

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer:
Address:

MOANAKAI LTD.
P. O. Box 930, Hanalei, Kauai, Hawaii 96714

Project Name(*):
Address:

ANINI KAI CONDOMINIUM
Lot 2, Anini Vista Estates, Kuhio Highway, Anini, Hanalei, Kauai, Hawaii

Registration No. 3915

Effective date: May 15, 1998

Expiration date: June 15, 1999

Preparation of this Report:

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

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

X FINAL:
(white)

The developer has legally created a condominium and has filed complete information with the Commission.

- No prior reports have been issued.
- This report supersedes all prior public reports.
- This report must be read together with _____

SUPPLEMENTARY:
(pink)

This report updates information contained in the:

- Preliminary Public Report dated: _____
- Final Public Report dated: _____
- Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, **not** a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

1. There are presently NO RESIDENTIAL STRUCTURES ON THE PROPERTY. The only buildings on the property are agricultural utility meter sheds, each of which may be defined as an "apartment" under the condominium property act.
2. This public report does **not** constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.
3. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and is **not** a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.
4. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

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

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information of Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: DESCRIPTION OF BUILDINGS	
EXHIBIT B: ALTERATION OF PROJECT	
EXHIBIT C: COMMON ELEMENTS	
EXHIBIT D: LIMITED COMMON ELEMENTS	
EXHIBIT E: ENCUMBRANCES AGAINST TITLE	
EXHIBIT F: ESTIMATE OF INITIAL MAINT. FEES & ESTIMATE OF MAINT. FEE DISBURSEMENTS	
EXHIBIT G: SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT	
EXHIBIT H: SUMMARY OF ESCROW AGREEMENT	
EXHIBIT I: FARM DWELLING AGREEMENT (Sample Form)	
EXHIBIT J: DECLARATION OF RESTRICTIVE COVENANTS	
EXHIBIT K: SPECIAL MANAGEMENT AREA PERMIT SMA(U)-79.9, as amended	

General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MOANAKAI LTD., a Hawaii corporaiton Phone: (808) 826-7244
P. O. Box 930
Hanalei, Kauai, Hawaii 96714

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

Pat Jamesson - President/Vice-President/Secretary/Treasurer

Real Estate
Broker: Bali Hai Realty Phone: (808) 826-7244
P. O. Box 930
Hanalei, Kauai, Hawaii 96714

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
235 Queen Street
Honolulu, Hawaii 96813

General
Contractor: Richard T. Costello dba Phone: (808) 822-2064
Costello Construction, Co.
73-4700 Kaloko Hills Drive
Kailua-Kona, Hawaii 96740

Condominium
Managing
Agent: Self-managed by Association of Unit Owners

Attorney for
Developer: Max W. J. Graham, Jr. Phone: (808) 245-4705
Belles Graham Proudfoot & Wilson
4334 Rice Street, Suite 202
Lihue, Kauai, Hawaii 96766

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 98-027684
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]: First Amendment to Declaration of Condominium Property Regime of Anini Kai Condominium dated April 7, 1998, and recorded as Document No. 98-049751; Second Amendment to Declaration of Condominium Property Regime of Anini Kai Condominium dated April 27, 1998, recorded as Document No. 98-060467.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 2694
 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]: Second Amendment to Declaration of Condominium Property Regime of Anini Kai Condominium dated April 27, 1998, recorded as Document No. 98-060467.

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 98-027685
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	-----	<u>N/A</u>

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

2. Developer

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

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

The Developer reserves the right to change the Declaration and Condominium Map as provided for in Section M. of the Declaration, and further the Developer reserves the right to change the Bylaws as provided for in Section 13.5 of the Bylaws.

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 Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

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

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

For Sub-leaseholds:

- [] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[] Canceled [] Foreclosed
[] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.
[] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

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

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

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: Lot 2, Anini Vista Subdivision
Kalihiwai, Kauai, Hawaii

Tax Map Key: (TMK): (4) 5-3-09:02

Address TMK is expected to change because addresses will be assigned by the County when houses are constructed; CPR numbers will be added to the current TMK number.

Land Area: 9.147 square feet acre(s) Zoning: Agriculture/Open

Fee Owner: MOANAKAI LTD.
P. O. Box 930
Hanalei, Kauai, Hawaii 96714

Lessor: N/A
Name _____
Address _____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 4 Floors Per Building 1
 Exhibit "A" contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other Steel posts and screen

4. Permitted Uses by Zoning:

	No. of Use Permitted <u>Apts.</u> <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input type="checkbox"/> Residential	___ <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___ <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___ <input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Agricultural	<u>4</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___ <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___ <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/ these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

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

Pets: No animals or pets other than those allowed pursuant to Section 13.1 of the Bylaws.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit A</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>20</u>	<u>shed</u>
<u>Unit B</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>20</u>	<u>shed</u>
<u>Unit C</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>20</u>	<u>shed</u>
<u>Unit D</u>	<u>1</u>	<u>0/0</u>	<u> </u>	<u>20</u>	<u>shed</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Total Number of Apartments: 4

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

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

Boundaries of Each Apartment:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "B"

7. Parking Stalls:

Total Parking Stalls: 8

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u> </u>	<u> 2 </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> 8 </u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other: <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open:	<u> 8 </u>	<u> </u>	<u> 0 </u>	<u> </u>	<u> 0 </u>	<u> </u>	<u> 8 </u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

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

8. Recreational and Other Common Facilities:

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

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

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

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

N/A

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

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

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

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

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

D. Common Elements, Limited Common Elements, Common Interests:

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

described in Exhibit "C".

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "D".

as follows:

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

described in Exhibit _____.

as follows:

Each unit shall have apurtenant thereto an undivided twenty-five (25%) interest in all common elements of the property, and the same proportionate share in all common profits and common expenses of the property (except as may be otherwise provided in the Bylaws) and for all other purposes, including voting. The percentage common interest for each unit is determined by apportioning a twenty-five percent (25%) interest to each of the four (4) units irrespective of the actual land areas contained in each unit.

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 "E" describes the encumbrances against the title contained in the title report dated February 19, 1998 and issued by Title Guraranty of Hawaii, Inc.

Blanket Liens:

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

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest will be terminated and Buyer may be entitled to a refund of deposit, less escrow cancellation fees.

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: Units are sold "as is".

2. **Appliances:**

Any manufacturer's warranties currently in effect.

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

The construction of Units A, B, C and D were completed in January 1998.

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):

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "G" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated February 26, 1998
Exhibit "H" 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 escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all the documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other_____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3915 filed with the Real Estate Commission on March 10, 1998.

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

- YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above

1. Purchasers should be aware that Chapter 205, Hawaii Revised Statutes ("H.R.S."), does not authorize residential dwellings as a permissible use in an agricultural use district, unless the dwelling is related to an agricultural activity or is a "farm dwelling".

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

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

In order for any purchaser to obtain a building permit to construct a single family residential unit (farm dwelling), the County of Kauai will require the purchase to sign a Farm Dwelling Agreement in the form attached hereto as Exhibit "I".

In addition, Section K.2., of the Declaration imposes a duty of each unit owner to bear an equal burden proportionate to the unit owner's respective appurtenant interest in the common area for the cost of maintaining agricultural activities on the Project that are satisfactory to the Planning Department of the County of Kauai and that will allow the issuance of a Farm Dwelling Agreement and corresponding building permit to all of the units with the Project. See Section K.2. of Exhibit "B", Alteration of Project.

2. Purchasers should be aware that the property, and each condominium unit, is subject to the restrictions contained in the following documents:

(a) Declaration of Restrictive Covenants, attached hereto as Exhibit "J".

(b) Special Management Area Permit SMA(U)-79-9, as amended, attached hereto as Exhibit "K".

3. The use of hazardous material is restricted except as provided under Article H of the Declaration and all hazardous materials laws.

- D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

MOANAKAI LTD.
Owner/Developer

MOANAKAI LTD.

By  _____
PAT JAMESON
Its President

2/26/98
Date

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The project consists of four (4) agricultural shade sheds constructed principally of steel posts and screen, without a basement or foundation.

Units A, B, C and D, located as shown on the Condominium Map, all contain a total area of 20 square feet.

The approximate net floor areas of each unit as set forth above is measured from the interior surface of the unit perimeter walls and includes all of the walls and partitions within its perimeter walls.

EXHIBIT "B"

ALTERATION OF PROJECT

Paragraph K of the Declaration provides that:

1. Each unit owner shall have the right at his sole option at any time and from time to time, as hereinafter set forth, without the consent and/or approval of the owner of any other unit or any other persons or entity, to improve, renovate, remodel, make additions to, enlarge, remove, replace, alter or restore the improvements to or in his unit or portions thereof or upon the limited common element appurtenant to his unit (collectively, the foregoing are referred to as "alterations"). Each unit owner shall have the right without the consent or joinder of any other person to amend this declaration and the Condominium Map to accomplish any such alterations. If required by the Act, promptly upon completion of such alterations the owner of the altered unit shall duly record such amendment to this declaration in the Bureau of Conveyances, together with a complete set of the floor plans of such unit as so altered, certified by a registered architect or professional engineer to fully and accurately depict the altered portions of the property as built. All existing unit owners and all future unit owners and their mortgagees, by accepting an interest in a unit, consent to all such alterations and agree to give and shall be deemed to have given the owner of the altered unit a power of attorney to execute an amendment to the declaration solely for the purpose of describing the alterations to such unit in the declaration. This power of attorney shall be deemed coupled with each owner's interest in his unit (including his common interest) and shall be irrevocable.

2. Pursuant to Chapter 205, Hawaii Revised Statutes, each unit owner is entitled to construct a farm dwelling on each limited common element within the Project, and each unit owner is required to enter into an agreement with the County of Kauai certifying that the farm dwelling will be used in connection with a farm or where agricultural activity provides income to the family occupying the farm dwelling. In addition, the Planning Department of the County of Kauai requires that any farm dwelling constructed after the first farm dwelling within the Project requires an inspection by the Planning Department to confirm whether the agricultural activities are being conducted on the Project in accordance with Chapter 205, Hawaii Revised Statutes. Each unit owner in the Project, therefore, shall bear an equal burden proportionate to the unit owner's respective appurtenant interest in the common area, for the cost of maintaining agricultural activities on the Project that are satisfactory to the Planning Department of the County of Kauai and that will allow the issuance of a Farm dwelling Agreement and corresponding building permit to all of the units within the Project. Any assessment that may be necessary to maintain agricultural activities pursuant to this paragraph may be imposed upon each unit in

accordance with the Bylaws as a common expense of the association in connection with the operation of the Project.

3. Any alteration of the plans of a unit pursuant to this paragraph K shall be subject to the following conditions:

(a) All such alterations shall conform with all applicable governmental regulations, laws and ordinances.

(b) Such alterations may decrease or increase the size of the affected unit, provided that no alteration shall extend or place the unit outside of the limits of the yard appurtenant to such unit.

(c) All such alterations shall be at the sole expense of the unit owner making the change and shall be made within one (1) year of the commencement thereof and in a manner that will not unreasonably interfere with the other unit owner's use of his unit or yard.

(d) The owner of the altered unit shall have the right to utilize, relocate and realign existing installations and/or to develop additional, central and appurtenant installations for services to the unit affected by such alteration for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the project, nor shall it unreasonably interfere with the other unit owner's use or enjoyment of his unit or yard.

4. Each and every conveyance, lease and mortgage or other lien made or created on any unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a unit shall reserve to all unit owners the rights set forth in this paragraph.

* SPECIAL NOTATION: When applying for zoning permits with the Planning Department of the County of Kauai, 75% of the owners of the project must sign the permit forms. This requirement is binding on all purchasers as well as future assignees.

EXHIBIT "B"
(Page 2 of 3)

The issuance of an effective date for the Condominium Public Report should not be construed to mean that all County Codes and Ordinances have been complied with and all subsequent development and use shall comply with applicable County Codes and Ordinances.

Additionally, the creation of the Condominium Property Regime does not mean that the land has met the subdivision requirements of the County. As such, certain facilities/ improvements normally associated with County approved subdivisions may not be necessarily provided for.

EXHIBIT "B"
(Page 3 of 3)

EXHIBIT "C"

COMMON ELEMENTS

The common elements of the project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A" attached to the Declaration in fee simple.
2. The common driveway.
3. All central and appurtenant installations for common services, including power, light, water, telephone and sewer.
4. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain units shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

Unit A: The land area under and surrounding Unit A, consisting of approximately 1.240 acres, as designated on the Condominium Map, is reserved for the exclusive use of Unit A for the support of the building and other improvements comprising Unit A, and for the yard, driveway purposes and parking.

Unit B: The land area under and surrounding Unit B, consisting of approximately 1.503 acres, as designated on the Condominium Map, is reserved for the exclusive use of Unit B for the support of the building and other improvements comprising Unit B, and for the yard, driveway purposes and parking.

Unit C: The land area under and surrounding Unit C, consisting of approximately 1.237 acres, as designated on the Condominium Map, is reserved for the exclusive use of Unit C for the support of the building and other improvements comprising Unit C, and for the yard, driveway purposes and parking.

Unit D: The land area under and surrounding Unit D, consisting of approximately 1.764 acres, as designated on the Condominium Map, is reserved for the exclusive use of Unit D for the support of the building and other improvements comprising Unit D, and for the yard, driveway purposes and parking.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Any taxes that may be due and owing and tax liens that may exist, refer to Director of Finance, Kauai County.
2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Grant of Easement dated October 21, 1980 and recorded in said Bureau in Liber 15119 Page 480.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Grant of Easement dated October 21, 1980 and recorded in said Bureau in Liber 15119 Page 494.
4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Agreement dated November 21, 1980 and recorded in said Bureau in Liber 15273 Page 507, with the County of Kauai, a political subdivision of the State of Hawaii, regarding no building permits to be applied until construction of the off-site water line is commenced.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Agreement to Incorporate Agricultural Restrictions into Instruments of Conveyance dated --- (acknowledged May 2, 1980) and recorded in said Bureau in Liber 15457 Page 110, with the County of Kauai Planning Commission.
6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Agreement dated April 29, 1997, and recorded in said Bureau as Document No. 97-057327, with Princeville Utilities Company, Inc., regarding water service.
7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Declaration dated May 6, 1997 and recorded in said Bureau as Document No. 97-061606.
8. Right of Entry to Citizens Utilities Company dated March 18, 1997, and recorded in said Bureau as Document No. 97-069217, granting a right-of-entry for the purposes of building, constructing, repairing, maintaining and operating pole and wire lines, and/or underground lines and related appliances and equipment for the transmission and distribution of electricity and for communications and control circuits.

EXHIBIT "E"

(Page 1 of 2)

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Limited Warranty Deed dated December 19, 1997, and recorded in said Bureau as Document No. 97-180645.
10. Mortgage in favor of Honolulu Limited, a Hawaii corporation, dated December 19, 1997, and recorded in said Bureau as Document No. 97-180646.
11. Waiver and Release dated January 6, 1998, and recorded in said Bureau as Document No. 98-002576, by Moanakai Ltd.
12. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for substance, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
13. Declaration of Condominium Property Regime of "Anini Kai Road Condominium" dated February 26, 1998, and recorded in said Bureau as Document No. 98-027684. Said Declaration was amended by that certain First Amendment to Declaration of Condominium Property Regime of Anini Kai Condominium dated April 7, 1998, and recorded as Document No. 98-049751. Said Declaration was further amended by that certain Second Amendment to Declaration of Condominium Property Regime of Anini Kai Condominium dated April 27, 1998, and recorded as Document No. 98-060467.
14. Bylaws of the Association of Unit Owners of "Anini Kai Condominium" dated February 26, 1998, and recorded in said Bureau as Document No. 98-027685.
15. Condominium Map recorded as Map No. 2694, as amended.

EXHIBIT "E"
(Page 2 of 2)

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
Unit A	\$66.67 x 12 = \$800.00
Unit B	\$66.67 x 12 = \$800.00
Unit C	\$66.67 x 12 = \$800.00
Unit D	\$66.67 x 12 = \$800.00

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

- Air Conditioning
- Electricity
 - common elements only
 - common elements and apartments
- Elevator
- Gas
 - common elements only
 - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

Building		
Grounds	\$200.00 x 12 =	\$2,400.00

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance	\$ 66.77 x 12 =	\$ 800.00
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Reserves(*) (No Reserves - See Note below)

Taxes and Government Assessments

Audit Fees

Other

TOTAL	\$266.67 x 12 =	<u>\$3,200.00</u>
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MOANAKAI LTD., the developer for the ANINI KAI CONDOMINIUM project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

MOANAKAI LTD.

By 
PAT JAMESON
its President

2/28/98
Date

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

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

End of EXHIBIT "F"

NOTE: The Project has no shared structures, shared utilities, shared roads, or other shared improvements which are common elements, and thus has no common elements which will require replacement.

Developer discloses that Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules.

EXHIBIT "G"

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

The Deposit Receipt and Sales Contract, including the terms and conditions attached thereto as Article IV (hereinafter collectively called the "Sales Contract") contain the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract states:

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.
- (b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Sales Contract.
- (c) That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.
- (d) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- (e) Requirements relating to the purchaser's financing of the purchase of a unit.
- (f) That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.
- (g) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.
- (h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (i) That the purchaser will not receive interest on deposits made under the Sales Contract.

(j) If the buyer shall default:

(1) The contract may, at the seller's option, be terminated by written notice to the buyer; and

(2) Any sums paid by the buyer shall belong to the seller as liquidated damages (up to a maximum of 20% of the total purchase price); and

(3) The seller may pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorneys' fees, incurred by reason of default by the buyer shall be borne by the buyer.

Further, if the buyer shall default in making any payment when due, a late charge of one percent (1%) per month shall accrue from the due date until such payment, together with such late charge, is paid, or at any time prior to the time that such payment and late charge is paid in full, the seller may, at its option, terminate this contract as provided in paragraphs (1) through (3) above.

The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen sales Contract on file with the Real Estate Commission.

EXHIBIT "G"
(Page 2 of 2)

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser is entitled to a refund if the purchaser or seller cancels the Sales Contract in accordance with its cancellation provisions, or if the purchaser terminates its reservation before the Sales Contract is binding. However, Escrow may deduct from the refund cancellation fees in accordance with the Sales Contract.

In the event of a default by the purchaser, the funds paid by the purchaser shall belong to the seller as liquidated damages (up to a maximum of twenty percent (20%) of the total purchase price).

The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

(d) The purchaser's funds that are placed in trust prior to closing may be used by the seller after (1) the purchaser has (i) been provided with a final public report; (ii) executed a receipt and notice and has waived his right to cancel or thirty (30) days have elapsed since the purchaser has been provided with the final public report and receipt and notice of right to cancel; and (2) the seller notifies escrow in writing that since (i) and (ii) have happened, the Sales Contract is binding; and (3) the seller's attorney advises escrow that the Sales Contract is binding and the requirements of Hawaii Revised Statutes, Sections 514A-63 and -65 have been met.

(e) Escrow may not disburse any buyer's funds in the construction of the project until completion of the project and the expiration of the mechanic's and materialmen's lien period. Escrow may disburse prior to completion of the project and expiration of the applicable lien period if the Developers would furnish each purchaser an Owners Title Insurance with an endorsement against any future liens placed on the apartments or project as a result of the development, plus providing the Real Estate Commission a release of the General Contractor's lien rights.

EXHIBIT "I"

LAND COURT SYSTEM

REGULAR SYSTEM

RETURN BY: MAIL [] PICKUP [] To:

County of Kauai
Planning Department
4280 Rice Street
Lihue, Kauai, Hawaii 96766

FARM DWELLING AGREEMENT

This agreement made and entered into as of the _____ day of _____, 19 _____, by and between _____,

whose mailing address is _____

hereinafter called the "APPLICANT(S)", and the COUNTY OF KAUAI, Planning Department, whose business and mailing address is 4280 Rice Street, Lihue, Hawaii 96766, hereinafter called the "DEPARTMENT",

W I T N E S S E T H :

WHEREAS, the APPLICANT(S) warrant and represent that they are the _____ of that certain parcel of land, Tax Map Key No. _____ more particularly described in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, this document pertains only to _____ as shown in Exhibit "B" and made part hereof; and

WHEREAS, that certain parcel of land is classified Agriculture by the State Land Use Commission and is zoned Agriculture by the County of Kauai; and

WHEREAS, Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations only permit "farm dwellings" within the State Agriculture Land Use District unless otherwise relieved from the restriction by a special permit obtained pursuant to Chapter 205, Section 6, Hawaii Revised Statutes; and

WHEREAS, a "farm dwelling" is defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations as "a single family dwelling located on and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling"; and

WHEREAS, the parcel identified by Tax Map Key No. _____ is entitled to _____ residential units and one guest house; and

WHEREAS, this agreement is evidenced that _____ is entitled to one of those residential units; and

WHEREAS, a "family" as used in the definition of a "farm dwelling" is defined by the State Land Use District Regulations as "an individual or two or more persons related by blood, marriage or adoption or a group comprising not more than five persons, not related by blood, marriage or by adoption"; and

WHEREAS, the APPLICANT(S) acknowledge that a violation of Chapter 205, Hawaii Revised Statutes, and the State Land Use District restriction is subject to a citation and fine of not more than \$5,000 pursuant to Chapter 205, Section 13, Hawaii Revised Statutes, as amended; and

WHEREAS, the APPLICANT(S) also acknowledge that failure to abide by this agreement may result in the removal of the prohibited structure at the owner's expense; and

WHEREAS, the DEPARTMENT is charged with the enforcement of the restriction by Chapter 205, Hawaii Revised Statutes; and

WHEREAS, the APPLICANT(S) wish to construct a dwelling unit on that certain parcel of land described in Exhibit A; and

WHEREAS, the APPLICANT(S) wish to execute this Farm Dwelling Agreement without first obtaining the signatures of all interest holders in the CPR;

NOW THEREFORE, for and in consideration of the terms, covenants and conditions hereinafter contained, the parties hereby mutually agree as follows:

1. That the dwelling permitted to be constructed on the parcel of land described in Exhibit "A" classified Agriculture by the State Land Use Commission shall be a "farm dwelling" as defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations, as recited herein; and

2. That the dwelling shall only be occupied by a "family", as defined by the State Land Use District Regulations and as recited herein, who derive income from the agricultural activity on the parcel; and

3. That the APPLICANT(S) and all present and future owners, lessees and occupants of said land grant the DEPARTMENT the right of entry at the request of the DEPARTMENT to inspect the premises to assure compliance with the provisions of this agreement; and

4. That this agreement shall be a covenant running with the land and be binding on the APPLICANT(S), and all present and future owners, lessees and occupants of said land and anyone claiming under said APPLICANT(S), their heirs, executors, administrators, successors and assigns, as owners or occupants thereof or otherwise; and

5. That this agreement shall remain in effect so long as the land retains its Agriculture District classification under the State Land Use Commission and the pertinent restrictive provisions of Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations remain in effect; and

6. That the APPLICANT(S) expressly set forth the provisions of this agreement in any subsequent conveyance, deed, lease or rental agreement to said property executed by them, so as to give effect to said covenant; and

7. That this agreement shall be recorded with the State of Hawaii Bureau of Conveyances, fees to be paid by the APPLICANT(S); and

8. The DEPARTMENT and APPLICANT(S) shall execute the Farm Dwelling Agreement; and

9. The APPLICANT(S), for themselves (himself/herself), their (his/her) heirs, administrators, successors and assigns, do hereby waive and release the DEPARTMENT and the County of Kauai, a political subdivision of the State of Hawaii, whose principal place of business is 4396 Rice Street, Lihue, Hawaii, 96766, from all claims and causes of action, either legal or equitable, which may hereafter accrue by reason of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

10. The APPLICANT(S) do(es) hereby promise to indemnify and hold the DEPARTMENT and the County of Kauai, its successors, assigns, offices, employees, agents, attorneys or any other person or legal entity connected with or legally responsible to them, harmless from any and all claims, actions, causes of action, lawsuits, demands or liability for damages of whatever kind and nature, arising out of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

11. This Agreement shall be a covenant running with the portion of land described in Exhibit A, and shall be binding on APPLICANT(S) and all present and future owners and occupants of said portion of land and any one claiming under APPLICANT(S), their successors, and assigns, as owners or occupants thereof. The APPLICANT(S) further agree(s) to expressly set forth the provisions of this waiver and indemnity agreement in any subsequent conveyance, deed, lease, or rental agreement so as to give effect to said covenant.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the _____ day of _____, 19 _____.

APPROVED:

Applicant(s)

Planning Director

APPROVED AS TO FORM AND LEGALITY:

County Attorney

STATE OF HAWAII)
) ss.
COUNTY OF KAUAI)

On this _____ day of _____, 19 _____, before me personally appeared _____

to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Notary Public, Fifth Judicial Circuit
State of Hawaii

My commission expires:

TITLE GUARANTY OF HAWAII
INCORPORATED
HONOLULU, HAWAII

061606 R AWAYA ALVIN PR
/ R WEINBERG HARRY EST

TITLE GUARANTY OF HAWAII, INCORPORATED
HEREBY CERTIFIES THAT THIS IS A TRUE COPY
OF THE ORIGINAL DOCUMENT RECORDED
REGULAR SYSTEM DOCUMENT NO. 97-061606

DATE OF RECORDING : MAY 13, 1997
DESCRIPTION : POR LP 8173 KUL 8559-B
DOCUMENT TYPE : DECLN COVEN

FILE ACCOM-S

ON MAY 13, 1997 AT 8:01 A.M.

BY: Cheryl Y. Qui

EXHIBIT J

LAND COURT

REGULAR SYSTEM

After recordation, return by mail (X)

pickup () to:

REUBEN S. F. WONG, ESQ.
Law Offices of Reuben S. F. Wong
Central Pacific Plaza, Suite 2288
220 S. King Street
Honolulu, Hawaii 96813
Telephone: (808) 531-3526

TG Accom - S
Ahini RS

Total No. of Pages: 12

TITLE OF DOCUMENT:

DECLARATION OF RESTRICTIVE COVENANTS

Declarant: ALVIN AWAYA, ANCILLARY PERSONAL REPRESENTATIVE
OF THE ESTATE OF HARRY WEINBERG, DECEASED

PROPERTY DESCRIPTION:

LIBER/PAGE:

DOCUMENT NO.:
TRANSFER CERTIFICATE OF
TITLE NO. (S):

TMK No.: 5-3-09-1, 2, 3, 4, 5, 7, 8, 9, and 10

DECLARATION OF RESTRICTIVE COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, ALVIN AWAYA, as Ancillary Personal Representative of the Estate of Harry Weinberg, Deceased, whose principal place of business and post office address is 3660 Waiialae Avenue, Suite 400, Honolulu, Hawaii 96816, hereinafter called the "Declarant", own in fee simple, 9 lots, (namely, lots 1, 2, 3, 4, 5, 7, 8, 9, and 10), of the Anini Vista Estates Subdivision located on the Island and County of Kauai, State of Hawaii, hereinafter called the "9 Lots", which lots are more fully described in Exhibit "A" attached hereto and by reference made a part hereof;

WHEREAS, the Declarant desires to maintain the agricultural character of the 9 Lots and to provide for the preservation of the amenities of said 9 Lots, to protect the 9 Lots from poor quality surroundings and to maintain pleasant, sanitary and safe lots.

NOW, THEREFORE, the Declarant hereby declare that each of the 9 Lots when hereafter sold by deed or agreement of sale or hereafter leased by the Declarant, shall thereafter be held, sold, conveyed, encumbered, leased, used, occupied and improved, subject to the restrictive covenants herein contained.

ARTICLE I

Definitions

Section 1. The following words when used in this Declaration of Restrictive Covenants (unless the context otherwise specifies or requires) shall have the following meanings:

(a) "Declarant" shall mean and refer to Alvin Awaya, as Ancillary Personal Representative of the Estate of Harry Weinberg, Deceased, and the fee simple owner of the 9 Lots.

(b) "Owner" shall mean the legal or equitable owner, whether one or more persons or entities, who acquires title to all of the fee simple interest in any one of the 9 Lots, or who leases all of the leasehold interest in any one of the 9 Lots, but excluding any person or entity having any interest in any of the 9 Lots merely as security for the performance or repayment of any obligation and specifically excluding Declarant.

(c) "Agricultural area" shall mean and refer to the 9 Lots described in Exhibit "A".

(d) "Lot" shall mean and refer to the subdivided parcels of land that comprise the 9 Lots.

(e) "Agreement of sale" shall mean and refer to a contract or agreement, recorded in the Bureau of Conveyances, State of Hawaii, whereby a seller has agreed to sell and a purchaser has agreed to buy the property that is the subject of the agreement of sale. The purchaser under an agreement of sale for the fee simple interest in a lot or lot site from the Declarant shall be considered to have an equitable interest in the lot and shall be considered a "Owner" as defined above.

ARTICLE II

Restrictions

Section 1. Land Use. The 9 Lots shall be used in accordance with the State Land Use District Regulation and the Comprehensive Zoning Ordinance of the Island and County of Kauai. The land is zoned "Agricultural" by the Island and County of Kauai, and classified "Agricultural" by the State of Hawaii; therefore use of the land shall be in accordance with the following:

- A. The use of the 9 Lots shall be limited to those uses permissible in an "A" agricultural district, which are as follows:
- (1) Cultivation of crops, including but not limited to flowers, vegetables, foliage, fruits, forage and timber.
 - (2) Game and fish propagation.
 - (3) Raising of livestock, including but not limited to poultry, bees, fish or other animal or aquatic life that are propagated for economic or personal use.
 - (4) Farm dwellings, farm buildings or activities or uses related to farming and animal husbandry.
 - (5) Public institutions and buildings which are necessary for agricultural practices.
 - (6) Public and private "open area" types of recreational uses including day camps, picnic ground, parks, and riding stables, but not including drag strips, airports, drive-in theaters, golf courses, golf driving ranges, country clubs, and overnight camps.
 - (7) Public, private, and quasi-public utility lines, and roadways, transformer stations, solid waste transfer stations, etc., and appurtenant small buildings such as booster pumping stations but not including offices or yards for equipment, material,

vehicle storage, repair or maintenance, treatment plants and major storage tanks not ancillary to agricultural practices, or corporation yards or other like structures.

- (8) Retention, restoration, rehabilitation or improvement of buildings or sites of historic or scenic interest.
- (9) Roadside stands for the sale of agricultural products grown on the premises.
- (10) Building and uses, including but not limited to mills, storage and processing facilities, maintenance facilities that are normally considered direct accessory to the above permitted uses.
- (11) Agricultural parks.

B. Any dwelling constructed on any lot shall be a farm dwelling. A farm dwelling shall mean a single family dwelling located on and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling.

C. The following activities will not be permitted.

- 1. No off street or curb parking will be permitted along Anini Vista Drive.
- 2. No commercial activity, with the exception of vacation rentals, will be permitted on any lot.
- 3. No offensive noises (that is, motor cross bikes, continuously barking dogs or other animals making unwanted noises such as roosters and chickens crowing continuously, and parrots and macaws cawing or making noises continuously) outside of those associated with the necessary maintenance and use of a lot.
- 4. Offensive Odors. No activity that generates an offensive or noxious odor will be permitted.

D. These covenants and restrictions shall run with the land until such time as the land is reclassified to a Land Use District other than Agriculture.

Section 2. Site Improvement Guidelines. The lots shall be subject to the following site improvement guidelines:

- A. Sight Distance At Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points fifteen (15) feet from the intersection of the street lines, or in the case of a rounded lot property corner from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.
- B. Fences. All fencing bordering on to Anini Vista Drive, Anini Road, Kalihiwai Road or Kuhio Highway must be three (3) rail wooden fencing of a kind and color to be approved by the Design Review Committee.
- C. Walls. No walls higher than six (6) feet will be permitted.
- D. Recreational, Commercial and Construction Vehicle, Boats, and Trailers. All such vehicles must be parked under roof in an approved building. No trailer homes shall be allowed.
- E. Mowing. Each lot fronting Anini Vista Drive must be kept mowed in a reasonable manner with the exception of areas where the topography makes mowing impossible or unreasonable.
- F. Driveways. Each property bordering onto Anini Vista Drive will be permitted a maximum of one (1) entry driveway with the exception of Lots 1 and 7 which shall each be permitted two (2) entry driveways.
- G. Construction Hours. Construction hours will be limited to Mondays through Saturdays from 7:00 a.m. to 6:00 p.m.

Section 3. Building Guidelines.

- A. Building Setbacks. All setbacks must comply with existing county setbacks and with a sixty (60) foot setback for any lot fronting Anini Vista Drive.
- B. Building Size, Costs and Materials. The floor area of the building or dwelling shall have a floor area of not less than one thousand (1,000) square feet. A minimum building cost of one hundred-fifty dollars (\$150.00) per square foot for all living areas will be required. No

used materials or vinyl or plywood siding will be permitted with the exception of a board and batten finish of a style and type to be approved by the Design Review Committee.

- C. Height Profile of Building. Only a one (1) story building or dwelling will be permitted off the existing grade level. A lower second story will be permitted only at the lower level on a down slope lot condition. Exposed column structures below the second level shall not exceed 6 feet. (See attached sketch labelled as Exhibit "B" and made a part hereof for further details on this height profile matter.)
- D. Roofs. All roofs must be pitched with a minimum $4\frac{1}{2}/12$ slope, preferably a "Hawaiian" style roof. Transitional flat roofs will only be permitted on approval of the Design Review Committee. (See Exhibit "B" for further information on the shape of the roof.) Roof materials shall be shake, shingle composition, copper or non-glazed ceramic. Colors shall be earth tone. No red or white roofs are allowed.
- E. Garages. All garages must be covered by a roof and must accommodate a minimum of two (2) cars. No garage doors facing towards the Anini Vista Drive will be permitted.
- F. Barns and Accessory Farm Buildings. There may be a maximum of one (1) barn per dwelling site with a maximum height of twenty (20) feet and of a color and style to be approved by the Design Review Committee. In the event that a detached garage is built on the dwelling site, then no barn will be permitted. No living quarters in any detached structure other than the principal residence will be permitted.
- G. Temporary Buildings. The only temporary buildings to be permitted will be condominium property regime ("CPR") sheds which must be of a style and color approved by the Design Review Committee. In the event that a barn or a detached garage is constructed on the lot or lot site, then the CPR shed must be removed or demolished at the cost and expense of the lot owner.

Section 4. View Corridors and Tree Trimming Guidelines. Lot owners shall have the right to reasonably trim vegetation on adjoining lots within fifty (50) feet of the adjoining lot boundary line. Such trimming can only be completed in the Open Space zoning area. Such work is to be completed at no cost to the adjoining lot owner. Such trimming shall be completed in a prudent manner in order to enhance views. Lot owners completing such trimming on adjoining lots shall notify adjoining lot owners five (5) days in advance and shall indemnify the adjoining lot owner for any damages

done caused by such trimming. Only licensed tree trimmers with adequate liability and personal injury insurance and who are also covered by workers compensation insurance shall be allowed to undertake and complete such trimming work.

Section 5. Additional Restrictions.

(a) Nuisance. No noxious or offensive activity shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(b) Temporary Structures. No structure or building of temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot of the subdivision at any time as a residence, either temporarily or permanently.

(c) Signs. No sign of any kind shall be displayed to the public view on any lot, except one (1) professional sign not more than one (1) square foot, one (1) sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

(d) Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers which are sheltered and kept from public view. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. All lot owners and lot lessees will be responsible for the timely disposal of their garbage at a County Garbage Disposal site.

(e) Water Supply. No individual water supply system shall be permitted on any lot of the subdivision. Water will be supplied through a public system maintained by Princeville Water Systems, Inc., or its successor and assigns.

(f) Natural Water Courses. No construction of any buildings or any improvements or any grading or disposal of soil, rubbish, or other material which will impede the free flow of water in the various natural channels and water courses located within the 9 Lots shall be undertaken unless such impediments are approved in writing by the Department of Public Works of the Island and County of Kauai.

ARTICLE III

Section 1. Design Review Committee and Procedure for Making Amendments to the Improvement Guidelines, Building Guidelines and Related Construction Matters. A Design Review Committee consisting of three (3) members will be established for the 9 Lots. The initial Design Review Committee will include John Ferry, Alistair

Paterson, and William Dornbush. A majority vote of the nine (9) lot owners can replace any member of the Design Review Committee.

Except as otherwise provided herein, this Declaration, including the "Guidelines" set forth in Sections 1.C., 2, 3, 4, and 5 of ARTICLE II, may be amended by a vote of at least seven (7) of the nine (9) lot owners.

ARTICLE IV

General Provisions

Section 1. Duration. These restrictive covenants will be in effect from the date this instrument is recorded. These restrictive covenants are to run with the land and shall be binding on all parties and persons claiming under any of the 9 Lots. These restrictive covenants may be changed at any time, as provided herein; provided, however, that such changes do not violate the Island and County of Kauai and the State of Hawaii statutes, ordinances and laws, easements in effect, and that changes to restrictive covenants listed in Section 1.A, 1.B, 1.D, 2.A., 3.A, and 3.B. of ARTICLE II may be made only with the written approval of the County of Kauai.

Section 2. Enforcement. The Association of Owners of Anini Vista Estates (hereinafter referred to as "Association") shall have the right and the responsibility, to enforce any or all of the restrictive covenants and conditions imposed by this Declaration of Restrictive Covenants against any lot owner, person or persons violating or attempting to violate any restrictive covenant or condition. If at any time a dispute, difference or question shall arise between the Association and either a lot owner, person or persons, concerning the interpretation, construction or effect of the terms and provisions hereof or concerning full compliance by such lot owner, person or persons, with the Declaration, then every such dispute, difference or question shall be submitted to and determined by arbitration as set forth in the Bylaws of Association; provided, however, notwithstanding any provision herein to the contrary, the Association shall have the right to bring an action in any court of competent jurisdiction for an injunction pending the outcome of the arbitration. The lot owner, person or persons who the arbitrator(s) finds in violation of any restrictive covenant or condition may be liable for all costs and expenses of such enforcement action, including reasonable attorney's fees, and shall pay for any damages incurred. No failure by the Association to seek enforcement of the provisions of this Declaration of Restrictive Covenants shall entitle any lot owner or Declarant, or other person, to bring or maintain any action or proceeding in law or equity against the lot owner violating or attempting to violate a restrictive covenant or condition.

Section 3. No Waiver. No failure by the Association to enforce the provisions of any restrictive covenant or condition of this Declaration of Restrictive Covenants shall constitute a waiver of any right by the Association to enforce any provisions of the Declaration of Restrictive Covenants in another case against or with respect to the same lot owner.

Section 4. Severability. The restrictive covenants and conditions of this Declaration of Restrictive Covenants shall be deemed independent and severable and the invalidity or partial invalidity of any provision or portion thereof, or of any such restrictive covenant or condition shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, the Declarant has executed these presents this _____ day of May 6, 1997.

Approved as to Form

By *[Signature]*

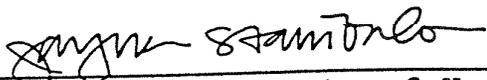
[Signature]
ALVIN AWAYA, as Ancillary Personal Representative of the Estate of Harry Weinberg, Deceased

"Declarant"

STATE OF HAWAII)
)
CITY AND COUNTY OF HONOLULU) SS.

On this _____ day of MAY 06 1997, 19_____,

before me appeared ALVIN AWAYA, to me known to be the duly appointed Ancillary Personal Representative of the Estate of Harry Weinberg, Deceased, described in and who executed the foregoing instrument, and acknowledge that he executed the same as the free act and deed as such Ancillary Personal Representative.



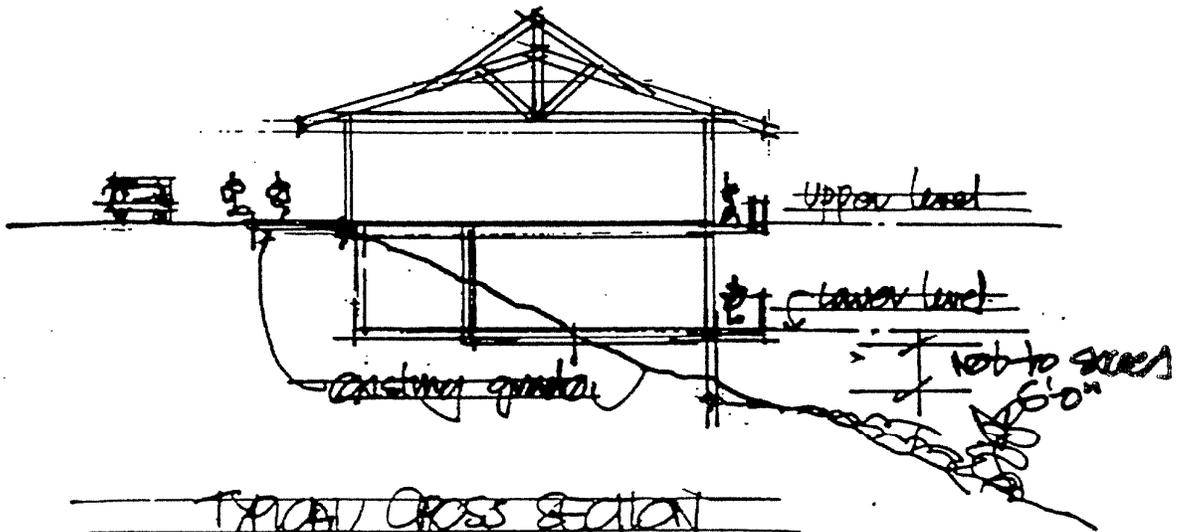
Notary Public, State of Hawaii

My commission expires: JAN 30 2000

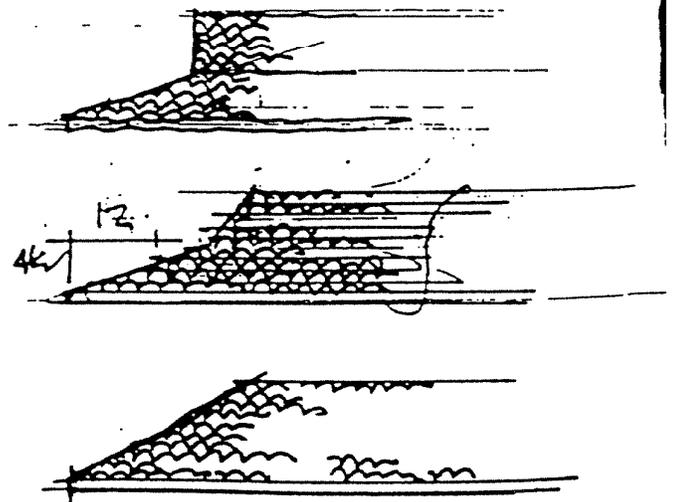
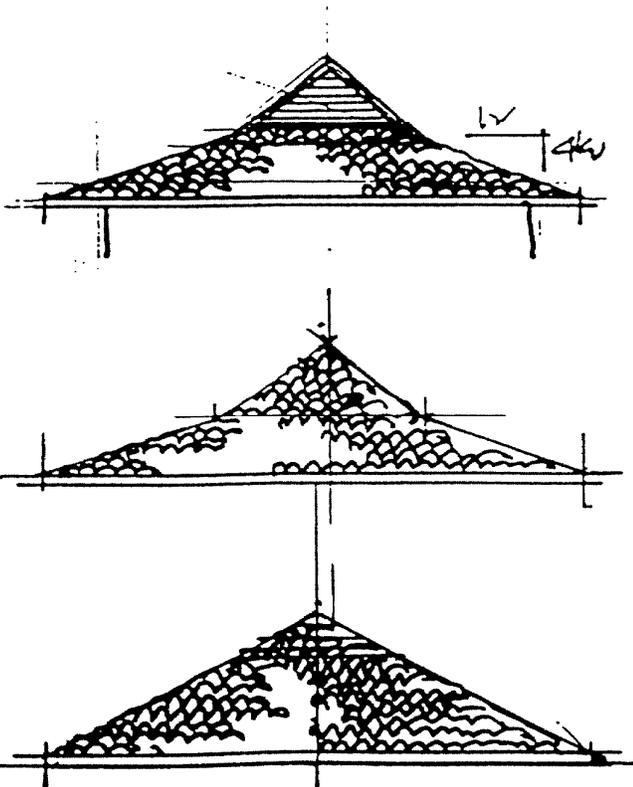
L.S.

Exhibit "A"

All of those certain parcels of land (portions of the lands described in and covered by Land Patent Number 8173, Land Commission Award Number 8559-B, Apana 39 to William C. Lunaliilo, and Land Patent Number 8183, Land Commission Award Number 11215, Apana 3 to A. Keliihonui) situate, lying and being at Kalihikai and Kalihiwai, Island and County of Kauai, State of Hawaii, being Lots 1, 2, 3, 4, 5, and Lots 7, 8, 9, and 10.



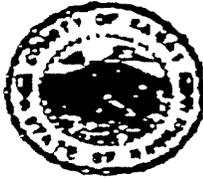
TYPICAL CROSS SECTION
 scale: 1/16" = 1'-0"



TYPICAL ROOFS

EXHIBIT B

EDUARDO B. MALAPIT
MAYOR



BLAIR W. NICHINGTO
PLANNING DIRECTOR

COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 KICE STREET
LILUOEA, HAWAII 96766

March 8, 1979

Mr. James C. Blackwell, Jr.
P. O. Box 908
Lihue, Hawaii 96766

Subject: Special Management Area Use Permit SMA(U)-79-9
James C. Blackwell, Jr./Alan T. Sanborn
TK: 5-3-06:11 Anini, Hanalei, Kauai

The Planning Commission at its meeting held on February 28, 1979, approved the above permit for a 10-lot agricultural subdivision, subject to the following conditions:

1. As recommended by the Health Department, compliance with Chapter 1, Sanitation, Public Health Regulations, relative to the cemeteries on the property.
2. As represented by the applicant, the subdivision shall not be developed under the Horizontal Property Regime Act.
3. All grading, earth-moving, agriculture grubbing or removal of vegetation shall be strictly in accordance with the County Grading Ordinance or an accepted management program of the U.S. Soil Conservation Service. All such activities shall be done in accordance with acceptable soil conservation, cultivation and other land management practices.

EXHIBIT K

Mr. James C. Blackwell, Jr.
Page 2
March 8, 1979

and shall not create adverse effects to shoreline lands, water, or ecosystems. Grading and grubbing shall be strictly limited within the steeper areas.

4. The subdivision shall comply with all applicable requirements of the Subdivision and Comprehensive Zoning Ordinances of the County of Kauai, and shall include deed restrictions for each lot which require compliance with the State Land Use Regulations relative to permissible uses in the Agriculture District, and if dwellings are to be constructed the dwellings shall be farm dwellings as defined as follows:

"Farm Dwelling shall mean a single-family dwelling located on and used in connection with a farm where agricultural activity provides income to the farm occupying the dwelling."

Draft copies of such deed restrictions shall be submitted prior to final approval of the subdivision and final copies submitted within 30 days after recordation, but not later than six (6) months after final approval. Failure to so record the deed restrictions shall automatically cause this subdivision to be in violation of the laws governing the subdivision of lands in the Agriculture District.

5. Prior to and during construction and use, all applicable State and County laws, codes, ordinances, rules and regulations be complied with.



BRIAN NISHIMOTO
Planning Director

cc: Mayor, Pub. Works Dept.
Water Dept., Health Dept.
Hwy. Div., Taxation Bt.

RYANNE W. KUSAKA
MAYOR



PLANNING DEPARTMENT

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

August 18, 1997

RECEIVED
AUG 20 1997

Max W. J. Graham, Jr.
Belles Graham Proudfoot & Wilson
4334 Rice Street, Suite 202
Lihue, Hawaii 96766

BELLES GRAHAM
PROUDFOOT & WILSON

Subject: Request to Delete Condition No. 2
Special Management Area Use Permit SMA(U) -79-9
Anini Vista Estates Subdivision
TMK: 5-3-09: 1 to 10

The Planning Commission at its meeting held on August 14, 1997 approved the subject request to delete Condition No. 2 of SMA Use Permit SMA(U) -79-9 in its entirety. In order to further address visual/scenic, environmental, and historical concerns of the project, the Planning Commission added the following new Condition No. 2 to the subject permit.

- "2. In order to further address visual/scenic, environmental, and historic concerns of the project the following shall apply:
 - a. In addressing environmental and visual impacts of the project, the owner/applicant of each lot shall submit a landscape plan for review and approval by the Planning Department prior to the development of final plans for construction or grading on each of the lots within the subdivision. As much as possible existing mature vegetation within the SMA portions of the project shall either be preserved or replaced with other approved vegetation. Landscape plan(s) should include identification of existing mature vegetation to be retained on the site, along with proposed landscaping for the project. Proposed landscaping shall consist of native or other species common to the area.

- b. Building design review shall be required for all buildings or structures on each lot in the subdivision. Design guidelines shall be as follows:
- i. As represented only a one (1) story building or dwelling will be permitted off the existing grade level. A lower second story may be permitted only at the lower level on a down slope lot condition as shown on the attached Exhibit "B".
 - ii. The color scheme of all buildings to be constructed shall be of medium to dark or compatible earth tone colors. The use of highly reflective colors or materials on the roofs of all buildings shall not be allowed. Color scheme samples shall be submitted to the Planning Department for review and approval prior to building permit application.
 - iii. The use of mirrored glass, reflective sun screens or other highly reflective materials for exterior windows shall be prohibited.
 - iv. All exterior lighting shall consist only of shielded lights, cut-off luminaries, or indirect lighting. Spotlights aimed upward or spotlighting of structures shall be prohibited.
 - v. With the exception of Lots 3, 4, 6, and 8 of the subdivision, the construction of all farm dwellings and accessory buildings shall be confined to the portions of each lot within the subdivision which are not located in the SMA. With the exception of Lots 3, 4, 6, and 8 of the subdivision, the development of buildings, structures, and roadways within the SMA shall not be allowed. Construction of the SMA portion of Lot 4 shall be limited to a Guest House and pedestrian pathway. Construction on the SMA portion of Lots 6 and 8 shall be limited to one farm dwelling each, accessory structures, and driveways, but shall not include any Guest Houses.

Page 3

Max W. J. Graham, Jr.
August 18, 1997

Construction of Lot 3, all of which is located in the SMA, shall be limited to one farm dwelling, accessory structures, a driveway, one Guest House, and such other structures as may be approved by the Planning Director or the Planning Commission pursuant to the Special Management Area Rules and Regulations of the County of Kauai.

- vi. Prior to the submittal of a building permit application for any development on Lots 3, 4, 6, and 8, the owner(s)/applicant(s) of Lots 3, 4, 6, and 8 shall submit a master plan for each respective lot for review and approval by the Planning Commission. The master plan shall indicate the location and orientation of all structures, buildings, and roadways on subject lots. Master plan should also included conceptual structure designs, landscaping, building location, and color schemes.
- c. As recommended by the State Historic Preservation Division (SHPD), prior to any construction or grading within the SMA portions of the lots within the subdivision, the applicant/owner shall contact the State Historic Preservation Division at 742-7033 regarding archaeological requirements for the project.



DEE M. CROWELL
Planning Director

cc: State Historic Preservation Division

Enclosure

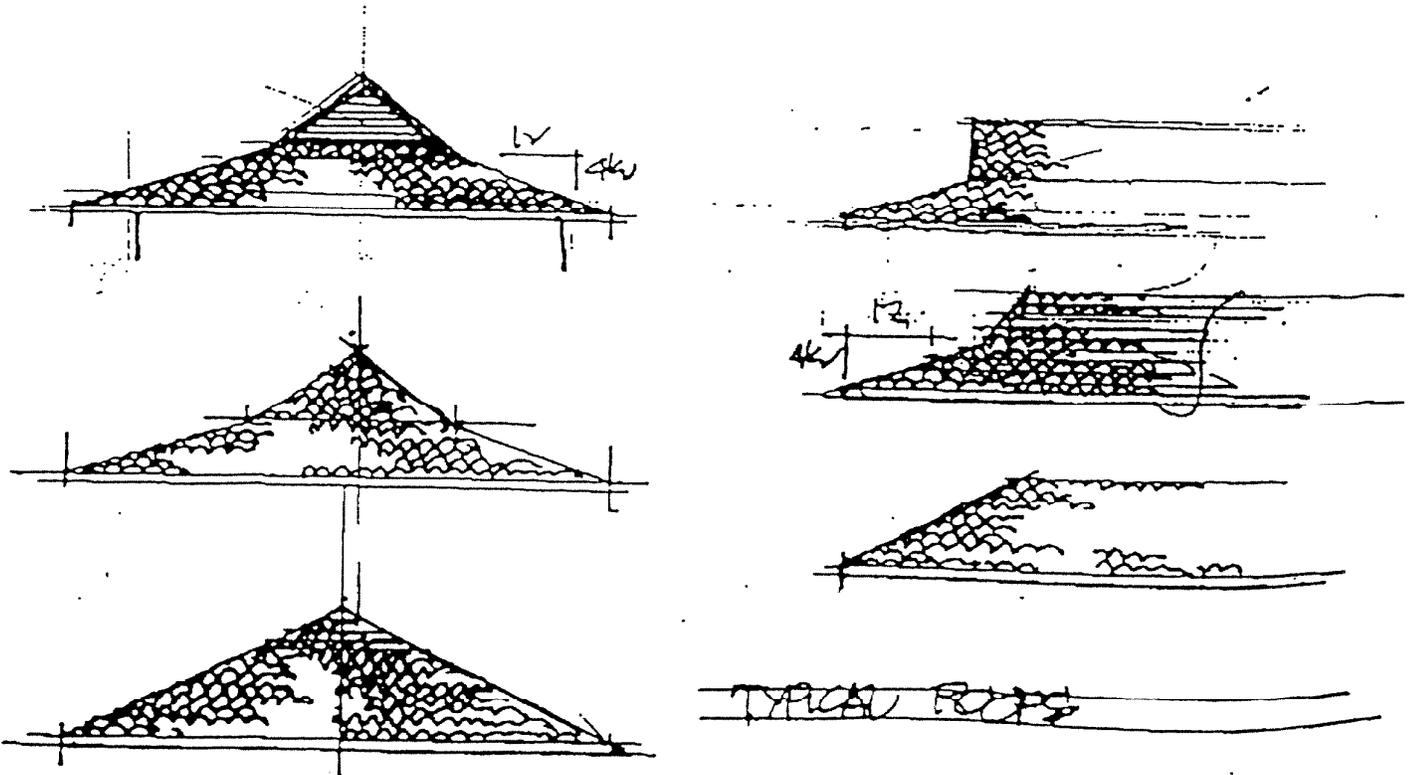
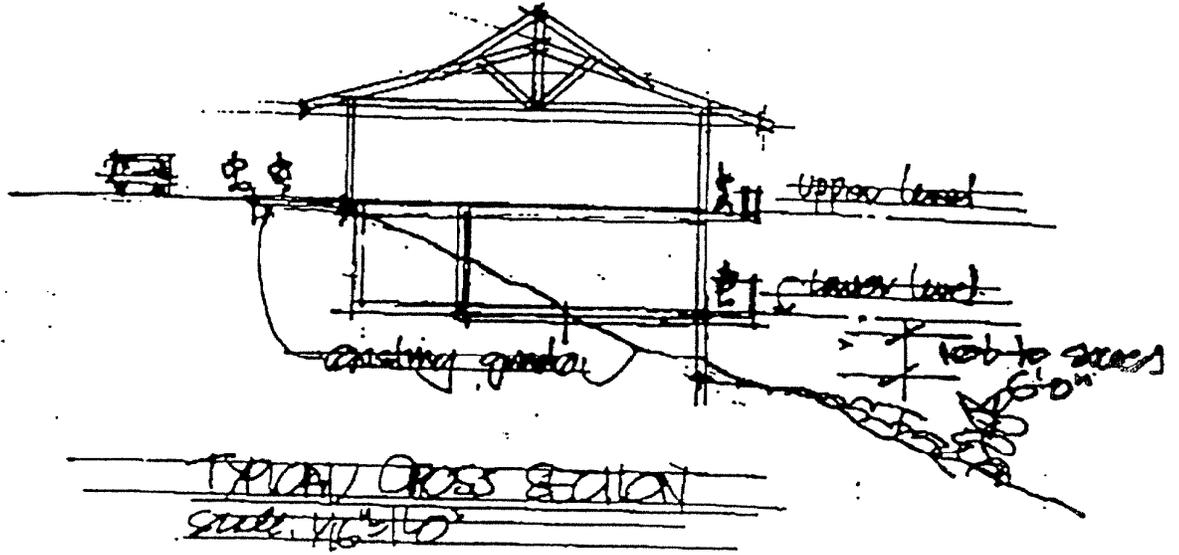


EXHIBIT B