



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

CONDOMINIUM PUBLIC REPORT

on

KALIHUWAI RIVER FARMS CONDOMINIUM

Kalihiwai, Kauai, Hawaii

Registration No. 2300

Issued: November 23, 1990
 Expires: December 23, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as October 15, 1990, and is issued by the Commission for informational purposes only. This report also includes information submitted by the Kauai County Planning Department Type of Report dated August 27, 1990.

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued
 - Supersedes all prior public reports
 - Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____

And Supersedes all prior public reports

Must be read together with _____

This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

[X] No prior reports have been issued by the Commission.

[] Changes made are as follows:

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*****
*   SPECIAL NOTICE:
*
*   THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF
*   RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES,
*   WHICH MAY BE BUILT UPON THE PROPERTY.  THEREFORE,
*   UNLESS THE PURCHASER IS PURCHASING AN EXISTING
*   RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT
*   THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL
*   DWELLING UNIT ON THE PROPERTY.  THERE ALSO IS NO
*   ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT
*   AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDEN-
*   TIAL 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 Agricultural Condominium Public Report does
*   not constitute an approval of the project nor
*   that all County Codes, Ordinances and subdivision
*   requirements have been complied with.
*
*   2.  This Agricultural Condominium 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 and trash collection
*   will not be available for interior roads.
*
*   4.  Read Exhibit D (Protective Covenants) and
*   Exhibit J (Letter from County of Kauai) with
*   care.  There are significant restrictions and
*   limits imposed on the property which purchasers
*   should be aware of.
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY
*   REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH
*   REGARD TO THE FOREGOING.
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GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

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

Types of Project:

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

Apt. No.	Quantity	BR/Bath	Net Living Area (sf)*	Storage Shed(s) (SF)
<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>

Total Apartments: 5

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

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

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: JOHN FRANCIS WEHRHEIM
Name
P.O. Box 3600
Business Address
Lihue, HI 96766

Phone: (808) 246-9601
(Business)

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

N/A

Real Estate Sales Agent: JAMES F. BUCKLEY dba
PACIFIC TRADER PROPERTIES
Name
P.O. Box 1046
Business Address
Hanalei, HI 96714

Phone: (808) 826-7498
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
4290 Rice St.
Business Address
Lihue, HI 96766

Phone: (808) 245-3381
(Business)

Managing Agent: Self-Managed **
Name

Business Address

Phone: _____
(Business)

**Upon compliance with all applicable condominium management laws.

Attorney for Developer: STEVEN R. LEE
Name
2959 Umi Street, Suite 300
Business Address
Lihue, Hawaii 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, apartment common elements, limited common elements, common interests, and other information relating to condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 90-099862
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

CONSENT TO AND JOINDER IN CONDOMINIUM PROPERTY REGIME dated September 17, 1990; Recorded at the Bureau of Conveyances on September 25, 1990 as Document No. 90-147838, by ERNST ACCOMODATORS, INC.

CONSENT TO AND JOINDER IN CONDOMINIUM PROPERTY REGIME dated September 8, 1990; Recorded at the Bureau of Conveyances on September 20, 1990 as Document No. 90-145319, by PAUL M. SAKAI and THOMAS C. TIERNEY.

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It 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. 1343
 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, 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. 90-098863
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

- Proposed Adopted
- 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> </u>

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

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

Developer has reserved the right to divide Unit 1 and/or 2 and create a guest house unit without altering net common interests.

B. Underlying Land:

Address: Kalihiwai, Kauai, Hawaii Tax Map Key: (4) 5-3-03:55
(TMK)

Address TMK is expected to change because Each Unit has not yet been
assigned an address.

Land Area: 23.507 square feet acre(s) Zoning: Agricultural & Open

Fee Owner: JOHN FRANCIS WEHRHEIM; ERNST ACCOMODATORS, INC.;
PAUL M. SAKAI; THOMAS C. TIERNEY

Name c/o John Francis Wehrheim
P.O. Box 3600
Address
Lihue, HI 96766

Sublessor:
Name
Address

C Buildings and Other Improvements:

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

2. Buildings: 5 Floors Per Building 1
 Exhibit _____ contains further explanations.

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

4. Permitted Uses:

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

5. Special Use Restrictions:

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

Pets See Exhibit D. (Protective Covenants and Building Rules).

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 5

Elevators 0

Stairways 0

Trash Chutes 0

<u>Apt. No.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Shed(s) (sf)</u>
<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
_____	_____	_____	_____	_____

**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:

See Exhibit A. Within the requirements of the zoning ordinances and Protective Covenants and Building Rules outlined Exhibit D, each unit owner may place improvements where desired, and subsequently relocate improvements, provided such improvements also comply with the building and zoning requirements of the County of Kauai.

See explanatory and advisory letter from the County of Kauai Planning Department attached as Exhibit J.

Permitted Alterations to Apartments;

As allowed by Kauai County zoning ordinances and the Protective Covenants and Building Rules referenced in Exhibit D. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime and the Condominium Map (Exhibit A) by the Association of Unit Owners will be required to disclose actual improvements as a matter of public record.

7. Parking Stalls:

Total Parking Stalls: 0

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

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: River and Waterway

9. Present Condition of Improvements

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

N/A

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at a certain 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.

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 September 11, 1990 and issued by FIRST HAWAII TITLE CORPORATION

Blanket Liens:

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

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

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage liens in favor of TransAmerica Premier Insurance Company and John Francis Wehrheim.	Buyer's interest in the Project will be foreclosed.

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

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

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

G. Estimate of Initial Maintenance Fees:

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

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

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

H. Utility Charges for Apartments:

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

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

I. Construction Warranties:

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

1. Building and Other Improvements:

NONE

2. Appliances:

N/A

J. Status of Construction and Estimated Completion Date:

Construction of storage sheds is now complete.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

Developer has Reserved the Right to Divide Unit 1 and /or 2 and create a guest house unit without altering net common interests.

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated September 6, 1989

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

Other Registration Forms

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

This is a condominium project, not a subdivision. Therefore, units purchased are not subdivided lots. If a residence is not already built, you will be required to comply with zoning codes to be allowed to construct a residence on your limited common element. To determine whether your expectations can be realized, you should carefully review this Report, especially Exhibit D, Summary of Protective Covenants and Building Rules, if any. Among other things, Protective Covenants and Building Rules 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. There may be an Architectural Review Committee which must approve all building plans. 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 and the processing of a farm dwelling agreement on agriculturally zoned parcels, 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 and the Bylaws, except as limited specifically by the project documents of record, 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. In relation to specifically permitted uses of buildings and other improvements, structures shall only be occupied or used for agriculture, associated residential uses, and/or other uses permitted by law and the recorded project documents. An agricultural residence may not be constructed unless the Unit Owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

Please see the advisory letter from the Kauai County Planning Department, attached as Exhibit J.

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

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sale 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 the 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 full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

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

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

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

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

This Public Report is a part of Registration No. 2300 filed with the Real Estate Commission on
August 20, 1990.

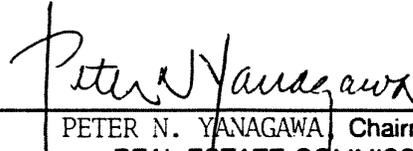
Reproduction of Report. When reproduced, this report must be on:

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



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

Distribution:

Bureau of Conveyances

Department of Finance, County of Kauai

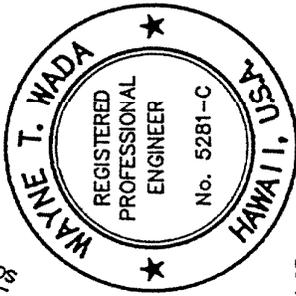
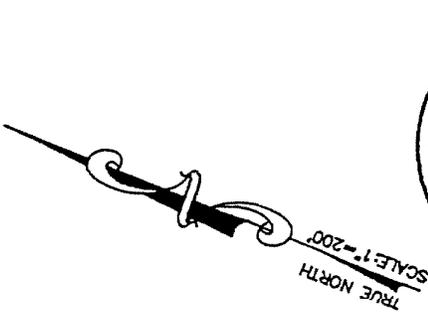
Planning Department, County of Kauai

Federal Housing Administration

Escrow Agent

EXHIBIT A
CONDOMINIUM MAP

Kalihiwai River Farms Condominium
Limited Common Element Locations



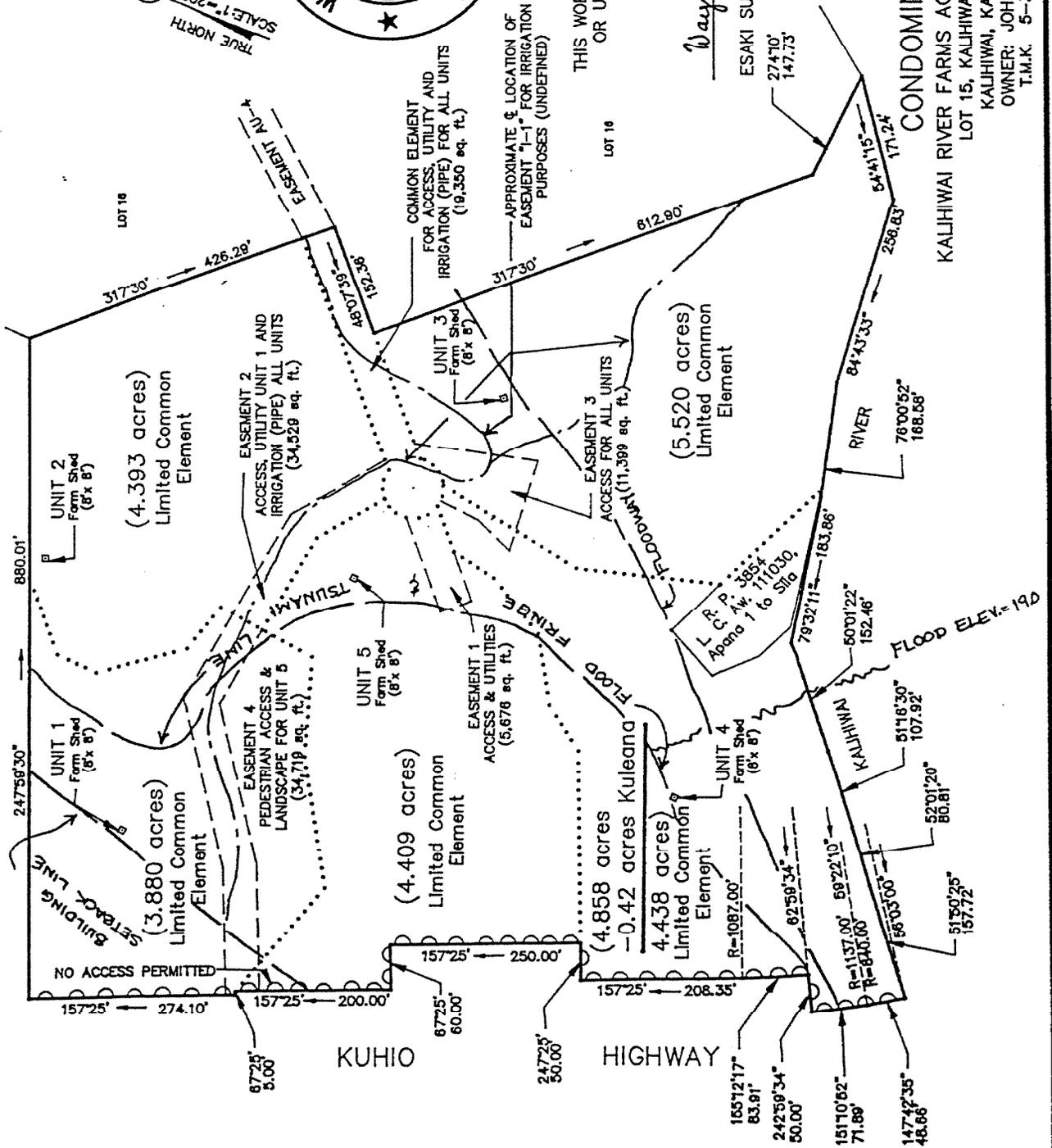
THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION

Wayne T. Wada
Signature
ESAKI SURVEYING & MAPPING, INC.
274°10'
147.73'

CONDOMINIUM MAP

KALIHIWAI RIVER FARMS AGRICULTURAL CONDOMINIUM
LOT 15, KALIHIWAI BAY ESTATES
KALIHIWAI, KAUAI, HAWAII
OWNER: JOHN WEHRHEIM
T.M.K. 5-3-03: 55

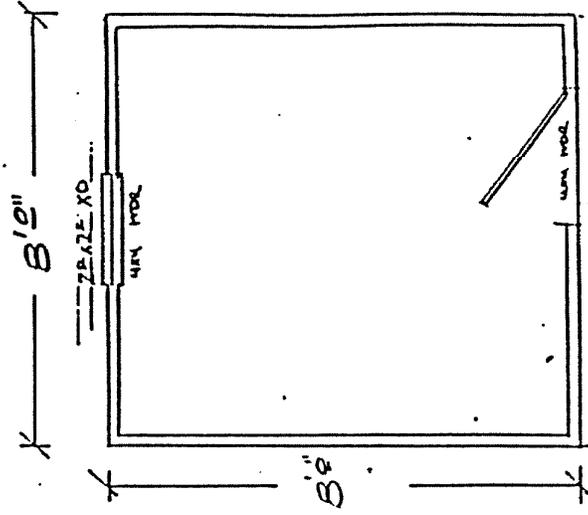
REV 5/15/04



Units 1 - 5 Floor Plans and Elevations

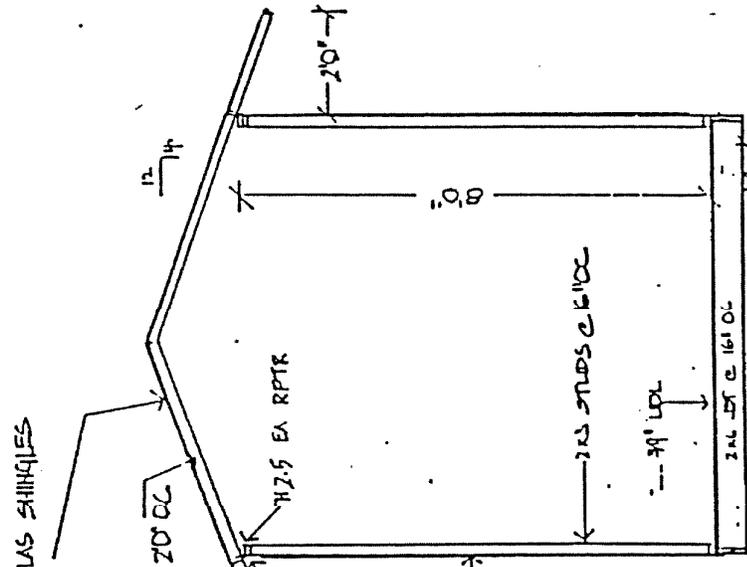
APPROVED

ROOF COLOR: FOREST GREEN
SIDING COLOR: EARTH TONE BROWN



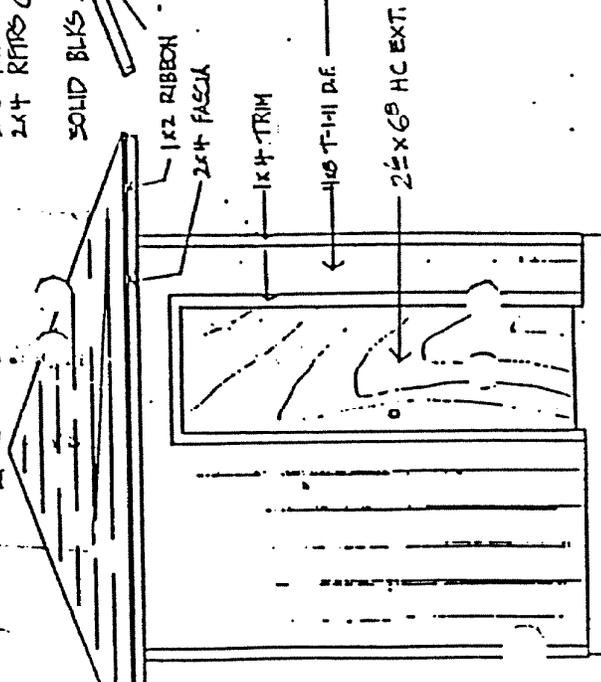
FLOOR PLAN

TYPICAL STORAGE BLDG



SECTION

CONC. BLK. PIERS
(SEE ATTACHED FIG. DETAILS)



EXT ELEVATION

Signature
12/21/91

UNITED STATES ARCHITECTURAL BOARD
REGISTERED ARCHITECT

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR KALIHIWAI RIVER FARMS CONDOMINIUM

Qty.	Apt. No.	Area of Limited Common Element	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Farm Shed Area (Sq. Ft.)	% of Common Int.
1	1	3.880 AC	0	0	64	20
1	2	4.393 AC	0	0	64	20
1	3	5.520 AC	0	0	64	20
1	4	4.438 AC	0	0	64	20
1	5	4.409 AC	0	0	64	20

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

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PROTECTIVE COVENANTS AND BUILDING RULES

The following is a brief summary of the covenants applicable to this condominium. It is not intended to be either exhaustive nor to mention every point that would be of interest or important to a prospective purchaser. The reader should review the entire Protective Covenants and Building Rules prior to considering purchase of a unit in this project.

1. A Design Committee will review applications for building permits and all plans of intended development. It is necessary to have committee approval to build any structure on the project. The Protective Covenants and Building Rules establish the rules and standards by which the committee operates, and the rules by which development and construction are regulated.

2. This subdivision of which this project is a part, being Lot 15, is served by Princeville Water Company, and this lot and three others have formed a private water company for domestic and irrigation water purposes, which has contracted with Princeville Water Company for domestic water. This system has differences from the operations of a public utility. The provisions of the agreements regarding water are part of the Protective Covenants and Building Rules.

3. No sewer or waste disposal system is in place for this project. Each owner will be required to comply with all State and County regulations in this regard.

4. The project roadway is unpaved. Unit vegetation will be required to be kept out of the roadway at the owner's expense.

5. Animals who create unusual levels of noise or noxious smells will be prohibited. Except for harvesting and seasonal spraying, dust and noise levels must be kept at minimum levels. Herbicides are carefully limited and controlled.

No dirt bikes, horn-honking or jet- or water-skiing are permitted in the project or on the waterways of the project or running through the project.

6. There are limitations on use of waterways, storage and stockpiling of rock, gravel, debris and equipment, building materials and the like. Developer retains the right to stockpile such items until 30 days after notifying owner to removed by any unit owner.

7. Design standards are very specific. They are contained in paragraph 17 and, in relation to the Kalihiwai Bay Estates Subdivision itself, in Paragraph 21. Also, no lighting

visible from the highway lookout adjoining the project or from the other homesites may be used.

8. The Protective Covenants and Building Rules contain descriptions of other rules and regulations or covenants affecting the project and the overall subdivision, including a summary of the covenants of Kalihiwai Bay Estates, of which this project is a part, in Paragraph 21. They also contain the means by which the covenants may be changed, and the consequences of breaking the covenants.

9. The Protective Covenants and Building Rules also contain a list of easements on the subdivision and on the lot comprising this Project, Lot 15.

10. The covenants affecting the overall subdivision cover many of the same areas as the covenants affecting the Project, but differ in details, and many provisions in the subdivision covenants are not repeated in the Project covenants. These include such things as more specific design standards, building sizes, driveway and parking space requirements, height limitations, roofline limitations, restrictions on antennae, laundry facilities, maintenance of the areas owned by any owner, county approval of building siting (already established for this lot/project) and garbage and refuse disposal. State land use restrictions are also incorporated. There are restrictions on temporary structures, health requirements and aircraft takeoffs and landings.

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 1, 2, 3, 4 and 5 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	3.880 acres
2	4.393 acres
3	5.520 acres
4	4.438 acres
5	4.409 acres

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. Check with the Kauai County Tax Assessor for further information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Reservation of water rights for Kuleanas as set forth in Land Commission Award 11215, Apana 3, and in Land Commission Award 8559-B, Apana 39.
4. Any variations in and along the boundaries running along Kalihiwai Stream; as may be caused by the natural deviation of said Stream.
5. The exceptions and reservations as contained in the following:

DEED

Dated: January 6, 1987
Recorded: January 8, 1987
Book: 20260
Page: 743
to which reference is hereby made.

6. DECLARATION

Dated: October 31, 1988
Recorded: December 2, 1988
Book: 22626
Page: 434
to which reference is hereby made.

7. All easements, undefined and unidentified, more fully described in Declaration dated October 31, 1988, recorded on December 2, 1988 in the Bureau of Conveyances of the State of Hawaii in Book 22626 Page 434.
8. Waiver and Release dated March 28, 1990, recorded on April 6, 1990 in said Bureau of Conveyances as Document No. 90-049134. Re: Water service to Unit 1.

9. Waiver and Release dated March 28, 1990, recorded on April 6, 1990 in said Bureau of Conveyances as Document No. 90-049135.
Re: Water service to Unit 2.
10. Waiver and Release dated March 28, 1990, recorded on April 6, 1990 in said Bureau of Conveyances as Document No. 90-049136.
Re: Water service to Unit 3.
11. Waiver and Release dated March 28, 1990, recorded on April 6, 1990 in said Bureau of Conveyances as Document No. 90-049137.
Re: Water service to Unit 4.
12. Waiver and Release dated March 28, 1990, recorded on April 6, 1990 in said Bureau of Conveyances as Document No. 90-049138.
Re: Water service to Unit 5.

13. AS TO AN UNDIVIDED 40% INTEREST ONLY:

a) MORTGAGE

Mortgagor: JOHN FRANCIS WEHRHEIM, husband of JoAnn Yukimura
Mortgagee: TRANSAMERICA PREMIER INSURANCE CO., a California corporation
Dated: May 17, 1990
Recorded: May 25, 1990
Document No. 90-078044
Principal Sum: \$319,187.00
The present amount due should be determined by contacting the owner of the debt.

14. Agreement to Release Rights to Three-Phase Power Installation dated May 25, 1990, recorded on June 6, 1990 in said Bureau of Conveyances as Document No. 90-084844.
15. Co-Owner's Use Agreement dated June 5, 1990, recorded on June 12, 1990 in said Bureau of Conveyances as Document No. 90-087273.

16. AS TO THE UNDIVIDED 1/5TH INTEREST OF ERNST ACCOMMODATORS, INC.

a) GRANT OF PEDESTRIAN ACCESS AND LANDSCAPING EASEMENT

In Favor of: ERNST ACCOMMODATORS, INC., a California corporation
Dated: June 5, 1990
Recorded: June 12, 1990
Document No. 90-087274
Purpose: Granting pedestrian access and landscaping easement

b) PURCHASE MONEY MORTGAGE

Mortgagor: ERNST ACCOMMODATORS, INC., a California corporation
Mortgagee: JOHN FRANCIS WEHRHEIM, husband of JoAnn Yukimura
Dated: --, 1990
Recorded: June 12, 1990
Document No. 90-087276
Principal Sum: \$170,000.00
The present amount due should be determined by contacting the owner of the debt.

17. AS TO AN UNDIVIDED 1/5TH INTEREST OF PAUL M. SAKAI AND THOMAS C. TIERNEY:

a) PURCHASE MONEY MORTGAGE

Mortgagor: PAUL M. SAKAI, unmarried, and THOMAS C. TIERNEY, unmarried
Mortgagee: JOHN FRANCIS WEHRHEIM, husband of JoAnn A. Yukimura
Dated: June 13, 1990
Recorded: June 29, 1990
Document No. 90-098397
Principal Sum: \$125,000.00
The present amount due should be determined by contacting the owner of the debt.

18. AS TO AN UNDIVIDED 3/5THS INTEREST OF JOHN FRANCIS WEHRHEIM:

- a) The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF HORIZONTAL PROPERTY REGIME OF "KALIHAIWAI RIVER FARMS CONDOMINIUM"

Dated: June 21, 1990
Recorded: June 29, 1990
Document No. 90-098862

Condominium Map No. 1343, to which reference is hereby made.

- b) By-Laws dated June 21, 1990, recorded on June 29, 1990 in said Bureau of Conveyances as Document No. 90-098863, to which reference is hereby made.

c) DECLARATION OF PROTECTIVE COVENANTS

Dated: June 26, 1990
Recorded: June 29, 1990
Document No. 90-098864
to which reference is hereby made.

END OF EXHIBIT F

EXHIBIT G

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
Unit 1	92.50 1110.00
Unit 2	92.50 1110.00
Unit 3	92.50 1110.00
Unit 4	92.50 1110.00
Unit 5	92.50 1110.00

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

Estimate of Maintenance Fee Disbursements:

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

10.00

120.00

Maintenance, Repairs and Supplies

Building

Grounds

250.00

3000.00

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

20.00

240.00

Insurance

70.00

840.00

Reserves

50.00

600.00

Taxes and Government Assessments

(Common Area Only)

62.50

750.00

Audit Fees

Other

TOTAL

462.50

5550.00

We, JOHN FRANCIS WEHRHEIM, developer for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

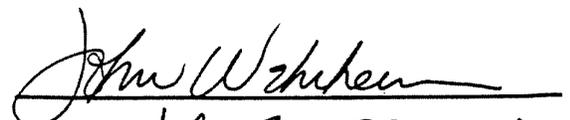

Date: July 3, 1990

EXHIBIT H
SUMMARY OF SALES CONTRACT

The KALIHIWAI RIVER FARMS 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 purchase price does not include the closing costs, prorations and additional costs provided in other sections of the contract.

3. If at the time of execution of the contract, a final public report has not been issued, the contract is merely a reservation agreement and it may be cancelled at any time by either the Buyer or Seller.

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

(a) Buyer has received the Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners, form of Apartment Deed, and Escrow Agreement and acknowledges that he has had adequate opportunity to read those documents and to examine the project plans and accepts them with such changes and modifications as the project architect may deem necessary.

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

(c) Risk of loss to the apartment and percentage interest in the common elements will be borne by Seller until the date of closing as defined in the contract. Buyer will not be entitled to possession of the apartment until the date of closing.

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

(e) Until the Apartment Deed conveying title is delivered to Buyer, the Seller may exercise all of the powers of the Association and of the Buyer as a member thereof.

(f) After issuance of the Final Public Report and Buyer's waiver of its right to cancel under Hawaii Revised Statutes

Section 514A-62, Buyer shall have the right to rescind the contract only if there is a material change in the project which directly, substantially and adversely affects the use or value of Buyer's apartment or appurtenant limited common elements or those amenities of the project available for the Buyer's use subject to waiver by the Buyer pursuant to the terms set forth in the contract and Hawaii Revised Statutes Section 514A-63.

(g) Time is of the essence of the obligations of Buyer under the contract.

(h) Neither Seller nor any of its representatives has made any representations as to the rental income to be derived from the unit.

(i) Developer makes only those warranties regarding construction and appliances which are set forth in the contract.

(j) The contract shall not be construed as a present transfer of any interest in the property but it is an agreement to transfer in the future.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'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 H

EXHIBIT I
SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between First Hawaii Title Corporation (the "Escrow") and JOHN FRANCIS WEHRHEIM, (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 a unit, 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. Escrow will release from the Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Hawaii Revised Statutes, have been met.

3. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow, but in the aggregate shall not be more than \$25.00.

4. Escrow will collect purchasers funds and closing documents for processing. Escrow will handle the closings.

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 \$450.00 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 cost an additional \$435.00. The cost per statement for revising closing statements, after escrow has already prepared them, is \$10.00 per statement.

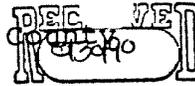
* * * * *

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 I

JOANN A. YUKIMURA
MAYOR

EXHIBIT J
Letter From Kauai



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

COPY

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 Kalihiwai River Farms Condominium Report
Tax Map Key: 5-3-03:55
Kalihiwai, 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 Agriculture District (A) and Open District (O) and qualifies for five (5) 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.

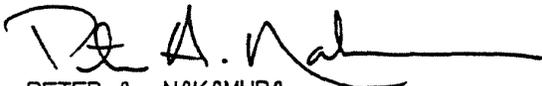
The uses on the limited common elements shall be limited to those listed as permissible within the "A" Agricultural District in the State Land Use Commission Rules and Regulations. Farm dwellings on the lot shall mean a single-family dwelling located on and used in connection with a farm or where agricultural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

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

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

cc: Steven R. Lee, Esq.

END OF EXHIBIT J