

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

* * * * *

* SPECIAL NOTICE: *

* * * * *

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

* 1. This Public Report does not constitute an approval of the *
* project by the Real Estate Commission or any other government *
* agency, nor that all County Codes, Ordinances and subdivision *
* requirements have been complied with. *
* * * * *

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

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

* 4. One Unit is entitled to construct a residence and the second *
* Unit may construct an additional dwelling unit under the County *
* O'hana Ordinance. The right to build an additional dwelling *
* unit will expire if a building permit is not obtained on or *
* before December 31, 1993. Purchaser should contact the Kauai *
* County Planning Department to verify if Purchaser's expectations *
* may be met. *
* * * * *

* 5. Read Exhibit "I" (Letter from County of Kauai Planning *
* Department) with care. *
* * * * *

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

* * * * *

TABLE OF CONTENTS

	page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
PERSONS CONNECTED WITH THE PROJECT	5
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
I. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Condominium Map and Limited Common Element Locations	
EXHIBIT B: Summary of Sales Contract	
EXHIBIT C: Schedule of Apartments and Common Interests	
EXHIBIT D: Summary of Portions of Escrow Agreement	
EXHIBIT E: Common Elements and Limited Common Elements of the Project	
EXHIBIT F: Encumbrances Against Title	
EXHIBIT G: Disclosure Abstract	
EXHIBIT H: Estimate of Initial Maintenance Fees and Disbursements	
EXHIBIT I: Letter(s) from County of Kauai Planning Department to the Hawaii Real Estate Commission dated April 7, 1993	

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: MICHIKO BRACE, Sister of Fee Owner Phone: (808) 822-5597
Name (Business)
6645 Waipouli Road
Business Address
Kapaa, HI 96746

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

N/A

Real Estate Broker: Kauai Realty, Inc.
MICHIKO BRACE Phone: (808) 245-1651
Name (Business)
P. O. Box 1246
Business Address
Lihue, HI 96766

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

General Contractor: Owner/Builder Phone: _____
Name (Business)

Business Address

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

*Upon compliance with all applicable condominium management laws.

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

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

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 92-174330
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]:

- 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. 1761
 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]:

- 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. 92-174331
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 interest which must vote for or give written consent to changes:

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

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

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

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

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

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

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: Lot 9-G, Kawaihau Road Tax Map Key: (4) 4-6-11:64*
Kapaa, Kauai, Hawaii (TMK)

[X] Address [] TMK is expected to change because the units will need street number designations when/if residences are constructed.

Land Area: 2.568 [] square feet [X] acre(s) Zoning: Agricultural

*Reference to TMK (4) 4-6-11:11 on the first page of the Declaration of Condominium Property Regime is in error.

~~Lessor~~

(Fee Owner): MARION MIYASHIRO HARRIS
Name
28 Heather Hill Lane
Address
St. Louis, Missouri 63132

(The Developer, MICHIKO BRACE, is the sister of the Fee Owner, and is undertaking the development of the project as an accommodation to her sister, who lives far away.)

Sublessor: N/A
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 2 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Metal

4. Permitted Uses by Zoning:

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

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

Yes No

5. Special Use Restrictions:

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

[] Pets: _____

[] Number of Occupants: _____

[] Other: _____

[X] 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>Storage Shed/Lanai/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>16</u>
<u>B</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>16</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

Boundaries of Each Apartment:

The boundaries of each apartment shall be the outer surface of the entire building and the inner surfaces of each building. Wires or conduits, pipes or any utility lines running over, under or through any apartment which are utilized for or serve more than one unit shall not be deemed as part of the apartment, the same being deemed common elements.

Permitted Alterations to Apartments:

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

7. Parking Stalls:

Total Parking Stalls: 0 However, at least two parking stalls will be provided at such time as each shed is replaced by a dwelling unit.

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

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

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute
- Other: _____

9. 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 _____

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 lawful at one time but which does not now conform to present zoning requirements.

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

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project 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.

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

[X] described in Exhibit E.

[] as follows:

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

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

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

[X] described in Exhibit C.

[] as follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated 11/18/92 and issued by T.I. 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.

[X] 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>
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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

2. Appliances: N/A

G. Status of Construction and Estimated Completion Date:

The two metal storage sheds that comprise Units A and B were fully constructed as of September 2, 1992. Developer represents the Notice of Completion referencing two metal sheds built on TMK 4-6-11:11 is in error and should have referenced TMK No. (4) 4-6-11:64.

H. Project Phases:

The developer [] has [X] 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):

N/A

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit B contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 7, 1992
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2809 filed with the Real Estate Commission on 02/10/93.

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

The Developer, Michiko Brace (RS-41498) is a current and active Hawaii-licensed real estate salesperson. This information and the fact that she is also the sister of the declarant\owner, Marion Miyashiro Harris, shall be disclosed to all prospective buyers pursuant to Chapter 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules.

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.

You should also conduct your own investigations and ascertain the validity of information provided. Please remember that issuance of this Report does not mean the Real Estate Commission has approved the project.

The County of Kauai Planning Department has advised that, in order to process the necessary permits for the construction 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 I.

A buyer should understand that development and use of the property shall be in compliance with all County Codes and Ordinances. If County of Kauai facilities are not already in place, the prospective purchaser is advised that owners in the project 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.

**SPECIAL DISCLOSURE REGARDING O'HANA UNITS AND LIMITS
ON CONSTRUCTION OF AN ADDITIONAL DWELLING UNIT ON THIS PROJECT**

This project includes one unit that permits residential use currently and one unit that permits an O'hana-type unit. Under Kauai County zoning regulations, this means that an "additional dwelling unit" may be constructed for residential use on the property if the provisions of the O'hana ordinance are followed. You should be aware that the O'hana ordinance is scheduled to expire on December 31, 1993, or sooner, upon the passage of a new Comprehensive Zoning Ordinance (known as the "CZO"). A study to determine the provisions of a new CZO for Kauai is now under way, but no public announcements regarding possible changes to the O'hana provisions have been made. This does not mean that the provisions will not change, only that there has been no public announcement. In either case, it will be necessary to obtain building permits for the construction of a residence prior to the expiration of the O'hana ordinance to be assured that a residence may be constructed for the unit with the O'hana status. The purchaser is advised to contact the Kauai County Planning Department to determine whether there is any risk to the prospective purchaser from pending or proposed zoning code changes. A purchaser who does not plan to build in the immediate future may find that passage of time or a change in the CZO precludes future residential development of the O'hana unit in this project.

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

MICHIKO BRACE

Name of Developer

By: Michiko Brace
Duly Authorized Signatory

1-6-93
Date

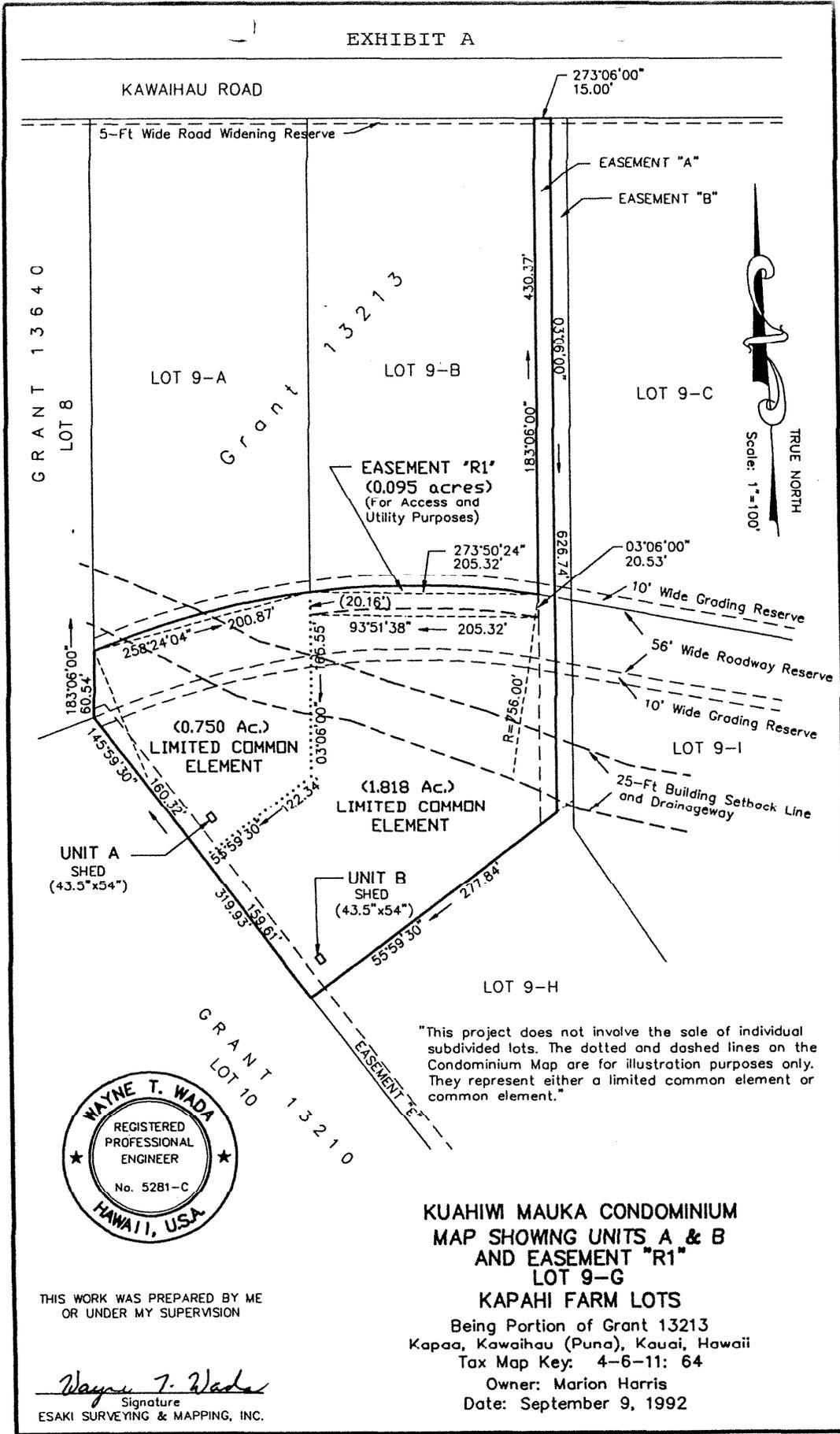
MICHIKO BRACE, Developer

print name & title of person signing above

Distribution:

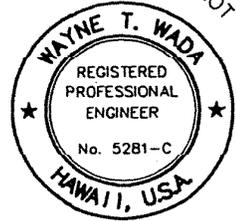
Department of Finance, COUNTY OF KAUAI
Planning Department, COUNTY OF KAUAI
Federal Housing Administration

EXHIBIT A



GRANT 13640
LOT 8

Grant 13213



THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION

Wayne T. Wada
Signature
ESAKI SURVEYING & MAPPING, INC.

"This project does not involve the sale of individual subdivided lots. The dotted and dashed lines on the Condominium Map are for illustration purposes only. They represent either a limited common element or common element."

**KUAHIWI MAUKA CONDOMINIUM
MAP SHOWING UNITS A & B
AND EASEMENT "R1"
LOT 9-G
KAPAHI FARM LOTS**
Being Portion of Grant 13213
Kapaa, Kawaihau (Puna), Kauai, Hawaii
Tax Map Key: 4-6-11: 64
Owner: Marion Harris
Date: September 9, 1992

EXHIBIT B
SUMMARY OF SALES CONTRACT

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

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

2. The closing date for the purchase.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

END OF EXHIBIT B

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR KUAHIWI MAUKA CONDOMINIUM

Qty.	Apt. No.	Area of Limited Common Element* (Acres)	No. of BR/BATH	Appx. Net Living Area (Sq. Ft.)	Appx Shed Area (Sq. Ft.)	% of Common Int.
1	A	.750	0/0	0	16	50
1	B	1.818	0/0	0	16	50

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

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

END OF EXHIBIT C

EXHIBIT D
SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow"), and MARION MIYASHIRO HARRIS (the "Seller"), contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

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

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

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

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

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

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive \$300.00, plus Hawaii general excise tax, 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 \$300.00 per apartment.

* * * * *

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

END OF EXHIBIT D

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (a) Land in fee simple;
- (b) The common access and utility easement, if any;
- (c) All future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (d) Any and all other elements and facilities in common use or necessary to the existence, upkeep and safety of the Project.

LIMITED COMMON ELEMENTS OF THE 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:

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

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
--------------------	---------------------------------------

A	.750 Acre
B	1.818 Acres

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

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

END OF EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real property taxes. Check with the County of Kauai Tax Assessor for further information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Reservation in favor of the State of Hawaii of all minerals and surface and ground waters as more fully set forth in Deed dated July 20, 1989, recorded on July 25, 1989 in Book 23444 Page 658.
4. Conditions contained in Land Patent Grant No. 13,213 dated November 21, 1956.
5. A pipeline right of way containing an area of 0.251 acres, along Kawaihau Road, all as shown on the subdivision map of the Kiyoto Miyashiro Subdivision, which pipeline right of way was reserved in Land Patent Grant No. 13,213 dated November 21, 1956, more particularly described therein.
6. Reservation and covenant contained in Land Patent Grant No. 13,213 dated November 21, 1956, to-wit:
Reserving to the State of Hawaii in perpetuity for itself, its lessees, licensees and grantees Easements J and K, each fifteen (15.00) feet wide, for ditch purposes, over, upon, and across the above-described Lot 9 together with rights of ingress and egress thereto for the construction, maintenance, inspection, re-construction and repair of said ditches.
7. Easement "A", in favor of Lot 9-B, Lot 9-C and Lot 9-H for access and utility purposes, containing an area of 0.218 acres, and more particularly described in Deed dated July 20, 1989, recorded on July 25, 1989 in Book 23444 Page 658.

8. In the event that the 56 feet wide roadway, as shown on the subdivision map for the Kiyoto Miyashiro Subdivision should be built and is used for access by the then owner(s) of Lot 9-G, the then owners of Lot 9-G shall convey the pole portion of lot 9-G which is above or to the north of the 56 feet wide roadway to the then owner(s) of Lot 9-B of the Kiyoto Miyashiro Subdivision, to be consolidated with the said Lot 9-B. The conveyance of such portion of the pole portion of Lot 9-G shall be made without requiring the payment of any consideration therefor by the owners(s) of Lot 9-B, provided that the owner(s) of Lot 9-B shall bear the cost of consolidating the said pole portion with his Lot 9-B.
9. A 5-foot future road widening reserve along Kawaihau Road.
10. A 56-foot wide future road reserve for the extension of Kula Mau'u Street, as shown on the subdivision map of the Kiyoto Miyashiro Subdivision.
11. A 10-foot wide grading reserve from the edge of the 56-foot wide future road reserve, as shown on the subdivision map of the Kiyoto Miyashiro Subdivision.
12. A 25-foot building setback line and drainageway, all as shown on the subdivision map for the Kiyoto Miyashiro Subdivision.
13. Easement "E" for irrigation purposes, containing an area of 0.344 acres, and more particularly described in said Deed recorded in Book 23444 Page 658.
14. The owner(s) of this Lot 9-G shall maintain Easement "E" at their own costs and expense in such a fashion so as to permit the continued flow of irrigation water within the ditch or transmission facility in Easement "E".

15. The uses on the newly-created lots shall be limited to those listed as permissible uses within the "A" Agriculture District in the State Land Use Commission Rules and Regulations, and more fully set forth in said Deed recorded in Book 23444 Page 658.

16. Condominium Map No. 1761 filed on October 27, 1992.

17. The covenants, agreements, obligations, conditions and other provisions set forth in Declaration of Condominium Property Regime entitled "KUAHIWI MAUKA CONDOMINIUM" dated July 7, 1992, recorded on October 27, 1992 as Document No. 92-174330, and the By-Laws recorded as Document No. 92-174331 attached thereto, to which reference is hereby made.

18. Any and all easements encumbering the apartment herein identified and described, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or in said Quitclaim Deed, and/or as delineated on said Condominium Map No. 1761.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR
KUAHIWI MAUKA CONDOMINIUM

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

1. The developer of the project is MICHIKO BRACE, 6645 Waipouli Road, Kapaa, HI 96746. The developer of the project is also the real estate salesperson handling the sale of the units in the project.

2. See Exhibit H for the projected annual maintenance fees. The developer hereby certifies that the estimations have been based on generally accepted accounting principles.

3. No warranty will apply to any individual agricultural unit. There are pre-existing structures on the property and no warranty will be made regarding the agricultural buildings.

4. If any condominium unit is converted to residential use, no such units will be used for both hotel and residential use; these are condominium units in which residential use is permitted, but hotel use is not.

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


MICHIKO BRACE

Dated: 1-6, 1993

RECEIPT

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

Purchaser(s)

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
A	\$35.00	\$420.00
B	\$35.00	\$420.00

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

EXHIBIT I

JOANN A. YUKIMURA
MAYOR



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

JEFFREY LACY
PLANNING DIRECTOR
DEE M. CROWELL
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

April 7, 1993

COPY

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
250 South King Street, Suite 702
Honolulu, Hawaii 96813

Subject: Comments on Kuahiwi Mauka Condominium Report
Tax Map Key:4-6-11:64
Kapaa Homesteads, Kauai
LOTR:01/05/93, 03/22/93

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

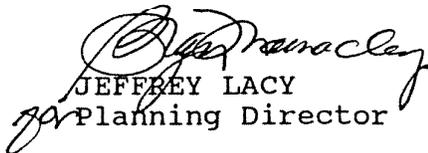
The amount of limited common elements proposed corresponds to the allowable unit density permitted by the CZO. The subject property is zoned Agriculture District (A) and qualifies for one (1) unit, however, an additional dwelling unit facilities clearance form has been obtained by the developer for this property pursuant to Ord. No. 551, relating to the construction of additional dwelling units (ADU). It should be noted that the ordinance prohibits the construction a guest house when a parcel is issued a permit to construct an ADU.

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 Public Report to be a legal subdivision of land.

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
April 7, 1993

There should be a disclosure provision written into this and all ensuing condominium reports stating that the report should not 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 Condominium Public Report 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 emergency traffic, drainage facilities, etc., may not necessarily be provided for. Further, such services as County street maintenance and trash collection will not be available for interior road/driveways.

Should you have any questions, please feel free to contact Bryan Mamaclay of my staff at 245-3919.


JEFFREY LACY
Planning Director

cc: Steven R. Lee

