

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer

SADHUNATHAN NADESAN

Address 1410 Hono Ohala Place, Kapaa, Hawaii 96746

Project Name(*): NADESAN FAMILY

Address: 1410 and 1460 Hono Ohala Place
Kapaa, Kauai, Hawaii

Registration No. 3681
(Partial Conversion)

Effective date: January 27, 1997
Expiration date: February 27, 1998

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 _____

SUPPLEMENTARY: This report updates information contained in the:
(pink)
 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. *

* 4. Residences may be constructed on Units 2 and 4 under the County *

* of Kauai "Additional Dwelling Unit" ordinance. The right to *

* build the additional dwelling unit may expire if a building *

* permit is not obtained on or before December 31, 1999. A *

* purchaser should contact the County of Kauai Planning Department *

* to verify that Purchaser's expectations may be met. *

* 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: SADHUNATHAN NADESAN
SANDRA KAY NISSEN Phone: (808) 823-0155
Name (Business)
1410 Hono Ohala Place
Business Address
Kapaa, Hawaii 96746

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

N/A

Real Estate Broker: Unit 3 only-
FIRST CHOICE REALTY, INC. Phone: (808) 822-5850
Name (Business)
1379 Kuhio Highway
Business Address
Kapaa, Hawaii 96746

Escrow: SECURITY TITLE CORPORATION Phone: (808) 245-6975
Name Lihue Branch Office (Business)
4370 Kukui Grove Street, #203
Business Address
Lihue, hawaii 96766

General Contractor: VIJAI SANKARA
dba Sankara & Sons Phone: (808) 823-6698
Name (Business)
6136 D Kalakea Place
Business Address
Kapaa, Hawaii 96746

Condominium Managing Agent: Self-managed by the Association
of Apartment Owners. Phone: _____
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. 96-162679
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. 2485
 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. 96-162680
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>75%</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: 1410 and 1460 Hono Ohala Place Tax Map Key: (4) 4-4-014:002&003
Kapaa, Hawaii 96746 (TMK)

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

Land Area: 7.726 [] square feet acre(s) Zoning: Agricultural

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:

Household pets may be kept consistent with any applicable law as
 Pets: long as they do not become a nuisance to the other owners.

Number of Occupants: _____

Other: See building restrictions as to Unit 1 (Page 3 of Exhibit F).

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)	Shadehouse/ Shed (sf)
1	1	3/2	1058	316	0
2	1	0/0	0	0	40
3	1	3/2	1058	282	0
4	1	0/0	0	0	40

Total Apartments: 4

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

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

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

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai 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 will be required to disclose actual improvements as a matter of public record.

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>2 (each for Units 1 and 3)</u>						<u>4</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Total Covered & Open	<u>4</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</u>	<u> </u>	<u> </u>

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

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

8. Recreational and Other Common Facilities:

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

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

- There are no violations. Violations will not be cured.
- Violations and cost to cure are listed below. Violations will be cured by _____

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

The developer states, based upon the inspection report of Avery H. Youn, Registered Professional Architect, that the systems and components of the farm dwelling on Unit 3 (five years of age), including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition. Mr. Youn's inspection included the exterior roof, foundation, visible electrical and plumbing systems and he reports that the structure and related systems and components have an expected useful life of in excess of 25 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.

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

described in Exhibit E.

as follows: The portion of 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:

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 12-24-96 and issued by TITLE GUARANTY OF HAWAII, INC.

Blanket Liens:

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

- 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>
Mortgage; Agreement of Sale	If foreclosed, buyer's deposit will be refunded (less any escrow cancellation fee) 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:

All construction is complete. Unit 1 is four and one-half years of age. Unit 2 received final building approval on January 22, 1996. Unit 3 is five years of age. Unit 4 received final building approval on August 26, 1996.

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
- 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

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 October 24, 1996

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 Agreement

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 and Elevation 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. 3681 filed with the Real Estate Commission on 12-30-96.

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 the contents of this Report. You should also conduct your own investigations to ascertain the validity of information provided. Issuance of an effective date for this Report does not mean the Real Estate Commission has "approved" the project.

County of Kauai ordinances require, in order to process the necessary permits for construction and for processing of a farm dwelling agreement on agriculturally zoned parcels, authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration of Condominium Property Regime and the Bylaws. Except as limited specifically by the project documents of record, all uses permitted in the agricultural zone are permitted. Such uses include, but are not limited to, growing crops, raising animals, residence, diversified agriculture, forestry, orchards and nurseries and wildlife management. See Kauai County Comprehensive Zoning Ordinance, Article 8.7, for further 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 by law and the recorded project documents. A farm dwelling may not be constructed unless a unit owner demonstrates to the County the ability to derive income from its property, established and verified prior to any building permit approval.

A buyer should understand that development and use of the property shall be in compliance with all County codes and ordinances. If County of Kauai facilities are not already in place, the prospective purchaser is advised that owners in the project will not necessarily receive the same County benefits as owners of approved subdivided lots; owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

The prospective purchaser is encouraged to review the Declaration of Condominium Property Regime for the project for detailed information regarding the following:

1. Section VII designates a view easement over Unit 1 in favor of Unit 3 upon which above-ground construction is prohibited. Further, a viewplane easement is designated over Unit 1 in favor of Unit 3 which restricts the height of any future construction on Unit 3.

2. Sections VII and IX provide for a three-foot road widening reserve along Oloheua Road affecting Units 2 and 4 of the project. Access to Units 2 and 4 from Oloheua is limited.

3. Section VII also elaborates on the effect, if any, of certain abandoned water system easements and pipe line right-of-way affecting the project.

2. 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.

SADHUNATHAN NADESAN
Name of Developer

By: Sadhunathan Nadesan 10/30/96
Duly Authorized Signatory Date

SADHUNATHAN NADESAN, Developer
print name & title of person signing above

Distribution:

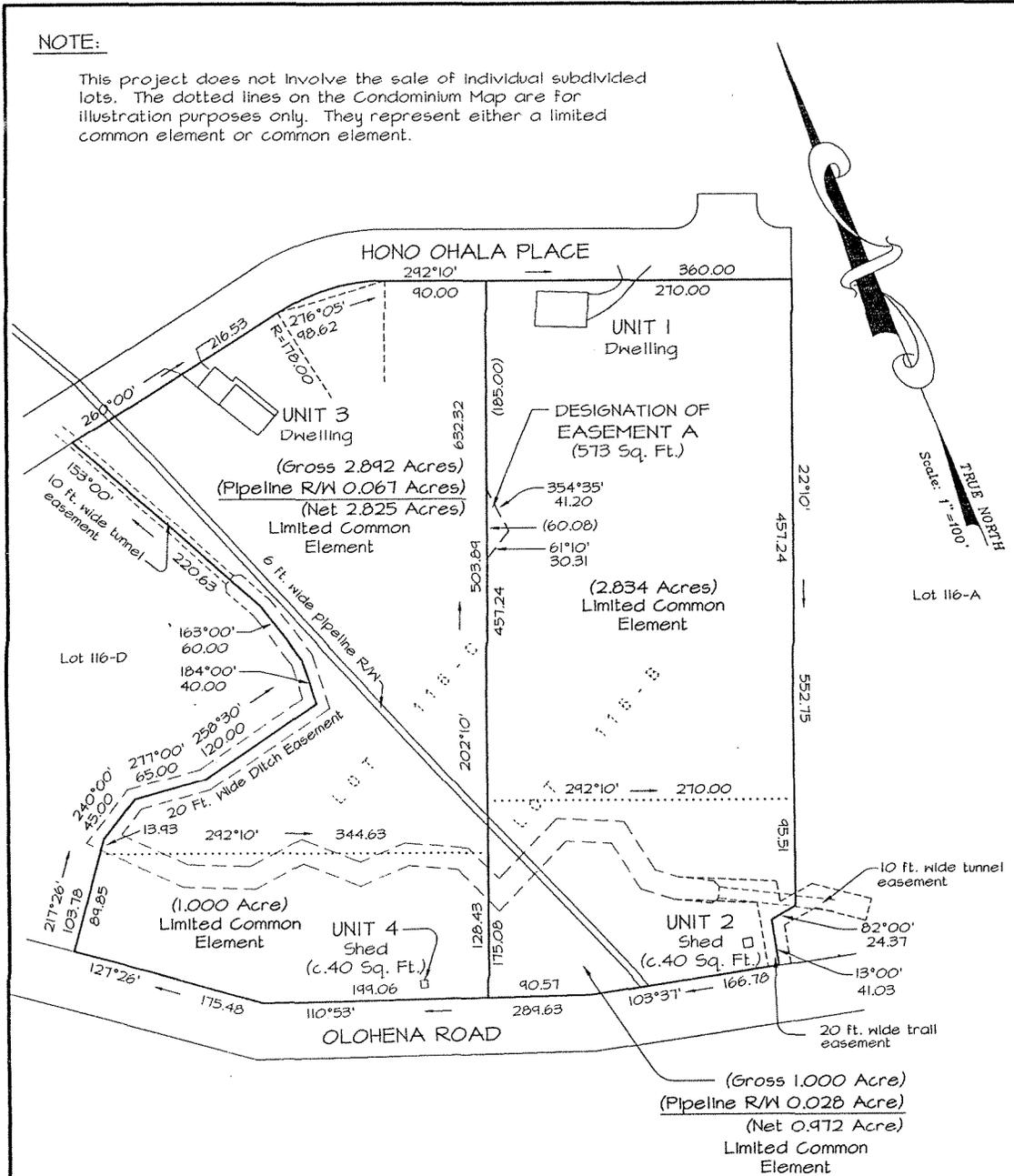
- Department of Finance, COUNTY OF KAUAI
- Planning Department, COUNTY OF KAUAI
- Federal Housing Administration

EXHIBIT A

CONDOMINIUM MAP AND LIMITED COMMON ELEMENT LOCATIONS

NOTE:

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



NADESAN FAMILY CONDOMINIUM
 MAP SHOWING UNITS 1, 2, 3 & 4
 BEING LOTS 116-B & 116-C
 KAPAA HOMESTEADS, 2ND SERIES
 AND DESIGNATION OF EASEMENT A

WAIPOULI, KAWAIHAU, KAUAI, HAWAII
 Tax Map Key: 4-4-14: 2 & 3
 Owner: Sathnathan Nadesan
 Date: October 15, 1996

THIS WORK WAS PREPARED BY ME
 OR UNDER MY SUPERVISION

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

(NOT TO SCALE)

EXHIBIT B

SUMMARY OF SALES CONTRACT

The NADESAN FAMILY 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

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Int.
1	1	2.834	3/2	1058	316-deck 544-carport 72-utility 529-storage	25%
1	2	1.000	0/0	0	40-shed/ shadehouse	25%
1	3	2.892	3/2	1058	282-lanai 519-carport 49-storage	25%
1	4	1.000	0/0	0	40-shed/ shadehouse	25%

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 four units, each of which sustains a structure and each of which will burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 25% for each unit.

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 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 FIRST AMERICAN TITLE COMPANY OF HAWAII, INC. (the "Escrow"), and SADHUNATHAN NADESAN and SANDRA KAY NISSEN (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 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) any future common access and utility element(s);
- (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; and
- (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", have been designated and set aside for the exclusive use of one or more units, and such unit(s) have appurtenant exclusive easements for the use of such 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 are those certain land areas upon and around which Units, 1, 2, 3 and 4 are located, shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
1	2.834 acres
2	1.000 acre
3	2.892 acres
4	1.000 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. GRANT
TO : COUNTY OF KAUAI

DATED : September 21, 1937
RECORDED : Liber 1397 Page 373
GRANTING : easements for the purpose of a tank site and 6-foot right-of-way for the Potable Water Supply System for the Wailua Houselot and Wailua Subsistence Homesteads.

3. GRANT
TO : EAST KAUAI WATER COMPANY, LIMITED

DATED : July 3, 1973
RECORDED : Liber 9493 Page 316
GRANTING : a perpetual easement for the operation, maintenance and repair of all of the existing tunnels and irrigation ditches and all appurtenances thereto.

4. DESIGNATION OF EASEMENT (20 feet wide)

PURPOSE : ditch
SHOWN : on survey map prepared by Cesar C. Portugal, Registered Professional Surveyor, dated December 20, 1976, and as mentioned in Deed dated November 23, 1979, recorded in Liber 14812 at Page 587.

5. Restriction of no vehicular access from Olohena Road as mentioned in survey prepared by Cesar C. Portugal, Registered Professional Surveyor, dated December 20, 1976.

6. -AS TO PARCEL FIRST ONLY:-

(A) DESIGNATION OF EASEMENT (20 feet wide)

PURPOSE : trail
SHOWN : on survey map prepared by Cesar C. Portugal, Registered Professional Surveyor, dated December 20, 1976, and as mentioned in Deed dated November 23, 1979, recorded in Liber 14812 at Page 587.

(B) DESIGNATION OF EASEMENT (10 feet wide)

PURPOSE : tunnel
SHOWN : on survey map prepared by Cesar C. Portugal,
Registered Professional Surveyor, dated December 20,
1976, and as mentioned in Deed dated November 23,
1979, recorded in Liber 14812 at Page 587.

(C) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

AGREEMENT

DATED : March 31, 1989
RECORDED : Liber 23064 Page 387
RE : FARM DWELLING

(D) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

AGREEMENT

DATED : April 17, 1979
RECORDED : Liber 23160 Page 698
RE : ELEVATION

(E) MORTGAGE AND FINANCING STATEMENT

MORTGAGOR: SADHUNATHAN NADESAN and SANDRA KAY NISSEN, husband and wife

MORTGAGEE: HONFED BANK, a federal savings bank, now known as BANK OF AMERICA, FSB, a federal savings bank

DATED : March 23, 1992
RECORDED : Document No. 92-046763
AMOUNT : \$200,000.00

7. -AS TO PARCEL SECOND ONLY:-

(A) DESIGNATION OF EASEMENT (5 feet wide)

PURPOSE : tunnel
SHOWN : on survey map prepared by Cesar C. Portugal,
Registered Professional Surveyor, dated December 20,
1976, and as mentioned in Deed dated November 23,
1979, recorded in Liber 14812 at Page 587.

(B) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

AGREEMENT

DATED : December 3, 1990
RECORDED : Document No. 90-191937
RE : FARM DWELLING

(C) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

AGREEMENT

DATED : July 15, 1991
RECORDED : Document No. 91-144058
RE : ELEVATION

8. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained the following, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "NADESAN FAMILY"

DATED : September 6, 1996
RECORDED : Document No. 96-162679
MAP : Condominium Map No. 2485

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

(A) Easement "A", as designated on the Condominium Map, is a portion of Unit 1 on which no construction may occur above the level of the ground. This is a raised area that is part of a much larger level area of Unit 3 and covers 573 square feet of Unit 1. This easement is meant to protect the privacy of Unit 3 and incursion into the normal view of persons situate on Unit 3.

(B) A special viewplane easement over Unit 1 is hereby designated in favor of Unit 3. The owner of Unit 1 shall not construct any future improvement higher than 16 feet from grade to the peak of the roof at any point in the constructed improvements. The easement requires maintenance of the existing viewplane such that you can see the ocean from Unit 3 toward the ocean in its present condition, subject to further construction of improvements at maximum 16-foot height on the balance of Unit 1. The owner of

Unit 3 may consent, in a recordable written agreement, to variance from the terms hereof.

(C) A three (3) foot road widening reserve has been established for Units 2 and 4 as a condition of issuance of Additional Dwelling Unit Facilities Clearances by the County of Kauai, and dedication of said three-foot setback may be required for any development of the Additional Dwelling Unit on Units 2 and 4, at such time as the owner(s) thereof desires to construct a residence. Unit 2 and Unit 4 will have limited access to Olohena Road, as more fully set forth in Section IX hereof, due to the fact that the County of Kauai previously prohibited access and utilized a guard rail to restrict access from Olohena Road to the property comprising this Project.

(D) Units 2, 3 and 4 are subject to a water system maintenance easement allowing repair and maintenance of the ditch and tunnel easements shown on the Condominium Map for the Project. An abandoned County of Kauai pipeline right-of-way and water system maintenance easement technically encumber Units 2 and 3, as shown on the Condominium Map. The owners of Units 2 and 3 should concern themselves as to the easements' practical and legal effect. Due to relocation of County water lines, no pipeline use has occurred for a number of years and the Developer advises that County of Kauai personnel indicate no intent to use the easement or pipeline in the future.

9. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained the following, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons:

INSTRUMENT: BY-LAWS OF THE ASSOCIATION OF CONDOMINIUM OWNERS

DATED : September 6, 1996
RECORDED : Document No. 96-162680

10. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained the following, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons:

INSTRUMENT: DECLARATION OF PROTECTIVE COVENANTS AND HOUSE RULES

DATED : November 6, 1996
RECORDED : Document No. 96-162681

11. The developer discloses that certain unrecorded Agreement of Sale dated August 15, 1996, by and between developer and SANDRA KAY NISSEN, as Seller, and ERIC C. NASLUND and PAMELA L. NASLUND, as Purchaser, a copy of which Agreement of Sale is on file in developer's registration submission to the Real Estate Commission, State of Hawaii.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR
NADESAN FAMILY

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

1. The Developer of the project is SADHUNATHAN NADESAN, 1410 Hono Ohala Place, Kapaa, Hawaii, 96746; telephone 808-823-0155.

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 non-residential 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.

Sadhunathan Nadesan

SADHUNATHAN NADESAN

Dated: _____

October 30, 1996

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	\$41.75	\$501.00
B	\$41.75	\$501.00
C	\$41.75	\$501.00
D	\$41.75	\$501.00

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

EXHIBIT I

LETTER(S) FROM THE COUNTY OF KAUAI PLANNING DEPARTMENT

2/12/96

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

COPY

DATE: February 8, 1996

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

FROM: *Jol* Dee M. Crowell, Planning Director *GH*

Subject: Certification of Inspection of Existing Buildings for
PROJECT NAME: Nadesan Family Condominium
TAX MAP KEY: (4) 4-4-14:02

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 "e" below) specified herein, we certify the following:

- a. The developer has contracted architect Avery H. Youn to certify that the existing buildings on the proposed project referred to as Unit 1 and Unit 2 and are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, 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.
- b. There was no variances issued for this subject property.
- c. This parcel does not contain any outstanding legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.
- d. The current zoning for the subject property is agriculture.

R. Victoria Shiroma
Real Estates Commission
Page 2
February 8, 1996

e. 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 514A-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

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

COPY

DATE: October 23, 1996

TO: Ms. Benedyne S. Stone
Condominium Program Specialist
Real Estate Commission
Real Estate Branch
250 South King Street, Suite 702
Honolulu, Hawaii 96813

FROM: Dee M. Crowell *DMC* Planning Director

Subject: Certification of Inspection, of Existing Buildings for
PROJECT NAME: *NA* NADESAN FAMILY CONDOMINIUM
TAX MAP KEY: (4) 4-4-14:03

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 "g" below) specified herein, we certify the following:

- a. The developer has contracted architect Avery H. Youn to certify that the existing buildings on the proposed project referred to as Unit 3 and Unit 4 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 conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by this department.
- b. There were no variances approved for the subject property.
- c. The parcel does not contain any outstanding legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.
- e. The parcel is currently zoned agriculture and open.
- f. No violations of county building or zoning codes exists according to our records.

Ms. Benedyne S. Stone
Real Estate Commission
Page 2
October 23, 1996

- g. 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 514A-40 (b) (1), Hawaii revised Statutes.

If you have any questions, please contact Alvin Fukushima of my staff at 241-6697

cc: Patrick J. Childs

END OF EXHIBIT I