of the File Plan was affected.

March 25, 1993; only Pages 1, 10, 11 and 12 were affected with the new Page 10 replacing the old Pages 10, 11 and 12.

C. Bylaws of the Association of Apartment Owners of 2321 Liliuokalani Street Condominium has been amended by:

Amended and Restated Bylaws dated February 17, 1993, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-048541.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

1. Apartment Owners: Minimum percentage of common 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 for projects with five or fewer apartments.

2. Developer:

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

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

The Developer has reserved the right to make certain modifications to the Declaration, Bylaws, Apartment Deed and other documents as may be required by law, a title insurance company, any institution, mortgagee or governmental agency.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 2321 Liliuokalani Street Tax Map Key: (4) 5-2-020-86&152
Kilauea, Kauai, Hawaii (TMK)

Address TMK is expected to change because each unit is eligible to receive
its own designation.

Land Area: 10,498 square feet acre(s) Zoning: Residential

-Lessor- JOHN D. PERRIN
(Fee Owner): JILL D. PERRIN

Name _____

Address _____

Sublessor: N/A
Name _____

Address _____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 2 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Ohana	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

- Pets: Household pets are permitted in reasonable numbers and shall not be kept, bred or maintained for any commercial use.
- Number of Occupants: Refer to Exhibit "J", Summary of Declaration of Restrictive
- Other: Covenants (for Puu Lani Subdivision Increment IV) for further use restrictions.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Garage/Lanai/Patio (sf)
<u>1</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>528</u>
<u>2</u>	<u>1</u>	<u>2/2</u>	<u>1,410</u>	<u>72 - Lanai</u>
_____	_____	_____	_____	<u>193 - Garage/Storage</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

Boundaries of Each Apartment: Per Article II of the Declaration of Condominium Property Regime, the boundaries of each apartment shall be the outer surface of the entire building. Wires or conduits, pipes or any utility lines running over, under or through any apartment which are utilized for or serve more than one unit shall not be deemed as part of the apartment, the same being deemed common elements.

Permitted Alterations to Apartments: Permitted alterations to apartments are 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.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> </u>	<u> X (Unit 2) * </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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit E .

as follows:

*Has a non-conforming stairway to the loft. Purchaser shall assume all responsibility for correction of the non-conformity upon purchase of the Unit.

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

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit E.

as follows:

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit C.

as follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated March 3, 1993 and issued by First Hawaii Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

[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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If foreclosed, Buyer's deposit may be refunded and the sales contract between Seller and Buyer will be cancelled.

F. Construction Warranties:

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

1. Building and Other Improvements:

No warranties shall apply to either the dwelling or garage. A professional inspection is suggested to any prospective purchaser.

2. Appliances:

None.

G. Status of Construction and Estimated Completion Date:

Unit 1 was completed in 1988 but with the exception of the garage, which is in poor condition, it was demolished by Hurricane Iniki in September of 1992. Unit 2, an ADU, was completed in 1992.

H. Project Phases:

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit B contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated May 29, 1990
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2285 filed with the Real Estate Commission on 8/7/90.

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. If a residence is not already constructed, 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 the contents of this Report, especially Exhibit J, a copy of the recorded Restrictive Covenants for the Puu Lani Subdivision, Increment IV, within which this project is located. Among other things, the Restrictive Covenants govern land use, building type, commercial uses, guest houses, quality and size of structures, temporary structures, time to complete construction, the number of motor vehicles allowed, animals and driveways and approaches. 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.

Except as limited specifically by the Declaration of Condominium Property Regime, the Bylaws and the Restrictive Covenants, all uses permitted in the residential zone are permitted. 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 residential and associated uses, and/or other uses permitted under the Kauai County Zoning Ordinances and the condominium documents herein referenced.

The County of Kauai Planning Department has advised that, in order to process the necessary permits for the construction of a residential dwelling, authorization from at least 75% of the legal and equitable ownership of the entire project shall be required. Please see cautionary and advisory letter from Kauai County Planning Department attached as Exhibit I.

A buyer should understand that development and use of the properties shall be in compliance 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.

Note: The common interests in this two-unit project are not equal. Thus, the owner of Unit 1, consisting of the existing two car garage, can out vote the owner of Unit 2 on all matters that are subject to vote. Also, allocation of common expenses shall be pursuant to each owner's common interest in the project.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

JILL D. PERRIN

Name of Developer

By Jill D. Perrin
Duly Authorized Signatory

April 9, 1993
Date

JILL D. PERRIN, Developer

print name & title of person signing above

Distribution:

Department of Finance, COUNTY OF KAUAI
Planning Department, COUNTY OF KAUAI
Federal Housing Administration

EXHIBIT B
SUMMARY OF SALES CONTRACT

The 2321 LILIUOKALANI STREET 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, obtain money damages, or retain Purchaser's deposit money held in escrow.

(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", including, but not limited to, Purchaser assumes all risks regarding any potential hazardous materials on the condo property or property adjoining or in the vicinity, including liability for suits by third parties. Seller is, however, unaware of any such materials, chemicals or conditions on the property.

(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 2321 LILIUOKALANI STREET CONDOMINIUM**

<u>Qty.</u>	<u>Unit No.</u>	<u>Area of Limited Common Element* (Sq. Ft.)</u>	<u>No. of Br./Bath</u>	<u>Appx. Net Living Area (Sq. Ft.)</u>	<u>Appx. Garage Area (Sq. Ft.)</u>	<u>% of Common Int.</u>
1	1	5,904	0/0	0	528	60%
1	2	2,412	2/2	1,410	193	40%

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

***Note:** Land areas referenced 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 JOHN D. PERRIN and JILL D. PERRIN (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. The cost of title insurance will be 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) The common access and utility element;
- (c) All commonly used future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (d) Any and all other elements and facilities in common use or necessary to the Project.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, herein referred to as the "limited common elements", are 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 are as follows:

That certain land area upon and around which Units 1 and 2 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>	
1	5,904 square feet	Note: Land areas herein described are not legally subdivided lots.
2	2,412 square feet	

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

END OF EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Division, for further information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Dated: June 9, 1983
Recorded: July 16, 1983
Book: 17114
Page: 567

to which reference is hereby made.

The foregoing Declaration Of Covenants, Conditions and Restrictions was amended by the following:

<u>Book</u>	<u>Page</u>	<u>Dated</u>	<u>Recorded</u>
17371	681	09/30/83	10/07/83
23495	34	07/07/89	08/04/89

4. RIGHT-OF-ENTRY

In Favor of: CITIZENS UTILITIES COMPANY, a Delaware corporation, and HAWAIIAN TELEPHONE COMPANY, a Hawaii corporation
Dated: September 19, 1983
Recorded: October 31, 1983
Book: 17423
Page: 218
Purpose: Granting a right-of-entry for utility purposes.

5. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "2321 LILIUOKALANI STREET CONDOMINIUM"

Dated: June 7, 1990
Recorded: June 21, 1990
Document No. 90-092881

Condominium Map No. 1338, as amended, to which reference is hereby made.

The foregoing Declaration of Condominium Property Regime was amended by the following:

<u>Document No.</u>	<u>Dated</u>	<u>Recorded</u>
90-123876	08/07/90	08/13/90
90-132703	08/24/90	08/28/90

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "2321 LILIUOKALANI STREET CONDOMINIUM" dated October 17, 1990, recorded on October 23, 1990 in the Bureau of Conveyances of the State of Hawaii as Document No. 90-164825.

6. By-Laws dated June 7, 1990 recorded on June 21, 1990 in the Bureau of Conveyances of the State of Hawaii in as Document No. 90-092882, to which reference is hereby made.
7. Easement "A" (569 square feet, more or less), for cesspool and utility purposes, as shown on the Survey Map of Masao Fujishige, Registered Professional Surveyor, Certificate No. 1065, datd July 30, 1990, and attached to that certian instrument dated August 24, 1990 recorded August 28, 1990 in the Bureau of Conveyances of the State of Hawaii as Document No. 90-132703.
8. MORTGAGE
Mortgagor: JOHN D. PERRIN and JILL D. PERRIN, husband and wife
Mortgagee: SERVCO FINANCIAL CORP., a Hawaii corporation
Dated: October 28, 1991
Recorded: October 30, 1991
Document No. 91-149006
Principal Sum: \$135,000.00
The present amount due should be determined by contacting the owner of the debt. (Also affects other property)
9. In addition to the foregoing, the Developer reports the recording of a SECOND AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "2321 LILIUOKALANI STREET CONDOMINIUM" dated February 17, 1993, recorded in the said Bureau on March 25, 1993 as Document No. 93-048540.
10. In addition to the foregoing, the Developer reports the recording of an AMENDED AND RESTATED BYLAWS OF 2321 LILIUOKALANI STREET CONDOMINIUM dated February 17, 1993, recorded in said Bureau on March 25, 1993 as Document No. 93-048541.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR
2321 LILIUOKALANI STREET CONDOMINIUM

Pursuant to Hawaii Revised Statutes Section 514(A)-61, the developer of 2321 LILIUOKALANI STREET Condominium makes the following disclosures:

1. The developer of the project is JILL D. PERRIN, [REDACTED]
2. See Exhibit H for the projected annual maintenance fees. The developer hereby certifies that the estimations have been based on generally accepted accounting principles.
3. No warranty will apply to any individual residential unit. There are pre-existing structures on the property and no warranty will be made regarding the residential buildings.
4. If any condominium unit is converted to residential use, no such units will be used for both hotel and residential use; these are condominium units in which residential use is permitted, but hotel use is not.
5. There will be no commercial use except those activities permitted by the Kauai County Comprehensive Zoning Ordinance.
6. Pursuant to Rule 107.5 of the Hawaii State Real Estate Commission, reference is hereby made to the method by which common interest has been computed for the above-referenced project. There are 2 units, each of which sustains a structure and each of which will burden the common elements. However, the land area of Unit 1 is greater than that of Unit 2, therefore, the assessment of undivided interest both for common expense and for voting is 60% for Unit 1 and 40% for Unit 2.



JILL D. PERRIN

Dated: Feb-12, 1993

RECEIPT

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

Purchaser(s)

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
1	\$37.65	\$451.80
2	25.10	301.20

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

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

August 27, 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 Liliuokalani Street Condominium Report
Tax Map Key: 5-2-20: 86
Kilauea, Kauai, Hawaii

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 Residential District (R-6) and qualifies for two (2) units, based on an ADU facilities clearance form issued for this property. Please be advised, however, that the second dwelling and construction thereof will be confirmed when the building permit plans are submitted for processing. An approved ADU clearance form at this time means that the property qualifies for an additional dwelling unit. However, "qualifies" does not mean the building and zoning permits for construction of the unit will automatically be approved. It is at the permit level that detailed plans are submitted and evaluated with respect to specific building and zoning code requirements.

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.

EXHIBIT I

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
August 27, 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/driveways.

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 I

EXHIBIT J

**SUMMARY OF DECLARATION
OF RESTRICTIVE COVENANTS**

This Project is located on one of the lots of the Puu Lani (Increment IV) Subdivision. All residential lots in the subdivision at Kilauea, Kauai, Hawaii, are subject to the "Declaration of Restrictive Covenants" recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17114 at Page 567, until January 31, 1998.

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 Declaration nor to cover every issue in which a prospective purchaser may have interest. The prospective purchaser is urged to obtain a full copy of the Declaration from the Developer prior to entering into an agreement to purchase a unit in the Project.

1. Land Use and Building Type: Each of the said lots shall be used for private single-family residences only, and no apartment house or any building other than a private dwelling and garage for the use and occupancy of a single family shall be constructed or placed upon any of said lots.
2. Commercial Uses Prohibited: There shall be no commercial uses or commercial business operated from or upon any lot.
3. Guest Houses: Guest Houses meeting the requirements of all applicable laws shall be permitted only on lots having a land area in excess of 10,000 square feet.
4. Quality and Size: No dwelling erected on any of the said lots shall exceed two stories in height, and no garage or outbuildings shall exceed one story in height, unless the main structure is two (2) stories in height. All buildings shall be built entirely of new materials. No old and/or "quonset" type of building shall be erected, placed or maintained on any of said lots. Any dwelling erected shall contain not less than 1,000 square feet of livable ground area, exclusive of servant's quarters, guest houses, garage, storage space, and workshop.
5. Temporary Structures: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any of the said lots at any time as a residence, either temporarily or permanently.
6. Completion of Time of Construction: All structures on any of the said lots shall be completed within one year from the start of construction.
7. Number of Motor Vehicles: Only a reasonable number of motor vehicles necessary for use by the occupants of any lot shall be kept or maintained on said lot. Storage of motor vehicles, except for temporary repairs not exceeding two weeks, shall be prohibited.

8. Animals: No animals, livestock, or poultry of any kind shall be raised, bred, kenneled, or kept on any of said lots, except that dogs, cats or other household pets may be kept, provided they are reasonable in number and are not kept, bred or maintained for any commercial purpose.

9. Driveways and Approaches: All driveways and approaches between the lots and the roadways shall be constructed of asphalt (concrete (pavement) or cement.

10. Term: These covenants are to run with the land and shall be binding upon all parties and all persons claiming under them from February 1, 1983 until January 31, 1998, after which time said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by a majority of the then owners of said lots has been recorded, agreeing to change said covenants in whole or in part.

11. Enforcement: Each and all of the foregoing covenants and restrictions shall run with the land.

12. Severability: Invalidation of any of these covenants by judgment or court order shall in no way affect any of the other provisions.

END OF EXHIBIT J