

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: JOHN FRANCIS WEHRHEIM, Trustee of that certain unrecorded Declaration of Trust known as the John F. Wehrheim Revocable Living Trust, dated June 6, 1990, as amended, and JOANN AI YUKIMURA, Trustee of that certain unrecorded Declaration of Trust known as the JoAnn A. Yukimura Revocable Living Trust, dated June 20, 1990, as amended
Address: P. O. Box 1200 Kilauea, Kauai, Hawaii 96754
Project Name(*): KALIHIWAI RIVER FARMS CONDOMINIUM
Address: Kalihiwai, Kauai, Hawaii

Registration No. 2300

Effective date: December 15, 2003
Expiration date: January 15, 2005

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] SUPPLEMENTARY: (pink) This report updates information contained in the:
[X] Final Public Report dated: November 23, 1990
[X] This report reactivates the Final Public Report dated November 23, 1990 public report(s) which expired on March 25, 1995

(* Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report as Exhibit "K" [] Not required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. Pursuant to the First Amendment to the Declaration, the Developer reserved the right to create an additional unit for the Guest House from either Unit 1 or Unit 2.

2. Pursuant to the Second Amendment to the Declaration, the Developer created an additional (sixth) unit by dividing Unit 2 into Unit 2-A (with an appurtenant limited common element of 1.635 acres and the right to construct the Guest House thereon) and Unit 2-B (with an appurtenant limited common element of 2.739 acres).

3. Pursuant to the Third Amendment to the Declaration, the Declarant canceled an easement for pedestrian access and landscaping purposes on Unit 1 in favor of Unit 5, and amended the description of the Property, as contained in Exhibit "A" of the Declaration, to reflect this cancellation of easement.

4. Pursuant to the Fourth Amendment to the Declaration, the Declarant filed a corrected Condominium Map to correctly reflect the cancellation of the pedestrian access and landscaping easement noted in the Third Amendment to the Declaration.

5. Pursuant to the Fifth Amendment to the Declaration, the Declarant consolidated Units 2-A and 2-B into Unit 2, thus reducing the total units in the project from six to five, and amended the limited common elements for Units 1, 2 and 5 as follows: Unit 1 has an appurtenant limited common element of 5.369 acres; Unit 2 has an appurtenant limited common element of 3.115 acres; and Unit 5 has an appurtenant limited common element of 4.199 acres. In addition, the Guest House rights were granted to Unit 1. In addition, the Declaration was amended to allow unit owners to amend the boundaries and size of their limited common elements with the consent of affected unit owners, and to allow unit owners to grant easements across their units and limited common elements under certain conditions.

6. The Condominium Map has been amended to reflect the changes set forth in the Second Amendment to the Declaration, the Third Amendment to the Declaration, the Fourth Amendment to the Declaration, and the Fifth Amendment to the Declaration. At the present time, the most current map showing the project is entitled "Amended Condominium Map No. 1343, Kalihiwai River Farms Agricultural Condominium (Revised February 19, 2000)", prepared by Wayne T. Wada, Licensed Professional Engineer.

7. The Disclosure Abstract is attached as Exhibit "K".

8. The attorney for the project has been changed to Max W. J. Graham, Jr.

SPECIAL ATTENTION

This is a **CONDOMINIUM PROJECT**, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.

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

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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SPECIAL NOTICE

The developer's Final Public Report expired on March 25, 1995. And pursuant to Section 16-107-19, Hawaii Administrative Rules, sales contracts executed during the period that the Public Report was not in effect may be rescinded at the option of the purchaser and all monies refunded to the purchaser. The purchaser's right to rescind under this rule shall be void thirty (30) calendar days after receipt of written notification of these rights from the developer or his real estate agent.

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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: JOHN FRANCIS WEHRHEIM, Trustee of that certain unrecorded Declaration of Trust known as the John F. Wehrheim Revocable Living Trust, dated June 6, 1990, as amended, and JOANN AI YUKIMURA, Trustee of that certain unrecorded Declaration of Trust known as the JoAnn A. Yukimura Revocable Living Trust, dated June 20, 1990, as amended Phone: (808) 828-6115

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

N/A

Real Estate Broker *: Coldwell Banker Bali Hai Realty, Inc. Phone: (808) 826-7244 P. O. Box 930 Hanalei, Kauai, Hawaii 96714

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211 235 Queen Street (Business) Honolulu, Hawaii 96813

General Contractor *: N/A Phone: (Business)

Condominium Managing Agent *: Self-managed by the Association of Unit Owners Phone: (Business)

Attorney for Developer: Max W. J. Graham, Jr. Phone: (808) 245-4705 Belles Graham Proudfoot & Wilson (Business) 4334 Rice Street, Suite 202 Lihue, Kauai, Hawaii 96766-1388

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

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed

Recorded - Bureau of Conveyances: Document No. 90-099862

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]: Consent To And Joinder In Condominium Property Regime dated September 17, 1990, recorded as Document No. 90-147838; Consent To And Joinder In Condominium Property Regime dated September 8, 1990, recorded as Document No. 90-145319; First Amendment to Declaration of Condominium Property Regime dated August 3, 1990, recorded as Document No. 90-123875; Second Amendment to Declaration of Condominium Property Regime dated November 25, 1991, recorded as Document No. 91-174995; Third Amendment to Declaration of Condominium Property Regime dated December 1, 1998, recorded as Document No. 98-190962; Fourth Amendment to Declaration of Condominium Property Regime dated April 27, 1999, recorded as Document No. 99-073263; and Fifth Amendment to Declaration of Condominium Property Regime dated March 30, 2000, recorded as Document No. 2000-055170.

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. 1343

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]: Third Amendment to Declaration of Condominium Property Regime dated December 1, 1998, recorded as Document No. 98-190962; Fourth Amendment to Declaration of Condominium Property Regime dated April 27, 1999, recorded as Document No. 99-073263; and Fifth Amendment to Declaration of Condominium Property Regime dated March 30, 2000, recorded as Document No. 2000-055170.

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. 90-098863

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]:

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75% *	<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:

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 Sub-leasehold:** 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 Sub-leaseholds:

- 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 Sub-leasehold:**

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: Kalihiwai, Kauai, Hawaii

Tax Map Key: (TMK): (4) 5-3-03:55

[X] Address [X] TMK is expected to change because addresses will be assigned by the County when houses are constructed; CPR numbers will be added to the current TMK number.

Total Land Area: 23.507 [] square feet [X] acre(s) Zoning: Agricultural & Open

Fee Owner: JOHN FRANCIS WEHRHEIM, Trustee, and
 JOANN AI YUKIMURA, Trustee
 P. O. Box 1200
 Kilauea, Kauai, Hawaii 96754

Lessor: 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: 5 Floors Per Building 1
 Exhibit "A" contains further explanations.
3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other _____
4. Permitted Uses by Zoning:

	No. of Apts.	<u>Use Permitted by Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	<u>*</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other: (Shed)	<u>5</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

* NOTE: The subject property is within the State Land Use Agricultural District and is zoned Agricultural by the County of Kauai. "Farm Dwellings" and other structures appropriate to agricultural usage are permitted, subject to certain guidelines. See the disclosures on Page 20 of this Supplementary Public Report and Exhibit "L", Farm Dwelling requirements.

5. Special Use Restrictions:

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

- Pets: See Exhibit "D" (Protective Covenants and Building Rules)
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit 1</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>64</u>	<u>Storage Shed</u>
<u>Unit 2</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>64</u>	<u>Storage Shed</u>
<u>Unit 3</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>64</u>	<u>Storage Shed</u>
<u>Unit 4</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>64</u>	<u>Storage Shed</u>
<u>Unit 5</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>64</u>	<u>Storage Shed</u>

Total number of 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.

Boundaries of Each Apartment:

See Exhibit "A". Within the requirements of the zoning ordinances and Protective Covenants and Building Rules outlined in 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.

Apartments Designated for Owner-Occupants Only:

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

7. Parking Stalls:

Total Parking Stalls: 10 *

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u> </u>	<u>2</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>10</u>
Guest	<u> </u>						
Unassigned	<u> </u>						
Extra for Purchase	<u> </u>						
Other: <u> </u>	<u> </u>						
Total Covered & Open:	<u>10</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</u>	<u> </u>	<u>10</u>

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

* Each unit has ample space for parking within its limited common element area.

- 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/Enclosure(s)
- Other: River and Waterway

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

- There are no violations. Violations will not be cured.
- Violations and cost to cure are listed below. Violations will be cured by
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):

N/A

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 lawfully at one time but which does not now conform to present zoning requirements:

	Conforming	Non-Conforming	Illegal
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 Interests:

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

described in Exhibit "E" .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "E" *.

as follows:

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

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

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

described in Exhibit "C".

as follows:

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

Exhibit "F" describes the encumbrances against the title contained in the title reports dated November 4, 2003 and issued by Title Guaranty of Hawaii, Inc..

Blanket Liens:

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

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee.

F. Construction Warranties:

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

1. Building and Other Improvements:

None: Units are sold "as is".

2. Appliances:

N/A

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

The construction of Units 1 through 5 were completed in September 1989.

H. **Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

The initial condominium managing agent for this project, named on page five (5) of this report is:

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

- B. **Estimate of Initial Maintenance Fees:**

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

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

Exhibit "G" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

- C. **Utility Charges for Apartments:**

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

None Electricity (____ Common Elements only ____ Common Elements & Apartments)

Gas (____ Common Elements only _____ Common Elements & Apartments)

Water Sewer Television Cable

Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "H" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 9, 2003
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
- Other Registration Forms

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 issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. 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. 2300 filed with the Real Estate Commission on August 20, 1990.

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

A buyer should understand that development and use of the property 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 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.

Purchasers should be aware that Chapter 205, Hawaii Revised Statutes ("H.R.S."), does not authorize residential dwellings as a permissible use in an agricultural use district, unless the dwelling is related to an agricultural activity or is a "farm dwelling".

The term "farm dwelling" is defined in H.R.S. Chapter 205-4.5(a)(4) as a "single family dwelling located and used in connection with a farm, including clusters of single-family farm dwelling permitted within agricultural parks developed by the State or where agricultural activity provides income to the family occupying the dwelling."

The penalty for violation of H.R.S. Section 205-4.5, is a fine of not more than \$5,000. If any person who is cited for a violation of the law fails to remove the violation within six months of such citation and the violation continues, such person is subject to a citation for a new and separate violation. There shall be a fine of not more than \$5,000 for any additional violation.

In order for any purchaser to obtain a building permit to construct a single family residential unit (farm dwelling), the County of Kauai will require the purchaser to sign a Farm Dwelling Agreement in the form attached hereto as Exhibit "I".

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

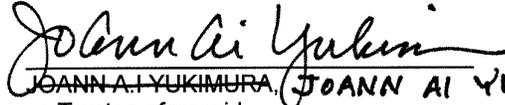
JOHN FRANCIS WEHRHEIM, Trustee of that certain unrecorded
 Declaration of Trust known as the John F. Wehrheim
 Revocable Living Trust, dated June 6, 1990, as amended,
 JOANN AI YUKIMURA, Trustee of that certain unrecorded
 Declaration of Trust known as the JoAnn A. Yukimura
 Revocable Living Trust, dated June 20, 1990, as amended

 Owner/Developer


 JOHN FRANCIS WEHRHEIM,
 as Trustee aforesaid

November 7, 2003

 Date


 JOANN A. YUKIMURA, JOANN AI YUKIMURA
 as Trustee aforesaid

November 7, 2003

 Date

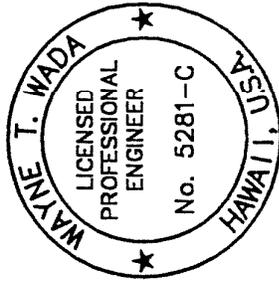
Distribution:

Department of Finance, _____ County of Kauai _____

Planning Department, _____ County of Kauai _____

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

EXHIBIT "A"



THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION

Wayne T. Wada
Signature

ESAKI SURVEYING & MAPPING, INC.

AMENDED
CONDOMINIUM MAP No. 1343
KALIHUAI RIVER FARMS AGRICULTURAL CONDOMINIUM

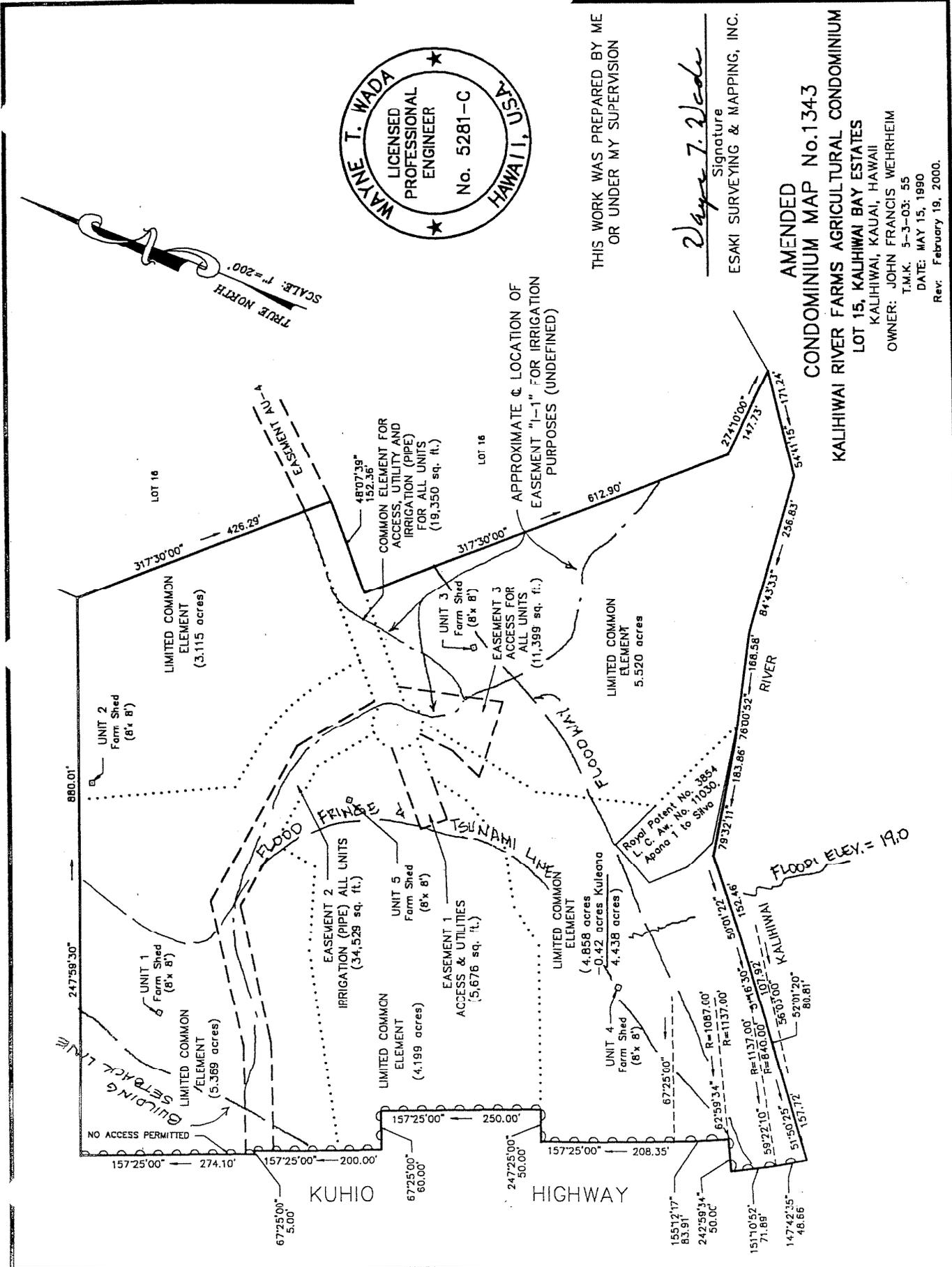
LOT 15, KALIHUAI BAY ESTATES
KALIHUAI, KAUAI, HAWAII

OWNER: JOHN FRANCIS WEHRHEIM

T.M.K. 5-3-03: 55

DATE: MAY 15, 1990

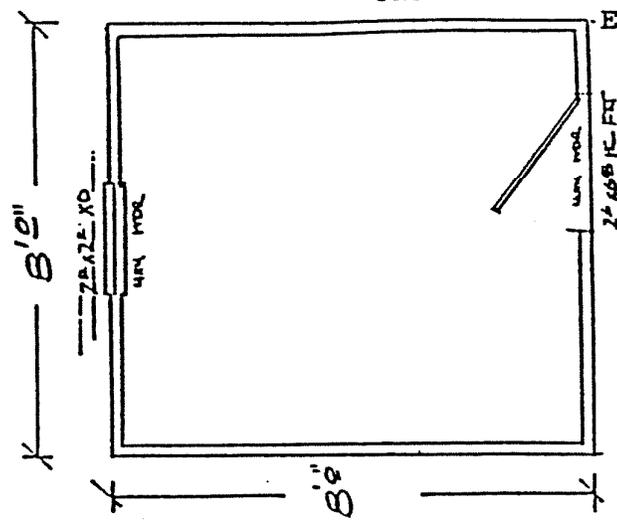
Rev: February 19, 2000.



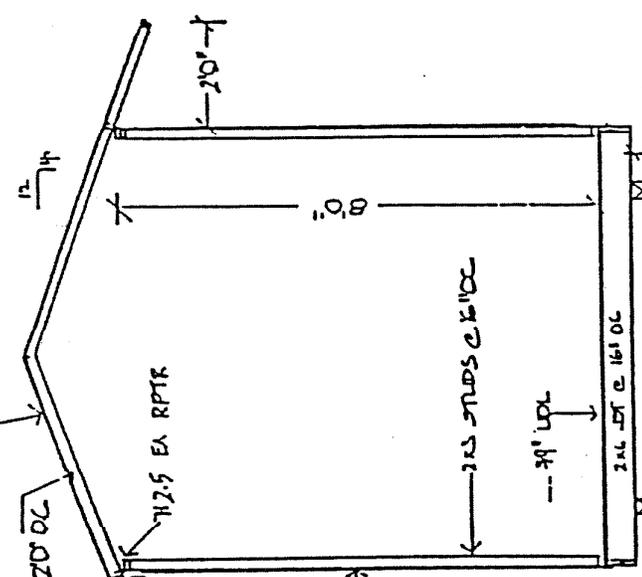
Units 1 - 5 Floor Plans and Elevations

APPROVED

ROOF COLOR: FOREST GREEN
SIDING COLOR: EARTH TONE BROWN



FLOOR PLAN



SECTION

EXT ELEVATION

TYPICAL STORAGE BLDG

CONC. BLK. PIERS
SEE ATTACHED FIG. DETAILS

[Signature]
10/21/91

UNIT 1 - 5 FLOOR PLANS AND ELEVATIONS

EXHIBIT "C"

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR KALIHAIWAI RIVER FARMS CONDOMINIUM

<u>Qty.</u>	<u>Apt. No.</u>	<u>Area of Limited Common Element</u>	<u>No. of BR/BATH</u>	<u>Approx. Net Living Area (sq. ft.)</u>	<u>Approx. Farm Shed Area (sq. ft.)</u>	<u>% of Common Int.</u>
1	1	5.369 AC	0	0	64	20
1	2	3.115 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	4.199 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 an/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.

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 remove 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.

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;
- (b) 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 and 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	5.369 acres
2	3.115 acres
3	5.520 acres
4	4.438 acres
5	4.199 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.

EXHIBIT "F"

1. Real Property taxes, a lien not yet due and payable. Check with the Kauai County Tax Assessor for further information.

-Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. 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. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DEED dated January 6, 1987, recorded in Liber 20260 at Page 743.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DECLARATION dated October 31, 1988, recorded in Liber 22626 at Page 434.
6. Waiver and Release dated March 28, 1990, recorded as Document No. 90-049135.
7. DESIGNATION OF EASEMENT I-1 for irrigation purposes, as shown on map dated May 15, 1990, as prepared by Wayne T. Wada, Licensed Professional Engineer with Esaki Surveying & Mapping, Inc.
8. Agreement to Release Rights to Three-Phase Power Installation dated May 25, 1990, recorded as Document No. 90-084844.
9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

DECLARATION OF HORIZONTAL PROPERTY REGIME FOR "KALIHAIWAI RIVER FARMS CONDOMINIUM" CONDOMINIUM PROJECT, dated June 21, 1990, recorded as Document No. 90-098862.

Condominium Map No. 1343 and any amendments thereto.

The above Declaration was amended by instruments dated August 3, 1990, recorded as Document No. 90-123875, dated November 25, 1991, recorded as Document No. 91-174995, dated December 1, 1998, recorded as Document No. 98-190962, dated April 27, 1999, recorded as Document No. 99-073263, and dated March 30, 2000, recorded as Document No. 2000-055170.
10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS dated June 21, 1990, recorded as Document No. 90-098863.
11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the DECLARATION OF PROTECTIVE COVENANTS AND BUILDING RULES FOR KALIHAIWAI RIVER FARMS CONDOMINIUM dated June 26, 1990, recorded as Document No. 90-098864.

Said Declaration was amended by instruments dated November 22, 1999, and recorded as Document Nos. 99-204658 and 99-204659.
12. WAIVER AND RELEASE dated and/or acknowledged September 23, 1998, and recorded as Document No. 98-160167 by John Wehrheim, pertaining to no-county supplied water service.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DECLARATION dated April 1, 1999, recorded as Document No. 99-113690.
14. WAIVER AND RELEASE dated September 25, 2000 and recorded as Document No. 2000-142429 by the KALIHIWAI RIVER HOMEOWNERS ASSOCIATION.
15. Claims arising out of the failure to convey the land described herein together with an easement or right of access.

AS TO UNIT NO. 1 ONLY:

16. Location of the boundary of KALIHIWAI STREAM and the effect, if any, upon the area of the land described herein, and the free flowage thereof.
17. RESTRICTION OF VEHICLE ACCESS RIGHTS along Kuhio Highway, as shown on map of Wayne T. Wada, Registered Professional Engineer, dated May 15, 1990.
18. SETBACK for building purposes, as shown on survey map of Wayne T. Wada, Registered Professional Engineer, dated May 15, 1990.
19. Flood fringe tsunami line, as shown on survey map of Wayne T. Wada, Registered Professional Engineer, dated May 15, 1990.
20. Floodway, as shown on survey map of Wayne T. Wada, Registered Professional Engineer, dated May 15, 1990.
21. DESIGNATION OF EASEMENT 3 (11,399 square feet) for access purposes, as shown on map dated May 15, 1990, as prepared by Wayne T. Wada, Licensed Professional Engineer with Esaki Surveying & Mapping, Inc.
22. Waiver and Release dated March 28, 1990, recorded as Document No. 90-049134, re: No County-supplied water services.
23. Waiver and Release dated March 28, 1990, recorded as Document No. 90-049136, re: No County-supplied water services.
24. RIGHT-OF-ENTRY to CITIZENS UTILITIES COMPANY, a Delaware corporation, dated June 4, 1990, recorded as Document No. 90-163615, granting a right-of-entry and easement.

The interest of CITIZENS UTILITIES COMPANY, a Delaware corporation, was assigned to KAUAI ISLAND UTILITY CO-OP, a Hawaii cooperative association, by instrument dated November 1, 2002, recorded as Document No. 2002-194848.
25. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the APARTMENT DEED dated January 28, 1991, recorded as Document No. 91-025545.
26. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in FARM DWELLING AGREEMENT dated -- (acknowledged on June 6, 1991), recorded as Document No. 91-111866, by and between JOHN FRANCIS WEHRHEIM, husband of JoAnn A. Yukimura, and the COUNTY OF KAUAI, PLANNING DEPARTMENT.
27. WAIVER AND RELEASE dated December 14, 1994, recorded as Document No. 91-179452, by PAUL M. SAKAI and THOMAS C. TIERNEY, re: no county-supplied water service.
28. WAIVER AND RELEASE dated June 7, 1994, recorded as Document No. 94-103656, by JOHN WEHRHEIM re: no county-supplied water service.

29. WAIVER AND RELEASE dated September 25, 2000, recorded as Document No. 2000-142429, by KALIHIWAI RIVER HOMEOWNER'S ASSOCIATION re: no County-supplied water service.
30. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described herein.

AS TO UNIT 2 ONLY:

31. NOTICE OF DEDICATION dated April 20, 2000, recorded as Document No. 2000-056173, by and between the COUNTY OF KAUAI and JOHN F. WEHRHEIM and JOANN A. YUKIMURA, re: dedication of land for agricultural purposes for a period of ten (10) years.

AS TO UNIT NO. 5 ONLY:

32. No access permitted along Kuhio Highway as shown on survey map dated May 15, 1990, as prepared by Wayne T. Wada, Licensed Professional Engineer No. 5381-C.
33. SETBACK LINE as shown on map dated May 15, 1990, as prepared by Wayne T. Wada, Licensed Professional Engineer.

AS TO UNIT NOS. 1 AND 2 ONLY:

34. DESIGNATION OF EASEMENT 2 (34,529 square feet) for access, utility and irrigation purposes, as shown on map dated May 15, 1990, as prepared by Wayne T. Wada, Licensed Professional Engineer with Esaki Surveying & Mapping, Inc.

AS TO UNIT NOS. 1 AND 5 ONLY:

35. DESIGNATION OF EASEMENT "1" (5,676 square feet) for access and utility purposes, as shown on survey map of Wayne T. Wada, Registered Professional Engineer, dated May 15, 1990.
36. DESIGNATION OF EASEMENT 4 (34,719 square feet) for pedestrian and landscape purposes, as shown on map dated May 15, 1990, as prepared by Wayne T. Wada, Licensed Professional Engineer with Esaki Surveying & Mapping, Inc.

AS TO UNIT NOS 2 AND 5 ONLY:

37. Any variations in and along the boundaries running along Kalihiwai Stream; as may be caused by the natural deviation of said Stream.

EXHIBIT "G"

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 = Yearly Total</u>
Unit 1	\$92.50 x 12 = \$1,110.00
Unit 2	\$92.50 x 12 = \$1,110.00
Unit 3	\$92.50 x 12 = \$1,110.00
Unit 4	\$92.50 x 12 = \$1,110.00
Unit 5	\$92.50 x 12 = \$1,110.00

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 Fee x 12 months = Yearly Total

Utilities and Services

Air Conditioning		
Electricity		
[] common elements only		
[] common elements and apartments		
Elevator		
Gas		
[] common elements only		
[] common elements and apartments		
Refuse Collection		
Telephone		
Water and Sewer	10.00	120.00

Maintenance, Repairs and Supplies

Building		
Grounds	250.00	3,000.00

Management

Management Fee	20.00	240.00
Payroll and Payroll Taxes		
Office Expenses		

Insurance 70.00 840.00

Reserves(*) 50.00 600.00

Taxes and Government Assessments
(Common Area Only) 62.50 750.00

Audit Fees
Legal Fees
Other

TOTAL \$462.50 \$5,550.00

We, JOHN FRANCIS WEHRHEIM, Trustee of that certain unrecorded Declaration of Trust known as the John F. Wehrheim Revocable Living Trust, dated June 6, 1990, as amended, and JOANN AI YUKIMURA, Trustee of that certain unrecorded Declaration of Trust known as the JoAnn A. Yukimura Revocable Living Trust, dated June 20, 1990, as amended, the developers for the KALIHAIWAI RIVER FARMS CONDOMINIUM project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


JOHN FRANCIS WEHRHEIM, as Trustee aforesaid

November 7, 2003

Date


JOANN AI YUKIMURA, as Trustee aforesaid

November 7, 2003

Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

End of EXHIBIT "G"

NOTE: Developer discloses that Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules.

EXHIBIT "H"

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, By-laws 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.

EXHIBIT "I"

Summary Of Escrow Agreement

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

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) The purchaser is entitled to a refund if the purchaser or seller cancels the Sales Contract in accordance with its cancellation provisions, or if the purchaser terminates its reservation before the Sales Contract is binding. However, Escrow may deduct from the refund cancellation fees in accordance with the Sales Contract.

In the event of a default by the purchaser, the funds paid by the purchaser shall belong to the seller as liquidated damages (up to a maximum of twenty percent (20%) of the total purchase price).

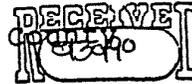
The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

(d) The purchaser's funds that are placed in trust prior to closing may be used by the seller after (1) the purchaser has (i) been provided with a final public report; (ii) executed a receipt and notice and has waived his right to cancel or thirty (30) days have elapsed since the purchaser has been provided with the final public report and receipt and notice of right to cancel; and (2) the seller notifies escrow in writing that since (i) and (ii) have happened, the Sales Contract is binding; and (3) the seller's attorney advises escrow that the Sales Contract is binding and the requirements of Hawaii Revised Statutes, Sections 514A-63 and -65 have been met.

(e) Escrow may not disburse any buyer's funds in the construction of the project until completion of the project and the expiration of the mechanic's and materialmen's lien period. Escrow may disburse prior to completion of the project and expiration of the applicable lien period if the Developers would furnish each purchaser an Owners Title Insurance with an endorsement against any future liens placed on the apartments or project as a result of the development, plus providing the Real Estate Commission a release of the General Contractor's lien rights.

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 96788

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

EXHIBIT "K"

DISCLOSURE ABSTRACT FOR KALIHIWAI RIVER FARMS CONDOMINIUM

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

1. The Developers of the Project are JOHN FRANCIS WEHRHEIM, Trustee of that certain unrecorded Declaration of Trust known as the John F. Wehrheim Revocable Living Trust, dated June 6, 1990, as amended, and JOANN AI YUKIMURA, Trustee of that certain unrecorded Declaration of Trust known as the JoAnn A. Yukimura Revocable Living Trust, dated June 20, 1990, as amended, both of whose mailing address is P. O. Box 1200, Kilauea, Kilauea, Kauai, Hawaii 96754.

2. The real estate broker for this project is Coldwell Banker Bali Hai Realty, Inc., whose mailing address is P. O. Box 930, Hanalei, Kauai, Hawaii 96714, and whose telephone number is (808) 826-7244.

3. The escrow company for the project is Title Guaranty Escrow Services, Inc., whose mailing address is 235 Queen Street, Honolulu, Hawaii 96813, and whose telephone number is (808) 521-0211.

4. See Exhibit "G" to the Final Public Report for the projected annual maintenance fees. The Developer hereby certifies that the estimations have been based on generally accepted accounting principles.

5. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition.

6. All of the units of the Project are to be used for residential purposes only. No apartments shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by County Ordinance.

7. The Developer has not conducted a reserve study in accordance with Section 514A-83.6, and the replacement reserve rules, Subchapter 5, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in the Project.

IN WITNESS WHEREOF, the Developer has executed this Disclosure Abstract this 7th day of November, 2003.



JOHN FRANCIS WEHRHEIM, Trustee of that certain unrecorded Declaration of Trust known as the John F. Wehrheim Revocable Living Trust, dated June 6, 1990, as amended



JOANN AI YUKIMURA, Trustee of that certain unrecorded Declaration of Trust known as the JoAnn A. Yukimura Revocable Living Trust, dated June 20, 1990, as amended

RECEIPT

The undersigned has received a copy of the foregoing Disclosure Abstract with Exhibit "G" this _____ day of _____, 20_____.

Purchaser(s):
