CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Kekaha Properties, L.L.C.
Address P.O. Box 1255, Koloa, Kauai, Hawaii 96756

Project Name(*): Kekaha Sunset Seven
Address: 8224-A & 8224-B Elepaio Road, Kekaha, Kauai, Hawaii 96752

Registration No. 3966

Effective date: **August 6, 1998**
Expiration date: **September 6, 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, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

___ **PRELIMINARY:** (yellow)
The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

___ **CONTINGENT FINAL:** (green)
The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.
[ ] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____.

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

___ **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 [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

IMPORTANT NOTES:

1. Expansion of Condominium Homes within Private Yard Areas shown on the Condominium Map is permitted but must comply with requirements specified in the Declaration of Condominium Property Regime and Declaration of Use and Design for the Kekaha Sunset Community. The second Condominium Home to be expanded within the project must also secure an Additional Dwelling Unit Clearance from the County of Kauai in connection with the issuance of a building permit. Acquisition of a Condominium Home operates as an owner's consent to another owner's improvement of their respective Private Yard Areas. Purchasers shall be required to execute an appropriate consent concurrently with the purchase of a Condominium Home.

2. The Condominium Homes and Private Yard Areas are situate near to an existing County of Kauai public park facility and the use and future use and expansion of such facility may generate noise, dust, or other nuisances, disturbances, annoyances, hazards and effects which may affect the use and enjoyment of the Condominium Homes and Private Yard Areas. The owner, the owner's family, lessees, tenants, servants, guests, invitees, licensees, employees, or other person who may occupy or otherwise use the Condominium Homes or Private Yard Areas, accept the possibility of the occurrence of the above uses and impacts from the adjacent public park, assume the risk of such occurrence, and expressly waive all claims against the County of Kauai arising out of or in connection with the use and impact of the public park, including the right to seek damages or the abatement or elimination of the use of the public park.

3. A portion of the whole of the Private Yard Area and/or Private Expansion Area as reflected on the Condominium Map has been designated as a flood zone, either Federal Emergency Management Agency Zone X or Zone A, signifying the risk of flooding during a 500-year or 100-year storm, respectively. Location of improvements within a designated flood zone requires adherence to special building requirements. These areas may be subject to flooding.

4. The Private Yard Area is affected by existing drainage or retention facilities, which may not be repaired or altered by owner except as permitted in the Condominium Home Deed. Storm water ponding may occur in these facilities. The owner of a Condominium Home, at his cost, shall be obligated to preserve and maintain the existing drainage pattern and to repair and clean the drainage facility on the appurtenant Private Yard Area. Construction or installation of any improvements located within the foregoing drainage or retention areas that may hinder the flow of the storm waters or reduce the capacity of water retention is not allowed.

5. Construction or installation of any improvements immediately adjacent to the retention areas described above must be elevated so that the finish floor is no less than one (1) foot above the retainment overflow berm. The finish floor elevation requirement for these improvements is 12.7 above mean sea level. Improvements that allow water to flow through may be constructed or installed. Examples of such improvements include hedges, landscaping, fences and similar improvements. Improvements such as solid walls, filling, habitable structures which obstruct the flow of storm retention water may not be constructed or installed. Any and all improvements shall be subject to the provisions contained in the Declaration of Use and Design for the Kekaha Sunset Community and shall comply with all applicable laws, including the ordinances and regulations of the County of Kauai.

6. (a) Owners of Condominium Homes are specifically responsible for the maintenance of the landscaping buffer, if any, along the boundary of the Private Yard Area fronting or facing Kaumualii Highway. The right to plant this area is specifically reserved to the Developer. This landscaping maintenance obligation may be enforced under the Declaration, by the County of Kauai or the State Department of Transportation.

(b) The Private Yard Area is within the County of Kauai's "Open District" zoning designation. The dwelling unit and associated accessory structures constructed within the Private Yard Area, may not exceed a total foot print area of 2,500 square feet, exclusive of joint driveway improvements servicing any two or more of the Private Yard Areas. Further, the standard County of Kauai Comprehensive Zoning Ordinance (CZO) 10-foot setback shall be 20 feet in the location(s) noted on the Condominium Map. No building improvements to the Private Yard Area (other than landscaping improvements and other improvements permitted under the CZO) may be made within the twenty (20) foot wide setback area reflected on the Condominium Map. Any landscaping proposed for the Private Yard Area must be approved in advance of planting by the County of Kauai Planning Department and then may proceed only in accordance with plans therefor approved by the Department.

7. The "Condominium Homes" are not currently habitable; expansion is required before the Condominium Homes may be occupied.

8. Each Private Yard Area (or access easement area) bordering Alae and Elepaio Roads is subject to a two (2) foot wide future road widening reserve. The interior edge of this reserve area serves as the applicable boundary of the Private Yard Area for new construction improvement setbacks. The County of Kauai may utilize this reserve area for roadway expansion purposes.

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. 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.

1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.

2. Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

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

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General Information On Condominiums

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

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/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 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 they 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 a 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 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: Kekaha Properties, L.L.C. Phone: (808) 742-7902
Name (Business)
P.O. Box 1255
Business Address
Koloa, Hawaii 96756

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

Richard D. Browning, Member

Don F. Holley, Member

Real Estate Broker: Island Pacific Properties Phone: (808) 742-9508
Name (Business)
P.O. Box 1255
Business Address
Koloa, Hawaii 96756

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

General Contractor: Island Renovations Phone: (808) 332-5959
Name (Business)
P.O. Box 580
Business Address
Kalaheo, Hawaii 96741

Condominium Managing Agent: Self-managed by the Association Phone:
Name (Business)
Business Address

Attorney for Developer: Case Bigelow & Lombardi (Dennis M. Lombardi) Phone: (808) 547-5400
Name (Business)
Grosvenor Center, Mauka Tower
737 Bishop Street, Suite 2600
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances — Document No. 98-082965
Book _____ Page _____

[ ] Filed - Land Court — Document Number _____

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

Amendment to Declaration of Condominium Property Regime of Kekaha Sunset Seven dated July 23, 1998, recorded as Bureau of Conveyances Document No. 98-110370.

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

The Condominium Map for this condominium project is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances Condo Map No. 2747

[ ] Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

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

The Bylaws for this condominium are:

[ ] Proposed

[X] Recorded - Bureau of Conveyances — Document No. 98-082966
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]:

Amendment to Bylaws of the Association of Condominium Home Owners of Kekaha Sunset Seven dated July 23, 1998, recorded as Bureau of Conveyances Document No. 98-110371.

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

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [X] Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	—	May be adopted by Majority Vote of Board of Directors

* 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.

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

A. Upon completion of the Project, the Developer may amend the Declaration and the Condominium Map (if necessary) to file the "as built" verified statement required by Section 514A-12 of the Condominium Property Act.

B. Until all of the apartments have been sold, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the Real Estate Commission, by the title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that no such amendments change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment.

C. Until all of the apartments have been sold and the "as built" verified statement is filed, the Developer may amend the Declaration and the Condominium Map to (i) reflect alterations in any apartment which has not been sold; and (ii) reflect minor changes in any apartment or in the common elements which do not affect the physical location, design or size of any apartment which has been sold.

III. THE CONDOMINIUM PROJECT

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

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

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

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

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

Lease Term Expires:_____

Rent Renegotiation Date(s): _____
_____

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

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

For Subleaseholds:

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

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

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

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

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

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: 8224-A & 8224-B Elepaio Road
Kekaha, Kauai, Hawaii 96752

Tax Map Key: (Kauai) 1-3-003-por. 021 &
(TMK) 1-3-003-por. 026

[ ] Address [ ] TMK is expected to change because _____

Land Area: 22,250 [X] square feet [ ] acre(s) Zoning: O/SP/T/P

Fee Owner: Kekaha Properties, L.L.C.
Name

P.O. Box 1255
Address

Koloa, Hawaii 96756

Lessor: _____
Name

_____
Address

_____

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building one

[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other Wood frames, metal, glass and other building materials.

4. Uses Permitted by Zoning:

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

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

[X] Pets: Reasonable number of common household pets, such as small dogs, cats, aquarium fish and birds. No livestock or poultry, and no animals classified as "pests" or prohibited from importation under state statutes.

[X] Number of Occupants: No more than 2 persons per bedroom, not including children under 5 years old; no more than 3 persons per bedroom including children under 5 years old; and otherwise only in accordance with any limitations imposed by state or municipal law or ordinance.

[X] Other: Condominium Homes shall be used for residential purposes only; no "time-sharing" permitted.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area(sf)*	Net Other Area (sf)	Identify
Unit A & B	2	N/A		16	Shed

Total Number of Apartments 2

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. Other documents and maps (including the Condominium Map) may give floor area figures which differ from those above because a different method of determining the floor area may have been used.*

Limits of Condominium Homes. Each Condominium Home includes all walls, columns and partitions (both load bearing and not load bearing) which are within the Condominium Home's perimeter walls including without limitation the Condominium Home's perimeter walls, the Condominium Home's foundation, all floors, ceilings, doors, windows, sliding glass doors, screen doors, door frames and window frames, the air space within the Condominium Home, the garage including its floor, foundation, ceiling, doors and perimeter walls, the lanais, if any, shown on the Condominium Map to the exterior edge of the exterior railings or other boundaries of such lanais, all rollers, locks, handles, tracks, and appurtenant hardware associated with all windows, doors and exterior automobile garage doors and all sliding or swinging screen doors and all glass window screens and all fixtures originally installed in the Condominium Home, and all pipes, plumbing (including water heaters), wires, conduits and other utility or service lines and facilities servicing only the Condominium Home. The Condominium Homes shall also include all load-bearing columns, girders, beams, building components and other elements included within each Condominium Home. The Condominium Home shall not include any pipes, shafts, wires, conduits or other utility or service lines running through a Condominium Home which are utilized for or serve more than one Condominium Home, all of which are deemed common elements as provided in the Declaration.

Permitted Alterations to Condominium Homes. Alterations or additions solely within a Condominium Home shall require only the written approval of the owners of such Home, by the holder of a first mortgage lienholder of the Home (if the lienholder requires such approval), by the appropriate agencies of the State of Hawaii and the County of Kauai, if such agencies so require. An owner may expand or add to the limits of his Home within the Private Yard Area appurtenant to the Home; provided the owner obtains the prior written approval of the holder of a first mortgage lien affecting the Home (if the lienholder requires such approval), the appropriate agencies of the State of Hawaii and the County of Kauai, if such Agencies so require, the design review committee appointed by the Board, and by all other owners directly affected (as determined in a reasonable manner by the Board). Construction of second homes within the project requires the County's approval of an ADU application.

7. Parking Stalls:

Total Parking Stalls: 2

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)		1*					2
Guest							
Unassigned							
Extra for Purchase							
Other:		**					
Total Covered & Open	2		0		0		2

* Each apartment will have the exclusive use of at least 1* parking stall(s).

** Open parking is available within the Private Yard Area, referred to as limited common element land area.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities.

[X] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute

[ ] Other: _____

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

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

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

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

[Not applicable]

11. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

D. **Common Elements, Limited Common Elements, Common Interest:**

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

[X] described in Exhibit B.

[ ] as follows:

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

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

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

[X] described in Exhibit C*.

[ ] as follows:

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

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

[X] described in Exhibit D.

[ ] as follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated May 15, 1998 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit If Developer Defaults or Lien is Foreclosed Prior to Conveyance
NONE	NONE

F. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

No expenses or implied warranty is given for improvements. Improvements and Condominium Homes sold in "AS-IS" condition.

2. Appliances:

The Developer makes no warranty as to any appliances or other consumer products that may be installed in any Condominium Home or in the common elements. If there are any applicable manufacturer's or dealer's warranties relating to such appliances or other consumer products, the Developer will endeavor to assign and pass on to each owner the benefit of such warranties.

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

Construction of Unit A and B sheds was completed in May, 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):

[Not Applicable]

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[ ] not affiliated with the Developer [ ] the Developer or the Developer's affiliate.
[X] self-managed by the Association of Apartment Owners [ ] other _____

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

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

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

Exhibit G* contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[X] None [ ] Electricity (_____ Common Elements only _____ Common Elements & Apartments)
[ ] Gas (_____ Common Elements only _____ Common Elements & Apartments)
[ ] Water [ ] Sewer [ ] Television Cable
[ ] Other _____

*Note: Developer has not 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.

V. MISCELLANEOUS

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

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

[ ] Notice to Owner Occupants

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

[X] Escrow Agreement dated May 1, 1998
Exhibit I contains a summary of the pertinent provisions of the escrow contract.

[ ] 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 buyers. 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 from $35.00 up to the amount of the escrow fee.

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

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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.

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 Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) Condominium Map, as amended.
E) 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: Declaration of Use and Design.

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 (DCCA). Supporting documents for this registration are on file with the DCCA for a period of ten years and one day from the effective date of the last public report. After that time, the DCCA will destroy the supporting documents except for the last public report. 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, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 3966 filed with the Real Estate Commission on June 10, 1998.

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

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock [ ] green paper stock

Note: The Developer advises that costs and expenses of maintenance and operation of a condominium community are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on services desired by apartment owners and may increase significantly depending on the level of services eventually selected by the Association's Board of Directors. The Buyer should examine the maintenance charges schedule to see what services are included in the schedule and address these issues with its Board upon its formation.

C. Additional Information Not Covered Above

This project, along with others situated on fourteen (14) subdivided lots, comprising TMK (4) 1-3-003:15-18, 20-28 and 73 (Kekaha Sunset Community) is subject to a Declaration of Use and Design which may affect your expectations on the construction and use of Condominium Homes on the properties. Prospective purchasers are urged to examine said Declaration and Exhibit J herein before buying a unit. A copy of said Declaration is on file with the Real Estate Commission or may be obtained from the Developer.

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.

KEKAHA PROPERTIES, L.L.C.
Name of Developer

By: _____ 4/6/98
Duly Authorized Signatory Date

Don F. Holley, Member
print name & title of person signing above

Distribution:

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

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The Community shall contain two (2) single-family detached Condominium Homes. None of the Condominium Homes have a basement. The Condominium Homes shall be constructed principally of metal, wood, glass and related building materials.

A description of the model type(s) is as follows:

Model Type 1 (Unit A & B)

Shed containing 16 square feet with no utilities.

A separate street address has been assigned to each condominium home.

EXHIBIT "B"

COMMON ELEMENTS

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

1. The land, in fee simple, described in Exhibit "A" attached to the Declaration of Condominium Property Regime.

2. All drainage facilities or swales, pipes, shafts, wires, conduits or other utilities or service lines running through a Condominium Home or Private Yard Area which are utilized for or serve more than one Condominium Home or Private Yard Area or other feature of the Community.

3. All sidewalks, pathways, driveways, roads and curbs.

4. All ducts, electrical equipment, transformers, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the Community or individual Private Yard Areas which are utilized by or serve more than one Condominium Home for services such as power, light, water, gas, sewer, drainage, telephone and radio and television signal distribution, if any.

5. All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Community within or outside of the buildings, which are for common use or which serve more than one Condominium Home, such as electrical, maintenance, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.

6. All the benefits, if any, inuring to the land or to the Community from all easements, if any, shown on the Condominium Map or listed in Exhibit "A" attached to the Declaration of Condominium Property Regime.

7. Any and all apparatus and installations of common use and all other parts of the Community necessary or convenient to its existence, maintenance and safety, or normally in common use.

8. The private driveways i.e. the Common Driveways servicing groups of Condominium Homes, as identified in the Declaration of Condominium Property Regime of Kekaha Sunset Seven ("Declaration") and as shown on the Condominium Map, provided however that the Board of Directors may treat such driveways as limited common elements appurtenant to those Condominium Homes for purposes of assessing costs and expenses associated with it.

9. All other parts of the Community which are not included in the definition of a Condominium Home.

EXHIBIT "C"

LIMITED COMMON ELEMENTS

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

1. Private Yard Area:

The land area, including the Private Expansion Area for each Home, appurtenant to each Condominium Home as described in the Declaration and as shown on the Condominium Map and bearing the same Private Yard Area number as the unit number assigned to the Condominium Home, is a limited common element.

2. Private Expansion Area:

The land area appurtenant to each Condominium Home as described in the Declaration and being the same number as the unit number assigned to the Condominium Home, is a limited common element.

3. Exterior Light Fixtures:

Exterior Lighting Fixtures, electrical service in respect of which is provided by an individual Condominium Home, whether located within or without a Private Yard Area, are limited common element(s) associated with the Condominium Home providing such electrical service.

4. Walls/Fences.

The fences and walls or portion thereof that have been constructed within a Private Yard Area or on the common Lot Area line boundary between Lots as shown on the Condominium Map are limited common elements.

EXHIBIT "D"

COMMON INTERESTS

Each Condominium Homes, regardless of future expansion, has an undivided 50% common interest.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Director of Finance, County and Island of Kauai.

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

INSTRUMENT:	DEED
DATED:	May 2, 1997
RECORDED:	Document No.: 97-059687

3. Future road widening reserve (2 feet wide), as shown on survey map prepared by Ronald J. Wagner, Licensed Professional Land Surveyor, with Wagner Engineering Services, Inc., dated March 12, 1998.

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

INSTRUMENT	:	ROAD WIDENING RESERVE AGREEMENT
DATED	:	November 18, 1997
RECORDED	:	Document No. 97-162746
PARTIES	:	KEKAHA PROPERTIES, L.L.C. and the COUNTY OF KAUAI PLANNING DEPARTMENT

5. DESIGNATION OF EASEMENT "AU-3" (15 ft. wide, area 2,250 sq. ft.)

PURPOSE	:	access and utility
SHOWN	:	on survey map prepared by Ronald J. Wagner, Licensed Professional Land Surveyor, with Wagner Engineering Services, Inc., dated March 12, 1998

6. RESTRICTION OF VEHICLE ACCESS RIGHTS

SHOWN	:	on survey map prepared by Ronald J. Wagner, Licensed Professional Land Surveyor, with Wagner Engineering Services, Inc., dated March 12, 1998

7. SETBACK

PURPOSE	:	drainage
SHOWN	:	on survey map prepared by Ronald J. Wagner, Licensed Professional Land Surveyor, with Wagner Engineering Services, Inc., dated March 12, 1998

8. SETBACK (20 feet wide)

PURPOSE	:	building
SHOWN	:	on survey map prepared by Ronald J. Wagner, Licensed Professional Land Surveyor, with Wagner Engineering Services, Inc., dated March 12, 1998

9. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions as contained in the DECLARATION OF USE AND DESIGN, dated April 10, 1998, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-080710.

10. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions as contained in the DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KEKAHA SUNSET SEVEN, dated April 6, 1998, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-082965, Condominium Map No. 2747.

11. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions as contained in the BYLAWS OF THE ASSOCIATION OF CONDOMINIUM HOME OWNERS OF KEKAHA SUNSET SEVEN, dated April 6, 1998, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-082966.

END OF EXHIBIT "E"

EXHIBIT "F"

BUILDINGS AND COMMON ELEMENTS WARRANTY

[RESERVED]

No express or implied warranty is given for improvements.

EXHIBIT "G"
Estimated Maintenance Fees

Generally, the regular maintenance and repair of each home and appurtenant limited common elements shall be the sole responsibility of each respective home owner. However, the following expenses should be anticipated as part of potential common expenses:

	Monthly x 12 months =	Yearly Total
Utilities and Services		
Air Conditioning	$0	$0
Electricity		
[ ] common elements only	$0	$0
[ ] common elements and condominium homes	$0	$0
Gas		
[ ] common elements only	$0	$0
[ ] common elements and condominium homes	$0	$0
Refuse Collection	$0	$0
Telephone	$0	$0
Water and Sewer	$0	$0
Maintenance, Repairs and Supplies		
Building	$0	$0
Grounds	$0	$0
Management		
Self-Managed by Association	$0	$0
Insurance		
(Estimated Owner's Cost)	$ 50.00	$600.00
Reserves**	$ 0	$0
Taxes and Government Assessments	$0	$0
Audit Fees	$0	$0
Other		
Miscellaneous	$0	$0
TOTAL	$50.00	$600.00

**It is estimated that expenses relating to the maintenance and/or repair of all common elements, including specifically the "common driveways", as shown on the Condominium Map and described in paragraphs H.1.(c) and I.8. of the Declaration, shall be common expenses to be shared equally by all home owners; provided, however, that if damage to the "common driveways" or other common element is caused by the negligence of any home owner or such owner's invitees or guests, then all costs for the repair of such damage shall be charged to and the liability of such home. These expenses are estimated above.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency. Buyer should be aware that a reserve study has not been conducted for this Project in estimating the reserve funds (if any are indicated) necessary to maintain the common driveways.

The Developer hereby certifies that the above estimates were prepared in accordance with generally accepted accounting principles. The information contained herein is based on the data available at this time.

KEKAHA PROPERTIES, L.L.C.,
a Texas limited liability company

Don F. Holley
Its Member

EXHIBIT "H"

SUMMARY OF SALES CONTRACT

The Deposit Receipt, Reservation and Sales Agreement (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy an apartment 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 an apartment.

(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 an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the Sales Contract may be subordinate to the lien of a construction lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of an apartment.

(g) That the apartment 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.

(h) That, except to the extent of a limited warranty in form attached as Exhibit "G" to this Public Report, the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(i) That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.

(j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(k) That the Developer has reserved certain rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.

(l) That except under certain circumstances, as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.

(m) If the purchaser defaults, Developer may retain purchaser's deposits and bring on action against purchaser.

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. Purchasers and prospective purchasers should carefully read the specimen Sales Contract on file with the Real Estate Commission.

EXHIBIT "I"

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) Except under certain circumstances as set forth in the Sales Contract, all deposits toward the purchase price shall be the property of the Developer.

(d) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "J"

TO APPLICANTS FOR ADDITIONAL DWELLING UNIT (ADU)

-INFORMATION AND INSTRUCTIONS-

1. CHECK YOUR DEED FOR RESTRICTIONS ON DEVELOPMENT before you apply for your ADU permit. Some lots which are eligible for ADU are subject to restrictions or covenants which forbid a second dwelling on the lot. The ADU Ordinance does not supersede these restrictions. COMPLIANCE IS YOUR RESPONSIBILITY. If you violate a deed restriction by building an ADU on your property, your neighbors could take you to court to enforce the restriction, and the court could order you to remove the ADU.

2. A plot plan drawn to scale SHALL be submitted with this clearance form for all government agencies to review. The plot plan SHALL be 8½ x 14 in size and identify the following:

   a) All legal boundary lines of the lot under application;
   b) All abutting streets with names;
   c) All existing structures or improvements including cesspool(s), sewage disposal system(s), driveways, concrete slabs, etc;
   d) The location of the proposed ADU and its approximate size;
   e) The roadway(s) being proposed for access IF the property abuts more than one street; and
   f) The location of the required two (2) additional parking stalls to accompany the ADU, and the existing two (2) parking stalls for the existing residence.

3. The applicant shall start with the Planning Department and return the form to the Planning Department after all the agencies have signed UNLESS an agency has determined that the property does not qualify for ADU.

4. There may be conditions imposed by the reviewing agencies to enable the applicant to qualify. It shall be the applicant's responsibility to resolve these conditions with the respective agency BEFORE proceeding to the next reviewing agency, except Public Works Department.

5. This clearance form is to determine whether a property QUALIFIES for an ADU. THERE MAY BE INSTANCES WHEN A PROPERTY DOES NOT QUALIFY. Due to provisions of the ADU law, government agencies cannot deviate from this law.

6. Copies of the Additional Dwelling Unit Ordinance No. 551 and the Comprehensive Zoning Ordinance No. 164, with amendments, can be obtained at the County Clerk's Office for a fee. It is recommended that a copy of each be obtained in order to familiarize yourself with the ordinance requirements.

7. Upon the successful completion of the Clearance form, and upon application for the building permit for the ADU, the following fees will be collected by the Planning Department:

   a) Class II Zoning Permit Fee of $10.00;
   b) A Park Fee of $150.00 for the ADU provided the primary residence on the property was built after May 20, 1977. No fee will be assessed if the primary residence was built prior to that date.
   c) An Environmental Impact Assessment Fee of $250.00 per ADU provided the primary residence on the property was built after August 11, 1980. No fee will be assessed if the primary residence was constructed prior to that date.
   per ADU.

THE ABOVE FEES SHALL BE PAID _____ and made payable to the "Director of Finance, County of Kauai"

9. The ADU shall comply with all Comprehensive Zoning Ordinance No. 164 requirements and standards.

10. If necessary, the Planning Department may conduct a field investigation in order to verify the accuracy of the plot plan. Staking out the structure may be required.

11. When a roadway right-of-way width is less than County Standards, the applicant SHALL BE REQUIRED to either dedicate land OR establish a road widening reserve to widen the roadway. THIS SHOULD NOT BE CONFUSED TO MEAN THAT THE PAVEMENT PORTION of the road is to be widened. Landowners on EACH side of the road will be required to provide their fair share to avoid one landowner being burdened with the road widening. DEDICATION involves conveying a portion of one's property to the County to widen the roadway. Establishing a RESERVE involves designating a portion of one's property for widening in place of dedicating land. The reserve will be recorded with the property and is intended to INFORM the landowner where the roadway may potentially be. No buildings are allowed in the reserve. Fences and walls may be permitted at the owner's choice. An AGREEMENT will be required to be executed and recorded to establish the reserve.

EXHIBIT "J"

COUNTY OF KAUAI
ADDITIONAL DWELLING UNIT FACILITIES CLEARANCE

OWNER: Print_____ Sign_____

Print_____ Sign_____

TMK:_____ LOT SIZE:_____ PH. NO._____

PROPOSED: [ ] One additional unit
[ ] Two new units
[ ] Convert guest house into Additional Dwelling Unit

STREET SERVING ADDITIONAL DWELLING UNIT:_____

PLANNING DEPARTMENT USE ONLY

ZONING:_____ SLUC:_____ FEES: [ ] EIA $_____
[ ] Park $_____

COMMENTS:_____

_____

_____

_____
Planning Department Date

REVIEW AGENCIES

PUBLIC WORKS

Street Name:_____ Paved: [ ] Yes [ ] No Pavement width: _____ ft.

Pavement continuous to major thoroughfare: [ ] Yes [ ] No

Pavement condition : [ ] Good [ ] Fair [ ] Poor

Public Sewer Service Available: [ ] Yes [ ] No Flood Zone: [ ] Yes [ ] No

If not paved, or pavement not continuous to the major thoroughfare, refer applicant to the Planning Department

_____
Signature Date

HEALTH

Sanitary Sewer System: [ ] Private [ ] Individual Wastewater [ ] Adequate [ ] Inadequate

Private Water System: [ ] Yes [ ] No [ ] Adequate [ ] Inadequate

Comments:_____

_____

_____

_____
Signature Date

FIRE

Fire Protection: [ ] Yes [ ] No [ ] Adequate [ ] Inadequate

Comments:_____

_____

_____

_____
Signature Date

WATER

Water system: [ ] Private [ ] Public

Applicable charges must be paid prior to building permit approval. At the present time, these charges are:

[ ] $_____ Facilities Reserve Charge
[ ] $_____ Meter Installation (Upon request)

Comments:_____

_____

_____

_____
Signature Date

PLANNING

Street Name: _____
Existing width:_____ Required width:_____
Dedication:_____ Reserve:_____ [ ] MA

Roadwidening provisions: [ ] Yes [ ] No If yes, specify:_____

_____

Road improvements required: [ ] Yes [ ] No If yes, specify:_____

_____

[ ] Qualify [ ] Does not qualify _____
Signature Date

Requirements complied with: [ ] Yes [ ] No

[ ] Qualify [ ] Does not qualify _____
Signature Date

EXHIBIT "K"

TO: County of Kauai
Planning Department
4444 Rice Street, Suite 473
Lihue, Hawaii 96766

RE: TMK: (4) 1-3-03: ____

UNIT: _____

C.P.R.: _____

I (We), as owner(s) of 50% of the condominium community known as Kekaha Sunset _____, hereby authorize the owner(s) of the other 50% of Kekaha Sunset ____ to secure any necessary government approvals, including but not limited to zoning permits, building permits and Additional Dwelling Unit clearances for any desired improvements within Kekaha Sunset _____. This authorization shall run with the land and shall bind my (our) successors, heirs and assigns.

_____ _____ Owner of CPR Unit _____

_____ _____ Owner of CPR Unit _____

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