CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer MOLOAA HUI LANDS, INC.
MICHAEL R. STRONG and CANDACE L. STRONG
Address 1310 Inia Street, Kapaa, Kauai, Hawaii 96746

Project Name(*): MOLOAA HUI I (for the sale of Units 69-75 and 82-89 Only)
Address Moloaa Hui and Kaapuna Hui Lands, Kuhio Highway, Moloaa, Kawaihau, Kauai, Hawaii

Registration No. 3756

Effective date: August 29, 2005
Expiration date: September 29, 2006

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 governmental 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.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

X SECOND **SUPPLEMENTARY:** **(pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[X] Final Public Report dated: September 8, 1997
[X] Supplementary Public Report dated: February 13, 2001

And

[X] Supersedes all prior public reports
[ ] Must be read together with _____
[ ] This report reactivates the _____
public report(s) which expire 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 586-2643 to submit your request.
FORM: RECO-30 286/986/189/1190/892/0197/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report [ ] Not Required - disclosure 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 known the specific changes that have been made.

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

[X] Changes made are as follows:

The purpose of this Second Supplementary Public Report is to disclose that the Declaration to the subject property has been further 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 Final Public Report dated September 8, 1977 and Supplementary Public Report dated February 13, 2001, this Second Supplementary Public Report reflects the following changes and clarifications:

1. **The project has been increased from 20 to 43 units. Eight units (1, 11, 12, 15, 16, 17, 51 and 52) have been eliminated, 31 units (Units 13-A, 13-B, 53, 54, 55, 56, 57, 58, 59, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 384, 85, 86, 87, 88, 89 and 90) have been newly created and units 13 and 14 have been changed in size. A schedule of which units have been deleted an replaced is contained in Exhibit "J".**

2. **Basically, the common interest changes were the result of the reallocation of the common interest for a deleted unit to the newly created units.**

3. **Defines which units are entitled to Farm Dwelling Units. A prospective purchaser should read Paragraph IX of the Second Restated Declaration and examine Exhibit A of this Public Report very carefully.**

4. **Certain units are subject to various easements, including building setbacks and view planes. These are set out in the Second Restated Declaration. Again, a prospective purchaser should pay special attention to Article VII of the Second Restated Declaration.**

5. **This Second Supplementary Public Report covers the sale of only 15 units, 69 to 75, and 82 to 89, inclusive.**

6. **Michael and Candace Strong have been added as Developers of this project.**

7. **The land area of the project is approximately 281.5 acres, slightly less than originally stated. The legal description of this land area is set forth in Exhibit "A" to the Second Restated Declaration.**

8. **The Exhibits have been reordered and redesignated.**

SPECIAL NOTICE

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL OR FARM DWELLING UNITS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.

2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediate adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.

3. Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING THE FORGOING.

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EXHIBIT A: Description of Apartments; Common Interest
EXHIBIT B: Common Elements and Limited Common Elements
EXHIBIT C: Encumbrances Against Title
EXHIBIT D: Summary of Sales Contract
EXHIBIT E: Summary of Escrow Agreement
EXHIBIT F: Estimate of Initial Maintenance Fees and Disbursements
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EXHIBIT H: Variance Letters from County of Kauai Planning Dept. dated April 24, 1998 and February 10, 2000
EXHIBIT I: Summary of Declaration of Covenants, Conditions and Restrictions; Summary of Amendment
EXHIBIT J: Table of Unit Transformation
EXHIBIT K: Condominium Map/ Plot Plan

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. The 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 of 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 spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Name
MOLOAA HUI LANDS, INC.
MICHAEL R. STRONG and CANDACE L. STRONG
Phone: (808) 947-9466

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)

Michael R. Strong, President; Paul Converse Huber, Vice-President; Candace Louise Strong, Secretary/Treasurer

Real Estate Broker:
James G. Pycha
Re/Max Kauai.com
Name
Phone: (808) 826-9675 (Business)

5-4280 Kuhio Highway, Suite #205
Business Address
Princeville, Kauai, Hawaii 96722

Escrow:
First Hawaii Title Corp.
Name
Phone: (808) 521-3411 (Business)

201 Merchant Street, Suite 2000
Business Address
Honolulu, Hawaii 96813

General Contractor:
Edward S. Bittner
Name
Phone: (808) 822-4053 (Business)

P. O. Box 456
Business Address
Anahola, Hawaii 96703

Condominium Managing Agent:
Self Managed by the Association of Unit Owners
Name
Phone: _____ (Business)

Business Address

Attorney for Developer:
Michael H. Sakai, Esq.
Name
Phone: (808) 531-4171 (Business)

201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813-2977

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 97-055758*
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

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

*Second Restated Declaration of Condominium Property Regime dated April 18, 2005 and recorded as Document No. 2005-141334. This instrument completely restates and amends the original Declaration and all amendments and previous amendments thereof.

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

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances, Condo Map No. 2542*
[ ] 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]:

The Second Restated Declaration of Condominium Property Regime dated April 18, 2004, recorded as Document No. 2005-141334 amended the plot plan of the Condominium Map. The shade structure plans and other improvements did not change in the Condominium Map. A reduced copy of the new plot plan is attached hereto as Exhibit "K".

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 manners which affect how the condominium project will be governed.

The Bylaws for this condominium re:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 97-057759
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [X] 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:

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

*The percentage 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

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

A summary of the reserved rights are as follows:

Please refer to page 16 of this Public Report which contains a summary of the Developer's reserved rights.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer**:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Automatically [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:

[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s) _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Automatically [ ] 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 period 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 fee simple owner of the land in order to develop the project. The developer may have then entered into an sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. **Underlying Land**:

Address: Kuhio Highway, Moloaa, Kawaihau, Kauai, Hawaii
Tax Map Key (TMK): (4) 4-9-09:12

[X] Address [ ] TMK is expected to change because County of Kauai may assign a new cpr number for each unit

Land Area: 281.5 [ ] square feet [X] acre(s) [X] Zoning: AG / OPEN

Fee Owner: **MICHAEL R. STRONG and CANDACE L. STRONG
MOLOAA HUI LANDS, INC.
P. O. Box 30, Kilauea, Kauai, Hawaii 96754

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements**:

1. [X] New Building(s)
[X] Conversion of Existing Building(s)
[ ] Both New Building(s) and Conversion

2. Number of Buildings: 45 Floors Per Building 1

[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [ ] Wood

[X] Other PVC pipe and shade cloth (New buildings only)

4. Permitted Uses by Zoning:

	No of Apts.	Use Permitted By Zoning
[ ] Residential**		[X] Yes [ ] No
[ ] Commercial		[ ] Yes [ ] No
[ ] Mix Res/Comm		[ ] Yes [ ] No
[ ] Hotel		[ ] Yes [ ] No
[ ] Timeshare		[ ] Yes [ ] No
[ ] Ohana		[ ] Yes [ ] No
[ ] Industrial		[ ] Yes [ ] No
[X] Agricultural	2	[X] Yes [ ] No
[ ] Recreational		[ ] Yes [ ] No
[X] Other: Shed	41	[X] Yes [ ] No

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

[X] Yes [ ] No

**A Schedule of all the current owners of the units in the Project is set forth in Exhibit "J". However, only Michael R. Strong and Candace L. Strong and Moloaa Hui Lands, Inc. are the developers for the purposes of this Public Report.

***The only residential use would be for a Farm Dwelling. Only Units 13, 47, 48, 49, 50, 53, 79, and 89 may have a Farm Dwelling, subject, however, to applicable Kauai County Ordinance.

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets: 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 the other owners.

[ ] Number of Occupants: _____

[X] Other: Special use restrictions are contained in the Declaration of Covenants, Conditions and Restrictions, as amended, a summary of which is attached hereto as Exhibit "I".

[X] 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)
All	43	0/0		16	shade structure

Units 14 and 74 have an additional building. Please see Exhibit "A" for further information.

Total Apartments: 43

***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:

The boundary of each unit is the exterior finished surfaces of the units' perimeter walls, roofs foundations, windows and frames, doors, beams, post and entrys, if any.

Permitted Alterations to Apartments:

Each unit owner may alter the structure and any other improvements located within their unit's limited common land area as provided in Article IX of the Second Restated Declaration of Condominium Property Regime. ONLY UNITS 13, 47, 48, 49, 50, 53, 79 AND 89 ARE PERMITTED TO HAVE "FARM DWELLINGS", IF ALLOWED BY THE COUNTY OF KAUAI.

Apartments Designated for Owner-Occupant Only: Not Applicable
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 (see attachment 11a). Developer --- 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.

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (total) (for each unit)		2					86
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	86						86

Each Apartment will have the exclusive use of at least 2 parking stall(s).

*There is sufficient land area in each limited common element for the parking of 2 motor vehicles.

Buyers are encouraged to find out which stall(s) will be available for use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit ___ contain additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational 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

[X] There are no violations. [ ] Violations will not be cured.

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

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

Not Applicable - no residential units.

1. Conformance to Present Zoning Code

a. [ ] No variances to zoning code have been granted.

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

See Exhibit "H"

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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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:

[X] described in Exhibit B .

[ ] as follows:

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

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

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

[X] described in Exhibit B*.

[ ] as follows:

*NOTE: Land areas referenced in Exhibit B are not legally subdivided lots.

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

[X] described in Exhibit A .

[ ] 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 C describes the encumbrances against the title contained in the title report dated July 19, 2005 issued by First Hawaii Title Corp.

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 specific sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[X] 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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**

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. There are no warranties, express or implied.

2. Appliances:

None. There are no warranties, express or implied.

G. **Status of Construction and Date of Completion or Estimated Date of Completion**:

All 43 shade structures were completed in April 2005. The rehabilitation of certain farm accessory buildings were completed on or before January 5, 2002.

H. **Project Phases**:

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

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

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.

Development of future phases as a condominium property regime may or shall take the form of a separate developer registration which means that a new or separate registration number would be issued by the Real Estate Commission, State of Hawaii, for each new phase. Each new phase could, if provided by its governing documents, be administratively merged with this Project or one of the other prior phases of Moloaa Hui II and III. This means that even if they are considered separate condominium projects, one or more phases or projects could be treated as a single project for the purposes of collecting maintenance fees and for the payment of shared or common expenses and facilities.

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 an 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
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] other _____

B. **Estimate of Initial Maintenance Fees**:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit __F__ 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)

[X] 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

[X] Specimen Sales Contract
Exhibit D contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated April 22, 2005
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. **Buyer's Right to Cancel Sales Contract**:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any 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 a 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 as 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 form the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days form 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 Report issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime
C) Bylaws of the Association of Apartment Owners
D) House Rules, if any.
E) Condominium Map
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other: 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 or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of law: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is 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 [X] pink paper stock

C. **Additional Information Not Covered Above**

NOT A SUBDIVISION. This is a condominium project which should not be confused with a subdivision. A purchaser of an apartment unit will be conveyed an apartment unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot.

RESERVES. Developer discloses that no "reserve study" was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

AGRICULTURAL RESTRICTIONS. **The units of the Project shall be occupied and used only for agricultural uses and, where permitted, as private residential dwellings by the respective owners thereof, their families, domestic servants, personal guests and tenants, and for no other purposes. Residential uses currently require execution of a Farm Dwelling Agreement with the County of Kauai, as contemplated by Hawaii State law regarding use of agricultural lands for residential purposes. The law requires that the family occupying a residence eon agricultural land drive income from farming activities conducted on the land. Unless otherwise specifically stated to the contrary herein each unit will be entitled to construct one farm dwelling. Each unit herein, whether currently possessing residential improvements or now or subsequently entitled to construct a residence, shall be required to engage in agricultural activity as a condition of obtaining a building permit. The actual level of agricultural activity on the project needed to qualify to construct residences is a matter determined by the County of Kauai. The requirements change from time to time, and each owner's actions on their units will or may have impact on the ability of other owners to build residences. Each owner shall have the duty to engage in agricultural activities, including a requirement of after-the-fact increases in the level of actual agricultural activity on his or her own unit, if such use required for other owners to obtain building permits. In that regard,** each unit with a residence, or then desiring to construct a residence, shall have an equal burden of activity in proportion to the amount of land reasonably available for agricultural use on their respective units. If a unit with agricultural activity but no residence desires to build, and in so doing retires acreage from production, other units may have to commence or increase production, cultivation or other agricultural activity so that the owners them-effected will have fair burdens. These provisions shall apply until all units with residential construct rights have constructed residences, and thereafter, so long as agricultural use must be maintained as a condition of keeping residential improvements on the property. This means that failure to engage in or maintain farming activities may mean you have to take down your house.

Should the requirements of the Farm Dwelling Agreement and/or the underlying zoning code or state statutes mandating agricultural use be changed, the agricultural requirements of this project may be abandoned by a vote of seventy-five percent (75%) of the common interests of this project.

WATER SERVICE. This project is currently supplied agricultural water serve 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 of issuance of building permits, releases the County of Kauai from any claim arising out of the fact that county-supplied water service for the property and that the Waiver and Release Agreement is binding on all successor, 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 Count of Kauai Water Department to determine the status of water service prior to purchase.

MAINTENANCE FEES. The Developer and/or the Association of Apartment Owners have not commended the collection of monthly maintenance fees. Developer reserves the right to cover the actual operating expenses of the Association until such time as it notifies all owners that the collection of maintenance fees will commence. The notice will be made 30 days prior to the date such fees commence.

DEDICATION TO AGRICULTURE. The property was dedicated to agricultural use for 10 years in 1999 and may therefore be subject to a rollback of taxes if there is any change of use.

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-1.6] (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

Michael R. Strong

MICHAEL R. STRONG
Title: President

4/18/05
Date

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.

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-1.6] (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.

MICHAEL R. STRONG and CANDACE L. STRONG
Printed Name of Developer

Michael R. Strong
MICHAEL R. STRONG

4/18/05
Date

Candace L. Strong
CANDACE L. STRONG

4/18/05
Date

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"

Description of Apartments; Common Interest

The units are described as follows:

(A) Unit 2 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The structure is located in the southeastern portion of a 3.392 acre limited common element. (1.0%)

(B) Unit 3 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 3.392 acre limited common element. (1.0%)

(C) Unit 4 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northeastern portion of a 3.392 acre limited common element. (1.0%)

(D) Unit 5 is a single-story shade structure, Constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northern portion of a 3.392 acre limited common element. (1.0%)

(E) Unit 6 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 10.643 acre limited common element. (4.0%)

(F) Unit 13 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 11.817 acre limited common element. This unit shall have the right to construct one farm dwelling unit. (3.5%)

(G) Unit 13-A is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 2.718 acre limited common element. (1.5%)

(H) Unit 13-B is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the western portion of a 1.597 acre limited common element. (1.0%)

(I) Unit 14 consists of two structures. The first is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. This structure is located in the southwestern portion of a 20.064 acre limited common element. The second structure is a single-story farm equipment shed built in 1978, constructed of wood, which has a roof but no sides and contains an area of

approximately 490 square feet. The second structure is located in the central area of the limited common element. (8.0%)

(J) Unit 19 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 10.643 acre limited common element. (4.0%)

(K) Unit 47 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northern portion of a 7.258 acre limited common element. This unit shall have the right to construct one farm dwelling unit in the open zoned area. (3.0%)

(L) Unit 48 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the eastern portion of a 4.738 acre limited common element. This unit shall have the right to construct one farm dwelling unit in the open zoned area. (2.0%)

(M) Unit 49 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the eastern portion of a 3.190 acre limited common element. This unit shall have the right to construct one farm dwelling unit in the open zoned area. (1.0%)

(N) Unit 50 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the eastern portion of a 2.487 acre limited common element. This unit shall have the right to construct one farm dwelling unit in the open zoned area. (1.0%)

(O) Unit 53 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 5.000 acre limited common element. This unit shall have the right to construct one farm dwelling unit. (2.0%)

(P) Unit 54 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 5.876 acre limited common element. (2.0%)

(Q) Unit 55 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 5.000 acre limited common element. (2.0%)

(R) Unit 56 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 5.000 acre limited common element. (2.0%)

(S) Unit 57 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 5.350 acre limited common element. (2.0%)

(T) Unit 58 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 6.158 acre limited common element. (2.0%)

(U) Unit 59 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 5.000 acre limited common element. (2.0%)

(V) Unit 69 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the eastern portion of a 5.226 acre limited common element. (2.0%)

(W) Unit 70 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 5.225 acre limited common element. (2.0%)

(X) Unit 71 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 5.225 acre limited common element. (2.0%)

(Y) Unit 72 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southeastern portion of a 5.225 acre limited common element. (2.0%)

(Z) Unit 73 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the eastern portion of a 5.225 acre limited common element. (2.0%)

(AA) Unit 74 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northwestern portion of a 5.463 acre limited common element. The second structure is a single-story farm building constructed of wood containing an area of approximately 1934 square feet. (2.0%)

(BB) Unit 75 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the western portion of a 5.423 acre limited common element. (2.0%)

(CC) Unit 76 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 4.677 acre limited common element. (1.5%)

(DD) Unit 77 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northern portion of a 4.112 acre limited common element. (1.5%)

(EE) Unit 78 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the eastern portion of a 23.597 acre limited common element. (8.0%)

(FF) Unit 79 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 4.000 acre limited common element. (1.5%)

NOTE: This unit is entitled to construct one Farm Dwelling.

(GG) Unit 80 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northwestern portion of a 5.941 acre limited common element. (2.0%)

(HH) Unit 81 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northwestern portion of a 4.648 acre limited common element. (1.5%)

(II) Unit 82 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the western portion of a 6.267 acre limited common element. (3.5%)

(JJ) Unit 83 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the western portion of a 6.268 acre limited common element. (3.5%)

(KK) Unit 84 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 5.484 acre limited common element. (3.5%)

(LL) Unit 85 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the southwestern portion of a 4.933 acre limited common element. (2.5%)

(MM) Unit 86 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northwestern portion of a 5.000 acre limited common element. (1.5%)

(NN) Unit 87 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the western portion of a 5.000 acre limited common element. (1.5%)

(OO) Unit 88 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the western portion of a 8.591 acre limited common element. (2.0%)

(PP) Unit 89 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the northwestern portion of a 10.630 acre limited common element. This unit has an additional limited common element land area of 1.018 acre. This unit shall have the right to construct one farm dwelling unit in the open zoned area. This unit shall have the right to construct one farm dwelling unit in the open zoned area. The owner of this unit has the right to separate and/or divide the two land areas into two (2) separate units. Upon such division, one unit will consist of the shade structure with a limited common element land area of 10.630 acres and the other unit, which can be another shade structure or other improvement, with a limited common element land area of 1.018 acre. (4.0%)

(QQ) Unit 90 is a single-story shade structure, constructed of PVC pipe and shade cloth, which has a roof but no sides and contains an area of 16 square feet. The Structure is located in the western portion of a 2.564 acre limited common element. (1.0%)

There are no basements in this Project.

EXHIBIT "B"

Common Elements

One freehold estate is hereby designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

(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

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 each of the units are located, all as 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.

Unit Number	Area of Limited Common Element
2	3.392 Acres
3	3.392 Acres
4	3.392 Acres
5	3.392 Acres
6	10.643 Acres
13	11.817 Acres
13-A	2.718 Acres
13-B	1.597 Acres
14	20.064 Acres
19	10.643 Acres
47	7.258 Acres
48	4.738 Acres
49	3.190 Acres
50	2.487 Acres
53	5.000 Acres
54	5.876 Acres
55	5.000 Acres
56	5.000 Acres
57	5.350 Acres
58	6.158 Acres
59	5.000 Acres
69	5.226 Acres
70	5.225 Acres
71	5.225 Acres
72	5.225 Acres
73	5.225 Acres
74	5.463 Acres
75	5.423 Acres

76	4.677 Acres
77	4.112 Acres
78	23.597 Acres
79	4.000 Acres
80	5.941 Acres
81	4.648 Acres
82	6.267 Acres
83	6.268 Acres
84	5.484 Acres
85	4.933 Acres
86	5.000 Acres
87	5.000 Acres
88	8.591 Acres
89	10.630 Acres / 1.018 Acres**
90	2.564 Acres
Total:	265.849 Acres*

(a) Roadway 1, 0.633 acres, is a limited common element exclusive to units 2, 3, 4 and 5.

(b) Roadway 2, 1.578 acres, is a limited common element exclusive to units 47, 48, 49, 50, 86 and 87.

(c) Roadway 3, 1.040 acres, is a limited common element exclusive to units 78, 79, 80, 82, 83, 84, 85, 88 and 89.

*This area together with the limited common element roadways, and the common element roadways and drainage ditch areas amounts to approximately 281.5 acres, with some rounding of figures.

**These two limited common element land areas may be divided into two (2) separate units.

EXHIBIT "C"

Encumbrances Against Title

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Triangulation Survey Station "Moloaa" located within said land, as shown on the Tax Map prepared by the Taxation Maps Bureau, Department of Finance, County of Kauai. Attention is invited to the provisions of Section 172-12 of the Hawaii Revised Statutes, relative to destruction, defacing or removal of survey monuments.

3. Grant dated October 5, 1967, in favor of GTE Hawaiian Telephone Company Incorporated, granting an easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc., over, across, along and through the easement area described therein and incidental purposes, recorded in said Bureau, in Book 5852, Page 234.

4. Easement A-1 for shoreline access and parking purposes, containing an area of 7.151 acres, more or less, as per survey of Wayne T. Wada, Licensed Professional Land Surveyor, Certificate No. 4596, dated July 1998.

5. Easement A-2 for shoreline pedestrian purpose, containing an area of 0.144 acre, more or less, as per survey of Wayne T. Wada, Licensed Professional Land Surveyor, Certificate No. 4596, dated July 1998.

6. Easement 1 (area 0.419 acre) and Easement 2 (area 0.306 acre), as shown on Tax Map for access purposes.

7. A 3-feet wide Future Road Widening Reserve along Koolau Road; no new structures shall be permitted within the reserve, any new structures shall be setback from the reserve.

8. Restriction of rights of vehicle access into and from Kuhio Highway, Federal Aid Secondary Project No. S-0560 (2), formerly Federal Aid Secondary Project No. F-056-1 (3), which restriction was imposed by the State of Hawaii, by Deed dated December 16,1992, recorded in the Bureau of Conveyances, State of Hawaii, in Book 5073, Page 151.

9. Non Availability of domestic water service from the Department of Water, County of Kauai.

10. As to Roadway Lot, TMK: (4) 4-9-009-028 ONLY: Easement for access in favor of others entitled thereto.

11. Claims arising out of customary or 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, as amended.

12. The covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Limited Warranty Deed dated March 13, 1997, recorded in said Bureau, as Document No. 97-032783.

13. Assignment of Leases and Licenses dated March 13, 1997, recorded in said Bureau, as Document No. 97-032784.

14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Covenants, Conditions and Restrictions, dated March 13, 1997, recorded in said Bureau, as Document No. 97-032789.

The foregoing Declaration was amended by the following:

Dated:	Document No.:
February 17, 2000	2000-034932

15. Waiver and Release dated March 25, 1997, filed in said Office, as Document No. 97-040088.

16. The covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime dated April 30, 1997, recorded in said Bureau, as Document No. 97-057758 and Condominium Map No. 2542, as amended, to which reference is hereby made.

The foregoing Declaration was amended by the following:

Dated:	Document No.:
August 12, 1997	97-108706
November 29, 1997	97-168022
December 24, 2997	98-103270
August 4, 1998	98-126776
August 24, 1998	98-128052
October 1, 1998	98-149271
February 19, 1999	99-033559
March 09, 1999	99-037401
February 19, 1999	99-038158
February 19, 1999	99-038159

February 25, 2000	2000-026760
February 25, 2000	2000-026761
March 7, 2000	2000-034931 (amends 2000-026761)

Amended and Restated Declaration of Condominium Property Regime of Moloaaa Hui I and Condominium Map No. 2542, dated ---/---/2000, recorded in said Bureau, as Document No. 2000-184090.

The foregoing Restated Declaration was amended by the following:

Dated:	Document No.:
---/---/2001	2000-006655

Second Restated Declaration of Condominium Property Regime dated April 18, 2005, recorded in said Bureau, as Document No. 2005-141334

17. By-Laws of the Association of Apartment Owners of Moloaa Hui I dated April 30, 1997, recorded in said Bureau, as Document No. 97-057759, to which reference is hereby made.

18. Notice of Agricultural Use dated April 1, 1997, recorded in said Bureau, as Document No. 97-088488.

19. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Covenants, Conditions and Restrictions for the Moloaa Makai Estates dated June 19, 1998, recorded in said Bureau, as Document No. 98-126781.

20. Notice of Dedication to Agriculture dated January 4, 1999, recorded in said Bureau, as Document No. 99-005103, for a term of 10 years.

21. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Apartment Deed (Original) for each of the apartments covered by this Public Report.

22. Grant in favor of Citizens Utilities Company, a Delaware corporation, granting an easement for utility and incidental purposes, recorded in said Bureau, as Document No. 2001-128713.

23. For real property taxes, your attention is directed to the Director of Finance, County of Kauai.

EXHIBIT "D"

Summary of Sales Contract

The Sales Contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Purchaser will agree to buy an apartment in the Project.

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.

2. Identities the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.

3. Requires that Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, By-Laws Condominium Map or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:

a. substantially and materially impairs the use and enjoyment of the apartment;

b. substantially and materially alters the arrangement of the rooms or usable space of an apartment or building;

c. renders unenforceable a purchasers' loan commitment;

d. increases the purchaser's share of common expenses or maintenance fees;

e. reduces the obligations of Developer of common expenses on unsold apartments.

5. Provides that the Developer is selling the apartments in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the apartments and Project.

6. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.

7. Provides that the closing cost shall be paid as follows:

a. By purchaser: title insurance, drafting of any note and mortgage, purchaser notary fees, recording fees, one half of escrow fees, and also a start fee for common expenses, if any.

b. By Developer: drafting of apartment deed and Developer notary fees, conveyance taxes, preliminary title report, and one half of escrow fees.

8. Provides the following remedies, in the event of default under the Sales Contract:

by purchaser:

a. Developer may bring an action against purchaser for breach of contract;
b. Developer may retain initial deposit;
c. Purchaser shall be responsible for expenses incurred.

by Developer:

a. Purchaser may bring an action against Developer for breach of Contract;
b. Purchaser may bring an action compelling Developer to perform under contract;
c. Developer shall be responsible for expenses incurred.

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

9. Provides that purchaser may not assign his/her interest in the Sales Contract without the prior written consent of Developer.

The Sales Contract contains various other provisions which purchaser should become acquainted with. If there is any conflict between the terms of this summary and the Sales Contract, the latter shall control.

EXHIBIT "E"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is FIRST HAWAII TITLE CORPORATION. Under the Escrow Agreement dated April 22, 2005, these things will or may happen:

(a) Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

i) Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel";

ii) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

iii) The apartment deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

i) If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Final Public Report and Notice of Right to Cancel". The Receipt provides that purchasers may cancel the Sales Contract and purchaser is the Receipt is mailed or sent by telegram to Developer before (1) the apartment unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier.

ii) The Developer and purchaser agree to terminate the Sales Contract;

iii) if the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

NOTE: Section 514A-63, Hawaii Revised Statutes, provides rescission rights to a purchaser under a binding contract if there is a material change in the project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project for such purchaser's use.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted. If there is any conflict between the terms of this summary and the Escrow Agreement, the latter shall control.

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees	Monthly Fees x 12 months =	Yearly Total
Apartment		
2	14.45	173.40
3	14.45	173.40
4	14.45	173.40
5	14.45	173.40
6	57.80	693.60
13	50.75	609.00
13A	21.67	260.04
13B	14.45	173.40
14	115.60	1387.20
19	57.80	693.60
47	43.35	520.20
48	28.90	346.80
49	14.45	173.40
50	14.45	173.40
53	28.90	346.80
54	28.90	346.80
55	28.90	346.80
56	28.90	346.80
57	28.90	346.80
58	28.90	346.80
59	28.90	346.80
69	28.90	346.80
70	28.90	346.80
71	28.90	346.80
72	28.90	346.80
73	28.90	346.80
74	28.90	346.80
75	28.90	346.80
76	21.67	260.04
77	21.67	260.04
78	115.60	1387.20
79	21.67	260.04
80	28.90	346.80
81	21.67	260.04
82	50.75	609.00
83	50.75	609.00
84	50.75	609.00
85	36.12	433.44
86	21.67	206.04
87	21.67	206.04
88	28.67	346.80
89	57.80	693.60
90	14.45	173.40

NOTE: The total collections may be different from the annual budget due to rounding of figures.

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

Estimate of Maintenance Fee Disbursements:

		Monthly x 12 months =	Yearly Total
Utilities and Services			
Air Conditioning			
Electricity	[ ] common elements only [ ] common elements and apartments		
Elevator			
Gas	[ ] common elements only [ ] common elements and apartments		
Refuse Collection			
Telephone			
Water and Sewer			
Maintenance, Repairs and Supplies			
Building			
Road		$ 352.50	$ 4,230.00
Signage		25.00	300.00
Water Tank		259.50	3,114.00
Water System		28.00	336.00
Insurance		$ 37.00	$ 444.00
Reserves(*)			
Taxes and Government Assessments			
Tank Site		$ 11.00	$ 132.00
Audit Fees		$ 37.00	$ 444.00
Other:			
Contingency		$ 50.00	$ 600.00
Management Fee			
$15.00/unit/month @ 43 units		$ 645.00	$ 7,740.00
TOTAL		$1,445.00	$17,340.00

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

Michael R Strong
Signature

7/28/05
Date

(*) Mandatory reserves assessments 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 "G"

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: Dee M. Crowell, Planning Director

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 & 038

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.

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

ENGINEER'S CERTIFICATION

STATE OF HAWAII)
) ss.
COUNTY OF KAUAI)

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
LICENSED PROFESSIONAL ENGINEER
No. 5281-C
HAWAII, U.S.A.

Wayne T. Wada
WAYNE T. WADA

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

NOTARY PUBLIC, State of Hawaii

LS

My commission expires: 1/7/2002

EXHIBIT "H"

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
BELLES GRAHAM
PROUDFOOT & WILSON

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

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.

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).

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
Kīlauea, 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

Kapule Building • 4444 Rice Street, Suite 473 • Lihu'e, Kaua'i, Hawai'i 96766

EXHIBIT "I"

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. Aquiculture, 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 order 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.

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, State of Hawaii 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 II 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, 999 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 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.

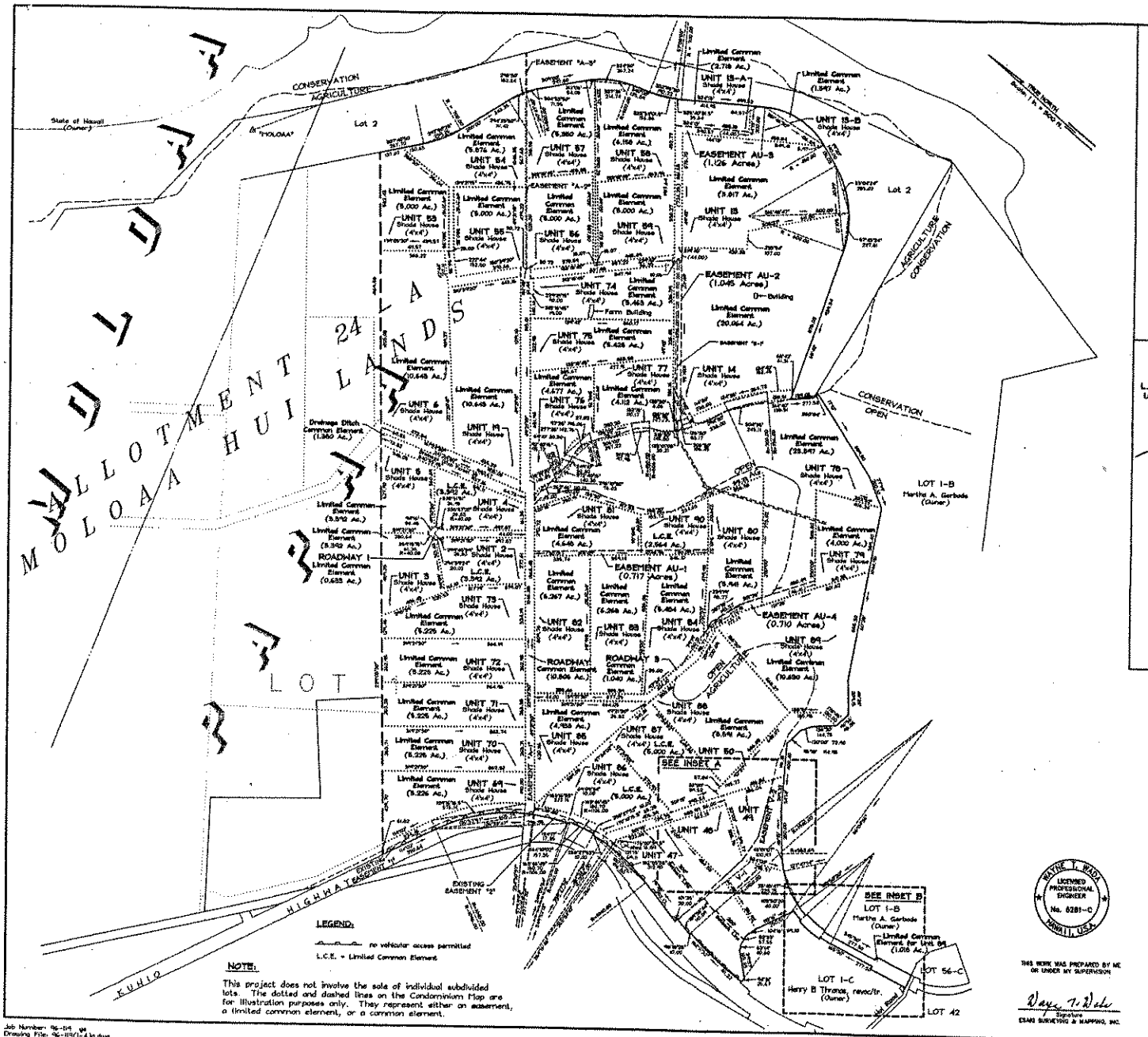
EXHIBIT "J"
Table of Unit Transformation

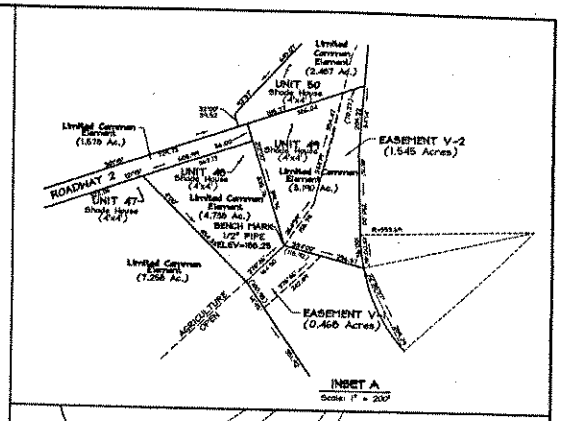
NAME	Prev. Unit No.	New Unit No.
Moloaa Hui Lands, Inc.	1 (10%)	69 (2%), 70 (2%), 71 (2%), 72 (2%), 73 (2%)
Ronald H. Nakazawa, Sr. & Jennifer K. Nakazawa	2 (1%)	2 (1%)
William M. & Beverly S. Carpenter	3 (1%)	3 (1%)
Paul Atkinson & Miesha Meadows Rathbone	4 (1%)	4 (1%)
Paul Atkinson & Miesha Meadows Rathbone	5 (1%)	5 (1%)
Richard B. Shepard & Griffin Shepard	6 (4%)	6 (4%)
Michael R. & Candace L. Strong	11 (4%)	74 (2%), 75 (2%)
Allen Ladd Elmore	12 (3%)	76 (1.5%), 77 (1.5%)
John W. & L. Nandanie Wooten	13 (6%)	13 (3.5%), 13A (1%), 13B (1.5%)
Clayton Masashi Kakimoto	14 (8%)	14 (8%)
Paul C. Huber	15 (14%)	78 (8%), 79 (1.5%), 80 (2%), 81 (1.5%), 90 (1%)
Michael R. & Candace L. Strong	16 (13%)	82 (3.5%), 83 (3.5%), 84 (3.5%), 85 (2.5%)
Michael R. & Candace L. Strong	17 (9%)	86 (1.5%), 87 (1.5%), 88 (2%), 89* (4%)
Richard B. Shepard & Griffin R. Shepard	19 (4%)	19 (4%)
Gary C. & Donna L. Hendrickson	47 (3%)	47 (3%)
Ronald P. & Laura A. Burley	48 (2%)	48 (2%)
Gerard R. & Shanda S. Bosma	49 (1%)	49 (1%)
Gerard R. & Shanda S. Bosma	50 (1%)	50 (1%)
Richard B. Shepard, Trustee	51 (6%)	53 (2%), 54 (2%), 55 (2%)
Michael R. & Candace L. Strong; Naomi S. Young; James K. Garrison & Patricia G. Howard	52 (8%)	56 (2%), 57 (2%), 58 (2%), 59 (2%)
TOTAL	20 units	43 units

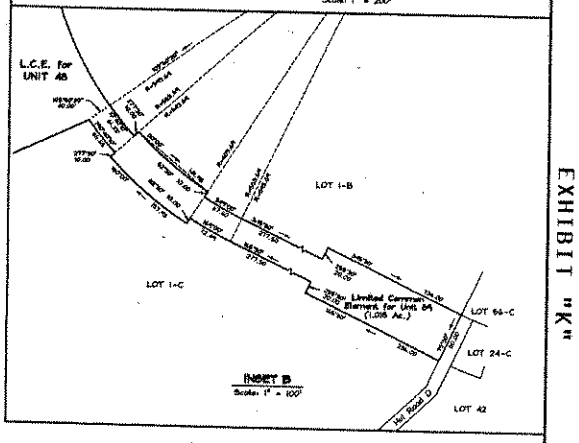
NOTE: For all units that had no change to its unit number, the size and location of its appurtenant limited common element land area and the unit's common interest did not change. In other words, the land areas and common interest for the following units were not affected by the Second Restated Declaration: 2, 3, 4, 5, 6, 14, 19, 47, 48, 49 and 50.

* Unit 89 may be further divided into two separate units consistent with its two appurtenant limited common element land areas.

EXHIBIT "K"







LEGEND:

no vehicular access permitted

L.C.E. = Limited Common Element

NOTE:

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

WAYNE T. WADA
LICENSED PROFESSIONAL ENGINEER
No. 6281-C
HAWAII, U.S.A.

THIS WORK WAS PREPARED BY ME OR UNDER MY SUPERVISION

Signature
ESAKI SURVEYING & MAPPING, INC.

AMENDED CONDOMINIUM MAP NO. 2542 FOR MOLOAA HUI I

UNITS 2 THRU 6, 13, 13-A, 13-B, 14, 19, 47, 48, 49, 53 THRU 59, AND 69 THRU 90, ROADWAY, ROADWAY 2, AND ROADWAY 3, AND DRAIN DITCH COMMON ELEMENT, AND DESIGNATION OF EASEMENTS V-1, V-2, AU-1, AU-2, AU-3, AND AU-4

Being Portion of Lot 1
Being also a Portion of Allotment 24-A, Moloaa Hui Lands
Papaa, Kawaihau, Kauai, Hawaii
Tax Map Key: (4)4-9-09: por. 12
Owners: Mike Strong, et. al.
Date: April 4, 2005

Job Number: 96-119
Drawing File: 96-119(1-4)a.dwg

ESAKI SURVEYING & MAPPING, INC.
Civil Engineers - Land Surveyors - Planners