

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer MOLOAA HUI LANDS, INC.
Address P.O. BOX 30, KILAUEA, HAWAII 96754

Project Name (\*): MOLOAA HUI I
Address: MoLoaa Hui and Kaapuna Hui Lands, Kuhio Highway, MoLoaa, Kawaihau, Kauai, Hawaii
Registration No. 3756
Effective date: February 13, 2001
Expiration date: March 13, 2002

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: (yellow) 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.

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

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[ ] Preliminary Public Report dated:
[X] Final Public Report dated: September 8, 1997
[ ] 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
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- 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.

Changes made are as follows:

The purpose of this Supplemental Report is to disclose that the Declaration to the subject property has been restated and the Condominium Map amended in order to lend clarity to the organic documents for the project and eliminate the need to cross-reference amendments to the original documents. With reference to the original Public Report dated September 8, 1997, this supplemental Report reflect the following changes:

1. Units 7,8,9,10 and 18 have been eliminated. Units 47,48,49,50,51 and 52 have been created and units 11,15,16 & 17 have been changed in size. Further a Roadway 2 is created to provide access to units 47,48,49 and 50. Refer to Exhibit A & E for the new designations and areas of units.
2. The further purpose of this Supplemental Report is to clarify that certain units have had their common interest changed.
3. The Restated Declaration also defines which units are entitled to Farm Dwelling Units. A prospective purchaser should read Paragraph IX of the Restated Declaration very carefully.
4. Certain units are subject to various easements, including building setbacks and view planes. These are set out in the Restated Declaration. Again, a prospective purchaser should pay special attention to Article VII of the Restated Declaration.
5. Only units 47,48,49 and 50 are being offered for sale at this time.
6. The Realtor for the project has been changed to James G. Pycha, Re/Max Kauai.com, 5-4280 Kuhio Highway Suite #205, Princeville, Kauai, Hawaii 96722
7. The area of the project has increased over 6 acres.

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. ONLY CERTAIN UNITS PERMIT THE CONSTRUCTION OF RESIDENTIAL DWELLINGS WITHIN THE LIMITED COMMON ELEMENTS APPURTENANT THERETO. THE PURCHASER SHOULD REVIEW THE DECLARATION AND CONSULT WITH

THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE ON THE PROPERTY.

1. There are presently AGRICULTURAL SHEDS AND AGRICULTURAL BUILDINGS ON THIS PROPERTY, each of which may be defined as an “apartment”, under the condominium property act.
2. This public report does not constitute an approval of the project by the Real Estate Commission or any other government agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.
3. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.
4. Facilities and improvements normally associated with County-approved subdivision, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc. may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENT REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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## **General Information On Condominiums**

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

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

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

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

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

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

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

## **Operation of the Condominium Project**

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MOLOAA HUI LANDS, INC. Phone: (808) 828-1292  
 Name\* (Business)  
P.O. Box 30  
 Business Address  
Kilauea, Hawaii 96754

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

MOLOAA HUI LANDS, INC.  
Michael R. Strong, President  
Paul C. Huber, Vice President  
Candace L. Strong, Secretary

Real Estate Broker\*: James G. Pycha Phone: (808) 826-9675  
Re/Max Kauai.com (Business)  
 Name  
5-4280-Kuhio Highway Suite #205  
 Business Address  
Princeville, Hawaii 96722

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 245-3381  
 Name (Business)  
4414 Kukui Grove Street, Ste. #204  
 Business Address  
Lihue, Hawaii 96766

General Contractor\*: Edward S. Bittner Phone: (808) 822-4053  
 Name (Business)  
P.O. Box 456  
 Business Address  
Anahola, Hawaii 96703

Condominium Managing Agent\*: Self-managed by the Association of Apartment Owners Phone: n/a  
 Name (Business)  
 Business Address

Attorney for Developer: None, The Developer, through its President, is representing itself Phone: \_\_\_\_\_  
 Name (Business)  
 Business Address

\* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	<u>97-055758</u>
			Book	_____ Page _____
<input type="checkbox"/>	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]:

Refer to page 6a for a list of all the amendments to the Declaration.

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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No.	<u>2542</u>	
<input type="checkbox"/>	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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	<u>97-057759</u>
			Book	_____ Page _____
<input type="checkbox"/>	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]:

Said Declaration was amended by the following instruments:

- First Amendment to Declaration dated August 12, 1997, recorded as Document No. 97-108706,
- Second Amendment to Declaration dated November 29, 1997, recorded as Document No. 97-168022,
- Third Amendment to Declaration dated December 24, 1997, recorded as Document 98-103270,
- Fourth Amendment to Declaration dated August 4, 1998, recorded as Document 98-126776,
- Fifth Amendment to Declaration dated August 24, 1998, recorded as Document 98-128052,
- Sixth Amendment to Declaration dated October 1, 1998, recorded as Document No. 98-149271,
- Seventh Amendment to Declaration dated February 25, 2000, recorded as Document No. 2000-026760,
- Eighth Amendment to Declaration dated February 25, 2000, recorded as Document No. 2000-026761,
- Ninth Amendment to Declaration dated March 7, 2000, recorded as Document No. 2000-034931,
- Amended and Restated Declaration acknowledged December 23rd, 2000, recorded as Document No. 2000-184090
- First Amendment to the Amended and Restated Declaration acknowledged January 6, 2001, recorded as Document No. 2001-006655

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

The House Rules for this condominium are:

Proposed       Adopted       Developer does not plan to adopt House Rules

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

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

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

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

2. **Developer:**

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

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: Please refer to Page 16 of this Supplemental Public Report for a summary of the Developer's reserved rights.

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 Sub-leasehold: 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 Sub-leaseholds:

- 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 Sub-leasehold:

**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:**

(4) 4-9-09:por. 1,12,13, por. 14, 19,20,23,24,28,por. 29,35, por. 36, and 38

Address: Kuhio Highway, Moloaa, Tax Map Key (TMK): \_\_\_\_\_  
Kawaihau, Kauai, Hawaii

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 281.948 [ ] square feet [X] acre(s) Zoning: Agricultural/Open

Fee Owner: See attached page 10a for a list of all owners

Name \_\_\_\_\_  
Address \_\_\_\_\_

Lessor: 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: 24 Floors Per Building: 1  
 Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete            Hollow Tile            Wood

Other PVC pipe and shade cloth

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<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"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other -Shade Structures	<u>20</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes                    No

Fee Owners:	Unit Number	Interest in Common Elements
Michael R. Strong	11	4%
Candace L. Strong	16	13%
P.O. Box 30	17	9%
Kilauea, Hawaii 96754	19	4%
	47	3%
	48	2%
	49	1%
	50	1%
	51	6%
	52	8%
Paul C. Huber	1	10%
P.O. Box 30	12	3%
Kilauea, Hawaii 96754	15	14%
Clayton Masahi Kakimoto	14	8%
P.O. Box 206		
Anahola, Hawaii 96703		
Ronald H. Nakazawa, Sr.	2	1%
Jennifer K. Nakazawa		
P.O. Box 333		
Kilauea, Hi. 96754		
Jody Lee Lyon	3	1%
P.O. Box 3500-270		
Princeville, Hawaii 96722-3500		
Paul Atkinson Rathbone	4	1%
Mieshal Meadows Rathbone	5	1%
P.O. Box 664		
Kilauea, Hawaii 96754		
Henry D. Riley	6	4%
Edward von Turkovich		
P.O. Box 432		
Kilauea, Hawaii 96754		
Neal Haruhisa Kakimoto	13	6%
Celeste Kaimoto		
P.O. Box 297		
Anahola, Hawaii 96703		

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: Household pets may be kept consistent with any applicable law and restrictive covenants applicable to the project so long as they do not become a nuisance to ther other owners.
- Number of Occupants: \_\_\_\_\_  
Special use restrictions are contained in the Declaration of \_\_\_\_\_
- Other: Covenants, Conditions and Restrictions, as amended, a summary of which is attached hereto as Exhibit K.
- 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)*	Net Other Area (sf)	(Identify)
1-6, 11-17	<u>20</u>	<u>0/0</u>	<u>0</u>	<u>16</u>	<u>shade structure</u>
19, 47-52					
<u>Units, 8, 11, 14 and 51 have additional buildings. Please see Exhibit C for further information.</u>					

Total Number of Apartments: 20

\* 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 a 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 will be required to disclose actual improvements as a matter of public record.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement

Developer has — elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: \*All units have ample area within their limited common elements for parking purposes.

	<u>Regular</u> <u>Covered Open</u>	<u>Compact</u> <u>Covered Open</u>	<u>Tandem</u> <u>Covered Open</u>	TOTAL
Assigned (for each unit)	-----	-----	-----	0
Guest	-----	-----	-----	0
Unassigned	-----	-----	-----	0
Extra for Purchase	-----	-----	-----	0
Other: _____	-----	-----	-----	0
Total Covered & Open:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Each apartment will have the exclusive use of at least 1\* 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/Enclosure(s)

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 \_\_\_\_\_  
(Date)

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):

N/A

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:

See Exhibit J

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:

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 January 18, 2001 and issued by TITLE GUARANTY OF HAWAII, INCORPORATED

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>
None .	

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 Date of Completion or Estimated Date of Completion:

It is anticipated that construction of Units 1-6, 11-17, 19, and 47-52 shade structures and rehabilitation of the farm accessory buildings will be completed on or before January 5, 2002.

H. Project Phases:

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

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

Developer reserves the future right to subdivide all or part of the Moloaa Hui I, II and III condominium projects on the following conditions: (a) Developer shall pay all costs of the subdivision process; (b) the owner(s) of any subdivided parcel(s) that utilize common or limited common elements of the remaining Project(s) will continue to pay ratably for repair, maintenance and other expenses associated with such use; (c) except as may be voted by the appropriate percentages of Moloaa Hui I, II or III Association of Condominium Owners, Developer will pay all infrastructure costs associated with the subdivision; (d) costs associated with upgrading of water system, electrical, telephone, cable television or similar utility installations may be charged back only to such unit(s) or Project(s) as may access, make connection to or otherwise use any upgraded infrastructure placed in, on, under or serving any unit(s) of Moloaa Hui I, II and/or III.

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 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, a lien may be placed on your apartment and the apartment may be 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 ( \_\_\_ Common Elements only \_\_\_ Common Elements & Apartments)
- Gas ( \_\_\_ Common Elements only \_\_\_ Common Elements & Apartments)
- Water
- Sewer
- Television Cable
- Other \_\_\_\_\_

## V. MISCELLANEOUS

### A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit B contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated April 29, 1997  
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other Specimen Apartment Deed

### 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 issued 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, as amended.
- D) House Rules, if any.
- 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 Waiver and Release; Declaration of Covenants, Conditions and Restrictions

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. 3756 filed with the Real Estate Commission on May 29, 1997.

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 commercial agricultural condominium project, not a subdivision. Units purchased are not subdivided lots. Uses are limited to those allowed in an agricultural district, pursuant to State of Hawaii and County of Kauai regulations thereof. To determine whether your expectations can be realized, you should carefully review the Declaration of Condominium Property Regime and Bylaws ("condominium documents") and the contents of this Report, especially Exhibit K, a summary of the recorded Declaration of Covenants, Conditions and Restrictions ("restrictive covenants") applicable to the property. Among other things, the restrictive covenants govern resale of units, farming activities relative to crops, pesticide use, disposal of waste and debris and erosion control, the limited ability to construct farm dwellings, the water system serving the three projects and provides for the designation of easements and the establishment of a Farm Review Committee. You should also conduct your own investigations and ascertain the validity of information provided.

It is anticipated that the initial improvements on some units (as designated by the Developer) will be replaced by or supplemented with a farm dwelling. The prospective purchaser of a unit should determine whether the right to build a farm dwelling applies to such unit. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the farm dwelling, or any other improvement, in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration of Condominium Property Regime ("Declaration") to describe the farm dwelling or other improvement. The County of Kauai Planning Department requires, 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 condominium documents. Unit owners given the specific right to build may not construct a farm dwelling unless the owner demonstrates to the County its ability to derive income from his property, established and verified prior to any building permit approval. No improvements shall be made or done except upon strict compliance with the recorded restrictive covenants.

This project is currently supplied agricultural water service only by either private wells or by wells operated under a State of Hawaii license. No potable water is currently available and none is promised. The owner/developer has executed a Waiver and Release which, in exchange for issuance of building permits, releases the County of Kauai from any claim arising out of the fact that water service is not provided by the County Water Department. The owner has acknowledged, further, that there may not be future county-supplied water service for the property and that the Waiver and Release Agreement is binding on all successors, heirs and assigns. Any party desiring to provide domestic or potable water to a unit shall do so by on-site treatment, delivery from third-party sources, catchment or similar off-site source. A prospective purchaser should contact the Developer or the County of Kauai Water Department to determine the status of water service prior to purchase.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A- ] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

MOLOAA HUI LANDS, INC.

\_\_\_\_\_  
Printed Name of Developer

By: Michael R Strong \_\_\_\_\_ 1/29/01  
Duly Authorized Signatory\* Date

MICHAEL R. STRONG, It's President

\_\_\_\_\_  
Printed Name & Title of Person Signing Above

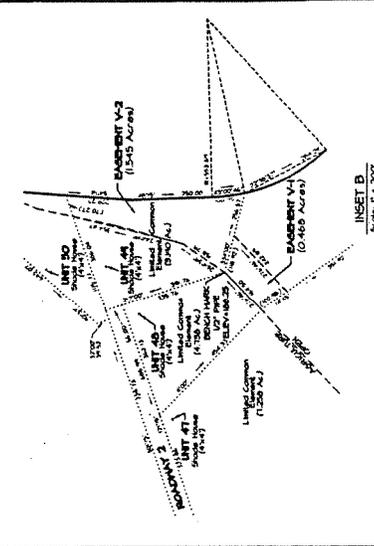
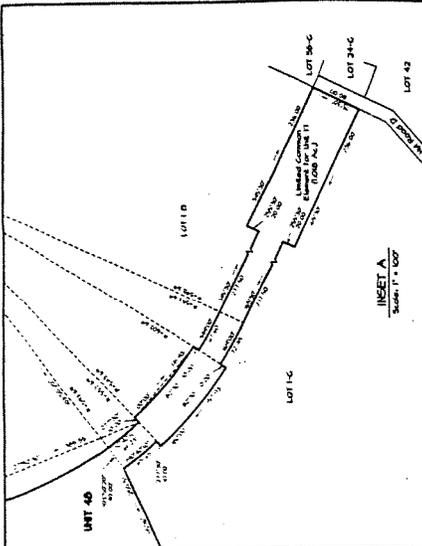
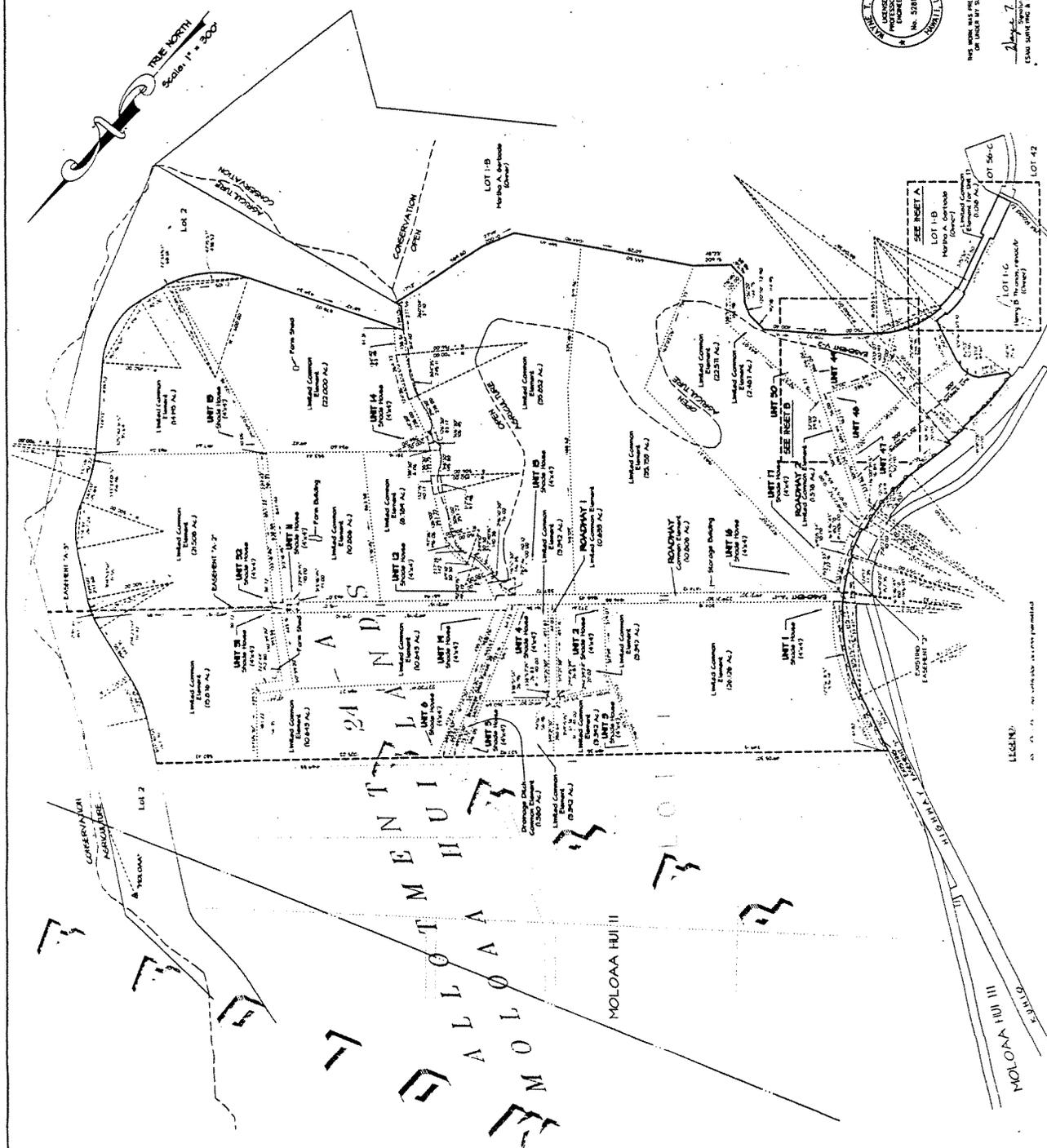
Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***\*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT "A"



**NOTE:**  
This project does not involve the sale of individual subdivided lots. The dotted and dashed lines on the Condominium Map are not intended to represent boundaries for an allotment, a limited common element, or a common element.

AMENDED  
CONDOMINIUM MAP NO. 2542  
FOR  
MOLOKAA HUI I  
UNITS 1 THRU 6, 11 THRU 17, 19, AND 47 THRU 52  
ROADWAYS, DRAINAGE DITCH  
COMMON ELEMENT  
AND DESIGNATION OF  
EASEMENTS V-1 & V-2  
Being a Portion of Lot 1  
Moloka'a Hui Lands

Being also a Portion of Allotment 24-A,  
Moloka'a Hui Lands  
Papua, Kanihika, Kawai, Hawaii  
Tax Map Key: (4)4-5-01, par. 1, 12 thru 14,  
19, 20, 23, 24, 28, par. 24, 25, 26, and 36  
Owners: Hui Strong, et al.  
Date: December 8, 2000



THIS WORK WAS PREPARED BY ME  
OR UNDER MY SUPERVISION  
*James J. Ditch*  
JAMES J. DITCH & ASSOCIATES, INC.  
1405 KALANANĀ'OHU DRIVE, SUITE 200  
HONOLULU, HAWAII 96813  
PHONE: 808-943-8800  
FAX: 808-943-8801  
WWW.JJD&A.COM

ESANI SURVEYING & MAPPING, INC.  
Civil Engineers - Land Surveyors - Planners  
440 Kamehameha, 4th Fl.  
Honolulu, HI 96813  
Phone: 808-943-8800  
Fax: 808-943-8801  
www.esani.com

EXHIBIT B

SUMMARY OF SALES CONTRACT

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

1. The terms and conditions of the sale which include, among other provisions, escrow instructions and agreement:

(a) Purchaser acknowledges receipt of a copy of the Escrow Agreement 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) The method of payment of the purchase price to the escrow agent, subject to other terms.

(d) The closing date of the transaction.

2. Purchaser's due diligence investigation which includes, among other conditions:

(a) Purchaser has the right, subject to other terms, to enter and inspect the property.

(b) Purchaser acknowledges receipt of a copy of and accepts the preliminary title report which describes the property.

(c) The unit purchaser is purchasing is shown on the Condominium Map for the project a copy of which is attached to the sales contract as Exhibit A.

(d) Purchaser acknowledges receipt of a copy of and accepts the proposed form of apartment deed attached to the sales contract as Exhibit B.

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

3. The Purchaser will accept the Unit "AS-IS". Purchaser assumes all risks regarding any potential hazardous materials on the property or property adjoining or in the vicinity, including liability for suits by third parties.

4. Certain of the conditions precedent to closing are as follows:

(a) The title company shall have made a binding commitment to issue an Owner's Title Policy.

(b) The Real Estate Commission shall have issued an effective date for developer's final or supplementary public report sufficient to sell the property to Purchaser.

5. Purchaser acknowledges receipt of a copy of the final or supplementary report for the project. Purchaser shall have the right to cancel the purchase, without penalty or obligation, within thirty days of receipt of the final or supplementary public report. Purchaser may waive its right to cancel.

6. If Purchaser defaults, Seller is released from any obligation to sell and shall be entitled to retain the deposit paid by Purchaser as liquidated damages. If Seller defaults, Purchaser may waive the default and proceed to closing, terminate the sales contract and receive a refund of its deposit, or specifically enforce the sales contract.

7. Purchaser acknowledges that it is taking title to the property subject to certain adverse environmental conditions (i.e. noise, dust, smoke, soot, odor, noxious vapors, surface water runoff, etc.) attributable to wind drift and other weather factors created, in part, by cane harvesting, fertilization and pest and weed control, cattle and other livestock grazing, quarrying, etc. Purchaser specifically approves of such uses and activities and assumes all risks associated with the annoyances, nuisances and inconveniences created thereby.

8. Purchaser may not assign its interest in the sales contract to a third-party without Seller's consent. Seller may sell its rights under the sales contract without the approval or consent of the Purchaser.

9. The payment of commissions, if any, is set out in the sales contract.

10. Time is of the essence of each and every provision of the sales contract.

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

END OF EXHIBIT B

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON ELEMENTS

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Approx. Net Living Area (Sq. Ft.)	Approx. Other Area (Sq. Ft.)	% of Common Interest
1	1	26.126	0/0	0	16-shade-house	10%
1	2	3.392	0/0	0	16-shade-house	1%
1	3	3.392	0/0	0	16-shade-house	1%
1	4	3.392	0/0	0	16-shade-house	1%
1	5	3.392	0/0	0	16-shade-house	1%
1	6	10.643	0/0	0	16-shade-house	4%
1	11	10.886	0/0	0	16-shade-house 1934-farm bldg.	4%
1	12	8.789	0/0	0	16-shade-house	3%
1	13	14.195	0/0	0	16-shade-house	6%
1	14	22.000	0/0	0	16-shade-house 490-shed	8%
1	15	35.852	0/0	0	16-shade-house	14%
1	16	35.753	0/0	0	16-shade-house 960-storage bldg.	13%
1	17	22.571	0/0	0	16-shade-house	9%
		1.018	0/0	0		
1	19	10.643	0/0	0	16-shade-house	4%
1	47	7.258	0/0	0	16-shade-house	3%
1	48	4.738	0/0	0	16-shade-house	2%
1	49	3.190	0/0	0	16-shade-house	1%
1	50	2.487	0/0	0	16-shade-house	1%
1	51	15.876	0/0	0	16-shade-house 1399-shed	6%
1	52	21.508	0/0	0	16-shade-house	8%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Common interest is approximately proportional to the acreage of the limited common elements, rounded off in some cases for ease of calculation of liability for common expenses. The assessment of undivided interest both for common expense and for voting is as set forth above.

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 the unit, alter or add to it in any manner deemed 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 TITLE GUARANTY ESCROW SERVICES, INC. (the "Escrow"), and MOLOAA HUI LANDS, INC. (the "Developer"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Developer enters into a sales contract for the sale of an apartment, Developer 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 Developer.

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) Developer 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 Developer 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 fifty percent (50%) off of its schedule rate or a minimum of \$300.00, plus tax, 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 a fifty percent (50%) discount off its schedule rate, or a minimum of \$350.00.

**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) the 10.806 acre roadway common element shown on the condominium map for this Project, which includes the parking area of Easement A-1, which easement includes shoreline access and a parking area over a part of the common element roadway for the Project. This roadway shall not have access to Kuhio highway from this Project;
- (c) the 8.098 acre and 1.607 acre roadway common elements shown on the condominium map for the project known as Moloaa Hui II, which are shared in common with Moloaa Hui II;
- (d) the 1.380 acre drainage ditch common element shown on the condominium map for this Project and the 0.243 acre drainage ditch common element shown on the condominium map for Moloaa Hui II, and which are shared in common with Moloaa Hui II;
- (e) the common water distribution system, including pipes, wires, pumps, etc.;
- (f) 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
- (g) any and all other future elements and facilities in common use or necessary to the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s), which are filed of record.

All or portions of the multi-project Roadway common elements and the drainage ditch common element may be utilized by the other Moloaa Hui condominium projects pursuant to written agreement(s) relating to construction, maintenance and repair of these common elements on a fair and equitable basis.

The water distribution system is a common element to the extent it is not located within any unit other than Unit 33 of Moloaa Hui II. The water tank is the property of the Developer, but will be maintained, repaired and replaced by the Association

of the Condominium Owners and may be transferred to the Association by Developer.

**LIMITED COMMON ELEMENTS OF THE PROJECT**

Certain parts of the common elements, herein referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside, 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 1 through 6, 11 through 17, 19 and 47 through 52 are located, shown and designated on the Condominium Map and the table below, are deemed a limited common element appurtenant to and for the exclusive use of each respective unit.

<u>Unit Number</u>	<u>Area of Limited Common Element*</u>
1	26.126 acres
2	3.392 acres
3	3.392 acres
4	3.392 acres
5	3.392 acres
6	10.643 acres
11	10.886 acres
12	8.789 acres
13	14.195 acres
14	22.000 acres
15	35.852 acres
16	35.753 acres
17	22.571 acres (area one)
17	1.018 acres (area two)
19	10.643 acres
47	7.258 acres
48	4.738 acres
49	3.190 acres
50	2.487 acres
51	15.876 acres
52	21.508 acres

(b) The 0.633 acre Roadway 1 a limited common element exclusive to Units 2,3,4, and 5.

(c) The 1.578 acre Roadway 2 a limited common element exclusive to units 47,48,49 and 50.

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

END OF EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Any and all Real Property Taxes that may be due and owing.

For further information check with the County Tax Assessor.

2. Triangulation Survey Station "PUU AUAU", as set forth in Fourth Amendment to Declaration of Condominium Property Regime recorded as Document No. 98-126776.

3. GRANT

TO : GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, now known as VERIZON HAWAII, INC.

DATED : October 5, 1967

RECORDED : Liber 5852 Page 234

GRANTING : an easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc., over, across, along and through the following described "easement area":

All of that certain parcel of land (portion of the Moloaa Hui Lands) situate, lying and being at Moloaa, Island and County of Kauai, State of Hawaii, being EASEMENT "2", the center line of a 20 feet wide strip of land being more particularly described as follows:

Beginning at a point at the southerly end of this strip of land, and along the north side of the Old Government Road (50 feet wide), the coordinates of this said point of beginning referred to Government Survey Triangulation Station "MOLOAA" being 1,449.88 feet south and 6,067.68 feet west, the centerline of this strip of land running in the northerly direction as follows:

1. 152 30' 768.00 feet across Kaapuna Hui land;
2. 204 14' 30" 224.00 feet across Kaapuna Hui Land to the south side of Moloaa Road, and containing an area of 0.4555 acre, more or less.

4. Easement "1" for access purposes, as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, with Esaki Surveying & Mapping, Inc., dated July 7, 1998.
5. Easement "2" for access purposes, as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, with Esaki Surveying & Mapping, Inc., dated July 7, 1998.
6. Easement "A-1" for shoreline access and parking purposes, as set forth in Fourth Amendment to Declaration of Condominium Property Regime recorded as Document No. 98-126776.
7. Easement "A-2" for shoreline pedestrian access purposes, as set forth in Fourth Amendment to Declaration of Condominium Property Regime recorded as Document No. 98-126776.
8. Restriction of rights of vehicle access into and from Kuhio Highway, Federal Aid Secondary Project No. S-0560 (2), formerly Federal Aid Project No. F-056-1 (3), which restriction was imposed by the STATE OF HAWAII, by DEED dated December 16, 1962, recorded in Liber 5073 at Page 151.
9. A 3-foot wide future road widening reserve along Koolau Road, as set forth in Fourth Amendment to Declaration of Condominium Property Regime recorded as Document No. 98-126776.

10. WAIVER AND RELEASE

DATED : March 25, 1997  
 RECORDED : Document No. 97-040088  
 BY : MOLOAA HUI LANDS, INC., a Hawaii corporation, T. G. EXCHANGE, INC., a Hawaii corporation, and T. G. SUPER EXCHANGE CORP., a Hawaii corporation  
 WITH : COUNTY OF KAUAI, by and for the Department of Water and the Board of Water Supply  
 RE : Lack of water service to the proposed shade structures and agricultural lands

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : AMENDED AND RESTATED DECLARATION OF CONDOMINIUM  
PROPERTY REGIME FOR "MOLOAA HUI I" CONDOMINIUM  
PROJECT AND CONDOMINIUM MAP NO. 2542

DATED : --- (Acknowledged December 23, 2000)  
RECORDED : Document No. 2000-184090  
MAP : 2542 and any amendments thereto

The foregoing Restated Declaration restates the original Declaration Dated April 30, 1997, recorded as Document No. 97-057758, and any amendments thereto.

Said above Amended and Restated Declaration was amended by instrument dated --- (acknowledged January 6, 2001), recorded as Document No. 2001-006655.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : April 30, 1997  
RECORDED : Document No. 97-057759

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED

DATED : March 13, 1997  
RECORDED : Document No. 97-032783

14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS

DATED : March 13, 1997  
RECORDED : Document No. 97-032789

15. NOTICE OF AGRICULTURAL LEASE dated and effective as of April 1, 1997, recorded as Document No. 97-088488, effecting the use and occupancy of Units 9-12 and 15-18 of the "Moloaa Hui I" Condominium Project.

16. -AS TO ITEM I:-

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

INSTRUMENT : LIMITED WARRANTY APARTMENT DEED

DATED : September 2, 1997  
RECORDED : Document No. 97-119690

17. -AS TO ITEM II:-

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

INSTRUMENT : LIMITED WARRANTY APARTMENT DEED

DATED : September 2, 1997  
RECORDED : Document No. 97-119694

18. NOTICE OF DEDICATION

DATED : Effective as of January 1, 1999  
RECORDED : Document No. 99-005104  
BY : MOLOAA HUI LANDS INC.  
RE : dedication of land for agriculture purposes  
PERIOD : 10-year

19. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

EXHIBIT G

DISCLOSURE ABSTRACT

Pursuant to Section 514(a) – 61, Hawaii Revised Statutes

1. Project Name : MOLOAA HUI I  
Molooa, Kawaihau, Kauai, Hawaii
2. Developer : MOLOAA HUI LANDS, INC.  
P.O. Box 30  
Kilauea, Hawaii 96754  
(808) 828-1292
3. Real Estate Broker : JAMES G. PYCHA  
Re/Max Kauai.com  
5-4280 Kuhio Highway Suite #205  
Princeville, Hawaii 96722
4. Managing Agent : Self-managed by the Association of  
Apartment Owners
5. Breakdown of Annual Maintenance Fees and Monthly Estimated Costs for Each Apartment: See Exhibit H to the Supplemental Public Report for the projected maintenance fees. The Developer has not conducted a reserve study in accordance with HRS 514A-83.6 and the Replacement Reserve Rules, Title 16, Chapter 107, HAR.
6. Warranties: There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition.
7. Use(s) of Apartments in the Project: This is an agricultural project and its primary use is commercial farming. All of the apartments of the project are to be used for agricultural purposes and, where applicable, permitted residential use within the agricultural zone.

In witness whereof, the Developer has executed this Disclosure Abstract as of this 29 day of January, 2001.

MOLOAA HUI LANDS, INC.

By:   
MICHAEL R. STRONG  
Its President

---

RECEIPT

The undersigned has received a copy of the foregoing Disclosure Abstract with Exhibit H this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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 Common Expense</u>	<u>Monthly Management Fee</u>	<u>Yearly Total</u>
1	\$72.80	\$15.00	\$1044.00
2	8.00	15.00	276.00
3	8.00	15.00	276.00
4	8.00	15.00	276.00
5	8.00	15.00	276.00
6	32.00	15.00	564.00
11	32.00	15.00	564.00
12	24.00	15.00	468.00
13	48.00	15.00	756.00
14	72.00	15.00	1044.00
15	120.00	15.00	1620.00
16	112.00	15.00	1524.00
17	72.00	15.00	1044.00
19	32.00	15.00	564.00
47	24.00	15.00	468.00
48	16.00	15.00	372.00
49	8.00	15.00	276.00
50	8.00	15.00	276.00
51	40.00	15.00	660.00
52	56.00	15.00	852.00
	\$800.00	+	\$300.00 x 12 = \$13,200.00

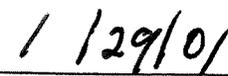
*The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency*

Estimate of Maintenance Fee Disbursements:

<u>Utilities and Services</u>	<u>Monthly</u>	<u>Annual</u>
Air Conditioning	\$0000.00	\$00000.00
Electricity	\$0000.00	\$00000.00
Elevator	\$0000.00	\$00000.00
Gas	\$0000.00	\$00000.00
Refuse Collection	\$0000.00	\$00000.00
Telephone	\$0000.00	\$00000.00
Water and Sewer	\$0000.00	\$00000.00
<u>Maintenance, Repairs and Supplies</u>		
Building	\$0000.00	\$00000.00
Road	\$ 352.50	\$ 4230.00
Signage	\$ 25.00	\$ 300.00
Water Tank	\$ 259.50	\$ 3114.00
Water System	\$ 28.00	\$ 336.00
<u>Insurance</u>	\$ 37.00	\$ 444.00
<u>Reserves(*)</u>	\$0000.00	\$00000.00
<u>Taxes and Government Assessments</u>		
Tank Site	\$ 11.00	\$ 132.00
<u>Audit</u>	\$ 37.00	\$ 444.00
<u>Other</u>		
Contingency	\$ 50.00	\$ 600.00
SUBTOTAL	\$ 800.00	\$ 9600.00
<u>Management Fee</u>		
\$15.00/unit/month @ 20 units	\$ 300.00	\$ 3600.00
TOTAL	\$1,300.00	\$13,200.00

I, MICHAEL R. STRONG, President of MOLOAA HUI LANDS, INC., developer of the condominium project MOLOAA HUI I, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
Signature

  
Date

(\*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT I

MEMORANDUM FROM THE COUNTY OF KAUAI PLANNING DEPARTMENT

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: June 5, 1997

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

FROM: *for* Dee M. Crowell, Planning Director *DMC*

Subject: Certification of Inspection of Existing Building for  
PROJECT NAME: MOLOAA HUI I CONDOMINIUM  
TAX MAP KEY: (4) 4-9-09:por. 001, 012, 013, por. 014, 019,  
020, 023, 024, 028, por.029, 035, por. 036 & 033

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

- a. The developer has contracted engineer Wayne T. Wada to certify that the existing buildings on the proposed project referred to as Units 1 through 19 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 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.

Ms. Benedyne S. Stone  
Real Estate Commission  
Page 2  
June 5, 1997

- f. 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: STEVEN R. LEE

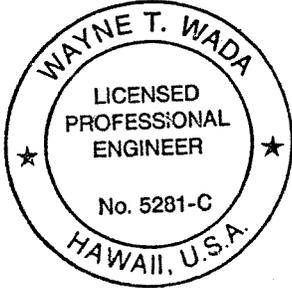
ESAKI SURVEYING AND MAPPING, INC.  
1610 Haleukana Street  
Lihue, Kauai, Hawaii 96766  
Phone: (808) 246-0625 – Fax: (808) 246-0229  
Email: [esmap@hawaiian.net](mailto:esmap@hawaiian.net)

ENGINEER'S CERTIFICATION

STATE OF HAWAII            )  
  )  
COUNTY OF KAUAI        )        ss.

The undersigned, being a licensed engineer within the State of Hawaii and bearing Registration Number 5281-C, hereby certifies that the Amended Condominium Map Number 2542 for the project known as "MOLOAA HUI I" accurately reflects the location and division of the apartment units and the dimensions of the limited common elements. Floor plans and elevations of the structures are subject to separate Certification by a registered Hawaii architect or engineer.

DATED: Lihue, Kauai, Hawaii. January 3, 2001.



Wayne T. Wada  
WAYNE T. WADA

Subscribed and sworn before me this 3rd day of January 2001.

Shawn Smith  
NOTARY PUBLIC, State of Hawaii

CS

My commission expires: 1/7/2002

EXHIBIT J

MARYANNE W. KUSAKA  
MAYOR



PLANNING DEPARTMENT

DEE M. CROWELL  
PLANNING DIRECTOR  
IAN K. COSTA  
DEPUTY PLANNING DIRECTOR  
TELEPHONE (808) 241-6677  
FAX (808) 241-6699

April 24, 1998

RECEIVED  
MAY 1 1998

Moloa'a Hui Lands, Inc.  
c/o Max W. J. Graham, Jr.  
Belles Graham Proudfoot & Wilson  
Watumull Plaza  
4334 Rice Street, Suite 202  
Lihu'e, Hawai'i 96766

BELLES GRAHAM  
PROUDFOOT & WILSON

**SUBJECT: VARIANCE PERMIT V-97-6  
CLASS IV ZONING PERMIT Z-IV-97-29  
Moloa'a and Papa'a, Kaua'i, Hawai'i  
Tax Map Key: (4) 4-9-09:01, 09-25, 27-29, 35-38**

The Planning Commission at its meeting held on April 23, 1998, approved the subject permits to deviate from the one-time subdivision limitation for parcels within the Agriculture District. Approval is subject to the following conditions as recommended by the Planning Department and as amended by the Planning Commission:

1. All future subdivisions on the property (Lots 1 & 2) shall be based on an overall agricultural master plan. The implementation of said plan shall be accomplished wherever possible through either Chapter 9, "Subdivision Ordinance", or Chapter 9A, "Agricultural Park Subdivision", of the Kaua'i County Code (1987). Also, in the event of future subdivision, the lot densities shall be based on the overall size of 724 acres.
2. The applicant is advised that the approval of this variance does not imply approval of the subdivision or its configuration proposed herein.
3. Dwelling units on Lot 1 shall be occupied only by farmers of the Moloa'a Hui Coop and their families and/or employees, and shall be prohibited from general rental income purposes.

Moloa'a Hui Lands, Inc.  
c/o Max W. J. Graham, Jr.  
April 24, 1998  
Page 2

4. Based on the representations made by the applicant, the following provisions shall be addressed:
  - a. The applicant shall resolve all road widening setback, reserves, easements and agricultural accesses prior to final subdivision approval, and designate those required on the final subdivision map;
  - b. The applicant and the owner of Lot 2 shall establish a shoreline access plan that shall provide vehicular access, vehicular parking and pedestrian access for members of the public across Lot 1 and/or Lot 2 to the shoreline ("Shoreline Access"). The vehicular access road to be utilized by the public need not be constructed pursuant to County standards, and may instead be constructed and maintained as a private driveway. As represented by the applicant, the private driveway is defined as a graveled surface, a minimum width of twenty-four (24) feet, and to be maintained by the applicant.
  - c. The applicant shall obtain the review and approval of the Planning Department should any use other than those permitted within the Agriculture District be proposed for Lot 1 and those permitted within the Open District be proposed for Lot 2.
5. The applicant shall resolve and comply with the applicable standards and requirements set forth by the State Health Department, State Highways Division, and the County Fire & Water Departments.
6. The applicant shall resolve the historical requirements as set forth by the State Department of Land & Natural Resources-Historic Preservation Division.

Furthermore, the applicant is advised that should any archaeological or historic resources be discovered during ground disturbing/construction work, all work in the area of the archaeological/historical resources shall immediately cease and the applicant shall contact the Planning Department (241-6677) and the Department of Land and Natural Resources-Historic Preservation Division (742-7033).

Moloa'a Hui Lands, Inc.  
c/o Max W. J. Graham, Jr.  
April 24, 1998  
Page 3

In the event of discovery of any burials at any phase of development on project site, the applicant shall contact the State Historic Preservation and is advised that the requirements of Chapter 6E of the Hawai'i Revised Statutes shall apply.

7. The Planning Commission reserves the authority to impose additional conditions, modify or delete conditions stated herein, or revoke the permits through proper procedures should the applicant fail to comply with the conditions of approval.
8. The applicant is advised that additional government agency conditions may be imposed. It shall be the applicant's responsibility to resolve those conditions with the respective agency(ies).



DEE M. CROWELL  
Planning Director

cc: Public Works Dept.  
Water Dept.  
Fire Dept.  
State Health Dept.  
State Highways Div.-DOT  
State Historic Preservation Div.-DLNR  
Real Property Div.

MARYANNE W. KUSAKA  
MAYOR



DEE M. CROWELL  
PLANNING DIRECTOR  
SHEILAH N. MIYAKE  
DEPUTY PLANNING DIRECTOR

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

PLANNING DEPARTMENT

February 10, 2000

Mr. Michael R. Strong  
Moloa'a Hui Lands, Inc.  
P.O. Box 30  
Kilauea, Hawai'i 96754

**SUBJECT: VARIANCE PERMIT V-97-6  
CLASS IV ZONING PERMIT Z-IV-97-29  
Moloa'a and Papa'a, Kaua'i, Hawai'i  
Tax Map Key: (4) 4-9-09:09**

The Planning Commission at its meeting held on February 10, 2000, approved your request to amend the subject permits to increase the amount of farm dwelling units on the subject property from nine (9) to thirteen (13) units. Approval is subject to the following additional conditions:

9. As represented by the applicant, the maximum density for Lot 1 shall be thirteen (13) Farm Dwelling Units and this restriction shall be included in the covenants and deed description for Lot 1.
10. In accordance with Condition 1.e. of Subdivision Application S-97-23, there shall be no direct access permitted onto Kūhiō Highway from Lot 1.
11. The applicant shall provide to the Planning Department, a Landscape Plan along the Kūhiō Highway frontage to minimize visual impacts.
12. The applicant shall establish a 200 feet "Buffer Zone" along the highway frontage. Residential structures shall be prohibited from being built within this area.

DEE M. CROWELL  
Planning Director

xc: *Public Works Dept., Water Dept., State Health Dept., State Historic Preservation Div.-DLNR  
Fire Dept., Real Property Div.*

D:\dcua...\ZoningFiles\Letters\Moloa'aHui\_Amend.let Page 4 of 4

## EXHIBIT K

### SUMMARY OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Project is located on Moloaa Hui Lands parcels subject to a "Declaration of Covenants, Conditions and Restrictions" (herein called the "CC&Rs") dated March 13, 1997, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 97-032789. The following is a summary of the types of restrictions applicable to the Moloaa Hui Lands. It is not meant to completely recite the actual provisions of the CC&Rs, nor to cover every issue in which a purchaser might have interest. A prospective purchaser is urged to obtain a full copy of the CC&Rs from the Developer prior to entering into an agreement to purchase a unit in this Project.

#### SECTION I, THE PROJECT

Moloaa Hui Lands is an agricultural project. It shall be used first and foremost for commercial farming and such use shall take priority over other uses in the event of conflict. The Declarant may elect to create one or more condominium property regime projects and separate the project into two or more sub-projects. In such case, improvements such as the main roadways and water distribution system will remain common obligations and expenses to the extent they benefit all lands.

There is a portion of the acreage in the project which is not dedicated to agricultural use, it does and/or will include some open-zoned land and some agricultural-zoned land. This acreage may be used for residential, recreational, commercial and other uses permitted by applicable ordinances and laws. The restrictions on use contained in the CC&Rs will not apply to this acreage, except that all prohibited plants, crops, etc., and prohibited pesticides, herbicides and application methods will also be prohibited in the excluded acreage. Agricultural uses permitted on the project will continue, even though such uses may be inconvenient to the adjoining residential and other uses on the excluded acreage. The Declarant intends to create a separate subdivided parcel for the excluded acreage.

Generally, no improvements shall be made to the project except in strict compliance with the CC&Rs. Uses are generally limited to those allowed in the Agricultural District. Only such portion of the agricultural uses identified in Chapter 205, Act 199, Session Laws of Hawaii 1976, as are consistent with the CC&Rs shall be permitted in the project.

The CC&Rs are designed to limit speculation and profits. For the first ten years of ownership after closing of the initial purchase of each interest, project interests are sold with a ten year Declarant buy-back provision. If the Declarant does not elect to repurchase the property under the buy-back provision, the immediately adjacent owner(s) may choose to do so. If resale is allowed, profits will be limited to five percent per year of ownership. See Section XXVI of the Condominium Declaration for more details.

The CC&Rs shall not be amended without a ninety percent vote of the undivided or common interests of the project for a period of twenty years from the date of recording. During the initial twenty year period, no owner shall apply for or seek any land use

reclassification which would result in a greater farm dwelling density than currently applies without obtaining the approval of the Declarant and no less than seventy-five percent of the undivided or common interests of the project.

## SECTION II, FARMING ACTIVITIES

Owners shall use reasonable measures to control noxious weeds, soil erosion, harmful insects and diseases, to the end that soil fertility and utility of the land for agricultural purposes is preserved.

As a condition of continued use, bona fide agricultural use of the property must occur on a continuous basis. If an owner defaults in this requirement for a period exceeding one year, the owner shall have the obligation to either cure the default, agree to sell to the Declarant or other qualified owner, enter into a crop license or other legally permitted agreement with someone who will comply with the CC&Rs.

Crops grown will include, but are not limited to, fruits, vegetables, ornamentals, herbs, spices and medicinal plants. Aquaculture, stock raising and crops that negatively affect neighboring properties are not permitted. Organic farming is permitted with the understanding that surrounding farms may be non-organic.

Crops infested with insects or disease that constitute a danger or nuisance to surrounding plantings shall be destroyed or treated sufficiently to contain infestation. All activities shall be carried out in such a manner as to minimize traffic and dust. All pesticide use shall be in accordance with state and federal laws and conducted by a licensed applicator. Weed control shall be actively pursued according to accepted farming standards. Old plantings and remnants of crops must be destroyed within thirty days of harvesting.

No garbage or trash shall be permitted except either in closed receptacles or when fully screened from the view of any adjoining street or neighboring property. Agricultural burning is permitted on a restricted basis. Dust and odor mitigating measures will be required for all composting operations. Burial of trash and debris shall not be permitted. There shall be no dump sites in the project.

Except where required for land preparation, planting, care and harvesting, bare areas sensitive to flooding and drainage problems shall be revegetated or drainage mitigation measures taken immediately to avoid erosion. Improvements and agricultural uses shall be subject to setback lines for purposes of preserving any needed drainageways.

No animals raised for commercial purposes of any kind may be kept in the project. No more than two dogs, cats and other typical household pets may be kept on any unit. Two pigs, one cow and up to two female goats will be permitted. Keeping and maintaining more

than one rooster and twenty hens or poultry birds is allowed, but in no case shall peafowl be permitted. Permitted animals shall be kept so as not to become a nuisance to neighboring unit owners. No hunting dogs will be allowed in any case.

All occupants shall exercise care about making noise, including the use of electronic equipment, musical instruments, radios, televisions, and amplifiers that may disturb neighboring occupants. No farming activities shall occur between the hours of 10:00 p.m. and 6:00 a.m.

Legally permitted cottage industries and business are allowed provided they: are conducted within the confines of structures on any unit; do not result in increased noise, fumes, odors and waste generation; do not require the presence of customers and employees on site with resulting additional traffic; and do not pose a nuisance to neighboring areas in the project.

### SECTION III, RESIDENTIAL AND OTHER CONSTRUCTION

In keeping with Chapter 205, Hawaii Revised Statutes, agricultural activity must be established before farm dwellings are permitted to be constructed. Compliance with state and county regulations regarding wastewater treatment and disposal will be the responsibility of all builders of improvements on the project. Two types of farm dwellings are permitted: one on the limited common element being farmed and the other in a separate location called a "remote homesite". Farm dwellings are detached residences designed for the use and occupancy by a single family.

Farm dwellings shall not contain more than 3,500 square feet of livable floor area. Residential use in any structure other than a farm dwelling is prohibited. The homesite for all farm dwellings located on the actual limited common element being farmed shall not exceed one acre. No building (residential or otherwise) may exceed two stories in height and shall not be located closer than one hundred feet from any lot line, CPR boundary, access easements or Kuhio Highway and Koolau Road. Each agricultural building, farm dwelling and other improvements shall be maintained by the owner thereof in good and clean condition and repair.

### SECTION IV, WATER SYSTEM

The existing private water system for the project will continue to be used as long as it is available. Costs incurred in enhancing the system or in obtaining commitments for longer-term availability of water shall be ratably shared by the users thereof.

### SECTION V, FARM REVIEW COMMITTEE

The project shall have a Farm Review Committee for the purpose of reviewing construction plans regarding setbacks, size, to prevent use of barns and other structures for residential purposes and to resolve other use and operational issues. Except as to the reserved rights of the Declarant, the majority of the undivided or common interests shall have the right to appoint and remove all other

members of the Farm Review Committee. The Farm Review Committee shall meet from time to time to properly perform its duties.

Prior to commencing construction of any structure, an owner shall submit preliminary plans to the Farm Review Committee. The Farm Review Committee shall review the plans for compliance with the CC&Rs within thirty days of submission and shall return them to the owner with its approval or disapproval. Still prior to commencement of construction, the owner shall submit the final county-approved plans to the Farm Review Committee with a proposed construction schedule. The Farm Review Committee shall review the final plans and specifications and shall either approve or disapprove the same within fifteen days. Approval shall be effective for a period of one year and shall be revoked if the owner shall not have commenced the work within the year. Upon completion of construction, the owner shall give notice thereof to the Farm Review Committee which may inspect within thirty days to determine if construction is in compliance with the approved plans and specifications. Failure of the Farm Review Committee to approve or disapprove within any stated time period shall be deemed to mean its approval. The failure of an owner to abide by the decisions of the Farm Review Committee shall make the offending party liable for all costs incurred by the Farm Review Committee or any owner in enforcing these CC&Rs.

#### SECTION VI, SIGNS

Directories will be installed as a common expense at both main entrances to the project. Each owner shall have an identically designed listing or sign within the directories. Signs regarding limited access, private property, no hunting, no trespassing and other signs intended to promote personal safety, security and related concerns will also be installed as a common expense by Declarant. With certain restrictions, the only other signage permitted are: an identification sign the entrance to a parcel; those of a political nature; those required by legal proceedings; signs with a residential address identification; job identification signs during construction; and signs advertising "for sale" or "for rent."

#### SECTION VII, UNSIGHTLY CONDITIONS

No derelict, inoperable or junk vehicles and machinery shall be permitted on the project. At no time shall vehicles or machinery from non-owners be allowed for purposes of repair.

#### SECTION VIII, EASEMENTS

Whenever a utility easement is granted, an area of five feet on each side of the edge of the easement shall be maintained free of any permanent surface improvements. Declarant has reserved the right to grant further easements as may be deemed necessary by a public utility or governmental agency for purposes of providing access and utility services to and from the project. Initially, the Declarant will improve the roadways with subsequent maintenance by the owner's association.

SUMMARY OF AMENDMENT TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

The CC&R's were amended by Document No. 2000-034932 which was recorded in the Bureau of Conveyances on March 16, 2000. The following is a summary of the amendments.

SECTION I, THE PROJECT

The Anti-Speculation clause has been deleted. The project is no longer subject to the ten year buy-back provision or the resale limitation of five percent profit per year.

As the project ages some land may need to be recognized as a different type of use than was originally recorded. Moloaa Hui Lands Inc. will identify the excluded lands and their applicable uses as residential, recreational, and commercial and other uses as permitted by applicable ordinance or law. This gives the members the ability to change land to its correct use.

SECTION 11, FARMING ACTIVITIES

The original CC&R's required either expenditures of \$500 per year or income of \$1,000 per year. This has been deleted and replaced with all lots or units will be used in compliance with the County of Kauai rules relating to Dedication of Lands to Agricultural use under Section 5A-9.1 of the Kauai County Code 1987 as adopted on December 21, 1999 and as the same may be amended.

SECTION IX  
MISCELLANEOUS

If any document affecting property in Moloaa Hui I, Moloaa Hui II, Moloaa Hui III or the Lindner lot are hereby deemed to be amended or deleted so as to be consistent with this instrument.

This exhibit is a summary of the types of restrictions applicable to the Project. A prospective purchaser is urged to obtain full copies of the CC&R'S and its amendment. The entire documents are available for review upon request.