

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer JAMES A. ADAMS
Address 1128 Nuuanu Avenue, #203, Honolulu, Hawaii 96817

Project Name(+): KUAWA ROAD ESTATES
Address: 4695 Kuawa Road, Kilauea, Kauai, Hawaii

Registration No. 3450
(Conversion)

Effective date: December 28, 1995
Expiration date: January 28, 1997

Preparation of this Report:

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

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

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

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

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

Type of Report:

PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

X FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with

SUPPLEMENTARY: This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

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.

[] Changes made are as follows:

* * * * *

* SPECIAL NOTICE: *

* THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF DWELLING UNITS, OR *

* OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, *

* UNLESS THE PURCHASER IS PURCHASING AN EXISTING DWELLING, THERE IS NO *

* ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A 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 *

* 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 location of the limited common element assigned to *

* each unit. *

* 3. Facilities and improvements normally associated with County *

* approved subdivisions, such as fire protection devices, County *

* street lighting, electricity, upgraded water facilities, *

* improved access for owner and emergency traffic, drainage *

* facilities, etc., may not necessarily be provided for and *

* services such as County street maintenance and trash collection *

* will not be available for interior roads and driveways. *

* 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: JAMES A. ADAMS Phone: (808) 536-2108
Name (Business)
1128 Nuuanu Avenue, #203
Business Address
Honolulu, Hawaii 96817

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

N/A

Real Estate Broker: SLEEPING GIANT REALTY, INC. Phone: (808) 245-8831
Name (Business)
4480 Ahukini Road
Business Address
Lihue, Hawaii 96766

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

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

Business Address

Condominium Managing Agent: Self-managed Phone: N/A
Name (Business)

Business Address

Attorney for Developer: STEVEN R. LEE, ESQ. 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. 95-117084
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. 2272
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 95-117085
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>75%</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: 4695 Kuawa Road Tax Map Key: (4) 5-2-13:06
Kilauea, Kauai, Hawaii (TMK)

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

Land Area: 41.671 [] square feet [X] acre(s) Zoning: Agricultural

HAWAIIAN TRUST COMPANY, LIMITED,
 successor by merger to
 Fee Owner : AMERICAN TRUST CO. OF HAWAII, INC.

Name
P. O. Box 3170
 Address
Honolulu, Hawaii 96802

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: 16 Floors Per Building Buildings A1 and A5 are two story structures; the balance are one-story structures.
 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 checked="" type="checkbox"/> Residential	<u>3</u>	<input checked="" 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>2</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: _____

[X] Other: agricultural district as contained in Chapter 205, Hawaii Revised Statutes, as amended.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers): See page 11 a.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 5

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

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

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.

Qty.	Apt. No.	Bldg.	No. Bdm./ Bath	Net Living/ Interior Area* (Sq.Ft.)	Additional Areas (Sq.Ft.)
1	A	A1-Farm Storage Shed/Office	0/0	2320	660-carport
		A2-Farm Storage Shed	0/0	80	0
		A3-Farm Dwelling	1/2	1776	1556-deck
		A4-Laundry	0/0	81	0
		A5-Farm Dwelling	1/1	1346	601-garage
1	B	Farm Storage Building	0/0	450	432-deck
1	C	C1-Farm Dwelling	3/3	1874	0
		C2-Workshop	0/0	528	0
1	D	D1-Farm Dwelling	2/1	890	356-deck
		D2-Farm Storage Shed	0/0	380	0
		D3-Farm Storage Shed	0/0	116	0
		D4-Farm Storage Shed/Office	0/1	924	0
1	E	E1-Farm Storage Shed	0/0	740	0
		E2-Tack Room	0/0	80	0
		E3-Guest House	1/1	455	0
		E4-Farm Storage Shed	0/0	696	652-deck

*Net area is the floor area of an apartment measured from the interior surface of the apartment perimeter walls. Other documents may give floor figures which differ from those above because a different method of determining the floor area may have been used.

7. Parking Stalls:

Total Parking Stalls: 4*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each = unit)	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>4</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

*Unit A has four regular, covered parking stalls; two in Building A1 and two in Building A5. Each of the remaining units has ample area within its limited common element for parking purposes.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute

Other: _____

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below. Violations will be cured by _____

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

Buildings A5 (seven years), D1 (16 years) and E3 (14 years) are the only residential structures in the project in existence for at least five years. The project engineer reports, after inspection of the same, that the systems and components, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition. Building A5 has an expected useful life of 35 years and Buildings D1 and E3 have expected useful lives of 20 years.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit E .

as follows:

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

[] There are no limited common elements in this project.

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

[X] described in Exhibit E.

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

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

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

[X] described in Exhibit C.

[] as follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated 9-22-95 and issued by T.I. OF HAWAII, INC.

Blanket Liens:

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

- [] 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>
Sub-Agreement of Sale dated March 4, 1988, recorded Liber 21700/Page 447	If foreclosed, Buyer's deposit may be refunded and the sales contract between Buyer and Seller will be cancelled.

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 buildings on each unit are fully constructed. Buildings D3, D4 and E4 were constructed in 1976, Buildings D1 and E1 - 1979, Building E2 - 1980, Buildings A1, A2, A4 and E3 - 1981, Building D2 - 1986, Building A5 - 1988, and Buildings A3, B, C1 and C2 were constructed in 1994.

H. Project Phases:

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

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

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:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated September 11, 1995

Exhibit D contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Specimen Apartment Deed, Specimen Owner-Occupant Affidavit and Specimen Owner-Occupant Reservation Form

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. [None.]
 - 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 Farm Dwelling Agreements
-

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. 3450 filed with the Real Estate Commission on 11/15/95.

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

- yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

This is a condominium project, not a subdivision. 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 an effective date for 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 of a farm dwelling and the processing of a farm dwelling agreement, 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 ("condominium documents"). Except as limited specifically by the condominium documents, 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. for detailed information. 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 under the Kauai County Zoning Ordinances and the condominium documents. A farm dwelling may not be constructed unless a 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 all development and use of the property shall be in compliance with County Codes and Ordinances, that owners in this condominium project will not necessarily receive the same County benefits as owners of approved subdivided lots, and that owners who develop their limited common element later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Also, zoning and land use restrictions are subject to change and a purchaser should maintain awareness of such conditions.

Prospective purchasers are advised that the condominium map, drawings of the structures on the project and engineer's certification and condition report were prepared by developer/owner James A. Adams, a Hawaii-licensed engineer.

Residential Dwellings within State Land Use Agricultural District

Purchasers should be aware that the State Land Use Commission issued a Declaratory Ruling in December, 1994, regarding the construction of residential dwellings on properties located within the State Land Use Agricultural District. In response to said ruling, the Hawaii County Planning Department is requiring applicants for building permits on such lands to acknowledge receipt of a "Farm Dwelling Notice". This Farm Dwelling Notice reads as follows:

FARM DWELLING NOTICE

To: Applicants for Building Permits on Land in State Land Use Agricultural District.

This is to inform you that Chapter 205, Hawaii Revised Statutes, does not authorize residential dwellings as a permissible use in an agricultural use district, unless the dwelling is related to an agricultural activity or is a "farm dwelling".

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

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

*I acknowledge that I have read the above
and have been given a copy*

Signature of Applicant

Signature of Witness

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.

JAMES A. ADAMS
Name of Developer

By:  5/31/94
Duly Authorized Signatory Date

JAMES A ADAMS, 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 KUAWA ROAD ESTATES Sales Contract and Receipt (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, an effective date for 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) Seller has a right to extend the closing date by 31 days or by 31 days after the public report effective date is issued, whichever is later.
 - (d) After issuance of the Final Public Report effective date 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.
 - (e) Purchaser has received a copy of the Escrow Agreement for the Project.
 - (f) 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.
 - (g) The unit the Purchaser is purchasing will be shown on a condominium map prior to closing and will have the right to cancel if it is different from that shown on the Exhibit A.
 - (h) That a deed conveying clear title will be given at closing, subject to certain obligations.
 - (i) The Purchaser agrees to give future easements if reasonably required for the project.
 - (j) 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.

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

(l) 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

Qty.	Unit No.	Area of Limited Common Element* (Acres)	% of Common Int.	Bldg.	No. Bdm./ Bath	Net Living/ Interior Area (Sq.Ft.)	Additional Areas (Sq.Ft.)
1	A	10.318	25%	A1-Farm Storage Shed/Office	0/0	2320	660-carport
				A2-Farm Storage Shed	0/0	80	0
				A3-Farm Dwelling	1/2	1776	1556-deck
				A4-Laundry	0/0	81	0
				A5-Farm Dwelling	1/1	1346	601-garage
1	B	8.334	20%	Shed	0/0	450	432-deck
1	C	8.334	20%	C1-Farm Dwelling	3/3	1874	0
				C2-Workshop	0/0	528	0
1	D	6.251	15%	D1-Farm Dwelling	2/1	890	356-deck
				D2-Farm Storage Shed	0/0	380	0
				D3-Farm Storage Shed	0/0	116	0
				D4-Farm Storage Shed/Office	0/1	924	0
1	E	8.334	20%	E1-Farm Storage Shed	0/0	740	0
				E2-Tack Room	0/0	80	0
				E3-Guest House	1/1	455	0
				E4-Farm Storage Shed	0/0	696	652-deck

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 House Rules, if any. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the recording of an amendment to the Declaration of Condominium Property Regime and Condominium Map together with their respective signatures. See Exhibit I for cautionary comments from the County of Kauai Planning Department.

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

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. (the "Escrow"), and HAWAIIAN TRUST COMPANY, LIMITED (the "Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

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

2. Escrow will receive payments under the sales contract 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) Buyer has elected within seven days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued an effective date for a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.

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

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

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate 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 cost of title insurance will be an additional amount, based upon schedule rate.

SPECIAL NOTICE: 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) the land in fee simple;
- (b) all easements of record for the benefit of all or some of the owners of the units;
- (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 hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

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

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
A	10.418 acres
B	8.334 acres
C	8.334 acres
D	6.251 acres
E	8.334 acres

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

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 detailed information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Grant No. 2896.
3. Rights of Native Tenants, if any.
4. Any variations in and along the boundaries running along Kilauea Stream, as may be caused by the natural deviation of said Stream.
5. Any rights of the public to use Kilauea Stream.
6. Rights of access in favor of others as set forth in that certain unrecorded agreement dated February 11, 1972 between Akamai Corporation, a Hawaii corporation, and American-Hawaiian Development Corporation, a Delaware corporation, Hawaiiana Investment Co., Inc., a Hawaii corporation, and Administration, Inc., a Delaware corporation, all doing business as "Kilauea Plantations", a registered Hawaii partnership, mentioned in Warranty Deed dated July 10, 1972, recorded in Book 8431 Page 229.
7. Grant dated January 28, 1974, recorded in Book 9745 Page 375, in favor of the County of Kauai, by the Board of Water Supply, County of Kauai, granting non-exclusive rights and easements over Pipeline Easement "B", twenty (20) feet wide, for waterline and utility purposes.
8. Easement Agreement dated September 23, 1974, recorded in Book 10179 Page 433, in favor of Kauai Electric Company, a Division of Citizens Utilities, a Connecticut corporation, granting a powerline easement within Easement B.
9. The restrictive covenants as contained in that certain Agreement dated May 13, 1977, recorded on June 3, 1977, in Book 12242 Page 280.
10. Grant dated August 2, 1977, recorded on August 29, 1977 in Book 12400 Page 54, in favor of C. B. Kilauea, Inc., and Brewer Properties, Inc., granting an easement (40 feet wide) for irrigation and drainage purposes, as amended by instrument dated August 2, 1977, recorded on December 15, 1977 in Book 12610 Page 171. Said easement, as amended, being a portion of Irrigation Easement "C" (40 feet wide) as shown on Tax Map Key (4)5-2-13-6, and mentioned in survey prepared by Masao Fujishige, Registered Land Surveyor, Certificate No. 1065, dated September 27, 1977.
11. That certain unrecorded Letter Agreement dated July 29, 1977, to the Dept. of Public Works, County of Kauai, regarding a restrictive covenant requiring that runoff along the subdivision road shall not be obstructed, as disclosed by instrument dated September 9, 1977, recorded on September 22, 1977 in Book 12446 Page 524.

12. Grant of Easement dated August 3, 1977, recorded on September 26, 1977 in Book 12454 Page 669, in favor of the County of Kauai, granting an easement for pedestrian access purposes over, under a across a portion of Easement "E", being a Pedestrian Easement, running from the middle of Kilauea Stream to and along the West bank of said stream as mentioned in the survey prepared by Masao Fujishige, Registered Land Surveyor, Certificate No. 1065, State of Hawaii, dated September 27, 1977.

13. A 100-year flood setback line, as shown on survey map prepared by Masao Fujishige, Registered Land Surveyor, Certificate No. 1065, dated August 15, 1977.

14. Right-of-Entry dated December 3, 1979, recorded in Book 14607 Page 61, in favor of Citizens Utilities Company, granting an easement for construction and maintenance of power and communication line purposes over, under, across and through land herein described.

15. FARM DWELLING AGREEMENT

Made by
and between : STANLEY E. IRION and the COUNTY OF KAUAI
PLANNING DEPARTMENT

Dated : March 6, 1980
Recorded : June 25, 1980 in Book 14810 Page 440

16. FARM DWELLING AGREEMENT

Made by
and between : SAMANTHA STEVENS, et al., and COUNTY OF KAUAI
PLANNING DEPARTMENT

Dated : October 2, 1986
Recorded : December 19, 1986 in Book 20168 Page 1

17. FARM DWELLING AGREEMENT

Made by
and between : DIANE TRESKON and COUNTY OF KAUAI PLANNING
DEPARTMENT

Dated : July 17, 1987
Recorded : September 21, 1987 in Book 21147 Page 647

18. SUB-AGREEMENT OF SALE

Seller : DONALD L. VAN VALKENBERG, husband of Suzanne
Van Valkenberg

Purchaser : WILLIAM FLOYD LONG and LYNDA A. LONG, husband
and wife, as to an undivided 10% interest

Dated : March 4, 1988
Recorded : March 8, 1988 in Book 21700 Page 447
Purchase Price : \$150,000.00

19. The terms and provisions and the conditions and restrictions, if any, contained in that certain unrecorded Trust Agreement No. 90-02159, dated July 27, 1988, with American Trust Co. of Hawaii, Inc., as Trustee, pursuant to the Land Trust Act, Chapter 558, Hawaii Revised Statutes, as amended.
20. Terms and provisions of undated Revision Agreement recorded as Document No. 92-178281 made by and between Paul Pond and Suzanne L. Thompson Pond, husband and wife, Charles Roessler and Chie Roessler, husband and wife, Carol S. Adams, Linda Marie Pitman and Linda Marie Pitman, as Trustee for Emma Lokelani Pitman and Eric James Pitman, William Floyd Long and Lynda A. Long, husband and wife, Edward G. Knibb and Victoria Wright, husband and wife, William Floyd Long and Lynda A. Long, husband and wife, Henry Hak Ko and Soon Yang Ko, husband and wife, and Grace E. Chon.
21. Compliance with the provisions of the County of Kauai Comprehensive Zoning Ordinance.
22. WAIVER AND RELEASE

Made by
and between : JAMES A. ADAMS and County of Kauai by and for the Department of Water and Board of Water Supply

Dated : April 17, 1995
Recorded : April 18, 1995 as Document No. 95-051077
Re: : No County-supplied water service
23. Condominium Map No. 2272 filed on September 12, 1995.
24. The covenants, agreements, obligations, conditions and other provisions as set forth in Declaration of Condominium Property Regime entitled "KUAWA ROAD ESTATES", dated August 30, 1995, recorded on September 12, 1995, in the Bureau of Conveyances of the State of Hawaii as Document No. 95-117084, and the Bylaws dated August 30, 1995, recorded on September 12, 1995, as Document No. 95-117085, to which reference is hereby made.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR
KUAWA ROAD ESTATES

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of KUAWA ROAD ESTATES makes the following disclosures:

1. The Developer of the project is JAMES A. ADAMS, 1128 Nuuanu Avenue, Suite 203, Honolulu, Hawaii, 96817.

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 units. 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 Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed for the above-referenced project. There are five units, each of which sustains a structure or structures and each of which will burden the common elements. However, Unit A is somewhat larger and Unit D somewhat smaller than the limited common elements for Units B, C and E. Therefore, the assessment of undivided interest both for common expense and for voting is 25% for Unit A, 20% each for units B, C and E and 15% for Unit D.



JAMES A. ADAMS

Dated: 5/31/94

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	\$95.00	\$1,140.00
B	76.00	912.00
C	76.00	912.00
D	57.00	684.00
E	76.00	912.00

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	\$160.00	\$1,920.00
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- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance	\$170.00	\$2,040.00
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Reserves(*)	\$ 50.00	\$ 600.00
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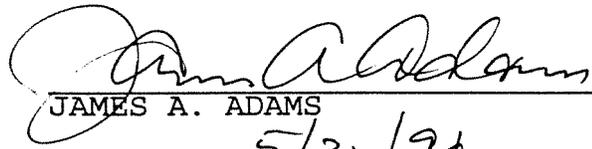
Taxes and Government Assessments

Audit Fees

Other

TOTAL	\$380.00	\$4,560.00
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I, JAMES A. ADAMS, developer of the condominium project KUAWA ROAD ESTATES, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



 JAMES A. ADAMS
 Date: 5/31/94

(*) Mandatory reserves in effect January 1, 1993

EXHIBIT I

LETTER(S) FROM COUNTY OF KAUAI PLANNING DEPARTMENT

MARYANNE W. KUSAKA

MAYOR

RECEIVED
JUN 27 1995



DEE M. CROWELL
PLANNING DIRECTOR

IAN K. COSTA
DEPUTY PLANNING DIRECTOR

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

JAI STRUCTURAL ENGINEERS

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

June 26, 1995

Mr. Jim Adams
1128 Nuuanu Avenue, Suite 203
Honolulu, Hawai'i 96817

SUBJECT: KUAWA ORCHARD ESTATES CONDOMINIUM, Kilauea, Kaua'i
TMK: 5-2-13: 06

Pursuant to your request, a field inspection of the subject property was conducted on June 16, 1995 to evaluate the project for compliance with all Kaua'i County Codes, pursuant to the Comprehensive Zoning Ordinance (CZO), and to justify the existing use of a structure in question (Yurt). For the record, the field inspection was conducted by Dale Cua (Planner, Planning Department), Barney Mateo (Planning Inspector, Planning Department), and Jim Adams.

Based on the field inspection, it is concluded the structure in question, the Yurt, is primarily used for Storage purposes and that the project is now in compliance with the County Codes as of June 16, 1995. However, it is important to note that the use of the Yurt remains for storage purposes only and that any other use not permitted by the CZO within that facility will result in a violation of the Kaua'i County Code.

Also, the applicant is advised that the compliance of the subject project is limited to the provisions of Section 8 of the Kaua'i County Code (Comprehensive Zoning Ordinance) and does not imply compliance with the other government agencies (i.e. Dept. of Public Works, Water Department, State Health Dept. and the Fire Department).

It is further recommended that the uses of structures within the property remain in compliance with the Kaua'i County Codes and shall be limited to the permitted uses. The applicant is advised that a field inspection by the Planning Department will occur within one (1) year from the compliance date, June 16, 1995, to ascertain compliance with the provisions of Chapter 8 of the CZO, County of Kaua'i. The applicant shall be notified of the date of the conducted field inspection.

Mr. Jim Adams
June 26, 1995
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Should you have any questions, please contact Barney Mateo or Dale Cua of my staff at 241-6677.



DEE M. CROWELL
Planning Director

cc: Mike Laureta/DLNR