

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. The Owners have executed a Waiver and Release which indemnifies *
 * the County of Kauai against any claims arising out of the fact *
 * that no water or water service is provided by the County Water *
 * Department. It also acknowledges that issuance of building *
 * permits for the property shall not be construed as a promise or *
 * warranty that such water service will be provided in the future. *

* 4. 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. *

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

* * * * *

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: SONJA R. JENSEN Phone: (415) 948-1020
Name (Business)
13830 Campo Vista Lane
Business Address
Los Altos Hills, California 94022

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

N/A

Real Estate Broker: HANAIEI NORTHSORE Phone: (808) 826-9519
PROPERTIES, LTD. (Business)
Name
P. O. Box 607
Business Address
Hanalei, Hawaii 96714

Escrow: T.I. OF HAWAII, INC. Phone: (808) 526-3571
Name Four Waterfront Plaza, Suite 300 (Business)
500 Ala Moana Bouelvard
Business Address
Honolulu, Hawaii 96813

General Contractor: Owner-Builder Phone: N/A
Name (Business)

Business Address

Condominium Managing Agent: Self-managed by the Association
of Apartment Owners Phone: N/A
Name (Business)

Business Address

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

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. 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. 92-199565
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]:

First Amendment to Declaration of Condominium Property Regime is dated May 18, 1993 and was recorded as Document No. 93-085624.

- 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. 1781
 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]:

First Amendment to Declaration of Condominium Property Regime is dated May 18, 1993 and was recorded as Document No. 93-085624.

- 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. 92-199566
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 15, Waipake Subdivision, Tax Map Key: (4) 5-1-6-29
Unit II, Waipake, Hanalei, Kauai, (TMK)
Hawaii

[X] Address [X] TMK is expected to change because each unit is entitled to receive its own separate designations.

Land Area: 11.617 [] square feet [X] acre(s) Zoning: Agricultural

NEAL A. NORMAN and DANIEL BELLIN, as to an undivided 25% interest; MARTIN C.S. INN and VANESSA A. INN, as to an undivided 37.5% interest; PAUL S. JENSEN and SONJA R. JENSEN, as to an undivided 12.5% interest; J. EILEEN JENSEN and RANDEL B. JENSEN, as to an undivided 25% interest.

-lessor-
(Fee Owner):

Name
c/o 13830 Campo Vista Lane
Address
Los Altos Hills, California 94022

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: 4 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 <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input type="checkbox"/> Residential	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input 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>4</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: _____
 Special use restrictions for this Project are contained in the

[X] Other: Declaration of Covenants, Conditions and Restrictions for the Waipake Subdivision, Unit II, as amended.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Storage Shed/Lanai/Patio (sf)
A	1	0/0	0	20
B	1	0/0	0	20
C	1	0/0	0	20
D	1	0/0	0	20

Total Apartments: 4

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

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

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

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by Kauai County Zoning Ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime and the Condominium Map (Exhibit A) will be required to disclose actual improvements as a matter of public record.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

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

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

described in Exhibit E.

as follows:

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

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

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

described in Exhibit C.

as follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated April 1, 199 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.

- [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: None.

G. Status of Construction and Estimated Completion Date:

The storage sheds on Units A, B, C and D were fully constructed as of March 29, 1993.

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):

N/A

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, your apartment may be liened and sold through a foreclosure proceeding.

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

Exhibit H 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 Gas 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 B contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated December 21, 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 Declaration of Covenants, Conditions and Restrictions for the Waipake Subdivision, Unit II, as amended.

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. 2880 filed with the Real Estate Commission on May 25, 199

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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. 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.

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

This project is located within the Waipake Subdivision, Unit II, and is governed by both subdivision and condominium "restrictive covenants". A purchaser should carefully review the Declaration of Covenants, Conditions and Restrictions for the Waipake Subdivision Unit II, as amended (referenced in Exhibit F, attached hereto) and the Declaration of Protective Covenants and House Rules for Waipake Kai Condominium (also referenced in Exhibit F). Generally, among other things, restrictive covenants state what you may and may not do with the property, what is required of you as a property owner, and what and what not is available to property owners by way of services. Specific to this condominium project, purchasers should be aware that: owners are required to connect, at their own

expense, water, electricity and telephone utilities; owners are required to provide a septic system within their own limited common element area; and the roadway within the project is not paved.

Lot owners in the Waipake Subdivision, Unit II, are subject to a covenant in favor of the State of Hawaii to cease any activity in the immediate area of the discovery of human skeletal remains until all of the requirements of Chapter 6E, Hawaii Revised Statutes, have been met. Additional covenants require that lot owners submit proposed building plans to a design review consultant selected by the developer to insure that all buildings, structures, facilities, utilities and improvements within the subdivision meet certain standards. The developer has also imposed developmental standards for the consultant to apply to all construction, use or development within the subdivision. After the expiration of a three year period of time following the sale of the last of the lots in the subdivision by the developer, a homeowners association may be formed for the purpose of design review of structures and improvements.

Although the Developer of the Waipake Subdivision, Units I and II, has provided water storage tanks and distribution facilities, the County of Kauai has required the execution of waiver documents to those who apply for building permits without applying for water service. The waivers acknowledge that future conditions may require measures such as the construction of storage tanks and the use of pumps to obtain sufficient water for use in the project. The purchaser should verify expectations before purchase.

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.

SONJA R. JENSEN

Name of Developer

By. *Sonja R. Jensen*
Duly Authorized Signatory

7/6/1973
Date

SONJA R. JENSEN, Developer

print name & title of person signing above

Distribution:

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

EXHIBIT B

SUMMARY OF SALES CONTRACT

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

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

2. The closing date for the purchase.

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

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

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

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

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

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

(e) If Purchaser defaults, Seller may cancel the contract or bring legal action against Purchaser to force sale, obtain money damages, or retain Purchaser's deposit money held in escrow.

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

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

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

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

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

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

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

END OF EXHIBIT B

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR LANI NA KAI CONDOMINIUM

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Storage/Lanai/Deck Area (Sq. Ft.)	% of Common Int.
1	A	2.712	0/0	0	20	25%
1	B	2.536	0/0	0	20	25%
1	C	2.761	0/0	0	20	25%
1	D	2.720	0/0	0	20	25%

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.

*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 T. I. OF HAWAII, INC. ("Escrow") and NEAL NORMAN, DANIEL BELLIN, MARTIN INN, VANESSA INN, J. EILEEN JENSEN, RANDEL B. JENSEN, SONJA R. JENSEN, and PAUL S. JENSEN ("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 Purchaser without interest if Seller and Purchaser give Escrow written notice to return the funds to Purchaser, 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, unless Purchaser is in default under the sales contract between Seller and Purchaser. Should Purchaser be in default, Seller will be entitled to retain all proceeds collected from Purchaser as and for liquidated damages.

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 the Agreement, Escrow will receive \$375.00 for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents.

* * * * *

THE 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 access and/or utility easements, if any, shown on the condominium map or described in the Declaration of Condominium Property Regime;

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

(d) Any and all other elements and facilities in common use or necessary to the Project.

LIMITED COMMON ELEMENTS OF THE PROJECT

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

That certain land area upon and around which Units A, B, C and D 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>	<u>Note:</u>
A	2.712 acres	Land areas herein described are not legally subdivided lots.
B	2.536 acres	
C	2.761 acres	
D	2.720 acres	

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

END OF EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Tax Division, for further information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Building setback line and drainageway, as shown on the survey map prepared by Dennis M. Esaki, Registered Professional Surveyor, dated December 6, 1990.
4. Easement "F" for access and utility purposes, as shown on the survey map prepared by Dennis M. Esaki, Registered Professional Surveyor, dated December 6, 1990.
5. A 3-foot wide future road widening reserve along Koolau Road, as shown on the survey map prepared by Dennis M. Esaki, Registered Professional Surveyor, dated December 6, 1990.
6. Easement "A" (10 feet wide) for road purposes, as existing on the ground as appurtenant to Royal Patent Grant Number 380 to J. Garner, Royal Patent Grant Number 672 to J. Wilkinson, Royal Patent Grant Number 758 to Z. Bent, which easement is shown on Map 3 of Land Court Application No. 1151, Original Certificate of Title No. 27,125 issued to Elsie Hart Wilcox and Mabel Isabel Wilcox, as Joint Tenants.
7. Agreement dated March 16, 1977, recorded in Liber 12110 at Page 330, entered into by and between State of Hawaii and C. Brewer and Company, Limited; re: use of the land described herein for agriculture purposes.
8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DEED dated April 26, 1989, recorded in Liber 23119 at Page 472.

The foregoing includes, but is not limited to, the following:

"EXCEPTING AND RESERVING unto Grantor, its successors and assigns, forever, with respect to both the Warranty Property and the Quitclaim Property (the 'granted premises'), as appurtenant to the lands of Grantor which are located adjacent to or in the vicinity of the granted premises and which are now owned or used or hereafter acquired and used by Grantor in its agricultural operations, the perpetual right and easement over and upon the

granted premises to discharge, emit, diffuse and inflict noise, smoke, soot, dust, lights, noxious vapors, odors and other minor nuisances of every description created by and resulting from the agricultural operations of Grantor on its lands, including, but not limited to, burning sugar cane and bagasse, milling, generating power, trucking, hauling, spraying pesticides, irrigation, crop dusting, and all other activities incidental to the farming, harvesting and processing of agricultural products and by-products. Grantor shall not be responsible or liable to Grantee, its successors and assigns, for the creation of such nuisance and Grantee shall indemnify and hold Grantor harmless from any liability or expense resulting from any claims whether made by Grantee or guests or other persons using the granted premises arising from such nuisance.

AND FURTHER EXCEPTING AND RESERVING unto Grantor, its successors and assigns, all water and water rights within or appurtenant to the granted premises, provided, however, that in the exercise of said rights, Grantor, its successors and assigns, shall not have the right to drill for water or otherwise disturb the surface of the land or any improvements thereon."

9. Right-of-Entry Agreement in favor of the County of Kauai, by and through the Board of Water Supply, County of Kauai, dated June 28, 1990, recorded as Document No. 90-192765; granting a right-of-entry over and across the land described herein for the purposes of conducting all necessary inspections for and on behalf of the Board, and, if appropriate, for constructing, maintaining, conducting water meter readings on, and repairing any and all facilities and improvements for the conveyance of potable water.
10. Certificate of Registered Professional Surveyor dated February 12, 1991, recorded as Document No. 91-022852, by Dennis Esaki, Registered Professional Land Surveyor; re: subdivision.
11. Agreement to Release Rights to Three-Phase Power Installation dated December 13, 1990, recorded as Document No. 91-022853, made by and between Loka Partners, an Ohio general partnership, and Citizens Utilities Company, a Delaware corporation.
12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DECLARATION dated February 20, 1991, recorded as Document No. 91-024030. Said Declaration was amended by instrument dated March 8, 1991, recorded as Document No. 91-038792.
13. "Reservation in favor of the State of Hawaii of vehicle access into and from Kauai Belt Road."; as set forth in Deed dated July 1, 1991, recorded as Document No. 91-093693.

14. "Reservation in favor of Grantor, its successors and assigns, of easements for electrical, gas, communications and other utility purposes and for sewer, drainage, irrigation and water facilities and vehicular access over, under, across, along and through the granted premises, together with rights of reasonable access thereto for the exercise of said easement rights, with the right to grant to any governmental agency or public or private utility or other corporation, partnership, individual or entity easement for said purposes within said easements."; as set forth in Deed dated July 1, 1991, recorded as Document No. 91-093693.
15. "Covenant to grant to Grantor, its successors and assigns, or its designees, such easements for electrical, communication, water line and access purposes over, under, across, upon and through the easement areas required by and designated by Citizens Utilities Co., dba Kauai Electric Division, Hawaii Telephone, and/or the Board of Water Supply, County of Kauai, through its Department of Water, for the construction of electrical, telephone and water lines and facilities within, and for access over, the Property."; as set forth in Deed dated July 1, 1991, recorded as Document No. 91-093693.
16. "Covenant in favor of the State of Hawaii, Department of Land and Natural Resources, State Historic Preservation Division (hereinafter "SHPD"), not to construct, install, place or erect any structure or improvements within the area of the location of significant historic sites, shown as the cross-hatched areas on Exhibit "C", and not to grade, grub, fill, or clear or remove trees from the aforesaid cross-hatched area, without first submitting a description of the proposed activity to SHPD for its review and approval and obtaining any and all necessary governmental permits required for such activity from the Federal, State or County government agency having jurisdiction over the same. SHPD may require, prior to any review or approval of such proposed activity within the aforesaid cross-hatched area, a mitigation plan prepared at the lot owner's expense. SHPD may impose conditions upon any approval of such proposed activity aimed at preserving and protecting the areas of the location of significant historic sites, or may deny such approval if it determines that the proposed activity will result in the destruction or deterioration of the areas of the location of significant historic sites."; as set forth in Deed dated July 1, 1991, recorded as Document No. 91-093693.
17. "Covenant in favor of the State of Hawaii, Department of Land and Natural Resources, State Historic Preservation Division, pursuant to Chapter 6E, Hawaii Revised Statutes, to cease any activity in the immediate area of discovery of human skeletal remains, including the body or any part of the body of a deceased human being, until all of the requirements of Chapter 6E aforesaid have been met."; as set forth in Deed dated June 14, 1991, recorded as Document No. 91-080137.

18. LOT 15 WAIPAKE UNIT II COTENANCY AGREEMENT dated July 9, 1991, recorded as Document No. 91-103449.
19. WAIVER AND RELEASE dated January 17, 1992, recorded as Document No. 92-013227, by NEAL A. NORMAN.
20. RIGHT-OF-ENTRY
- TO : CITIZENS UTILITIES COMPANY, a Delaware corporation
- DATED : May 13, 1991
- RECORDED : Document No. 92-035473
- GRANTING : a right-of-entry for the purpose of building, constructing, repairing, maintaining and operating pole and wire lines, and/or underground lines and related appliances and equipment, etc., for the transmission and distribution of electricity
21. AGREEMENT
- DATED : February 19, 1992
- RECORDED : Document No. 92-064805
- BY : MARTIN INN and VANESSA INN
- WITH : COUNTY OF KAUAI, Planning Department
- RE : FARM DWELLING
22. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in Declaration of Condominium Property Regime dated July 14, 1992, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-199565, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1781.)
23. 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 of the Condominium Project known as "LANI NA KAI" dated July 14, 1992, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-199566, as the same may hereafter be amended.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR
LANI NA KAI CONDOMINIUM

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

1. The developer of the project is SONJA R. JENSEN, 13830 Campo Vista Lane, Los Altos Hills, California 94022.

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.

6. Pursuant to Rule 107.5 of the Hawaii State Real Estate Commission, reference is hereby made to the method by which common interest has been computed for the above-referenced project. There are 4 units, each of which sustains a structure and each of which will burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 25% for each unit.


SONJA R. JENSEN

Dated: February 19, 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 - D	\$14.60	\$58.40

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

- Air Conditioning
- Electricity
 - common elements only
 - common elements and apartments
- Elevator
- Gas
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(*)	\$41.70	\$500.40
Taxes and Government Assessments	\$16.70	\$200.40
Audit Fees		
Other		

TOTAL	\$58.40	\$700.80
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I, SONJA R. JENSEN ~~as agent and employed by xxxxxxxxxxxxxxxxxxxxxxxx the condominium managing agent~~
~~of the developer for the condominium project~~ Developer of LANI NA KAI, hereby certify that the
 above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in
 accordance with generally accepted accounting principles.

Sonja R. Jensen
 Date: 3/10/93

(*) Mandatory reserves in effect January 1, 1993

