

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is CONDOMINIUM PROJECT, not a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A 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, on the property. Prospective purchasers of Units A and C all further advised that future improvements are also subject to the provisions of the Kauai County Comprehensive Zoning Ordinance as it specifically relates to additional dwelling units (ADUs).

1. There are presently NO RESIDENTIAL STRUCTURES ON THE PROPERTY. The only buildings on the property are storage sheds, each of which may be defined as an "apartment" under the condominium property act.
2. This public report does not constitute an approval of the project by the Real Estate Commission or any other government agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.
3. The land area beneath and immediately appurtenant to each unit is designed a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

SPECIAL ATTENTION (CONCLUDED):

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 owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as county street maintenance and trash collection may not be available for interior roads and driveways.
5. Please refer to Exhibit F attached, a letter from the County Planning Department, dated August 10, 1993, which contains important caveats and disclosures with regard to the project.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENT REFERENCED IN THIS PUBLIC REPORT 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: STANLEY IRION/CHARLES ROESSLER Phone: 823-0617
Name (Business)
4504 KUKUI STREET, SUITE 9
Business Address
KAPAA, HAWAII 96746

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

Real Estate Broker: Lagoon Realty, Ltd. dba
LAGOON REALTY Phone: 823-6636
Name (Business)
4504 KUKUI STREET, SUITE 9
Business Address
KAPAA, HAWAII 96746

Escrow: SECURITY TITLE CORPORATION Phone: 245-6975
Name (Business)
4370 KUKUI GROVE STREET, SUITE 203
Business Address
LIHUE, HAWAII 96766

General Contractor: SELF-BUILDER Phone: _____
Name (Business)
Business Address

Condominium Managing Agent: SELF-MANAGED BY ASSOCIATION OF Phone: _____
Name APARTMENT OWNERS (Business)
Business Address

Attorney for Developer: PATRICK J. CHILDS Phone: 245-2863
Name (Business)
4365 KUKUI GROVE STREET, SUITE 104
Business Address
LIHUE, HAWAII 96766

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

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

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

2. Developer:

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

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

The Developer may amend the Declaration (and, when applicable, any exhibits to the Declaration and the Condominium Map) (a) as may be provided in the Declaration and (b) to file the "as built" statement required by Section 514A-12 of the Act (i) so long as such verified statement is a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment, fully and accurately depict the layout, location, apartment numbers and the dimensions of the apartments as built, or (ii) so long as the plans filed therewith involve only minor changes to the layout, location or dimensions of the apartments, as built, or any change in any apartment number.

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 159-F-1-C-1 AND 2, KAPAA Tax Map Key: 4/4-4-08-10, 20
HOMESTEADS, 2ND SERIES, KAPAA, HI (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 3.212 [] square feet [X] acre(s) Zoning: AGRICULTURE

Lessor

(Fee Owner): STANLEY IRION/CHARLES ROESSLER

Name
4504 KUKUI STREET, SUITE 9

Address
KAPAA, HAWAII 96746

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 _____

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Ohana	_____	<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>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:

[X] Pets: TWO (2) DOGS; NO POULTRY, PIGS OR HUNTING DOGS SPECIFICALLY INCLUDING PITBULLS AND OTHER DOGS OF SIMILAR DISPOSITION OR BREEDING.
 [] Number of Occupants: _____

[X] Other: SEE DECLARATION OF COVENANTS AND RESTRICTIONS, A SUMMARY OF WHICH IS ATTACHED TO THIS REPORT AS EXHIBIT "G".
 [] 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>Lanai/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>N/A</u>	<u>80 sf</u>	<u>N/A</u>
<u>B</u>	<u>1</u>	<u>N/A</u>	<u>80 sf</u>	<u>N/A</u>
<u>C</u>	<u>1</u>	<u>N/A</u>	<u>80 sf</u>	<u>N/A</u>
<u>D</u>	<u>1</u>	<u>N/A</u>	<u>80 sf</u>	<u>N/A</u>

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:

PERIMETER WALL TO PERIMETER WALL, FLOOR TO EXTERIOR OF ROOF.

Permitted Alterations to Apartments:

ANY ALTERATION PERMITTED BY LAW OR THE DECLARATION OF COVENANTS AND RESTRICTIONS.

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 A .

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 A.

[] as follows:

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 _____.

[X] as follows:

APARTMENT A - 25%
APARTMENT B - 25%
APARTMENT C - 25%
APARTMENT D - 25%

COMMON INTEREST HAS BEEN DETERMINED BY APPORTIONING EQUAL SHARES TO EACH APARTMENT.

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 B describes the encumbrances against the title contained in the title report dated JULY 27, 1993 and issued by SECURITY TITLE CORPORATION.

Blanket Liens:

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

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

[X] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
mortgage	Buyer's interest will be terminated and Buyer may be entitled to a refund of deposits, less any escrow cancellation fees.

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:

COMPLETED ON APRIL 25, 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):

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 C 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 KIPAPA KANI COMMUNITY ASSOCIATION FEES

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 D contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated JULY 15, 1993
Exhibit E 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., as amended.
 - 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 Declarations of Covenants & Restrictions dated February 3, 1993, and recorded as Document No. 92-00183.

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. 2931 filed with the Real Estate Commission on AUG. 11, '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

Pursuant to §§16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that one of the Developer/Owners, Stanley E. Irion (RB -16187), is a current and active Hawaii-licensed real estate broker. Further, pursuant to §16-99-11(c), HAR, "(n)o licensee shall advertise 'For Sale by Owner, . . .'"

- 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.

STANLEY IRION, ET AL

Name of Developer

By: 
Duly Authorized Signatory

7-15-93
Date

STANLEY IRION, 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"

5. Common Elements. The common elements of the Project consist only of the following:

- (i) All the land in fee simple.
- (ii) All pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures retaining walls (if any) and yard fences, which are located outside the apartments and which are utilized for or serve more than one apartment.

6. Limited Common Elements. The limited common elements of the Project consist only of the following:

- (i) That portion of the Land which is designated as Limited Common Element A, being 36,491 square feet in area, on the Condominium Map, is reserved for the exclusive use of Apartment A for the support of the building and other improvements comprising Apartment A, or attendant thereto, and for parking, yard, driveway, agricultural and residential purposes. Unless otherwise specified, the owner of Apartment A shall have exclusive use, control and ownership of all improvements within Limited Common Element A.
- (ii) That portion of the Land which is designated as Limited Common Element B, being 30,999 square feet in area, on the Condominium Map, is reserved for the exclusive use of Apartment B for the support of the building and other improvements comprising Apartment B, or attendant thereto, and for parking, yard, driveway, agricultural and residential purposes. Unless otherwise specified, the owner of Apartment B shall have exclusive use, control and ownership of all improvements within Limited Common Element B.
- (iii) That portion of the Land which is designated as Limited Common Element C, being 44,904 square feet in area, on the Condominium Map, is reserved for the exclusive use of Apartment C for the support of the building and other improvements comprising Apartment C, or attendant thereto, and for parking, yard, driveway, agricultural and residential purposes. Unless otherwise specified, the owner of Apartment C shall have exclusive use, control and ownership of all improvements within Limited Common Element C.
- (iv) That portion of the Land which is designated as Limited Common Element D, being 27,500 square feet in area, on the Condominium Map, is reserved for the exclusive use of Apartment D for the support of the building and other

improvements comprising Apartment D, or attendant thereto, and for parking, yard, driveway, agricultural and residential purposes. Unless otherwise specified, the owner of Apartment D shall have exclusive use, control and ownership of all improvements within Limited Common Element D.

NOTICE: This is not a subdivision. The Limited Common Elements that are reserved for the exclusive use of individual units are not subdivided parcels. As such they do not fall within the ordinances of the County of Kauai as the same pertain to subdivision nor do they derive any benefits therefrom.

To Secure: \$125,000.00
and any additional advances and other amounts
secured thereby, all according to the terms of
that certain promissory note of said
mortgagor(s) therein referred to

6. **AS TO PARCEL SECOND - LOT 159-F-1-C-2:**

a) **MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT**

Mortgagor: Stanley E. Irion, unmarried, and Charles
E. Roessler, husband of Chie Roessler
Mortgagee: GECC Financial Corporation, a Hawaii
corporation
Dated: March 10, 1992
Document No. 92-035679
To Secure: \$150,000.00
and any additional advances and other
amounts secured thereby, all according to
the terms of that certain promissory note
of said mortgagor(s) therein referred to

b) The terms and provisions of that certain Farm Dwelling
Agreement dated February 5, 1993, made by and between
Stan Irion, "Applicant", and the County of Kauai Planning
Department, "Department", recorded in the Bureau of
Conveyances of the State of Hawaii as Document No.
93-040062, to which reference is hereby made.

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

**DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "KIPAPA KANI
AGRICULTURAL CONDOMINIUM", and the By-Laws attached thereto:**

Dated: March 9, 1993
Document No. 93-095996

Condominium Map No. 1875, to which reference is hereby made.

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

<u>Dated:</u>	<u>Document No.</u>
July 1, 1993	93-120694

NOTE: The individual Apartments set forth in the
foregoing Declaration, as amended, are listed in
Exhibit "B" hereof.

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
A	\$25.00 \$300.00
B	\$25.00 \$300.00
C	\$25.00 \$300.00
D	\$25.00 \$300.00

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements and apartments

Elevator

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

\$100.00

\$1200.00

Reserves(*)

Taxes and Government Assessments

Audit Fees

Other Community Association Fees
(Kipapa Kani)

unknown

unknown

TOTAL

I, Alan Ivin, as agent and employed by N/A, the condominium managing agent or the developer, for the condominium project KIPAPA KANI, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Alan Ivin

(*) Mandatory reserves in effect January 1, 1993

Date: July 15, 1993

EXHIBIT D

SUMMARY OF SALES CONTRACT AND ADDENDUM:

The Seller intends to use the Hawaii Association of Realtors' form of Deposit Receipt, Offer and Acceptance ("DROA") as the sales contract for the sale of apartments in the Project. The sales contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Buyer will agree to buy an apartment.

Among other things, the sales contract and addendum:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Buyer will pay the purchase price.
2. Identifies the escrow agent and states that Buyer's deposit will be held in escrow until the sales contract is closed or cancelled.
3. Requires that Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. Provides the following remedies, in the event of default under the sales contract:

by Buyer:

- a. Seller may bring an action against Buyer for breach of contract;
- b. Seller may retain Buyer's initial deposit;
- c. Buyer shall be responsible for expenses incurred.

by Seller:

- a. Buyer may bring an action against Seller for breach of contract;
- b. Buyer may bring an action compelling Seller to perform under contract;
- c. Seller shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

5. Allocation of payment of closing costs.
6. Provides that the property is sold "as is".

7. Provides that under certain conditions, the Buyer may change the project. If these changes are material, then the Buyer may cancel the DROA without penalty.

8. Provides that the Buyer has received certain documents associated with the project, including the Declaration, Bylaws and Condominium Map. The sales contract further provides that the project shall be subject to a Farm Dwelling Agreement with the County of Kauai as the project is situated on agriculturally-zoned land.

The sales contract contains various other provisions which Buyer should become acquainted with.

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT:

An Escrow Agreement allows the Condominium Buyers' money to be held by a neutral party, the Escrow Agent, until the Seller can deliver good and marketable title to the Condominium. The Escrow Agreement for this project provides for, among other things.

1. That Title Guaranty Escrow Services, Inc. is the Escrow Agent.

2. That, upon execution of a Sales Contract, the Developer shall deliver all money received over to the Escrow Agent.

3. That no money shall be released from escrow until the Real Estate Commission shall issue a final report.

4. That the Buyer shall receive all public documents relating to the project.

5. That a Buyer's money shall be returned to him if he exercises certain rights he may have to cancel his Sales Contract as provided by law, if that is his wish, or if the Seller is unable to provide title to the Condominium.

6. That, upon the Seller providing good title to the Condominium, the Buyer's money shall be turned over to the Seller.

7. That the Escrow Agent will record with the State of Hawaii all documents requiring such.

8. That, if the Buyer is unable to perform and has money on deposit in escrow, these monies will be turned over to the Seller.

9. That, if escrow is cancelled for any reason, there may be a cancellation fee of not less than \$25.00 payable by the Buyer.

JOANN A. YUKIMURA
MAYOR



COUNTY OF KAUAI
PLANNING DEPARTMENT
4444 RICE STREET, SUITE 473
BUILDING "A"
LIHUE, KAUAI, HAWAII 96766

JEFFREY LACY
PLANNING DIRECTOR

DEE M. CROWELL
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 241-6677
FAX (808) 241-6699

August 10, 1993

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 Kipapa Kani Condominium Report
Tax Map Key:4-4-08:10 and 20
Kapaa Homesteads, Kauai
LOTR:07/15/93

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 parcels are zoned Agriculture District (A) and each qualifies for one (1) unit, however, a second dwelling was approved for parcel 20 and an additional dwelling unit facilities clearance form has been obtained for parcel 10 by the developer 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.

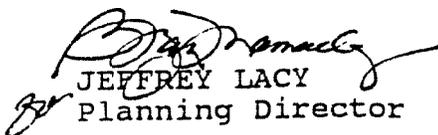
EXHIBIT "F"

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
August 10, 1993
Page 2

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

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: Patrick J. Childs

EXHIBIT "G"

SUMMARY OF DECLARATION OF COVENANTS AND
RESTRICTIONS (RECORDED IN THE STATE OF HAWAII,
FEBRUARY 1, 1992 AS DOCUMENT NO. 92-0018382)

The subject property and the condominium units are subject to certain restrictions. These are:

1. The property may only be used for those activities permitted within the "A" Agriculture District as defined in the State Land Use Commission Rules and Regulations.

2. All dwellings shall be single family residences.

3. An owner may not raise pigs or otherwise cause a nuisance.

4. The limited common elements of each unit shall be kept neat and clean.

5. Neither temporary structures nor metal shacks shall be allowed. No structure shall be built of used materials. An owner may not grade his lot in such a way as to affect the drainage of another.

6. Any person who violates the covenants and restrictions may be subject to legal action to enforce the same by any other owner.

The restrictions should be read as being in addition to other restrictions stated in the Declaration and the Bylaws.