

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

Effective date: September 20, 1996

(Conversion)

Expiration date: October 20, 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.  
(yellow)

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

  X   SUPPLEMENTARY: This report updates information contained in the:  
(pink)  
[ ] Preliminary Public Report dated: \_\_\_\_\_  
[ X ] Final Public Report dated: December 28, 1995  
[ ] Supplementary Public Report dated: \_\_\_\_\_

And [ X ] 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.

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

[X] Changes made are as follows: The purpose of this supplementary report is to disclose amendments to the Declaration of Condominium Property Regime and Condominium Map. They were amended to show the division of Units A, D and E into Units A, D, E, F, G and H, resulting in an eight-unit condominium project. The common interest appurtenant to Units A, D and E has been reallocated between Units A, D, E, F, G and H which results in, among other things, a new maintenance fee schedule for the affected units. The Declaration of Condominium Property Regime was also amended to provide for future development rights/plans in the event zoning or other conditions permit additional residential density for the project.

\* \* \* \* \*

\* 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. Issuance of an effective date for this Public Report does not \*

\* constitute an approval of the project by the Real Estate \*

\* Commission, or any other government agency, nor does it imply \*

\* 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 \*

\* CONDOMINIUM DOCUMENTS 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: 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: N/A 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]: Amended and Restated Declaration of Condominium Property Regime dated March 28, 1996, recorded as Document No. 96-045899.

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]: Amended and Restated Declaration of Condominium Property Regime dated March 28, 1996, recorded as Document No. 96-045899.

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]:

1. 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

2. 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 F 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:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>4</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>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

\*See Exhibit I which specifies that the Project is limited to five Farm Dwellings, regardless the number of apartments created.

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 11a

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: 8

\*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 Amended and Restated 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.

Apt. Type	Building	No. Bdm./ Bath	Net Living Area (sf)*	Lanai/ Patio (sf)	Other Areas (sf)
A	A1-Farm Storage Shed/Office	0/0	0	0	2320-storage/office 660-carport
	A2-Farm Storage Shed	0/0	0	0	80-storage
	A3-Farm Dwelling	1/2	1776	1556	0
	A4-Laundry	0/0	0	0	81-laundry
B	Farm Storage Building	0/0	0	432	450-storage
C	C1-Farm Dwelling	3/3	1874	0	0
	C2-Workshop	0/0			528-workshop
D	D1-Farm Dwelling	2/1	890	356	0
	D2-Farm Storage Shed	0/0	0	0	380-storage
E	E1-Farm Storage Shed	0/0	0	0	740-storage
	E2-Tack Room	0/0	0	0	80-tack room
	E3-Guest House	1/1	455	0	0
F	Farm Dwelling	1/1	1346	0	601-garage
G	G1-Farm Storage Shed	0/0	0	0	116-storage
	G2-Farm Storage Shed/Office	0/1	0	0	924-storage/office
H	Farm Storage Shed	0/0	0	652	696-storage

\*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 <del>(for each unit)</del>	<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 (Building A1) and Unit F each have two regular, covered parking stalls. Each of the remaining units have ample area within their limited common elements for parking purposes.

[ ] Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] 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

[X] 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

In his condition report dated July 17, 1995, engineer James A. Adams reported that Unit A, Building A5 (seven years of age at that time), which has now become Unit F, Unit D, Building D1 (16 years of age at that time) and Unit E, Building E3 (14 years of age at that time) were the only residential structures in the Project that had been in existence for at least five years. Mr. Adams reported, after inspection of the same, that the systems and components, including visible structural, electrical and plumbing, appeared to be in satisfactory condition for the stated age thereof and appeared to be in sound condition. Unit F had an expected useful life of 35 years and Buildings D1 and E3 had expected useful lives of 20 years. Said condition report was supported by an independent report of architect Pablo Paredes, dated November 17, 1995.

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 04-11-96 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.
- 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.

3. 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.

Status of Construction and Estimated Completion Date:

The buildings on each unit are fully constructed. Buildings G1, G2 and H were constructed in 1976, Buildings D1 and E1 in 1979, Building E2 in 1980, Buildings A1, A2, A4 and E3 in 1981, Building D2 in 1986, F in 1988, and Buildings A3, B, C1 and C2 were constructed in 1994.

i. 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
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- 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

Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit   B   contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated September 11, 1995  
Exhibit   D   contains a summary of the pertinent provisions of the escrow agreement.
- Other Specimen Apartment Deed, Specimen Owner-Occupant Affidavit and Specimen Owner-Occupant Reservation Form

3. 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. [None.]
  - E) Condominium Map, as amended.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other 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 and the provisions of the Amended and Restated Declaration of Condominium Property Regime 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, the Amended and Restated Declaration and 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, consistent with the Amended and Restated 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 ("CZO"), 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 CZO 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.

The CZO limits this project to the construction of five farm dwellings and one guest house as "residential" improvements. Residences have been constructed on Units A, C, D and F. The right to build the fifth farm dwelling is the right of the owner of Unit B. The guest house is constructed on Unit E. Units B, G and H currently contain miscellaneous agricultural buildings, which are not appropriate for residential use and use residential use is forbidden by law. Therefore, unless the purchaser is purchasing an existing farm dwelling, there is no assurance that the purchaser will be able to either build a dwelling unit or convert an existing non-residential structure to residential use. The purchaser should review the provisions of the Declaration of Condominium Property Regime, as amended, as to the effect of future changes in zoning or

density for the project. The purchaser should consult with the appropriate county agencies to determine whether the purchaser's expectations regarding residential and any other use may be fulfilled.

The guest house on this project is strictly regulated by the CZO. Residential occupancy is limited to six months annually; rentals and leases are not permitted. Various other additional restrictions apply. Any prospective purchaser of the guest house unit should thoroughly familiarize themselves with the relevant portions of the CZO and should contact the appropriate agency of the County of Kauai to determine whether expectations regarding the guest house unit may be met.

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. The condition report has been reaffirmed by an independent architect, Pablos Paredes, which is on file with the Real Estate Commission.

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.

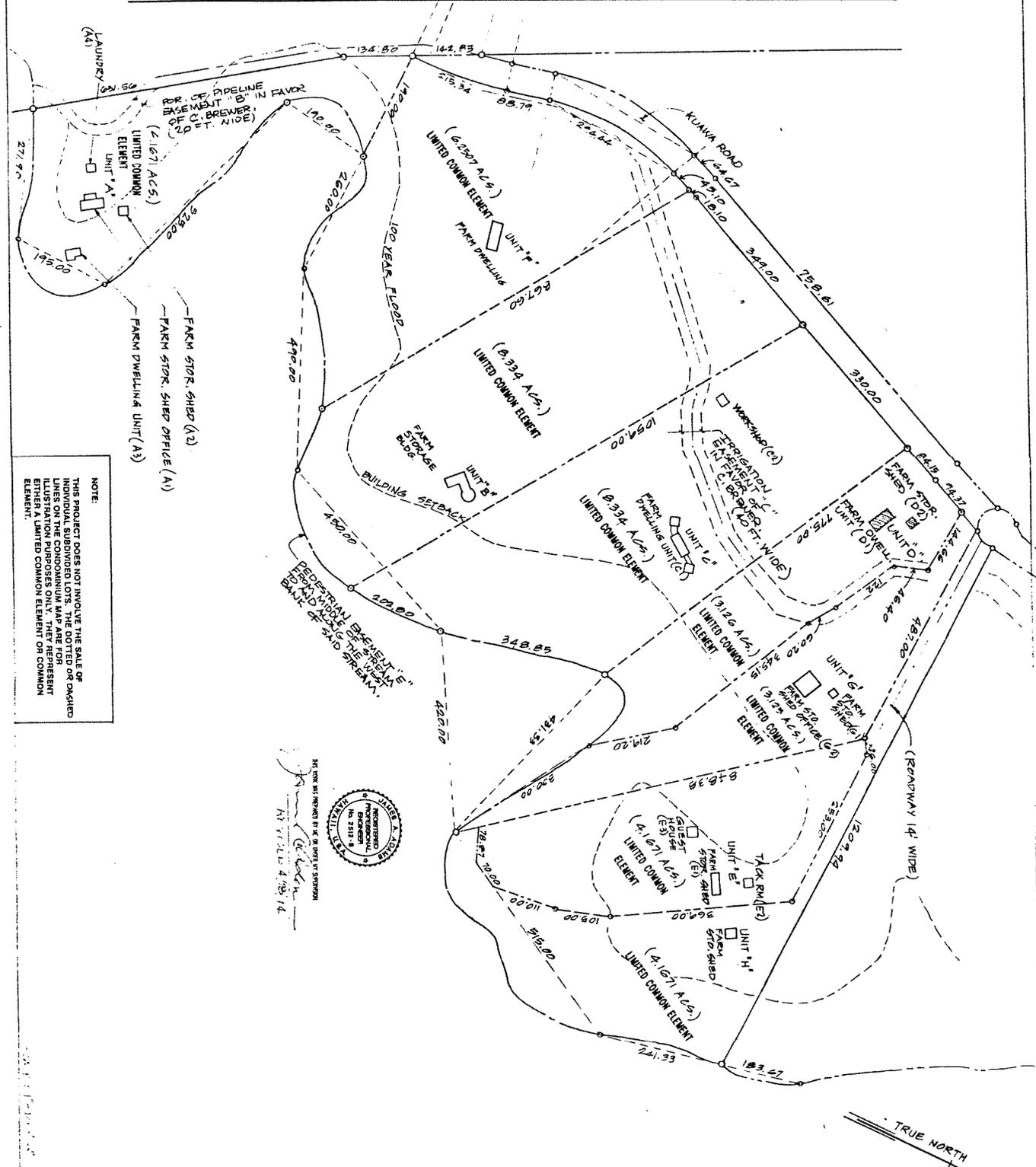
  
\_\_\_\_\_  
JAMES A. ADAMS  
Date: 2/10/96

Distribution:

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

EXHIBIT A

CONDOMINIUM MAP AND LIMITED COMMON ELEMENT LOCATIONS



NOTE:  
 THIS PROJECT DOES NOT INVOLVE THE SALE OF INDIVIDUAL SUBDIVIDED LOTS. THE APERT FOR THIS MAP IS FOR ILLUSTRATION PURPOSES ONLY. THEY REPRESENT EITHER A LIMITED COMMON ELEMENT OR COMMON ELEMENT.



KUAWA ROAD ESTATES:  
 CONDOMINIUM MAP SHOWING UNITS A THRU H, AND EASEMENTS.  
 LOT 13-B-6  
 P.L.A. 1770  
 T.M.K. NO. 4-5-2-13100

**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". 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

Unit No.	Building	No. Bdm./ Bath	Net			Area of Limited Common Element	% of Common Interest
			Living Area (sf)*	Lanai/ Patio (sf)	Other Areas (sf)		
A	A1-Farm Storage Shed/Office	0/0	0	0	2320-storage/office 660-carport	4.1671	10%
	A2-Farm Storage Shed	0/0	0	0	80-storage		
	A3-Farm Dwelling	1/2	1776	1556	0		
	A4-Laundry	0/0	81	0	0		
B	Farm Storage Building	0/0	0	432	450-storage	8.334	20%
C	C1-Farm Dwelling	3/3	1874	0	0	8.334	20%
	C2-Workshop	0/0			528-workshop		
D	D1-Farm Dwelling	2/1	890	356	0	3.126	7.5%
	D2-Farm Storage Shed	0/0	0	0	380-storage		
E	E1-Farm Storage Shed	0/0	0	0	740-storage	4.1671	10%
	E2-Tack Room	0/0	0	0	80-tack room		
	E3-Guest House	1/1	455	0	0		
F	Farm Dwelling	1/1	1346	0	601-garage	6.2507	15%
G	G1-Farm Storage Shed	0/0	0	0	116-storage	3.125	7.5%
	G2-Farm Storage Shed/Office	0/1	0	0	924-storage/office		
H	Farm Storage Shed	0/0	0	652	696-storage	4.1671	10%

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 owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime, together with their respective signatures.

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

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between 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, referred to as the "limited common elements", are designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant exclusive easements for the use of the limited common elements. The limited common elements set aside, reserved and deemed a limited common element appurtenant to and for the exclusive use of each respective unit is that certain land area upon and around which Units A, B, C, D, E, F, G and H are located, shown and designated on the Amended Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
A	4.1671 acres
B	8.334 acres
C	8.334 acres
D	3.126 acres
E	4.1671 acres
F	6.2507 acres
G	3.125 acres
H	4.1671 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, 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

By Disclaimer Deed dated October 28, 1994, recorded on September 13, 1995 as Document No. 95-117607, DONALD L. VAN VALKENBERG, husband of Suzanne K. Van Valkenberg, quitclaimed all of his right, title and interest to HAWAIIAN TRUST COMPANY, LIMITED, a Hawaii corporation, successor by merger to American Trust Co. of Hawaii, Inc., as Trustee under that certain unrecorded Trust Agreement dated July 27, 1988, being Trust Number 90-02159.

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.

Consent to and joinder in recordation of the foregoing documents by JAMES A. ADAMS, dated November 9, 1995, recorded as Document No. 95-147668.

Amended and Restated Declaration of Condominium Property Regime of Kuawa Road Estates dated March 28, 1996, recorded as Document No. 96-045899.

25. Any and all easements encumbering the apartment herein identified and described, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended, and or in said condominium project, and/or as delineated on said Condominium Map No. 2272, as amended.

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 eight units, each of which sustains a structure or structures and each of which will burden the common elements. However, certain of the limited common elements are larger than others, in relation to the project as a whole. Therefore, in proportion to the areas of the limited common elements, the assessment of undivided interest both for common expense and for voting is 10% each for Units A, E and H, 20% each for Units B and C, 15% for Unit F, and 7.5% each for Units D and G.

  
\_\_\_\_\_  
JAMES A. ADAMS  
Dated: 2/10/10

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	\$38.00	\$456.00
B	76.00	912.00
C	76.00	912.00
D	28.50	342.00
E	38.00	456.00
F	57.00	684.00
G	28.50	342.00
H	38.00	456.00

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

Rate 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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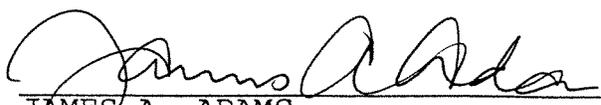
Taxes and Government Assessments

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  
 Dated: 2/10/96

(\*) 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

IAI 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  
Page 2

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*

10/17/95

COUNTY OF KAUAI  
PLANNING DEPARTMENT  
4444 Rice Street, Suite 473, Bldg. A,  
Lihue, Hawaii 96766

*COPIED*

M E M O R A N D U M

DATE: October 13, 1995

TO: R. Victoria Shiroma, Condominium Program Specialist  
Real Estate Commission, Real Estate Branch  
250 South King Street, Suite 702  
Honolulu, Hawaii 96813

FROM: *JM* Dee M. Crowell, Planning Director *DC*

Subject: Certification of Inspection of Existing Buildings for  
PROJECT NAME: KUAWA ROAD ESTATES CONDOMINIUM  
TAX MAP KEY: 5-2-13:6

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

The amount of limited common elements proposed corresponds to the allowable unit density permitted by the CZO. The subject property is zoned Agriculture District (A) and Open District (O) and qualifies for five (5) units.

The developer of the above-mentioned condominium project has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai (Section 514A-40 (b)(1), HRS). Subject to the disclosures and waiver (item "b" below) specified herein, we certify the following:

- a. The developer had requested personnel from the Planning Department right of entry to inspect and certify that the existing buildings on the proposed project referred to as Units A through E inclusive are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the condition of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by this department. Further, there were no variances approved for the subject property.
- b. A disclosure provision should be written into this and all ensuing condominium reports stating that Unit E is not allowed to have a Farm Dwelling. Only in the event that Unit A removes one of its Farm Dwelling can Unit E be permitted to have one constructed:

R. Victoria Shiroma  
Real Estates Commission  
Page 2  
October 13, 1995

- c. WAIVER  
The foregoing certification is not a warranty as to any compliance with all applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulation of condominiums under Subsection 514(A)40(b)(1), Hawaii Revised Statutes.

If you have any questions, please contact Alvin Fukushima of my staff at 241-6264

cc: STEVEN R. LEE

8/20/96

COPY

COUNTY OF KAUAI  
PLANNING DEPARTMENT  
4444 Rice Street, Suite 473, Bldg. A,  
Lihue, Hawaii 96766

M E M O R A N D U M

DATE: August 19, 1996  
TO: Mr. Grant Tanimoto  
Real Estate Commission  
Real Estate Branch  
250 South King Street, Suite 702  
Honolulu, Hawaii 96813  
FROM: Dee M. Crowell, Planning Director  
Subject: Certification of the number of farm dwellings  
PROJECT NAME: Kuawa Road Estates Condominium  
TAX MAP KEY: (4) 5-2-13:6

The developers of this condominium project have requested that this office confirm the language in our letter dated October 13, 1995 to R. Victoria Shiroma, Real Estates Commission.

Our October 13, 1995 letter stated that the whole parcel qualifies for five (5) "units"; however they are requesting that these "units" instead be described as five (5) "farm dwellings" as opposed to units.

We have no objections to this modification of language. However it should be made clear that the entire property is allowed only five (5) residences. Should more than five (5) limited common elements be created, it must be made clear that only five (5) qualify for residences.

If you have any questions, please contact Alvin Fukushima of my staff at 241-6264

cc: Steven R. Lee  
James A. Adams

END OF EXHIBIT I